

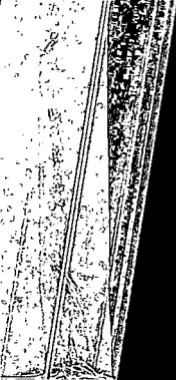


Report of the  
Comptroller and Auditor General  
of India

for the year ended 31 March 2008

(Civil)

Government of Tamil Nadu





**Report of the  
Comptroller and Auditor General  
of India**

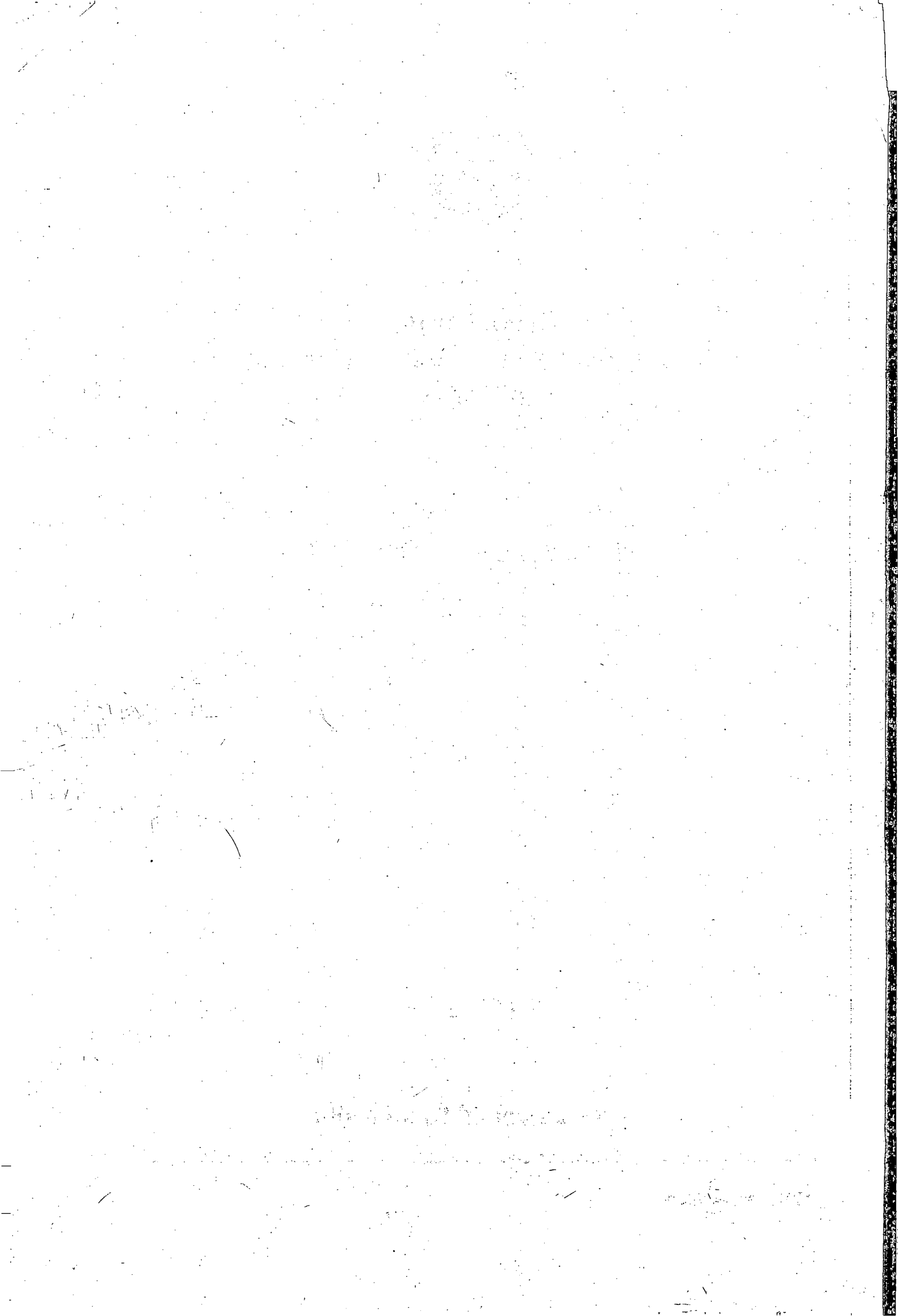
**for the year ended 31 March 2008**

**(Civil)**

**Government of Tamil Nadu**

---

<http://www.cag.gov.in>



## TABLE OF CONTENTS

	Paragraph	Page
<b>PREFACE</b>		ix
<b>OVERVIEW</b>		xi
<b>CHAPTER I – FINANCES OF THE STATE GOVERNMENT</b>		
Introduction	1.1	1
Methodology adopted for the assessment of Fiscal position	1.2	3
Trends and Composition of Aggregate Receipts	1.3	6
Application of resources	1.4	10
Expenditure by Allocative Priorities	1.5	15
Misappropriation, losses, defalcations etc.	1.6	20
Delay in furnishing utilisation certificate	1.7	20
Assets and Liabilities	1.8	20
Undischarged Liabilities	1.9	24
Debt sustainability	1.10	28
Management of deficits	1.11	30
Fiscal Ratios	1.12	32
Conclusion	1.13	34

	Paragraph	Page
<b>CHAPTER II – ALLOCATIVE PRIORITIES AND APPROPRIATION</b>		
Introduction	2.1	37
Summary of Appropriation Accounts	2.2	37
Results of Appropriation Audit	2.3	38
Non-reconciliation of Departmental figures	2.4	40
Rush of expenditure	2.5	41
Personal Deposit Accounts	2.6	42
Lapsed Deposit	2.7	43
Non adjustment of Temporary Advances	2.8	43
<b>CHAPTER III – PERFORMANCE AUDIT</b>		
<b><i>YOUTH WELFARE AND SPORTS DEVELOPMENT DEPARTMENT AND SCHOOL EDUCATION DEPARTMENT</i></b>		
Sports Development and Physical Education	3.1	45
<b><i>SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT</i></b>		
Functioning of Juvenile Homes and other Institutions for children in need of care and protection	3.2	77
<b><i>HIGHWAYS, HOME, HOUSING AND URBAN DEVELOPMENT, MUNICIPAL ADMINISTRATION AND WATER SUPPLY AND TRANSPORT DEPARTMENTS</i></b>		
Traffic Improvement and Road Safety in Chennai Metropolitan Area	3.3	109

	Paragraph	Page
<b><i>EMPLOYMENT AND TRAINING DEPARTMENT</i></b>		
Computerisation of District Employment offices	3.4	132
<b><i>HIGHER EDUCATION DEPARTMENT</i></b>		
Functioning of Institute of Distance Education of University of Madras	3.5	143
<b>CHAPTER IV – AUDIT OF TRANSACTIONS</b>		
Wasteful/Unfruitful expenditure	4.1	
<b><i>PUBLIC DEPARTMENT</i></b>		
Wasteful expenditure on preliminary works relating to construction of new Secretariat Complex	4.1.1	149
<b><i>MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD</i></b>		
Wasteful expenditure on excess provision of cement	4.1.2	150
Avoidable/excess expenditure	4.2	
<b><i>MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD</i></b>		
Avoidable delay in finalisation of tender	4.2.1	151
<b><i>HIGHWAYS DEPARTMENT</i></b>		
Extra liability due to preparation of incorrect environmental report	4.2.2	152
<b><i>PUBLIC, HOME, ENVIRONMENT AND FORESTS DEPARTMENTS</i></b>		
Inadmissible payments towards encashment of leave to All India Service officers	4.2.3	154

	Paragraph	Page
Idle Investment/blockage of funds	4.3	
<b><i>PUBLIC WORKS AND REVENUE DEPARTMENTS</i></b>		
Blocking of funds on incomplete tank construction work due to delay in acquisition of land	4.3.1	155
<b><i>HEALTH AND FAMILY WELFARE DEPARTMENT</i></b>		
Delay in purchase of Linear Accelerator for treatment of cancer patients	4.3.2	156
Facilities provided for strengthening of Food Analysis laboratories lying idle	4.3.3	157
Regularity issues and other points	4.4	
<b><i>MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD</i></b>		
Non-recovery of loan	4.4.1	159
General		
<b><i>FINANCE, RURAL DEVELOPMENT AND PANCHYAT RAJ, MUNICIPAL ADMINISTRATION AND WATER SUPPLY AND ENVIRONMENT AND FORESTS DEPARTMENTS</i></b>		
Lack of responsiveness of Government to Audit	4.4.2	160



APPENDICES		Page
1.1	Part A: Structure and Form of Government Accounts	163
	Part B: Layout of Finance Accounts	164
	Part C: List of rates/terms used in Chapter I and basis for their calculation	165
1.2	Time series data on the State Government finances	166
1.3	Abstract of Receipts and Disbursements for the year 2007-08	167
1.4	Sources and application of funds	169
1.5	Summarised financial position of the Government of Tamil Nadu as on 31 March 2008	170
1.6	Cases of misappropriation pending action as on 30 June 2008	171
1.7	Cases of shortages, etc., reported to Audit upto March 2008	172
1.8	Department-wise break-up of outstanding utilisation certificates	173
2.1	Excess over provision of previous years requiring regularisation	174
2.2	Expenditure incurred without provision	175
2.3	Cases where supplementary provision (Rs 10 lakh or more in each case) proved unnecessary	176
2.4	Statement showing cases where supplementary provision was made in excess of actual requirement (where saving is exceeding Rs 50 lakh in each case)	178
2.5	Results of review of substantial surrenders made during the year	179
2.6	Surrenders in excess of actual savings (Rs 50 lakh or more)	180
2.7	Statement showing cases where expenditure fell short by more than Rs one crore each and also by 15 per cent or more of the total provision	181
2.8	Excess/Unnecessary/Insufficient reappropriation of funds	183

APPENDICES		Page
2.9	Rush of expenditure	185
3.1	Organisation chart of Sports Development Authority of Tamil Nadu	187
3.2	Organisation chart – Physical Education Department	188
3.3	List of offices visited	189
3.4	Details of Government grants remaining unutilised with SDAT	190
3.5	Delay in execution of works	191
3.6	Delay in construction of projects in districts and deprival of central assistance	192
3.7	Public Private Partnership Projects handed over to private agencies	194
3.8	Discipline-wise numbers of students appearing in district level selection	197
3.9 A	Requirement of Coaches as of March 2000	198
3.9 B	Details of non-availability of Coaches vis-à-vis infrastructure created	199
3.10	Vacancy position of Physical Education Teachers/Physical Directors in seven sample districts	200
3.11	Details of lands under encroachment in sample districts	201
3.12	Various Acts and Rules related to children	202
3.13	Organisation chart of Social Welfare Department	203
3.14	Details of child care institutions functioning under Directorate of Social Defence and Directorate of Social Welfare	204
3.15	List of Government run Homes and Orphanages and NGO run homes covered by Audit	205
3.16 A	Number of juvenile crimes during 2002-2006 and rate of juvenile delinquency	208

APPENDICES		Page
3.16 B	Number of juvenile apprehended during 2002-2006	208
3.17	Details on sanctioned capacity and actual capacity of children in child care institutions	209
3.18	Welfare measures for rehabilitation in Government homes	210
3.19	High Court directives to State Government	211
3.20	Number of children run away from various homes	215
3.21	Differential treatment met by children	216
3.22	Number of road accidents in Chennai Metropolitan Area	217
3.23 (A) & 3.23 (B)	Analysis of road accidents – Types of roads-wise and types of vehicles-wise	218
3.24	Allocation and expenditure under traffic component of CMDP during 2003-04 to 2007-08	219
3.25	Details of works taken up under various projects for traffic improvement and road safety	220
3.26	Works dropped under CMDP (Highways Department)	221
3.27	Works transferred to be taken up under other schemes (Highways Department)	222
3.28	Details of land acquisition cases	223
3.29	Present stage of works of grade separators not yet taken up for execution under CMDP	224
3.30	Details of bridge works pending under CMDP	225
3.31	Position of works taken up by Chennai Corporation as on 31 March 2008	226
3.32	Component-wise break-up details of works under Tamil Nadu Urban Development Programme III	228
3.33	List of 46 locations identified for implementing Simple Traffic Management Scheme in Chennai metropolitan Area	230
3.34	Pedestrian facilities in order of priority	232

<b>APPENDICES</b>		<b>Page</b>
3.35	Organisation chart of Institute of Distance Education of University of Madras	233
3.36	Printing of study materials	234
3.37	Details of text books issued belatedly	235
3.38	List of Study Centres	236
3.39	Decrease in enrolment of students	237
4.1	Sanction and release details of GOI grants	238
4.2	Year-wise position of the outstanding Inspection Reports and Audit Paragraphs	239
4.3	Statement showing number of Inspection Reports for which first reply not received.	240
4.4	Serious irregularities pending settlement as of March 2008	241

## PREFACE

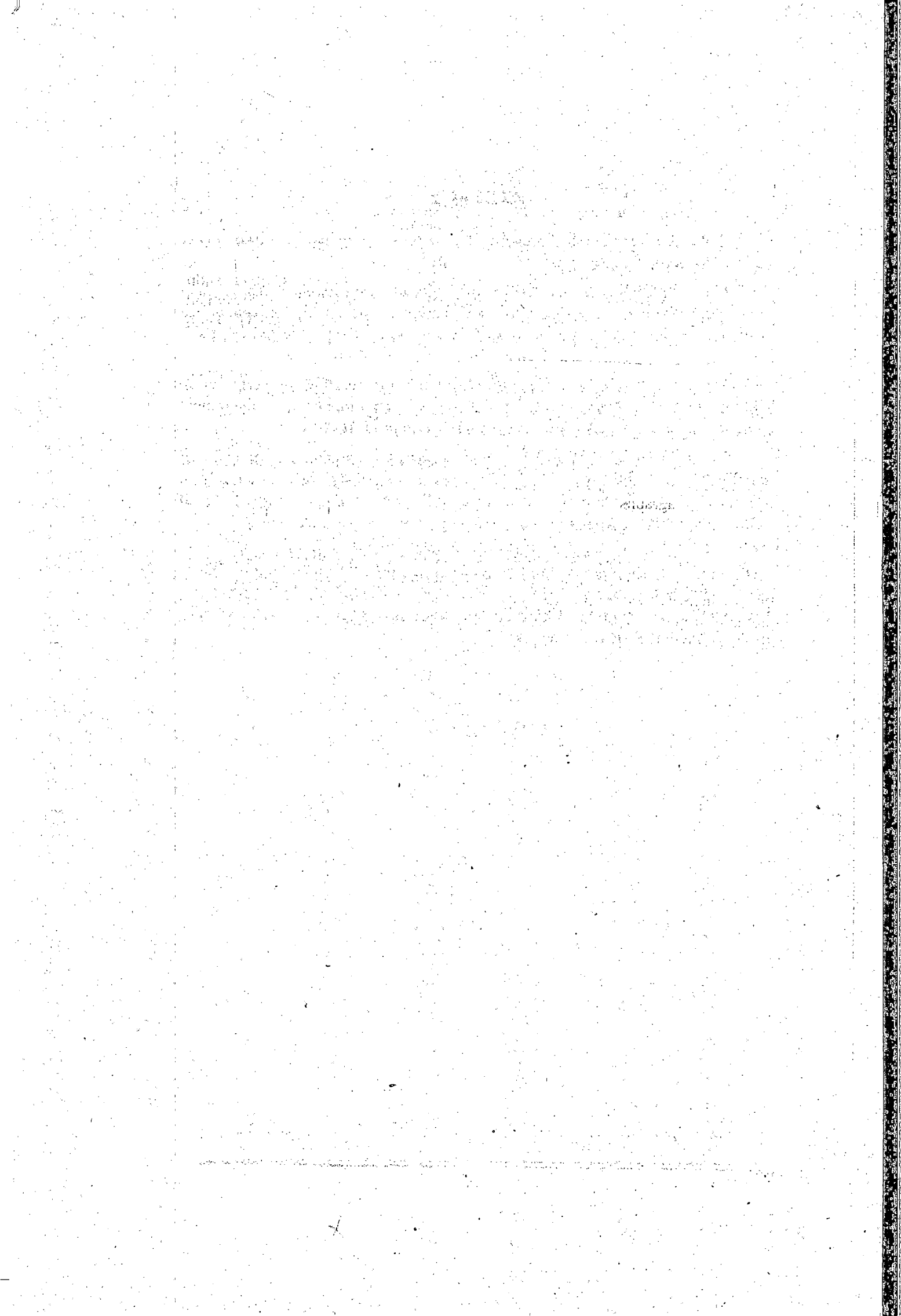
This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and the Appropriation Accounts of the State Government for the year ended 31 March 2008.

3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments of Government including the Public Works Department and Autonomous Bodies.

4. Reports containing (a) the observations arising out of audit of Statutory Corporations, Boards and Government companies, (b) observations on Revenue Receipts of the State Government and (c) observations relating to Local Bodies are presented separately.

5. The cases mentioned in this Report are among those which came to notice in the course of test-audit of accounts during the year 2007-2008 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 2007-2008 have also been included wherever necessary.



# OVERVIEW

OVERLEAF



## OVERVIEW

This Audit Report has four chapters, first two chapters contain observations on the Finance and the Appropriation Accounts of the Government of Tamil Nadu for the year 2007-08, and two others, comprising five reviews (including one information technology review and one long paragraph) and 10 paragraphs dealing with the result of performance audit of selected programmes and schemes as well as audit of financial transactions of the Government.

Audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. Audit conclusions have been drawn and recommendations made taking into consideration the views of Government, wherever received.

A summary of the financial position of the State and the audit findings is given below:

### **1 Financial Position of the State Government**

The revenue receipts of the State Government during 2007-08 were Rs 47520 crore, registering an increase of 16.1 *per cent* over 2006-07. The revenue expenditure during the year was Rs 42975 crore, an increase of 12.3 *per cent* over 2006-07. Consequently, the State Government had a revenue surplus of Rs 4545 crore. The fiscal deficit improved by Rs 270 crore to Rs 3686 crore in 2007-08 from Rs 3956 crore in 2006-07. The primary surplus increased by Rs 850 crore to Rs 2400 crore in 2007-08 from Rs 1550 crore in 2006-07. Return on investment of Government funds in companies, cooperative units etc., was only 0.4 *per cent* during the year while Government continued to borrow funds from the market at a higher rate of interest. The fiscal liabilities of the State Government during 2007-08 was Rs 71072 crore and were about 1.50 times the revenue receipts during the year.

*(Paragraphs 1.1 to 1.13)*

### **2 Allocative Priorities and Appropriation**

During 2007-08, expenditure of Rs 56707.43 crore was incurred against the total grants and appropriations of Rs 62625.64 crore, resulting in a saving of Rs 5918.21 crore. The overall saving was the result of saving of Rs 6031.25 crore offset by an excess of Rs 113.04 crore. This excess requires regularisation under Article 205 of the Constitution of India. Substantial surrenders of Rs 4766.83 crore representing 87 *per cent* of total provision of Rs 5488.22 crore in respect of 202 schemes were made on account of either non-implementation or slow implementation of schemes. Of these, the entire provision of Rs 2427.54 crore made for 60 schemes was surrendered. Reappropriation proved excessive or insufficient and resulted in savings/excess over Rs 10 lakh in 577 sub-heads, of which the savings/excess was more than Rs two crore in 76 cases. Thirty six controlling officers did not

reconcile expenditure aggregating Rs 1322.66 crore and 27 controlling officers their receipts amounting to Rs 22.31 crore as of June 2008 during the year 2007-08. As of January 2008, 1947 temporary advances aggregating Rs 107.56 crore were pending adjustment in the records of seven Pay and Accounts offices and 30 District Treasuries.

*(Paragraphs 2.1 to 2.8)*

### **3. *Sports development and Physical education***

Sports development is an essential component of human resource development, and helps to inculcate comradeship and competitive spirit. As excellence in sports enhances the sense of achievement, national pride and patriotism, sports and games are widely perceived to be an effective tool for national integration and for personality development of the youth. Physical Education in schools is the stepping stone for success in sports and it helps to inculcate discipline, team spirit and unity in childhood.

A performance review on sports development and physical education revealed that minimal sports infrastructure like outdoor stadia, swimming pools and indoor stadia, crucial for sports development, were lacking in many of the districts. Inability to utilise Government grants given for infrastructure, abnormal delay in execution of projects and infrastructure lying idle were other deficiencies affecting sports development. Sports Development Authority of Tamil Nadu permitted establishment of infrastructure for swimming and tennis in Tiruvallur District and squash in Chennai under public-private partnership by three private agencies, without ensuring any benefit to deserving sports persons and students. World Beater Talent Spotting Scheme, implemented for identification of talented sports persons early in childhood, failed at all levels due to poor conducting of specified tests, inadequate coverage of unaided schools and poor participation of students in higher level competitions. Vacancy in 83 posts of coaches under various disciplines of sports affected sports development. The schemes for upgradation of coaching skills and scientific training were not implemented properly. Physical education, essential for the development of personality of each child, was not given due importance in schools due to shortage of Physical Education Teachers, lack of sports infrastructure like playgrounds in schools, lack of funds to carry out Physical education activities and inadequate supervision.

*(Paragraph 3.1)*

### **4. *Functioning of Juvenile Homes and other Institutions for children in need of care and protection***

Government of India (GOI) enacted the Orphanages and Other Charitable Home (Supervision and Control) Act in 1960 to provide for the supervision and control of orphanages, homes for neglected women or children to take care of orphaned and neglected children. The Juvenile Justice (Care and Protection of Children) Act, 2000 (JJ Act) was enacted by GOI on 30 December 2000 for providing care, training and rehabilitation to neglected children and children in conflict with law. The Juvenile Act was subsequently amended by GOI in August 2006.

A performance review on the functioning of institutions run under Child Welfare schemes and under Juvenile Justice (Care and Protection of children) Act revealed that though the amended JJ Act required formation of Child Welfare Committees (CWCs) and Juvenile Justice Boards (JJBs) in each district, against 30 JJBs and 30 CWCs required, only eight JJBs and 18 CWCs are functioning for the 30 districts in the State, which led to delayed clearance of cases referred to them. In violation of the provisions in the Act, juveniles in conflict with the law and children in need of care and protection were being kept in the same premises. The Government had not established special homes for mentally or physically challenged destitute children. Despite repeated requests by the authorities as well as by the departmental officers, services of medical officers were not provided to the home of children of special needs run by an NGO in Mayiladuthurai, resulting in denial of continuous medical facilities to 129 special children suffering from various ailments, who are residing in the home. The homes run under Director of Social Welfare (both Government and NGO run homes) did not get registered as per section 19 of the amended JJ Act 2006. The practice of insisting upon certificate of income or a certificate for the status of orphan deters the admission of orphans and hardly any orphans were admitted in orphanages against the objectives of the Act. The net proceeds of a lottery (Rs 38.19 lakh) conducted for securing funds for rehabilitation of over 45,000 street children in six municipal Corporations were lying unutilised for more than five years. Absence of adequate programmes led to non-rehabilitation of more than 30,000 street children in Chennai alone. Government too did not act upon a proposal of the Commissioner of Social Defence for establishing ten training centres in four existing shelters. Availability of 18 Probation Officers against required 68 for the 22 Government Homes and assignment of non-probation duties and other duties to them, led to accumulation of more pending cases. Out of the 45 Government units to be inspected, 40 were inspected only once during the last five years and five were not inspected at all, for want of adequate staff resulting in major deficiencies not being identified.

*(Paragraph 3.2)*

### **5. *Traffic Improvement and Road Safety in Chennai Metropolitan Area***

The Chennai Metropolitan Area (CMA) covers 1172 sq.kms. It has a population of 70.50 lakh (2001 census) and the projected population in CMA is expected to be 88.20 lakh by 2011. There were 26.52 lakh vehicles in Chennai as on 1 April 2008.

A performance review conducted on traffic improvement and road safety in Chennai Metropolitan Area revealed that road accidents in Chennai Metropolitan Area increased by 64 *per cent* from 4,202 in 2003 to 6,892 in 2007; fatal accidents went up from 509 in 2003 to 1,125 in 2007, an increase of 121 *per cent*. Chennai metro occupied the second place among the four metros in number of road accidents. Against the allocation of Rs 3794.67 crore for transport component under Chennai Metropolitan Development Plan during 2003-08, Rs 1473.20 crore were spent due to low expenditure by Highways department. Under Tamil Nadu Urban Development Project expenditure incurred was only one *per cent* (Rs 3.89 crore) of the outlay for 2005-08. Though five agencies are responsible for traffic improvement, road construction and road safety, Chennai Metropolitan Development Authority,

the planning and urban development authority for Chennai, has no mandate or power to coordinate the work of other agencies, or to monitor plan implementation. Out of 328 road and other infrastructure works taken up under Chennai Metropolitan Development Plan during 2003-08, 24 works were dropped, 11 works (cost: Rs 219 crore) were transferred to other projects, 45 works (cost: Rs 356.99 crore) are yet to be commenced and two works (cost :Rs 50.61 crore) are to be re-tendered. Sixty seven works (cost : Rs 323.57 crore) were under progress as of March 2008. Forty eight road widening works were held up on account of non-shifting of electric poles and junction boxes despite payment of Rs 11.72 crore to the Tamil Nadu Electricity Board, as shifting charges. Out of the 17 infrastructure works (5 flyovers, 6 ROBs/RUBs, 4 Grade Separators and 2 bridges) taken by Chennai Corporation, only one flyover was completed and two flyovers were under progress as of March 2008. The remaining are yet to be commenced. No major road widening work/formation of new roads was undertaken by Chennai Corporation. None of the 29 works proposed to be taken up under Tamil Nadu Urban Development Programme III during 2005-08 was taken up, indicating the poor and tardy implementation of the project. Inadequate parking facilities, non-provision of separate cycle track, encroachment of foot paths, inadequate pedestrian guard rails and prioritised subways in CMA, contributed to the deficient road development works and traffic management measures. Non-synchronisation of existing signals, non-implementation of scientific systems like Area Traffic Control, ineffective monitoring through CCTV system and inadequate traffic policemen affected traffic enforcement.

*(Paragraph 3.3)*

#### **6. Computerisation of District Employment Offices**

Department of Employment and Training was created to bring about a better matching of the demand for and supply of work opportunities. The department has, under its control, one employment exchange for each district apart from special exchanges for handicapped who were technical and professional candidates. The functional activities of the department like registration, renewal and sponsoring of candidates for employment have been computerised. The system was developed using DOS based Fox BASE and works on a batch process and is decentralised to the district level.

An Information Technology review conducted on the computerisation of the District Employment offices revealed that because of the non Y2K compliant FoxBASE DBMS, 3245 dates between 2000 and 2008 got stored as dates between 1900 and 1908. The database was localised at the district level and not being a centralised one, could not be utilised to generate state-wide lists of candidates. Manual intervention resulted in errors in data entry in respect of 'due date for next renewal' and premature lapsing of 22,733 registrations. Manual intervention was resorted to during selection of candidates for employment rendering the authenticity of the selection process doubtful. Out of the 1,90,670 re-registrations carried out in 2007, renewal was not done in respect of 3,555 candidates, resulting in pre-mature lapsing of their candidatures. Lack of input controls and validation checks resulted in awarding of higher seniority to 9.31 lakh candidates, duplication of data entries in respect of 1.28 lakh candidates and incomplete data with respect to

the qualifications of 2,07,199 candidates. There was a 26 per cent backlog in data entry for the period 2004-07.

*(Paragraph 3.4)*

**7. *Functioning of Institute of Distance Education of University of Madras***

University of Madras offers various under graduate and post graduate courses through its Institute of Distance Education. As of 2007-08, the Institute offered 44 programmes (UG:19, PG:20 and Professional courses:5) excluding M.Phil, certificate and diploma courses.

A test check of the functioning of the Institute of Distance Education of University of Madras revealed that entrance test for MBA course was not conducted in violation of the norms of All India Council for Technical Education (AICTE). Lack of academic staff for conducting the programmes under distance education resulted in non-printing of study materials and issue of text books in place of study materials for some courses. Despite AICTE norms requiring a well equipped library, the provision and expenditure on purchase of books reduced during 2003-08. Three schools which were given study centre status, were not affiliated with any University. The pass percentage in respect of six PG courses and enrolment of students in 23 out of 34 courses offered, showed a declining trend during 2003-08.

*(Paragraph 3.5)*

**8. *Audit of transactions***

Besides the above, audit of financial transactions, test-checked in various departments of the Government and their field offices, revealed instances of wasteful/unfruitful expenditure, avoidable/excess expenditure and idle investment/blockage of funds and other irregularities involving Rs 38.68 crore as mentioned below:

Preliminary works relating to the construction of a new Secretariat complex were taken up without obtaining environmental clearance from the Ministry of Environment and Forests, which had resulted in wasteful expenditure of Rs 2.55 crore and a contractual liability of Rs 8.02 crore towards consultancy charges.

*(Paragraph 4.1.1)*

Failure to adopt the latest Indian Standards Specifications resulted in wasteful expenditure of Rs 25.81 lakh on excess use of cement without requirement.

*(Paragraph 4.1.2)*

Failure of the Managing Director of Tamil Nadu Water Supply and Drainage Board in communicating acceptance of tender before the expiry of its validity, resulted in an avoidable additional liability of Rs 3.32 crore.

*(Paragraph 4.2.1)*

Wrong environmental classification of site for construction of a bridge in protected area resulted in non-approval of the lowest offer by Asian Development Bank within its validity period and extra liability of Rs 2.96 crore on acceptance of a higher bid on re-tender.

**(Paragraph 4.2.2)**

The benefit of encashment of leave while in service, amounting to Rs 40.52 lakh during February 2005 – July 2007 were allowed to 140 All India Service Officers, contrary to the provisions of AIS rules and ignoring specific instructions of GOI.

**(Paragraph 4.2.3)**

Avoidable delay in acquiring land for excavation of canal for a new tank resulted in foreclosure of contract and blocking of Rs 10.23 crore spent on tank construction work.

**(Paragraph 4.3.1)**

Linear Accelerator and other medical equipment purchased for Government Arignar Anna Memorial Cancer Hospital, Kancheepuram out of Central grant of Rs 7.88 crore received in 2005 were not made operational due to non-completion of building and delay in receipt of equipment.

**(Paragraph 4.3.2)**

Equipment and buildings costing Rs 2.30 crore in Palayamkottai, Thanjavur and Chennai Food Analysis Laboratories could not be utilised due to lack of infrastructural facilities.

**(Paragraph 4.3.3)**

Failure to recover the loan paid to the contractor from his bills/claims by Chennai Metropolitan Water Supply and Sewerage Board, resulted in non-recovery of Rs 74.60 lakh for over six years.

**(Paragraph 4.4.1)**

CHAPTER I  
FINANCES OF THE  
STATE GOVERNMENT

111714103

ANTONIO ROVATI

19071110031111



## CHAPTER I

### FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account (Appendix 1.1-Part A). The Finance Accounts of the Government of Tamil Nadu are laid out in 19 statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Account of the State of Tamil Nadu. The lay out of the Finance Accounts is depicted in Appendix 1.1 -Part B.

##### 1.1.1 Summary of Receipts and Disbursements

Table 1.1 summarises the finances of the Government of Tamil Nadu for the year 2007-08 covering revenue receipts and expenditure, capital receipts and expenditure and public accounts receipts/disbursements as emerging from Statement-1 of Finance Accounts and other detailed statements.

Table 1.1: Summary of receipts and disbursements for the year 2007-08

		(Rupees in crore)					
2006-07	Receipts	2007-08	2006-07	Disbursements	2007-08		
Section-A: Revenue					Non Plan	Plan	Total
40913	Revenue receipts	47520	38265	Revenue expenditure	34678	8297	42975
27771	Tax revenue	29619	14995	General services	16092	37	16129
3422	Non-tax revenue	3304	13026	Social services	9001	6725	15726
6394	Share of Union Taxes/Duties	8065	7797	Economic services	6524	1247	7771
3326	Grants from Government of India	6532	2447	Grants-in-aid and Contributions	3061	288	3349
Section-B: Capital							
--	Misc. Capital Receipts	--	5952	Capital Outlay	203	7259	7462
1602	Recoveries of Loans and Advances	1013	2254	Loans and Advances disbursed	1633	149	1782
7147	Public Debt receipts*	7647	4690	Repayment of Public Debt*			3546
16	Contingency Fund	--	--	Contingency Fund			--
57895	Public Account receipts	67392	55326	Public Account disbursements			66709
7316	Opening Cash Balance	8402	8402	Closing Cash Balance			9500
<b>114889</b>	<b>Total</b>	<b>131974</b>	<b>114889</b>	<b>Total</b>			<b>131974</b>

\* Excluding net transactions under ways and means advances and overdraft.

Following are the significant changes during 2007-08 over previous year:

Revenue receipts of the State increased by Rs 6607 crore over last year mainly due to increase in grants-in-aid from GOI (Rs 3206 crore),

State's Own Tax Revenue (Rs 1848 crore) and State's Share in Central taxes and duties (Rs 1671 crore). The non-tax revenue of the State declined by Rs 118 crore during the year.

- Revenue expenditure increased by Rs 4710 crore (12 per cent) over previous year mainly due to increase in expenditure on General Services (Rs 1134 crore) and Social Services (Rs 2700 crore).
- Capital expenditure increased by Rs 1510 crore (25 per cent) over previous year.
- Receipts and disbursements under Loans and Advances decreased by Rs 589 crore and Rs 472 crore over the previous year respectively.
- Public Account receipts and disbursements increased by Rs 9497 crore and Rs 11383 crore respectively during the year 2007-08 over previous year.
- Cash balance of the State increased from Rs 8402 crore during 2006-07 to Rs 9500 crore during 2007-08.

### 1.1.2 Fiscal Position by Key Indicators

The fiscal position of the State Government during the current year as compared to the previous year is given in Table 1.2.

Table 1.2: Fiscal position of State Government

(Rupees in crore)

2006-07	Sl. No	Major Aggregates	2007-08
40913	1	Revenue Receipts (2+3+4)	47520
27771	2	Tax Revenue (Net)	29619
3422	3	Non-Tax Revenue	3304
9720	4	Other Receipts	14597
1602	5	Non-Debt Capital Receipts	1013
1602	6	Of which Recovery of Loans	1013
42515	7	Total Receipts (1+5)	48533
33145	8	Non-Plan Expenditure (9+11)	36514
31064	9	On Revenue Account	34678
5506	10	Of which Interest Payments	6086
2081	11	On Capital Account	1836
1982	12	Of which Loans disbursed	1633
13326	13	Plan Expenditure (14+15)	15705
7201	14	On Revenue Account	8297
6125	15	On Capital Account	7408
272	16	Of which Loans disbursed	149
46471	17	Total Expenditure (8+13)	52219
(+) 2648	18	Revenue Deficit (-)/ Revenue Surplus (+) (1-9-14)	(+) 4545
(-) 3956	19	Fiscal Deficit (-)/Fiscal Surplus (+) (1+5- 17)	(-) 3686
(+) 1550	20	Primary Deficit (-)/ Primary Surplus (+) (19 -10)	(+) 2400

**Table 1.2** shows that revenue receipts increased by Rs 6607 crore (16.2 *per cent*) during 2007-08 whereas revenue expenditure increased by Rs 4710 crore (12.3 *per cent*) resulting in an increase of revenue surplus of Rs 1897 crore during 2007-08. Given the incremental surplus of Rs 1897 crore in revenue account and decrease in non-debt capital receipts by Rs 589 crore, increase in capital expenditure by Rs 1510 crore along with decrease of Rs 472 crore in the disbursement of loans and advances, the fiscal deficit has decreased by Rs 270 crore during the current year. Consequently taking into account the increase of Rs 580 crore under interest payments, the primary surplus increased by Rs 850 crore.

## 1.2 Methodology adopted for the assessment of Fiscal position

**1.2.1** The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts are analysed wherever necessary over the period of 2002-08 and observations are made on their behaviour. In its Restructuring Plan of State Finances, Twelfth Finance Commission (TFC) recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, TFC also recommended that all states are required to enact the Fiscal Responsibility (FR) Acts and draw their fiscal correction path accordingly for the five year period (2005-06 to 2009-10) so that fiscal position of State could be improved as committed in their respective FR Acts/Rules during medium to long run. The norms/ceilings prescribed by the TFC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Governments in their FR Acts and in other Statements required to be laid in the legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the current year. Assuming that Gross State Domestic Product (GSDP) is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices.

**Table 1.3: Gross State Domestic Product – Growth trends**

	2003-04	2004-05	2005-06	2006-07	2007-08
Gross State Domestic Product (Rs in crore)	175897	200780	223528	246266	279287
Growth rate of GSDP (in <i>per cent</i> )	11.1	14.1	11.3	10.2	13.4

The buoyancy coefficients for tax revenues, non-tax revenues, revenue expenditure etc., with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. Audit observations on the Statements of Finance Accounts for the year 2007-08 bring out the trends in the major fiscal aggregates of receipts and expenditure; wherever

necessary analysed them and show these in the light of time series data (Appendix 1.2), Abstract of Receipts and Disbursements (Appendix 1.3), Sources and Applications of funds (Appendix 1.4) and Summarised Financial Position of Government of Tamil Nadu (Appendix 1.5). The overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates. The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given in Appendix 1.1 Part C.

### **1.2.2 The Tamil Nadu Fiscal Responsibility (TNFR) Act**

The State Government has enacted the Tamil Nadu Fiscal Responsibility Act, 2003 in May 2003, to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework.

Accordingly, the Tamil Nadu Legislative Assembly had passed the Tamil Nadu Fiscal Responsibility (Amendment) Act, 2005 (Act 7 of 2005) on 10 May 2005. According to the Act the Government is committed to

- reduce the ratio of revenue deficit to revenue receipt every year by three *per cent* to five *per cent* depending on the economic situation in that year to a level below five *per cent* by 31 March 2008, eliminate revenue deficit by 2008-09 and adhere to it thereafter,
- reduce the ratio of fiscal deficit to GSDP every year by 0.25 *per cent* to 0.30 *per cent* beginning from financial year 2002-03 with medium term goal of the ratio of fiscal deficit to GSDP not being more than three *per cent* to be attained by March 2008 and adhere to it thereafter,
- cap the total outstanding guarantee to hundred *per cent* of the total revenue receipts in the preceding year or at 10 *per cent*, of the previous year GSDP whichever is lower, and,
- cap the risk weighted guarantees to 75 *per cent* of the total revenue receipts in the preceding year or at 7.5 *per cent* of the GSDP, whichever is lower.

### **1.2.3 Fiscal Policy Statement(s) 2007-08 and Road map to achieve the fiscal targets**

The TNFR Act, 2003, was subsequently amended to bring it in line with the requirements prescribed by the Twelfth Finance Commission. According to Section 3(1) of this Act, the Government is required to place before the Legislative Assembly a Medium Term Fiscal Plan (MTFP) along with the Budget. Section 3(2) of this Act, requires that the MTFP shall set forth a multi-year rolling target for the fiscal indicators like revenue deficit and fiscal

deficit while clearly indicating the underlying assumptions made to arrive at those projections.

In compliance of this Act, a medium term fiscal plan based on current fiscal trends and policy initiatives undertaken by Government has been prepared with the projections for the period 2007-2010 and placed before the Legislative Assembly along with the budget for 2007-08 on 27 March 2007.

Table 1.4 depicts comparative position of selected fiscal variables vis-à-vis the targets set under Fiscal Responsibility and Budget Management (FRBM) Act/TFC for 2007-08.

Table 1.4: Position of key indicators

(Rupees in crore)

	Targets/Norms prescribed under FRBM Act/TFC	Actual	Percentage increase (+)/decrease (-) projections
State's Own Tax Receipts	27792	29619	(+) 6.6
Non-Tax Revenue	2920	3304	(+) 13.15
Capital Outlay/GSDP Ratio	3 per cent to be achieved by 2009-10	2.7	Marginally below the TFC norms
Interest payments/RR Ratio	To be within 15 per cent by 2009-10	12.8	Already within the TFC Norms
Revenue Deficit/GSDP Ratio	To be eliminated by 2008-09	Revenue Surplus (Rs 4545 crore)	Attained Revenue Surplus since 2005-06
Fiscal Deficit/GSDP Ratio	3 per cent by 2007-08 as per FRBM Act	1.3	Within the ceiling limit of FRBM Act
Debt/GSDP Ratio	30.8 per cent by 2009-10.	25.4	Already within the TFC Norms
Outstanding Guarantees	100 per cent of RR of previous year or 10 per cent of GSDP of previous year as per FRBM Act	13.2 per cent of RR of previous year or 2.2 per cent of GSDP of previous year	Within the ceiling limit of FRBM Act

The trends presented in the table reveal that the State has achieved most of the targets/norms prescribed in FRBM Act, 2003 as amended in 2005 as well as laid down by TFC in its restructuring plan of State finances during its award period (2005-10). Linked to its fiscal performance of the State, a debt waiver of Rs 263.28 crore was granted by the Government of India to the State as an incentive under DCRF<sup>1</sup> during 2007-08.

<sup>1</sup> In pursuance of the recommendations of the Twelfth Finance Commission (TFC) for fiscal consolidation and elimination of revenue deficit of the State, Government of India formulated a scheme "The States' Debt Consolidation and Relief Facility (DCRF) (2005-06 to 2009-10)" under which general debt relief is provided by consolidating and rescheduling at substantially reduced rate of interest the Central loans granted to States on enacting the FRBM Act and debt waiver is granted based on fiscal performance, linked to the reduction of revenue deficits of State.

### 1.3 Trends and composition of Aggregate Receipts

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from GOI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account. **Table 1.5** shows that the total receipts of the State Government for the year 2007-08 were Rs 123572 crore. Of these, revenue receipts were Rs 47520 crore, constituting 38.5 per cent of total receipts. The balance came from capital receipts by way of recovery of loans (Rs 1,013 crore) and borrowings under Public Debt (Rs 7,647 crore) and from Public Account (Rs 67,392 crore).

**Table 1.5: Trends in Growth and composition of Aggregate Receipts**

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Sources of State's Receipts</b>						
<b>I Revenue Receipts</b>	20837	23706	28452	33960	40913	47520
<b>II Capital Receipts</b>	9829	10298	12919	9858	8749	8660
Recovery of Loans and Advances	433	575	783	892	1602	1013
Public Debt Receipts	9396	9723	12136	8966	7147	7647
Miscellaneous Capital Receipts	..	..	..	..	..	--
<b>III Contingency Fund</b>	..	..	..	..	16	--
<b>IV Public Account Receipts</b>	27156	28107	31864	39603	57895	67392
a. Small Savings, Provident Fund etc.	2895	2688	1982	2943	3214	3476
b. Reserve Fund	(-) 159	737	2057	6310	2388	2594
c. Deposits and Advances	8113	8742	10076	8914	11601	13912
d. Suspense and Miscellaneous	12044	12286	15461	19308	38662	45183 <sup>2</sup>
e. Remittances	4263	3654	2288	2128	2030	2227
<b>Total Receipts</b>	<b>57822</b>	<b>62111</b>	<b>73235</b>	<b>83421</b>	<b>107573</b>	<b>123572</b>

The revenue, capital and Public Account receipts constituted 38.5, 7 and 54.5 per cent of total receipts respectively. The debt capital receipts which create future repayment obligation after increasing from Rs 9396 crore in 2002-03 to Rs 12136 crore in 2004-05, decreased to Rs 7647 crore in 2007-08. The recovery of loans and advances came down by Rs 589 crore from the previous year. The steep increase in receipts under Public Account during 2006-07 and 2007-08 was primarily because of the increase of Rs 19,354 crore and Rs 6,521 crore under the head 'suspense and miscellaneous' mainly due to the increased issue of cheques under Treasury cheques (Rs 9986 crore and Rs 3333 crore) and Pre-audit cheques (Rs 9932 crore and Rs 22041 crore)

<sup>2</sup> Against the receipt of Rs 45183 crore, Rs 45021 crore were disbursements with the net effect of Rs 162 crore under suspense and miscellaneous during the year 2007-08.

during 2006-07 and 2007-08 respectively, which were not encashed during the years.

### 1.3.1 Revenue Receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. Overall revenue receipts, its annual rate of growth, GSDP, ratio of these receipts to the GSDP and its buoyancies are indicated in **Table 1.6**.

Table 1.6: Revenue Receipts - Basic Parameters

	(Rupees in crore)				
	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Revenue Receipts (RR)</b>	<b>23706</b>	<b>28452</b>	<b>33960</b>	<b>40913</b>	<b>47520</b>
Own Taxes ( <i>per cent</i> )	15945 (67)	19357 (68)	23326 (68)	27771 (68)	29619 (62)
Non-Tax Revenue ( <i>per cent</i> )	2094 (9)	2209 (8)	2601 (8)	3422 (8)	3304 (7)
Central Tax Transfers ( <i>per cent</i> )	3544 (15)	4236 (15)	5013 (15)	6394 (16)	8065 (17)
Grants-in-aid ( <i>per cent</i> )	2123 (9)	2650 (9)	3020 (9)	3326 (8)	6532 (14)
Rate of growth of RR ( <i>per cent</i> )	13.8	20.0	19.4	20.5	16.1
RR/GSDP ( <i>per cent</i> )	13.5	14.2	15.2	16.6	17.0
<b>Buoyancy Ratios<sup>3</sup></b>					
Revenue Buoyancy (ratio) with GSDP	1.24	1.42	1.71	2.01	1.20
State's own taxes Buoyancy (ratio) with GSDP	1.01	1.51	1.81	1.87	0.50
Revenue Buoyancy with reference to State's own taxes (ratio)	1.23	0.93	0.95	1.07	2.4

#### • General Trends

The rate of growth of revenue receipts which had shown a progressive increase over the period 2003-07 in abstract terms, decreased to 16.1 *per cent* during 2007-08 as compared to revenue receipts of 2006-07. The share of own taxes, non-tax revenue, Central tax transfers and grants-in-aid did not exhibit significant changes during 2003-07. However, the percentage of own taxes in the total revenue receipts decreased from 68 *per cent* in 2006-07 to 62 *per cent* in 2007-08 and non-tax revenue decreased from eight to seven *per cent* while the percentage of grants-in-aid to total receipts increased from eight *per cent* in 2006-07 to 14 *per cent* in 2007-08 and Central tax transfer from 16 to 17 *per cent*.

<sup>3</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

◦ Tax Revenue

Tax revenue increased by 6.7 per cent during the current year (Rs 29619 crore) over the previous year (Rs 27771 crore). The revenue from Sales Taxes not only contributed major share of tax revenue (61.3 per cent) but also increased by 2.4 per cent over the previous year. The other major contributors for the increase in the State's tax revenue are Stamps and Registration Fees (Rs 3805 crore), State Excise (Rs 4764 crore) and Taxes on Goods and Passengers (Rs 1097 crore). The increase under State Excise (Rs 778 crore) was mainly due to revision of additional Vend fee for IMFC products under Foreign Liquors and Spirits, besides Malt liquor and other receipts while the increase under Stamps-Judicial, Stamps-non Judicial and Registration fees led to increases under Stamps and Registration (Rs 808 crore). The increase under taxes on vehicles (Rs 222 crore) was due to the increased receipts under the Indian Motor Vehicle Act and State Motor Vehicle Taxation Acts. Table 1.7 shows the trend of tax revenue during 2002-08.

Table 1.7: Tax revenue

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Taxes on Sales, Trades etc.	9590	11005	12996	15555	17727	18156
State Excise	2114	1657	2549	3177	3986	4764
Taxes on Vehicles	746	934	1015	1125	1261	1483
Stamps and Registration Fees	1079	1316	1604	2085	2997	3805
Land Revenue	8	18	72	179	121	78
Taxes on Goods and Passengers	489	611	764	985	1244	1097
Other taxes*	316	404	357	220	435	236
<b>Total</b>	<b>14342</b>	<b>15945</b>	<b>19357</b>	<b>23326</b>	<b>27771</b>	<b>29619</b>

\*other taxes include taxes on immovable property other than Agricultural land and taxes and duties on electricity.

◦ Non-Tax Revenue

Non-tax revenue which constitute 7 per cent of total revenue receipts decreased by Rs 118 crore (3.4 per cent) over previous year mainly due to decreased receipts under other receipts-miscellaneous general services (Rs 328 crore) off-set by the increased non-tax revenue under Technical Education, General Education and Arts and Culture (Rs 85 crore), Police (Rs 32 crore), Other Administrative Services (Rs 26 crore) and Non-ferrous mining and metallurgical industries (Rs 15 crore).

The actual revenue receipts vis-à-vis assessments made by State Government to Twelfth Finance Commission (TFC) for 2007-08 are given in Table 1.8.



Table 1.8: Revenue receipts projected by TFC and MTFP

(Rupees in crore)			
	Assessment made by State Government and projected in TFC report	Projections made by State Government under revised medium term fiscal plan for 2007-08	Actuals
Tax revenue	24091	30387	29619
Non-tax revenue	2513	2539	3304

Tax revenue increased by 23 *per cent* and non-tax revenue by 31.5 *per cent* over the normative assessment made by the TFC for the State for 2007-08. The actual realization of tax revenue was however less by 2.5 *per cent* as compared to the projection made by State Government for 2007-08 under MTFP while in case of non-tax revenue it was higher by 30.1 *per cent* than the projection made under MTFP for 2007-08.

• **Central Tax Transfers**

Central tax transfers increased by Rs 1671 crore (26.1 *per cent*) over the previous year and constituted 17 *per cent* of the total revenue receipts. The increase was mainly due to Corporation tax (Rs 564 crore), Customs duty (Rs 277 crore), Taxes on income other than Corporation tax (Rs 506 crore), Service tax (Rs 192 crore) and Union Excise Duties (Rs 131 crore).

• **Grants-in-aid**

Grants-in-aid from Government of India increased by Rs 3206 crore (96 *per cent*) from Rs 3326 crore in 2006-07 to Rs 6532 crore in the current year. The increase was mainly under grants under State Plan schemes (Rs 582 crore), Non-plan grants (Rs 2436 crore) and Central/Centrally sponsored plan schemes (Rs 188 crore). Details of Grants-in-aid from GOI are given in Table 1.9.

Table 1.9: Grants-in-aid from Government of India

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Grants for State plan schemes	603	937	1054	986	1584	2166
Non-plan grants	455	532	961	1290	1027	3463
Grants for Central schemes	66	57	73	67	88	81
Centrally sponsored schemes	463	597	562	677	627	822
Total	1587	2123	2650	3020	3326	6532
Percentage of increase/decrease over previous year	(+) 14.9	(+) 33.7	(+) 24.9	(+) 14	(+) 10.1	(+) 96.4

The non-plan grants increased by Rs 2436 crore in 2007-08 as compared to 2006-07 receipts, mainly because of the receipt of "Grants to cover up gap in resources" (Rs 2688 crore) and grants for relief and rehabilitation of displaced persons and repatriates (Rs 23 crore), offset by the receipt of decreased grants under proviso to Article 275(1) of the Constitution for the Welfare of Tribal population (Rs 209 crore) and grants towards calamity relief fund (Rs 70 crore). Grants for State plan schemes increased by Rs 582 crore mainly due to increased receipt of grants during 2007-08 under Block Grants

(Rs 731 crore), offset by the decreased grants under grants from Central Road Fund (Rs 64 crore) and Grants against external assistance (Rs 80 crore).

### 1.3.2 Arrears of Revenue

The arrears of revenue as on 31 March 2008 of six principal heads of revenue (Sales Tax, Stamp Duty and registration fees, Urban land tax, State excise, Land revenue and Taxes on vehicles) amounted to Rs 8560.51 crore of which Rs 3250.61 crore were outstanding for more than five years. The arrears mainly pertained to Sales Tax (Rs 8221.59 crore), Stamp duty and registration fees (Rs 148.81 crore) and Urban land tax (Rs 113.61 crore). The position of arrears of revenue at the end of 2007-08 in respect of remaining departments was not furnished (November 2008) despite having been called for.

## 1.4 Application of resources

### 1.4.1 Growth of Expenditure

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services, to extend the network of these services through capital expenditure and investments and to discharge their debt service obligations. Total expenditure, its annual growth rate and ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in Table 1.10.

Table 1.10: Total Expenditure – Basic Parameters

	(Rupees in crore)					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total expenditure (TE)*	28012	29872	34805	37103	46471	52219
Rate of Growth ( <i>per cent</i> )	17.3	6.6	16.5	6.6	25.2	12.4
TE/GSDP Ratio ( <i>per cent</i> )	17.7	17.0	17.3	16.6	18.9	18.7
RR/TE Ratio ( <i>per cent</i> )	74.2	79.4	81.8	91.5	88.0	91.0
<b>Buoyancy of Total Expenditure with reference to:</b>						
GSDP (ratio)	2.77	0.60	1.17	0.58	2.48	0.92
RR (ratio)	1.62	0.48	0.83	0.34	1.23	0.77

\*Total expenditure includes revenue expenditure, capital expenditure and loans and advances.

Total expenditure during the current year has increased by Rs 5748 crore over the previous year mainly due to increase under revenue expenditure (Rs 4710 crore) and capital expenditure (Rs 1510 crore) which was offset by a decrease under loans and advances disbursed (Rs 472 crore). In terms of Plan and Non-plan expenditure, the plan expenditure increased by Rs 2379 crore and the non-plan expenditure registered an increase of Rs 3369 crore over last year. The percentage of total expenditure to revenue receipts during 2007-08 was 109.9 indicating that about 90 *per cent* of the State's total expenditure was met

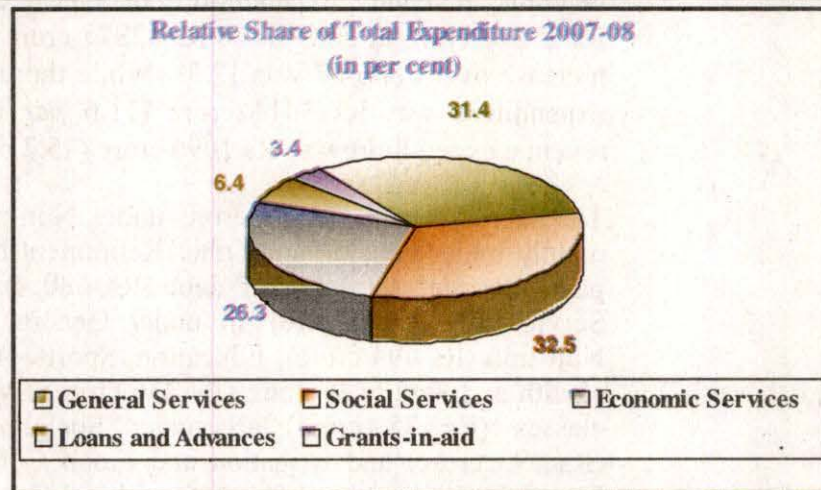
from its current revenue, leaving the balance to be financed by either non-debt capital receipts and or borrowings.

### Trends in Total Expenditure by Activities

In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Relative share of these components in total expenditure is indicated in **Table 1.11**.

**Table 1.11: Components of Expenditure – Relative Share**

	2003-04	2004-05	2005-06	2006-07	2007-08
General Services	36.3	35.7	35.1	32.6	31.4
<i>Of which</i> Interest payments	15.7	13.7	12.3	11.8	11.7
Social Services	33.9	34.9	33.5	30.5	32.5
Economic Services	21.5	20.7	23.1	26.7	26.3
Grants-in-aid	4.9	5.6	5.5	5.3	6.4
Loans and Advances	3.4	3.1	2.8	4.9	3.4



Interest payments and expenditure on General Services considered as non-developmental expenditure together accounted for 31.4 per cent of total expenditure in 2007-08. The share of Social Services exhibited relative stability during the period 2003-07 while Economic Services and Grants-in-aid indicated increasing tendency only during the last two years. The share of loans and advances also remained almost stable except a jump to 4.9 per cent in 2006-07 which however again returned to 3.4 per cent in 2007-08.

### 1.4.2 Incidence of Revenue expenditure

Revenue expenditure had the predominant share in the total expenditure. Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its

rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in Table 1.12.

Table 1.12: Revenue Expenditure: Basic Parameters

(Rupees in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue Expenditure (RE)	25271	29155	32009	38265	42975
<i>Of which</i>					
Non-Plan Revenue Expenditure (NPRE)	20835	25251	26627	31064	34678
Plan Revenue Expenditure (PRE)	4436	3904	5382	7201	8297
Rate of Growth ( <i>per cent</i> )					
Revenue Expenditure	(-) 1.6	15.4	9.8	19.5	12.3
NPRE	(-)8.3	21.2	5.4	16.7	11.6
PRE	49.2	(-) 12.0	37.9	33.8	15.2
NPRE/GSDP ( <i>per cent</i> )	11.8	12.6	11.9	12.6	12.4
NPRE as <i>per cent</i> of TE	69.7	72.5	71.8	66.8	66.4
NPRE as <i>per cent</i> of RR	87.9	88.7	78.4	75.9	73.0
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	(-) 0.15	1.09	0.86	1.92	0.92
Revenue Receipts (ratio)	(-) 0.11	0.77	0.51	0.95	0.76

Overall revenue expenditure of the Government, increased from Rs 25271 crore in 2003-04 to Rs 42975 crore in 2007-08. The percentage of increase over 2006-07 was 12.3. While the increase under non-plan revenue expenditure was Rs 3614 crore (11.6 *per cent*), the increase under plan revenue expenditure was Rs 1096 crore (15.2 *per cent*).

The increase of Rs 3614 crore under Non-plan Revenue Expenditure was mainly under Pension and Other Retirement benefits (Rs 587 crore), Interest payments and servicing of debt (Rs 580 crore) and Other Administrative Services (Rs 194 crore) all under General Services, Social Welfare and Nutrition (Rs 494 crore), Education, Sports, Arts and Culture (Rs 624 crore), Health and Family Welfare (Rs 236 crore), Welfare of SC, ST and backward classes (Rs 35 crore) all under Social Services, Rural Development (Rs 193 crore) and Irrigation and Flood Control (Rs 53 crore), both under Economic Services and Grants-in-aid and Contributions (Rs 902 crore), offset by the decreased expenditure under Fiscal services (Rs 166 crore), organs of state (Rs 55 crore), Civil supplies (Rs 84 crore) and Industries and Minerals (Rs 37 crore).

The increase of Rs 1096 crore under Plan Revenue Expenditure was mainly under Education, Sports, Arts and Culture (Rs 161 crore), Urban Development (Rs 132 crore), Irrigation and Flood Control (Rs 29 crore), Welfare of SC, ST and Backward Classes (Rs 49 crore), Social Welfare and Nutrition (Rs 984 crore) all under Social Services, Agriculture and Allied activities (Rs 18 crore) under Economic Services, offset by the decreased expenditure under Health and Family Welfare (Rs 51 crore) and Water Supply and Sanitation (Rs 83 crore) both under Social Services, Industries and Minerals (Rs 102 crore), Rural Development (Rs 66 crore), Village and Small Industries (Rs 89 crore) all under Economic Services.

The actual non-plan revenue expenditure vis-à-vis assessments made by State Government and projected in the report of TFC are given in Table 1.13:

Table 1.13: Non-plan revenue expenditure projected by TFC and MTFP  
(Rupees in crore)

Assessment made by State Government and projected in TFC report	Projections made by State Government under revised medium term fiscal plan for 2007-08	Actual non-plan revenue expenditure during 2007-08
29616.62	37515	34678

The actual NPRE during the current year (Rs 34678 crore) had exceeded the NPRE (Rs 29617 crore) projected by TFC for the year by Rs 5061 crore, but it remained lower than the projections made by the Government in MTFP.

### 1.4.3 Committed Expenditure

#### 1.4.3.1 Expenditure on Salaries

Table 1.14: Expenditure on Salaries

Heads	2003-04	2004-05	2005-06	2006-07	2007-08
Expenditure on Salaries	7066	8238	8342	8645	9636
As per cent of GSDP	4.0	4.1	3.7	3.5	3.4
As per cent of RR	29.8	28.9	24.6	21.1	20.3

Salary expenditure (including Dearness Allowance) of the State Government over the last five years is in Table 1.14. Salaries alone consumed nearly 20.3 per cent of the revenue receipts of the Government during 2007-08. Increase of Rs 991 crore in expenditure of salaries during 2007-08 was mainly due to payment of dearness allowance (Rs 934 crore). Salary expenditure of the State Government (Rs 9636 crore) during 2007-08 constituted 31.2 per cent of the revenue expenditure net of interest and pension payments (Rs 30872 crore<sup>4</sup>) and was within the norm of 35 per cent recommended by the TFC.

#### 1.4.3.2 Pension Payments

Table 1.15: Expenditure on Pensions

Heads	2003-04	2004-05	2005-06	2006-07	2007-08
Expenditure on Pensions	3280	3902	4460	5430	6017
Rate of Growth	(-) 1.4	19.0	14.3	21.7	10.8
As per cent of GSDP	1.9	1.9	2.0	2.2	2.1
As per cent of RR	13.8	13.7	13.1	13.3	12.7
As per cent of NPPE	15.7	15.5	16.8	17.5	17.4

Pension payments during the current year have increased by Rs 587 crore recording a growth rate of 10.8 per cent over previous year. Pension

<sup>4</sup> Revenue expenditure (Rs 42975 crore) less interest payment (Rs 6086 crore) and pension payments (Rs 6017 crore).

payments consumed 12.7 *per cent* of the revenue receipts of the Government during 2007-08 and increased by 83.4 *per cent* from Rs 3280 crore in 2003-04 to Rs 6017 crore in 2007-08. As a percentage of non-plan revenue expenditure, it constituted about 17.4 *per cent* during 2007-08. Significant increase in expenditure on pension during 2007-08 was mainly due to the increase under commuted value of pensions by 14 *per cent*, superannuation and retirement benefits by ten *per cent*, family pensions by 11 *per cent* and pensions to employees of state aided educational institutions by eight *per cent*, due to increase in number of pensioners.

The actual pension payments during 2007-08 (Rs 6017 crore) were slightly less than the assessment made (Rs 6120 crore) by State Government and projected by TFC. The Government also introduced a contributory pension scheme for employees recruited on or after April 2003 to mitigate impact of raising pension liabilities of Government in future.

#### 1.4.3.3 Interest payments

Interest payments made during the period 2003-04 to 2007-08 along with its percentage to revenue receipts and revenue expenditure are given in Table 1.16:

Table 1.16: Interest payments

Year	Interest Payments (Rupees in crore)	Growth rate (in percentage)	Percentage of Interest payments with reference to	
			Revenue Receipts	Revenue Expenditure
2003-04	4700	13.7	19.8	18.6
2004-05	4755	1.2	16.7	16.3
2005-06	4559	(-) 4.1	13.4	14.2
2006-07	5506	20.8	13.5	14.4
2007-08	6086	10.5	12.8	14.2

Interest payments increased by 29.5 *per cent* from Rs 4700 crore in 2003-04 to Rs 6086 crore in 2007-08 (the average growth rate being 8.4 *per cent*) primarily due to continued reliance on borrowings to meet the fiscal deficit. During 2007-08, the Government raised Rs 4942 crore from open market at an average rate of interest of 8.9 *per cent* per annum. It also borrowed Rs 534 crore from National Small Savings Fund at 9.4 *per cent* per annum from GOI during the year. The actual interest payment made (Rs 6086 crore) was only marginally higher than the projection made for 2007-08 under MTFP (Rs 5999 crore). The interest payments as a ratio of revenue receipts was 12.8 *per cent* which was within the norm of 15 *per cent* recommended by the TFC to be achieved by all the States by 2009-10.

#### 1.4.3.4 Subsidies

State Government has been paying subsidies to specific targeted groups as well as various corporations. The trends in the subsidies given by the State Government during the last five years are given in Table 1.17.

Table 1.17: Subsidies

Year	Amount (Rupees in crore)	Percentage increase (+)/ decrease (-) over previous year	Percentage of subsidy in revenue expenditure
2003-04	1680	(-) 5.0	6.6
2004-05	2513	49.6	8.6
2005-06	3426	36.3	10.7
2006-07	4177	21.9	10.9
2007-08	4305	3.1	10.0

The major subsidies extended during 2007-08 consists of subsidy to Tamil Nadu Electricity Board under Power sector (Rs 1243 crore), consumer subsidies to Tamil Nadu Civil Supplies Corporation (Rs 1950 crore); reimbursement of students concessions in bus fare (Rs 300 crore), subsidies for free distribution of handloom cloth to the people below poverty line under other Social Security and Welfare Programmes (Rs 256 crore), subsidy to small and marginal farmers for providing agricultural inputs damaged due to flood under relief on account of natural calamities (Rs 142 crore), reimbursement of loss incurred by rural urban fair price shops (Rs 107 crore), crop husbandry grants (Rs 56 crore), Assistance to Gram Panchayats towards reduction in electricity tariff in Village Panchayats (Rs 58 crore), fisheries grants (Rs 37 crore), Grants for Handloom Industries towards rebate on sale of handloom cloth (Rs 40 crore) and Grants to Small Scale Industries (Rs 11 crore). The increase in total subsidies extended during 2007-08 over 2006-07 figures was mainly due to the increased subsidy of Rs 116 crore given for free distribution of handloom cloth to the people below poverty line under social security and welfare programmes.

### 1.5 Expenditure by Allocative Priorities

#### 1.5.1 Quality of Expenditure

The availability of better social and physical infrastructure in the State reflects its quality of expenditure. Therefore, ratio of capital expenditure to total expenditure as well as to GSDP and proportion of revenue expenditure being spent on running efficiently and effectively the existing social and economic services would determine the quality of expenditure. The higher the ratio of these components to total expenditure and GSDP, the better is the quality of expenditure. Table 1.18 depicts these ratios during 2003-08.

Table 1.18: Indicators of Quality of Expenditure

(Rupees in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08
Capital Expenditure	3590	4564	4054	5952	7462
Revenue Expenditure	25271	29155	32009	38265	42975
Of which social and economic services	13205	15137	17088	20823	23497
Salary and Wage component	4722	5050	5179	6300	7102
Non salary wage component	8483	10087	11909	14523	16395
<b>As per cent of Total Expenditure</b>					
Capital Expenditure	12.0	13.1	10.9	12.8	14.3
Revenue Expenditure	84.6	83.8	86.3	82.3	82.3
<b>As per cent of GSDP</b>					
Capital Expenditure	2.0	2.3	1.8	2.4	2.7
Revenue Expenditure	14.4	14.5	14.3	15.5	15.4

Though the revenue expenditure in absolute terms increased from Rs 38265 crore in 2006-07 to Rs 42975 crore in 2007-08, as a percentage to total expenditure, it remained the same at 82.3 per cent. However, capital expenditure increased in absolute terms by Rs 1510 crore and as a percentage of total expenditure from 12.8 to 14.3 over last year. The increase in capital expenditure during 2007-08 over the last year was mainly due to the increase under Police (Rs 67 crore) and Public Works (Rs 21 crore) under General Services, Water Supply (Rs 140 crore) and Education, Sports, Arts and Culture (Rs 43 crore) under Social Services, Transport (Rs 626 crore), Energy (Rs 315 crore), Industries and Minerals (Rs 158 crore), Rural Development (Rs 100 crore), Agriculture and allied activities (Rs 87 crore) and Irrigation and flood control (Rs 38 crore) all under Economic services.

### 1.5.2 Expenditure on Social Services

Given the fact that human development indicators such as access to basic education, health services and drinking water and sanitation facilities etc. have a strong linkage with eradication of poverty and economic progress, it would be prudent to make an assessment with regard to the expansion and efficient provision of these services in the State. Table 1.19 summarises the expenditure incurred by the State Government in expanding and strengthening of Social Services in the State during 2002-08.



Table 1.19: Expenditure on Social Services

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Education, Sports, Art and Culture</b>						
Revenue Expenditure	4145.33	4175.06	4597.28	5012.54	6061.10	6845.75
of which						
Salary and Wages component	2324.59	2257.11	2434.09	2535.98	3184.02	3628.39
Non-salary and Wage component	1820.74	1917.95	2163.19	2476.56	2877.08	3217.36
Capital Expenditure	13.59	79.07	99.38	260.52	178.94	222.25
Total	4158.92	4254.13	4696.66	5273.06	6240.04	7068.00
<b>Health and Family Welfare</b>						
Revenue Expenditure	1187.88	1202.96	1304.16	1392.87	1551.97	1737.06
of which						
Salary and Wages component	836.70	820.54	858.57	890.83	1057.75	1230.73
Non-salary and Wage component	351.18	382.42	445.59	502.04	494.22	506.33
Capital Expenditure	48.37	65.91	47.79	246.24	118.54	95.79
Total	1236.25	1268.87	1351.95	1639.11	1670.51	1832.85
<b>Water Supply, Sanitation, Housing and Urban Development</b>						
Revenue Expenditure	443.53	556.70	402.88	404.03	1185.20	1279.29
of which						
Salary and Wages component	18.59	18.35	19.28	21.24	24.43	26.27
Non-salary and Wage component	424.94	538.35	383.60	382.79	1160.77	1253.02
Capital Expenditure	538.36	1280.83	2203.75	496.15	737.15	803.85
Total	981.89	1837.53	2606.63	900.18	1922.35	2083.14
<b>Other Social Services</b>						
Revenue Expenditure	2197.30	2663.05	3378.43	4506.96	4228.07	5863.53
of which						
Salary and Wages component	602.36	736.42	783.27	751.98	905.01	1023.11
Non-salary and Wage component	1594.94	1926.63	2595.16	3754.98	3323.06	4840.42
Capital Expenditure	15.74	86.45	98.55	118.33	97.48	116.97
Total	2213.04	2749.50	3476.98	4625.29	4325.55	5980.50
<b>Social Services</b>						
Revenue Expenditure	7974.04	8597.77	9682.75	11316.40	13026.35	15725.63
of which						
Salary and Wages component	3782.24	3832.42	4095.21	4200.04	5171.21	5908.50
Non-salary and Wage component	4191.80	4765.35	5587.54	7116.36	7855.14	9817.13
Capital Expenditure	616.06	1512.26	2449.47	1121.24	1132.10	1238.86
Grand Total	8590.10	10110.03	12132.22	12437.64	14158.45	16964.49

The total expenditure under Social Services increased from Rs 8590 crore in 2002-03 to Rs 16964 crore in 2007-08 indicating the Government commitment to improve social well being of the society. The salary component in total expenditure under social services decreased from 44 per cent in 2002-03 to 34.8 per cent in 2007-08. However, the non-salary component in total expenditure increased from 48.8 per cent to 57.9 per cent over the same period. While the Revenue expenditure under Social Services increased by 97 per cent from Rs 7974 crore in 2002-03 to Rs 15725 crore in 2007-08, the Capital expenditure increased by 101 per cent from Rs 616 crore to Rs 1239 crore over the same period.

Recognizing the need to improve the quality of education and health services, TFC recommended that the non-plan salary expenditure under education and health and family welfare should increase only by five to six per cent while non-salary expenditure under non-plan heads should increase by 30 per cent per annum during the award period. However, trends in expenditure (taking expenditure under both plan and non plan heads) reveal that the salary and wage component under education sector increased by 14 per cent over

2006-07 while non-salary and wage component by 11.8 per cent. Similarly under Health and Family Welfare sector, the salary and wage component increased by 16.4 per cent while non-salary and wage component by 2.5 per cent. The expenditure pattern both in education and health services has not been as per the norms of the TFC which needs correction in the ensuing years.

### 1.5.3 Expenditure on Economic Services

Expenditure on economic services includes all such services that promote directly or indirectly, productive capacity within the State's economy. The expenditure on economic services (Rs 13718 crore) during 2007-08 accounted for 26.3 per cent of the total expenditure (Table 1.20).

Table 1.20: Expenditure on Economic Services

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Agriculture, Allied activities</b>						
Revenue Expenditure of which	1143.51	1102.10	1291.16	1251.73	1799.30	1831.87
Salary and Wages component	470.52	454.48	484.92	504.34	575.76	606.25
Non-salary Wage component	672.99	647.62	806.24	747.39	1223.54	1225.62
Capital Expenditure	98.11	97.67	99.86	178.50	1489.57	1576.20
<b>Total</b>	<b>1241.62</b>	<b>1199.77</b>	<b>1391.02</b>	<b>1430.23</b>	<b>3288.87</b>	<b>3408.07</b>
<b>Irrigation and Flood Control</b>						
Revenue Expenditure of which	486.09	537.75	569.70	532.33	605.13	628.86
Salary and Wages component	124.44	117.70	131.83	130.56	154.46	157.27
Non-salary Wage component	361.65	420.05	437.87	401.77	450.67	471.59
Capital Expenditure	303.01	245.29	277.60	265.05	326.89	365.28
<b>Total</b>	<b>789.10</b>	<b>783.04</b>	<b>847.30</b>	<b>797.38</b>	<b>932.02</b>	<b>994.14</b>
<b>Power and Energy</b>						
Revenue Expenditure of which	2002.27	440.10	1064.41	1027.07	1182.07	1170.26
Salary and Wages component	0.56	0.59	0.64	0.72	0.78	0.79
Non-salary Wage component	2001.71	439.51	1063.77	1026.35	1181.29	1169.47
Capital Expenditure	25.00	200.00	85.00	25.00	175.00	490.00
<b>Total</b>	<b>2027.27</b>	<b>640.10</b>	<b>1149.41</b>	<b>1052.00</b>	<b>1357.07</b>	<b>1660.26</b>
<b>Transport</b>						
Revenue Expenditure of which	367.59	451.25	638.14	618.83	859.38	875.08
Salary and Wages component	71.36	68.56	70.47	83.16	93.95	96.68
Non-salary Wage component	296.23	382.69	567.67	535.67	765.43	778.40
Capital Expenditure	374.63	1230.94	842.38	1635.37	1681.08	2307.28
<b>Total</b>	<b>742.22</b>	<b>1682.20</b>	<b>1480.52</b>	<b>2254.20</b>	<b>2540.46</b>	<b>3182.36</b>
<b>Other Economic Services</b>						
Revenue Expenditure of which	2262.16	2076.23	1890.66	2342.53	3350.86	3265.23
Salary and Wages component	258.48	248.50	267.44	260.54	303.66	331.97
Non-salary Wage component	2003.68	1827.73	1623.22	2081.99	3047.20	2933.26
Capital Expenditure	37.29	51.36	433.93	703.79	953.08	1207.59
<b>Total</b>	<b>2299.45</b>	<b>2127.59</b>	<b>2324.59</b>	<b>3046.32</b>	<b>4303.94</b>	<b>4472.82</b>
<b>Economic Services</b>						
Revenue Expenditure of which	6261.62	4607.41	5454.07	5772.50	7796.75	7771.30
Salary and Wages component	925.36	889.82	955.30	979.33	1128.62	1192.97
Non-salary Wage component	5336.26	3717.59	4498.77	4793.17	6668.13	6578.33
Capital Expenditure	838.03	1825.27	1738.77	2807.71	4625.62	5946.33
<b>Grand Total</b>	<b>7099.65</b>	<b>6432.68</b>	<b>7192.84</b>	<b>8580.21</b>	<b>12422.37</b>	<b>13717.63</b>

The total expenditure in 2007-08 under Economic Services increased by 10.4 *per cent* over 2006-07 mainly because of increase under Capital expenditure by 28.6 *per cent*. Out of the total expenditure on Economic Services during 2007-08, Other Economic Services constituted 32.6 *per cent*, Agriculture and Allied activities constituted 24.8 *per cent*, Transport constituted 23.2 *per cent*, Power and Energy constituted 12.1 *per cent* and Irrigation and Flood Control constituted 7.3 *per cent*.

The trends in revenue and capital expenditure on economic services indicate that the capital expenditure increased from Rs 838 crore in 2002-03 to Rs 5946 crore in 2007-08, while revenue expenditure increased from Rs 6262 crore in 2002-03 to Rs 7771 crore in 2007-08. Within the revenue expenditure, component of salary expenditure has increased by 29 per cent from Rs 925 crore in 2002-03 to Rs 1193 crore in 2007-08 while non-salary component has increased by 23 per cent from Rs 5336 crore to Rs 6578 crore during this period. The increase in expenditure under economic services during 2007-08 over the previous year was solely on account of increase in capital expenditure which was mainly due to increased capital expenditure under Transport (Rs 626 crore), Power and Energy (Rs 315 crore), other economic services (Rs 255 crore) and Agriculture and allied activities (Rs 86 crore).

#### 1.5.4 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies etc., during the period of five years 2003-08 is given in Table 1.21:

Table 1.21: Financial Assistance to local bodies and other institutions

	(Rupees in crore)				
	2003-04	2004-05	2005-06	2006-07	2007-08
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	325	388	484	570	605
Municipal Corporations and Municipalities	847	919	954	1591	393
Zilla Parishads and Other Panchayati Raj Institutions	1735	1584	1287	1508	3216
Development Agencies	312	189	202	295	920
Hospital and Other Charitable Institutions	19	9	20	20	19
Other Institutions <sup>5</sup>	1890	2395	2119	4753	3248
Total	5128	5484	5066	8737	8401
Assistance as a percentage of RE	20	19	16	23	20

As seen from the table, while the grants-in-aid extended during 2007-08 to Zilla Parishads and Other Panchayati Raj Institutions and Development Agencies increased by 113 and 212 *per cent* respectively, the grants-in-aid

<sup>5</sup> Institutions/Agencies connected with Water Supply and Sanitation, Housing, Social Welfare, Labour and Employment, Forestry and Wild Life, Agriculture and Allied Activities, Village and Small Industries, Industries and Minerals and Relief on account of Natural Calamities.

extended to Municipal Corporations and Municipalities and Other Institutions decreased by 75 and 32 per cent respectively as compared to last year.

### **1.6 Misappropriation, losses, defalcations, etc.**

Cases of misappropriation of Government money reported to Audit up to March 2008 and on which report on final action viz., write-off or recovery was pending at the end of June 2008 are given in Table 1.22.

Table 1.22: Misappropriation cases

	(Rupees in lakh)	
	Number of cases	Amount
Cases reported up to the end of March 2007 and outstanding at the end of June 2007	262	705.06
Cases reported during April 2007 to March 2008	2	2.26
Total	264	707.32
Cases cleared during July 2007 to June 2008	12	0.50
Cases outstanding at the end of June 2008	252	706.82

Department-wise and year-wise analyses of the pending cases are given in Appendix 1.6. In all these cases, report on departmental action taken and results of the proceedings against Government servants responsible, which are required to be sent to audit, were still awaited.

Further, 253 cases of shortage, theft, damage to property, etc., involving Rs 2.15 crore were reported to audit up to March 2008 by departments other than Public Works, Highways and Forest Departments. Besides, 2823 cases involving Rs 17.01 crore were either reported by or noticed during audit of Public Works, Highways and Forest Departments up to March 2008. Department-wise and year-wise analysis of these cases are contained in Appendix 1.7.

### **1.7 Delay in furnishing utilization certificate**

Of the 3,843 utilisation certificates (UC) due in respect of grants and loan aggregating Rs 876.88 crore paid upto 2006-07, 2,399 UCs for an aggregate amount of Rs 1167.40 crore were in arrears. Details of department-wise break-up of outstanding UCs are given in Appendix 1.8.

### **1.8 Assets and Liabilities**

In the Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, Government accounts do capture the financial liabilities of the Government and assets created out of the expenditure incurred. Appendix 1.5 gives an abstract of such liabilities and the assets as on 31 March 2008, compared with the corresponding position on 31 March 2007.

While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly, the capital outlay and loans and advances given by the State Government and cash balances. Appendix 1.2 depicts the time series data on State Government finances for the period 2002-08.

During 2007-08, liabilities grew by 7.5 per cent. Similarly, assets comprising mainly capital expenditure and loans and advances given by the Government grew by 21.2 per cent during 2007-08.

### 1.8.1 Financial results of Irrigation Works

Statement 3 of Finance Accounts depicts the financial results of five major and 47 medium irrigation projects involving capital expenditure of Rs 2580.96 crore at the end of March 2007. It shows that revenue realised from these projects during 2006-07 was Rs 16.24 crore only. After meeting the working and maintenance expenditure (Rs 129.25 crore) and interest charges (Rs 120.57 crore), the projects suffered a net loss of Rs 232.77 crore. The losses comprised Rs 162.51 crore on the major irrigation projects and Rs 70.26 crore on the medium irrigation projects.

### 1.8.2 Incomplete projects

As per information received from the State Government, as of 31 March 2008 there were 49 incomplete projects which were scheduled for completion before March 2008 in which Rs 1222.55 crore were blocked in the projects having cost above rupees one crore as given in Table 1.23:

Table 1.23: Incomplete projects

(Rupees in crore)

Department	Number of incomplete Projects	Initial Budgeted cost	Revised cost of Projects	Cumulative actual expenditure as on 31.03.2008
Buildings	2	3.38	3.38*	2.65
Roads and Bridges	43	441.84	501.15**	255.20
Irrigation (Water Resources) and Flood Control	4	323.46	309.62***	964.70
<b>Total</b>	<b>49</b>	<b>768.68</b>	<b>814.15</b>	<b>1222.55</b>

\* no revision of project cost was made in both works.

\*\* In 39 works there was no revision of project cost.

\*\*\* In two works there was no revision of project cost.

The time overrun as of March 2008 was up to six months in respect of nine works; seven months to one year in respect of seven works; more than a year up to two years in respect of 26 works and more than two years in respect of seven works.

### 1.8.3 Financial analysis of Government investments

#### 1.8.3.1 Government Investments and returns

As of 31 March 2008, Government had invested Rs 6230.40 crore in statutory corporations, rural banks, joint stock companies and co-operatives (Table 1.24). The return on these investments were between 0.4 and 1.1 per cent in the last five years while as the Government paid interest at the average rate of 7.8 to 10.1 per cent on its borrowings during this period.

Table 1.24: Return on Investment

Year	Investment at the end of the year	Return	Percentage of return	Average rate of interest on government borrowing	Difference between interest rate and return
	(Rupees in crore)			(per cent)	
2003-04	2464.36	27.20	1.1	10.1	9.0
2004-05	2557.71	24.25	0.9	9.1	8.2
2005-06	2744.60	20.92	0.8	7.8	7.0
2006-07	4278.43	26.32	0.6	8.6	8.0
2007-08	6230.40	22.10	0.4	8.9	8.5

During 2007-08, fresh investments to the tune of Rs 1952 crore were made in nine Government companies besides primary credit societies and agricultural banks, co-operative sugar mills, industrial co-operative societies, industrial co-operative tea factories and Integrated Co-operative Development Projects.

The investment of Rs 6230.40 crore was made by State Government in 73 companies (Statutory Corporations: 2, Government companies: 65 and Joint Stock Companies: 6) and Other Cooperative institutions. Of these, the investment aggregated to Rs 1502.60 crore in 39 loss making Government companies and cooperative institutions. The cumulative loss as of March 2008 in the above loss making companies worked out to Rs 5803.77 crore. In six companies<sup>6</sup> which are incurring loss, Government invested Rs 141.45 crore during 2007-08 in addition to the investment of Rs 2.55 crore, Rs 0.13 crore and Rs 0.04 crore in loss making co-operative sugar mills, industrial co-operative Societies and industrial co-operative tea factories respectively. Some of the Government companies incurring huge cumulative loss of more than Rs 200 crore at the end of March 2008 are shown in Table 1.25.

<sup>6</sup> Metropolitan Transport Corporation (Chennai Division-I) Limited: Rs 75 crore, Tamil Nadu State Transport Corporation (Madurai) Limited: Rs 40.95 crore, Tamil Nadu State Transport Corporation (Kumbakonam) Limited: Rs 4.50 crore, Tamil Nadu State Transport Corporation (Salem) Limited: Rs 8.50 crore, Tamil Nadu Handicrafts Development Corporation Limited, Chennai: Rs 0.25 crore and State Express Transport Corporation Limited, Chennai: Rs 12.25 crore.

Table 1.25

(Rupees in crore)

Name of the corporation	Cumulative loss as of 31 March 2008
1. Tamil Nadu State Transport Corporation (Madurai) Limited	919.76
2. Metropolitan Transport Corporation (Chennai Division I) Limited	589.53
3. State Express Transport Corporation (Tiruchy Division I) Limited	519.89
4. Tamil Nadu State Transport Corporation (Kumbakonam) Limited	323.29
5. Tamil Nadu State Transport Corporation (Coimbatore) Limited	214.21

Besides, the cumulative loss in 15 cooperative sugar mills was Rs 1266.62 crore.

### 1.8.3.2 Loans and advances by State Government

In addition to investments in co-operative societies, corporation and companies, Government has also been providing loans and advances to many of these institutions/organisations. Total outstanding loans and advances as on 31 March 2008, was Rs 6918 crore (Table 1.26). Average rate of interest received against these loans advanced was 1.1 per cent during 2007-08 as against 4.3 per cent in previous year.

Table 1.26: Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08
Opening Balance	4612	5048	5350@	5497	6149
Amount advanced during the year	1011	1085@	1039@	2254	1782
Amount repaid during the year	575	783	892	1602	1013
Closing Balance	5048	5350@	5497@	6149	6918
Net addition	436	303	148	652	769
Interest Received	215	175	292	251*	72
Average interest receipts as per cent to outstanding loans (in per cent)	4.5	3.4	5.4	4.3	1.1
Average interest rate paid on borrowings by State Government (in per cent)	10.1	9.1	7.8	8.6	8.9
Difference between weighted interest paid and average rate of interest received (in per cent)	(-) 5.6	(-) 5.7	(-) 2.4	(-) 4.3	(-) 7.8

@ differs from the figures of previous years due to rounding of figures

\* differs from last year due to correction

Loans and Advances disbursed decreased from Rs 2254 crore in 2006-07 to Rs 1782 crore in 2007-08 mainly due to lesser disbursement of loans under Agricultural and allied activities (Rs 630 crore).

Similarly amount of loan repaid, decreased from Rs 1602 crore in 2006-07 to Rs 1013 crore in 2007-08 mainly due to increased repayment of loan under Agricultural and allied activities (Rs 513 crore) and Water Supply (Rs 201 crore), offset by decrease in repayment of loan under Industries and Minerals (Rs 140 crore).

#### 1.8.4 Management of cash balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) – ordinary and special – from Reserve Bank of India (RBI) has been put in place.

Ways and Means Advances and Overdrafts availed, the number of occasions it was availed and interest paid by the State during 2003-08 are detailed in **Table 1.27**.

**Table 1.27: Ways and Means Advances and Overdrafts of the State**

	2003-04	2004-05	2005-06	2006-07	2007-08
(Rupees in crore)					
<b>Ways and Means Advances</b>					
Availed in the Year	1710.13	1337.07	675.12	--	--
Outstanding WMAs, if any	596.33	391.45	--	--	--
Number of Days	41	23	14	--	--
Interest Paid	7.64	1.40	0.61	--	--
<b>Overdraft</b>					
Availed in the year	--	--	--	--	--
Number of Days	2	--	--	--	--
Interest Paid	0.86	--	--	--	--

No Ways and Means Advances were obtained during 2006-07 and 2007-08. State had not availed of any overdraft since 2004-05.

The cash balance of the State increased from Rs 8402 crore at the end of March 2007 to Rs 9500 crore at the end of March 2008. The increase was mainly due to the increase in cash balance investment (Rs 1987.59 crore) offset by the decrease in Deposit with Reserve Bank of India (Rs 889.78 crore).

### 1.9 Undischarged Liabilities

#### 1.9.1 Fiscal Liabilities – Public Debt and Guarantees

There are two sets of liabilities namely, public debt and other liabilities. Public debt consists of internal debt of the State and is reported in the Annual Financial Statements under the Consolidated Fund – Capital Accounts. It



includes market loans, special securities issued by RBI and loans and advances from the Central Government. The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed. Other liabilities, which are a part of public account, include deposits under small savings scheme, provident funds and other deposits. Statement 4 read with Statements 16 and 17 of the Finance Accounts show the year end balances under Debt, Deposit and Remittance heads from which the liabilities are worked out.

Table 1.28 gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, to revenue receipts and to own resources as also the buoyancy of fiscal liabilities with respect to these parameters.

Table 1.28: Fiscal Liabilities – Basic Parameters

	2003-04	2004-05	2005-06	2006-07	2007-08
Fiscal Liabilities (Rupees in crore)	49445	55144	62310	66320	71072
Rate of Growth ( <i>per cent</i> )	12.6	11.5	13	6.4	7.2
<b>Ratio of Fiscal Liabilities to</b>					
GSDP ( <i>per cent</i> )	28.1	27.5	27.9	26.9	25.4
Revenue Receipts ( <i>per cent</i> )	208.6	193.8	183.5	162.1	149.6
Own Resources ( <i>per cent</i> )	274.1	255.7	240.3	212.6	215.9
<b>Buoyancy of Fiscal Liabilities to</b>					
GSDP (ratio)	1.14	0.81	1.15	0.63	0.54
Revenue Receipts (ratio)	0.9	0.58	0.67	0.31	0.45
Own Resources (ratio)	1.1	0.59	0.64	0.32	1.30

The overall fiscal liabilities of the State increased from Rs 49445 crore in 2003-04 to Rs 71072 crore in 2007-08. Fiscal liabilities of the State comprise Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund liability (Rs 57184 crore) comprise of market loan (Rs 20504 crore) loan from GOI (Rs 6935 crore), Special Securities issued to National Small Savings Fund of the Central Government (Rs 24848 crore) and other loans (Rs 4897 crore). The Public Account liabilities (Rs 13888 crore) comprise of Small Savings, Provident Fund (Rs 7471 crore), Interest bearing obligations (Rs 2288 crore) and non-interest bearing obligations (Rs 4129 crore) both containing deposits and other earmarked funds.

The growth rate of Fiscal Liabilities was 7.2 *per cent* during 2007-08 over previous year. The ratio of fiscal liabilities to GSDP decreased from 28.1 *per cent* in 2003-04 to 25.4 *per cent* in 2007-08. These liabilities stood at 1.50 times of the revenue receipts and 2.16 times of the State's own resources at the end of 2007-08. The buoyancy of these liabilities with respect to GSDP

during the year 2007-08 was 0.54 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.54 *per cent* during 2007-08.

State Government had set up a sinking fund for amortization of open market loans, Central Government loans and Special Securities issued to National Small Savings Fund. As of March 2008, the balance in sinking fund was Rs 1995.85 crore out of which Rs 1862.23 crore were invested in securities.

## 1.9.2 Status of Guarantees – Contingent liabilities

### 1.9.2.1 Guarantees given

Guarantees are given by Government of Tamil Nadu for the due discharge of certain liabilities like loan, repayment of share capital etc., raised by statutory corporation, Government companies and cooperative institutions as also for payment of interest and minimum dividend.

Table 1.29: Guarantees given by Government of Tamil Nadu

(Rupees in crore)

Year	Maximum amount guaranteed	Outstanding amount of guarantees	Maximum amount guaranteed as per cent to total revenue receipt
2003-04	18843	10098	79.5
2004-05	17220	8424	60.5
2005-06	13669	5564	40.3
2006-07	15942	4038	39.0
2007-08	20090	5410	42.3

These guarantees constitute contingent liabilities of the State since in the event of non-payment of loans, there may be an obligation on the Government to honor these commitments. The maximum guarantees given in a year and the outstanding guarantees at the close of the year are given in above Table 1.29

In consideration of the guarantees given by the Government, the institutions, in some cases are required to pay guarantee fees. During 2007-08, Rs 28.85 crore was received as guarantee fees and Rs 145.96 crore was pending recovery towards the guarantee fees as on 31 March 2008.

### 1.9.2.2 Capping of total outstanding guarantees as per TNFR Act, 2003

According to the TNFR Act 2003 as amended in February 2004 and May 2005 the Government should cap the total outstanding guarantees to 100 *per cent* of the total revenue receipts in the preceding year or at 10 *per cent* of GSDP, whichever is lower and cap the risk weighted guarantees to 75 *per cent* of the total revenue receipts of the preceding year or at 7.5 *per cent* of GSDP, whichever is lower.

Table 1.30: Outstanding guarantee compared to revenue receipts and GSDP

(Rupees in crore)

Year	Outstanding amount of guarantee at the end of the year	Revenue Receipts of the previous year	Percentage of column (2) figures to column (3) figures	GSDP of previous year	Percentage of column (2) to column (5)
(1)	(2)	(3)	(4)	(5)	(6)
2004-05	8424	23706	35.5	175897	4.8
2005-06	5564	28452	19.6	200780	2.8
2006-07	4038	33960	11.9	223528	1.8
2007-08	5410	40913	13.2	246266	2.2

It is seen that maximum amount of guarantees as on 31 March 2008 was Rs 20090 crore against which sums outstanding on that date were Rs 5410 crore (Principal: Rs 5343 crore; Interest: Rs 67 crore). The outstanding guarantees for 2007-08 at 13.2 per cent of revenue receipts and 2.2 per cent of GSDP for the previous year viz., 2006-07 were within the ceiling limits prescribed under TNFRBM Act 2003 as amended thereafter in 2005. Also the outstanding risk weighted guarantees as on 31 March 2007 stood at 4.3 per cent of total revenue receipts and 0.7 per cent of GSDP. The details of outstanding risk weighted guarantees as on 31 March 2008 were yet to be furnished by Government.

### 1.9.2.3 Guarantee Redemption Fund

Government constituted a Guarantee Redemption Fund (GRF) in March 2003 for discharge of invoked guarantees. The guarantee fees collected are initially credited to Government account and then transferred to this fund. During 2003-04 to 2007-08, Rs 274 crore had been credited to the Guarantee Redemption Fund and out of this Rs 175.06 crore was withdrawn from the fund to meet the liabilities arising due to invoking of guarantees during the above period, as detailed below:

Table 1.31: Amounts deposited and withdrawn in Guarantee Redemption Fund

(Rupees in crore)

Year	Amount	
	Deposited	Withdrawn
2003-04	50.00	3.51
2004-05	50.00	89.99
2005-06	74.00	67.98
2006-07	50.00	0.73
2007-08	50.00	12.85
<b>Total</b>	<b>274.00</b>	<b>175.06</b>

Though the accretions to the Fund were to be invested in specified securities, no investment was made. The balance at the credit of the Fund as on 31 March 2008 was Rs 98.94 crore. During 2007-08, Rs 50 crore were credited and Rs 12.85 crore were met from the fund for meeting guarantee given for Tamil Nadu Handloom Weavers Cooperative Society Limited (Co-optex) (Rs 0.67 crore) and Pudukkottai, Bharathy and Kanniyakumari Co-operative Spinning Mills (Rs 12.18 crore).

## 1.10 Debt Sustainability

The debt sustainability is defined as the ability of the State to maintain a constant debt – GDP ratio, over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between cost of additional borrowings with returns from such borrowings. It means the rise in fiscal deficit should match with the increase in capacity to service the debt. A prior condition for debt sustainability is the debt stabilisation in terms of debt/GSDP ratio.

### 1.10.1 Debt-stabilisation

A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided preliminary balances are either zero or positive or are moderately negative. Given the rates spread (GSDP growth rate – interest rate) and quantum spread (debt x rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt – GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt – GSDP ratio would be rising and in case it is positive, debt – GSDP ratio would eventually be falling. Trends in fiscal variable indicating the progress towards the debt-stabilisation are indicated in Table 1.32.

Table 1.32: Debt-sustainability – interest rate and GSDP in *per cent*

	2003-04	2004-05	2005-06	2006-07	2007-08
GSDP growth	11.07	14.15	11.33	10.17	13.41
Weighted interest rate	6.15	6.29	7.69	8.60	8.90
Interest spread	4.92	7.86	3.64	1.57	4.51
Quantum spread (Rs in crore)	2160.62	3886.38	2007.24	978.27	2991.03
Debt/GSDP ratio	28.1	27.5	27.9	26.9	25.4
Primary deficit (-) / surplus(+)	(-) 891	(-) 815	(+)2308	(+)1550	(+)2400

Table 1.32 reveals that quantum spread together with primary deficit has been positive throughout the period 2003-08 indicating the declining trend in debt/GSDP ratio from 28.1 in 2003-04 to 25.4 in 2007-08. The ratio of fiscal deficit to GSDP also moved almost on similar trajectory indicating a decline since 2003-04. These trends indicate that the State is moving towards debt stabilization which might improve the debt sustainability position of the State in the medium to long run.

### 1.10.2 Sufficiency of Non-debt Receipts

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. The

persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. Table 1.33 indicates the resource gap as defined for the period 2002-08.

Table 1.33: Net Availability of Borrowed Funds

(Rupees in crore)

Year	Incremental				Resource Gap
	Non-debt Receipts	Primary Expenditure <sup>7</sup>	Interest Payments	Total Expenditure	
2003-04	3011	1293	567	1860	1151
2004-05	4954	4878	55	4933	21
2005-06	5617	2494	(-) 196	2298	3319
2006-07	7663	8421	947	9368	(-) 1705
2007-08	6018	5168	580	5748	(+) 270

During 2003-08, only on one occasion the negative resource gap was observed and that too on account of steep increase in primary expenditure.

### 1.10.3 Net availability of borrowed funds

Another important indicator of debt sustainability is the net availability of funds after the payment of the principal on account of earlier contracted liabilities and interest. Table 1.34 gives the position of the receipt and repayment of internal debt and other fiscal liabilities of the State over the last five years.

Table 1.34: Net Availability of Borrowed Funds

(Rupees in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Internal Debt</b>					
Receipt	10410	12215	9200	6820	6868
Repayment (Principal + Interest)	5774	7216	5841	8311	7756
Net Fund Available	4636	4999	3359	(-) 1491	(-) 888
Net Fund Available ( <i>per cent</i> )	45	41	37	..	--
<b>Loans and Advances from GOI</b>					
Receipt	1023	1259	442	327	779
Repayment (Principal + Interest)	4608	5270	728	1169	815
Net Fund Available	(-) 3585	(-) 4011	(-) 286	(-) 842	(-) 36
Net Fund Available ( <i>per cent</i> )	--	--	--	..	--
<b>Total Public Debt</b>					
Receipt	11433	13474	9642	7147	7647
Repayment (Principal + Interest)	10382	12486	6569	9480	8572
Net Fund Available	1051	988	3073	(-) 2333	(-) 925
Net Fund Available ( <i>per cent</i> )	9.2	7.3	31.9	..	--

<sup>7</sup> Primary Expenditure is defined as the Total Expenditure net of the interest payments.

The net funds available on account of internal debt and loans and advances from GOI after declining from Rs 1051 crore in 2003-04 to Rs 988 crore in 2004-05, increased to Rs 3073 crore in 2005-06. During 2006-08, debt redemption ratio exceeded the unity when the repayments towards the discharge of past debt obligations were significantly more than the fresh debt receipts during the year indicating the fact that no borrowed funds were available for development purposes during this period.

### 1.11 Management of deficits

The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health.

#### 1.11.1 Trends in deficits

Table 1.35 showing the basic parameters of fiscal imbalances during the period 2003-08 revealed that the State Government improved its financial position over the years and achieved revenue surplus and primary surplus during 2005-06 to 2007-08 but continued to have fiscal deficit.

Table 1.35: Fiscal Imbalances: Basic Parameters

Parameters	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue deficit (RD) (-) / Revenue Surplus (RS) (+) (Rupees in crore)	(-) 1565	(-) 703	(+) 1951	(+) 2648	(+) 4545
Fiscal deficit (FD) (Rupees in crore)	(-) 5591	(-) 5570	(-) 2251	(-) 3956	(-) 3686
Primary deficit <sup>8</sup> (PD) (-) / Primary surplus (PS) (+) (Rupees in crore)	(-) 891	(-) 815	(+) 2308	(+) 1550	(+) 2400
RD or RS/GSDP ( <i>per cent</i> )	(-) 0.9	(-) 0.4	0.9	1.1	1.6
FD/GSDP ( <i>per cent</i> )	(-) 3.2	(-) 2.8	(-) 1.0	(-) 1.6	(-) 1.3
PD or PS/GSDP ( <i>per cent</i> )	(-) 0.5	(-) 0.4	1.0	0.6	0.9
RD or RS/FD ( <i>per cent</i> )	28.0	12.6	(-) 86.7	(-) 66.9	(-) 123.3

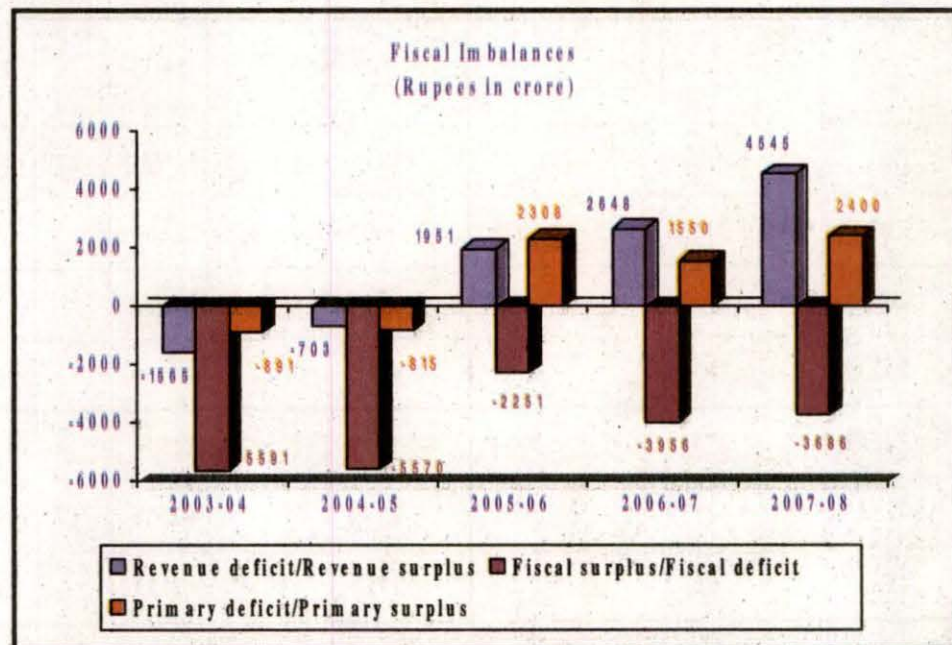
Table 1.35 reveal that the revenue account experienced huge deficit during 2003-05, as the revenue expenditure exceeds the revenue receipts during all those years. However, from 2005-06 onwards the revenue account not only turned into a surplus but it increased from Rs 1951 crore in 2005-06 to Rs 4545 crore in 2007-08. An increase of Rs 1897 crore in revenue surplus during 2007-08 was mainly on account of the fact that the revenue receipts increased by Rs 6607 crore (16.2 *per cent*) against the increase of Rs 4710 crore (12.3 *per cent*) in revenue expenditure over the previous year. The improvement in revenue surplus of the State may however be seen in view of

<sup>8</sup> Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the States during the course of the year.

the fact that about 74 per cent of the incremental revenue receipts of the State during 2007-08 (Rs 4877 crore) are contributed by the central transfers comprising of State's share in central taxes and duties and grants-in-aid from the Union of India.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, improved from Rs 5570 crore in 2004-05 to Rs 2251 crore in 2005-06, because increase in revenue receipts was higher than the increase in revenue expenditure and decrease in capital expenditure during the period. However, during 2006-07 and 2007-08 due to increased revenue and capital expenditure which was much higher than the increase in revenue receipts, the fiscal deficit declined to Rs 3956 crore in 2006-07 and then slightly improved to Rs 3686 crore in 2007-08.

The Primary deficit of the State decreased from Rs 891 crore in 2003-04 to Rs 815 crore in 2004-05. During 2005-06, it turned into primary surplus of Rs 2308 crore which slightly decreased to Rs 1550 crore in 2006-07 but during the current year it again increased to Rs 2400 crore which was the resultant of decrease in fiscal deficit and increase in the interest payments during the year.



### 1.11.2 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of Primary Deficit into Primary Revenue Deficit<sup>9</sup> and Capital Expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of RD to FD indicates the extent to which borrowed funds were used for current consumption. The ratio of RD to FD declined steeply during 2004-05 and the

<sup>9</sup> Primary Revenue Deficit is the gap between non-interest revenue expenditure of the State and its revenue receipts and it indicates the extent to which the revenue receipts of the State are able to meet the primary expenditure incurred under revenue account.

RD was wiped out and turned into surplus during 2005-06 to 2007-08. This trajectory shows a consistent improvement in the quality of deficit.

The bifurcation of the factors resulting in to primary deficit or surplus of the State during the period 2002-08 reveals (Table 1.36) that throughout this period except in the year 2002-03, the primary deficit was on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were enough to meet primary expenditure requirements in the revenue account during these years, rather left some receipts to meet the expenditure under the capital account. But the surplus non-debt receipts were not enough to meet the expenditure requirements under capital account, resulting in primary deficit till 2004-05. During 2005-06 to 2007-08, the adequacy of non-debt receipts to meet the primary expenditure led to the emergence of primary surplus during these years.

**Table 1.36: Primary deficit/surplus – Bifurcation of factors**

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and advances	Primary Expenditure	Non-debt receipts vis-à-vis Primary Revenue expenditure	Primary Deficit (-)/ Surplus (+) with reference to Capital expenditure
(1)	(2)	(3)	(4)	(5)	(6)=(3)+(4)+(5)	(7)=(2)-(3)	(8)=(2)-(6)
2002-03	21270	21555	1628	697	23880	(-) 285	(-) 2610
2003-04	24281	20571	3590	1011	25172	3710	(-) 891
2004-05	29235	24400	4564	1086	30050	4835	(-) 815
2005-06	34852	27450	4054	1040	32544	7402	2308
2006-07	42515	32759	5952	2254	40965	9756	1550
2007-08	48533	36889	7462	1782	46133	11644	2400

### 1.12 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table 1.37 presents a summarized position of Government finances over 2003-08, with reference to certain key indicators that help to assess the adequacy and effectiveness of available resources and their applications, highlights areas of concern and captures its important facts.



Table 1.37: Indicators of Fiscal Health

(in per cent)

Fiscal Indicators	2003-04	2004-05	2005-06	2006-07	2007-08
<b>I Resource Mobilization</b>					
Revenue Receipt/GSDP	13.5	14.2	15.2	16.6	17.0
Revenue Buoyancy	1.24	1.42	1.71	2.01	1.20
Own Tax/GSDP	9.06	9.64	10.44	11.26	10.61
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	17.0	17.3	16.6	18.9	18.7
Total Expenditure/Revenue Receipts	126.0	122.3	109.3	113.6	109.9
Revenue Expenditure/Total Expenditure	84.6	83.8	86.3	82.3	82.3
Capital Expenditure/Total Expenditure	12.0	13.1	10.9	12.8	14.3
Buoyancy of TE with RR	0.48	0.83	0.34	1.23	0.77
Buoyancy of RE with RR	0.11	0.77	0.51	0.95	0.76
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (-)/Revenue Surplus (+) (Rs in crore)	(-) 1565	(-) 703	(+) 1951	(+) 2648	(+) 4545
Fiscal deficit (Rs in crore)	(-) 5591	(-) 5570	(-) 2251	(-) 3956	(-) 3686
Primary Deficit (-)/ Primary Surplus (+) (Rs in crore)	(-) 891	(-) 815	(+) 2308	(+) 1550	(+) 2400
Revenue Deficit/Fiscal Deficit	28.0	12.6	(-) 86.7	(-) 66.9	(-) 123.3
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	28.1	27.5	27.9	26.9	25.4
Fiscal Liabilities/RR	208.6	193.8	183.5	162.1	149.6
Buoyancy of FL with RR	0.91	0.58	0.67	0.31	0.45
Buoyancy of FL with Own Receipt	1.11	0.59	0.64	0.32	1.30
Net Funds Available under Public Debt	9.2	7.3	31.9	..	--
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	1.1	0.9	0.8	0.6	0.4
Balance from Current Revenue (Rs in crore)	(+) 1280	(+) 1962	(+) 6054	(+) 7550	(+) 10223
Financial Liabilities / Assets	0.45	0.51	0.61	0.67	0.76

The trends in ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy and accessibility of State to resources. Revenue receipts are comprised not only of the tax and non-tax resources of the State but also the transfers from Union Government. The revenue receipts as a ratio to GSDP has consistently increased during the period 2003-08, and reached to 17.0 per cent during the year. The percentage of own taxes to GSDP improved from 9.06 in 2003-04 to 10.61 in 2007-08.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource

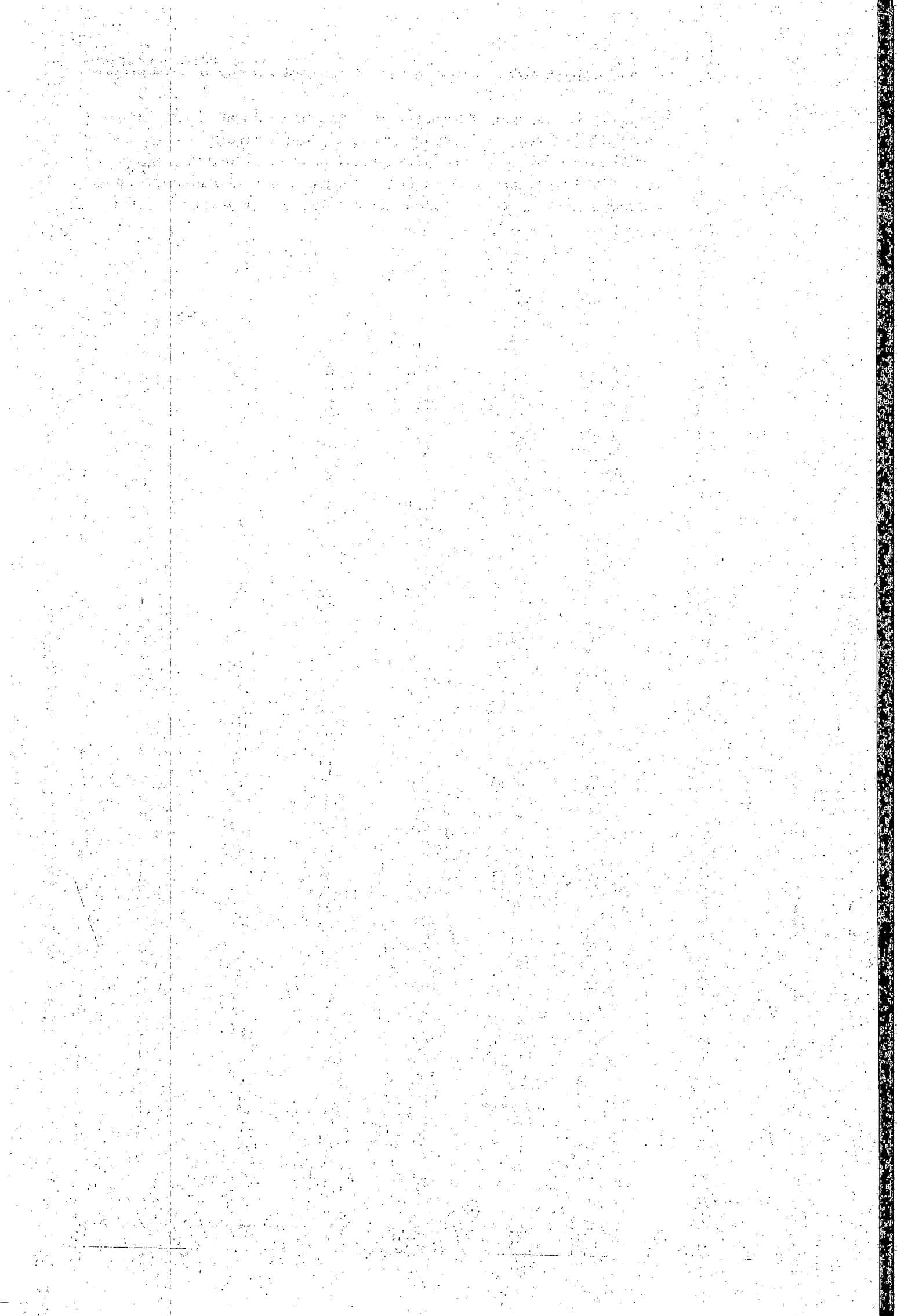
mobilization efforts. The revenue expenditure as a percentage to total expenditure although declined during 2003-08 but it still continued to share about 82.3 per cent of total expenditure during 2007-08. The relatively higher buoyancy ratio of total expenditure as compared to that of revenue expenditure with respect to revenue receipts indicates the propensity of the State Government to create assets by resorting to *inter alia* capital expenditure. Increasing reliance on revenue receipts to finance the total expenditure which amounts to 91 per cent during 2007-08 indicates decreasing dependence on borrowed funds. This is also reflected by the decreasing ratio of financial liabilities to revenue receipts. The proportion of capital expenditure in the total expenditure and GSDP at 14.3 per cent and 2.7 per cent with inter year variations are relatively low.

Revenue surplus from 2005-06 onwards and significant decline in fiscal deficit since 2002-03, indicates improvements in fiscal position of the State. The Balance from Current Revenue remained positive and consistently increased during the period 2003-08 indicating the adequate availability of funds for meeting the development requirements of the State.

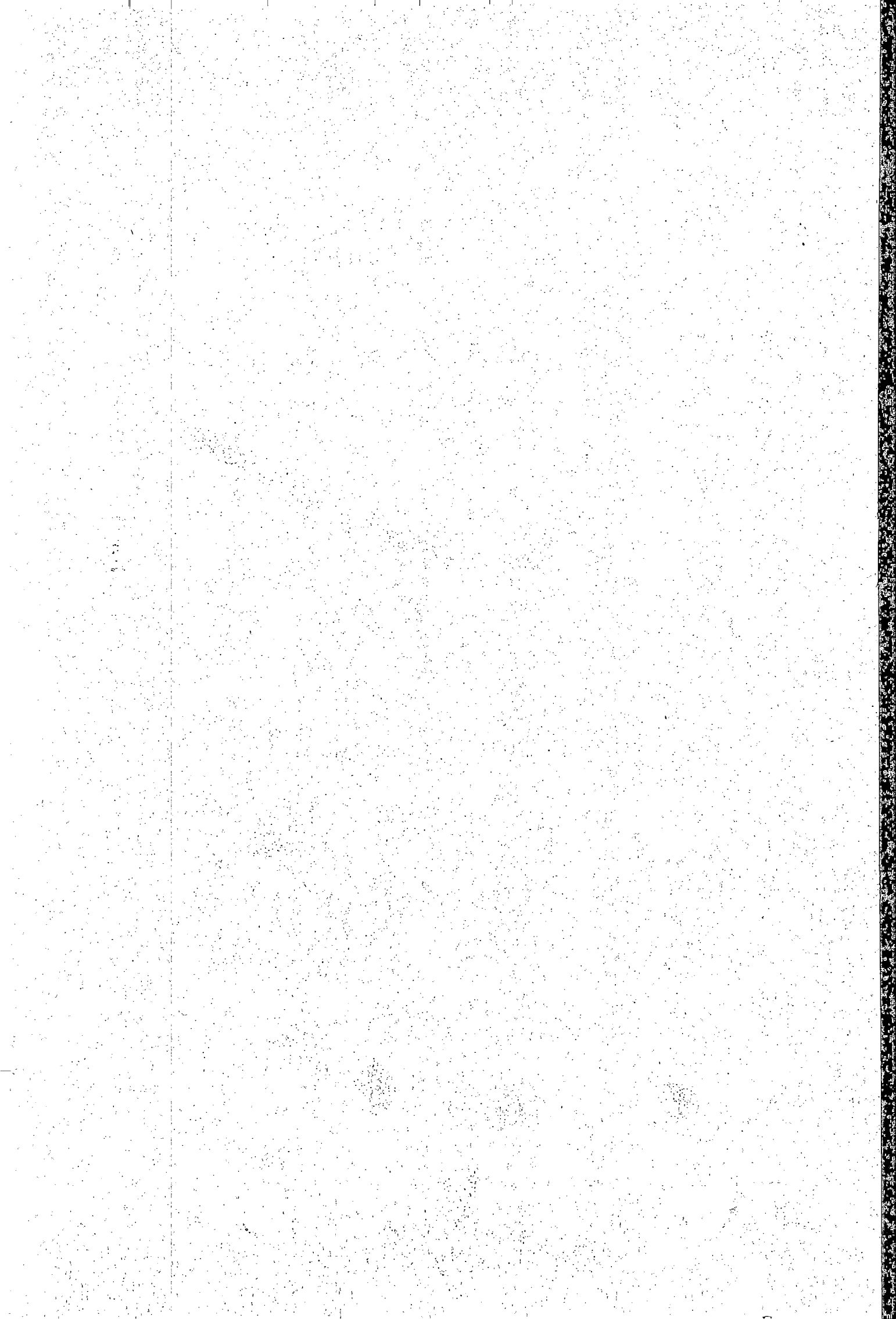
### 1.13 Conclusion

The fiscal position of the State viewed in terms of the key fiscal parameters – revenue, fiscal and primary deficit – indicated significant improvement in 2007-08 relative to the previous year. The State has achieved the revenue and fiscal deficits targets relative to GSDP laid down under the Rules framed under the TNFRBM Act during the year. The improvement in fiscal position of the State was observed to be mainly on account of increase in revenue receipts by Rs 6607 crore (16.2 per cent) against an increase of Rs 4710 crore (12.3 per cent) in revenue expenditure resulting an increase of Rs 1897 crore in revenue surplus in 2007-08 over the previous year. The improvement in revenue surplus of the State may however be seen in view of the fact that about 74 per cent of the incremental revenue receipts of the State during 2007-08 (Rs 4877 crore) are contributed by the central transfers comprising of State's share in central taxes and duties and grants-in-aid from the Union of India. The expenditure pattern of the State reveals that the revenue expenditure as a percentage to total expenditure although indicating a declining trend, still constitutes a little more than 82 per cent of the total expenditure during 2007-08 and its NPRE component at Rs 34678 crore during 2007-08 exceeded the normative projection of the TFC for the year by Rs 5061 crore. Moreover, within the non plan revenue expenditure, four components viz. salary expenditure, pension liabilities, interest payments and subsidies constitute about a sizeable 75 per cent of NPRE during 2007-08. These trends in expenditure indicate the need for changing allocative priorities. The increasing fiscal liabilities accompanied with negligible rate of return on government investments and inadequate interest cost recovery on loans and advances might lead to a unsustainable situation in medium to long run unless suitable measures are initiated to compress the non plan revenue expenditure and to mobilize the additional resources both through the tax and non tax sources in ensuing years. State continued to give guarantees to various institutions for

raising resources and the maximum guarantees given during 2007-08 constituted 42.3 *per cent* of the revenue receipts of the State. The guarantees to the extent of Rs 175 crore have already been invoked during the period 2003-08 and with many Government companies and cooperative institutions continuing to incur losses, there is an inherent risk of invocation of more government guarantees in the future.



**CHAPTER II**  
**ALLOCATIVE PRIORITIES**  
**AND APPROPRIATION**



## CHAPTER II

### ALLOCATIVE PRIORITIES AND APPROPRIATION

#### 2.1 Introduction

2.1.1 The Appropriation Accounts prepared annually indicate capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget.

2.1.2 Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2007-2008 against 53 grants/appropriations was as given in Table 2.1:

Table 2.1

(Rupees in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	39518.62	1551.51	41070.13	37094.46*	(-) 3975.67
	II Capital	7867.36	1138.24	9005.60	7631.78	(-) 1373.82
	III Loans and Advances	1098.75	804.69	1903.44	1781.56*	(-) 121.88
<b>Total Voted</b>		<b>48484.73</b>	<b>3494.44</b>	<b>51979.17</b>	<b>46507.80</b>	<b>(-) 5471.37</b>
Charged	IV Revenue	6064.03	623.70	6687.73	6612.23	(-) 75.50
	V Capital	2.00	39.94	41.94	41.79	(-) 0.15
	VI Public Debt-Repayment	3916.80	0.00	3916.80	3545.61	(-) 371.19
<b>Total Charged</b>		<b>9982.83</b>	<b>663.64</b>	<b>10646.47</b>	<b>10199.63</b>	<b>(-) 446.84</b>
Appropriation to Contingency Fund (if any)						
<b>Grand Total</b>		<b>58467.56</b>	<b>4158.08</b>	<b>62625.64</b>	<b>56707.43**</b>	<b>(-) 5918.21</b>

\* These are gross figures except in respect of Grant Nos. 20, 21, 39 and 40 in which certain suspense heads are operated.

\*\* The total expenditure includes Rs 1687.31 crore transferred to 8443-Civil Deposits - 800 Other Deposits-AE Deposits of Government Companies, Corporations, etc., in respect of 26 Corporations/Autonomous Bodies but kept unutilised.

## 2.3 Results of Appropriation Audit

### 2.3.1 Excess over provision requiring regularisation - previous years

As per Article 205 of the Constitution, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs 5913.44 crore for the years 1998-2007 was yet to be regularised as detailed in **Appendix 2.1**.

### 2.3.2 Excess over provision during 2007-08 requiring regularisation

The excess expenditure in six grants amounting to Rs 113.04 crore as indicated in **Table 2.2**, requires regularisation under Article 205 of the Constitution.

Table 2.2

(Amount in Rupees)

Sl. No.	Number and title of grant/appropriation	Total grant/appropriation	Expenditure	Excess
<b>Voted Grants -</b>				
1.	18 Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department) (Revenue)	62,84,44,000	62,85,91,444	1,47,444
2.	35 Personnel and Administrative Reforms Department (Capital)	15,82,000	16,36,743	54,743
3.	40 Irrigation (Public Works Department) (Revenue)	646,28,10,000	741,27,02,099	94,98,92,099
4.	42 Rural Development and Panchayat Raj Department (Revenue)	3,065,06,02,000	3,079,23,37,603	14,17,35,603
5.	48 Transport Department (Capital)	102,42,59,000	102,89,51,998	46,92,998
6.	51 Relief on Account of Natural Calamities (Revenue)	685,00,39,000	688,39,59,621	339,20,621
<b>Total</b>	<b>Voted</b>	<b>4,561,77,36,000</b>	<b>4,674,81,79,508</b>	<b>113,04,43,508</b> or <b>113.04 crore</b>

### 2.3.3 Expenditure incurred without provision

In 47 sub-heads, expenditure of Rs 2.05 crore had been incurred either without budget provision or the entire provision was withdrawn through reappropriation. The details are given in **Appendix 2.2**.

### 2.3.4 Original budget and supplementary provisions

The overall saving of Rs 5918.21 crore was the result of saving of Rs 6031.25 crore in 47 grants and 48 appropriations under Revenue Section, 36 grants and three appropriation under Capital Section and 17



grants and one appropriation (Public Debt-Repayments) under Loan Section, offset by excess of Rs 113.04 crore in four grants under Revenue Section and two grants under Capital Section. Out of 949 sub-heads, explanations for variation were not received (July 2008) in respect of 876 sub-heads (Saving: 526 sub-heads and Excess: 350 sub-heads).

**2.3.5** Supplementary provision obtained during the year constituted 7 per cent of original provision as against 10 per cent in the previous year.

**2.3.6 Unnecessary supplementary provision**

Supplementary provision aggregating Rs 557.77 crore obtained in 39 cases, Rs 10 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.3**.

**2.3.7** In 17 cases, against additional requirement of Rs 1362.71 crore, supplementary grants and appropriation of Rs 1550.98 crore were obtained resulting in saving, in each case exceeding Rs 50 lakh, aggregating Rs 188.27 crore. Details of these cases are given in **Appendix 2.4**.

**2.3.8 Substantial surrenders**

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 202 sub-heads on account of either non-implementation or slow implementation. Out of the total provision amounting to Rs 5488.22 crore in these 202 schemes, Rs 4766.83 crore (87 per cent) were surrendered, which included cent per cent surrender in 60 schemes (Rs 2427.54 crore). Results of 11 such cases are given in **Appendix 2.5**.

**2.3.9 Surrender in excess of actual saving**

In 25 cases, the amount surrendered (Rs 50 lakh or more in each case) was in excess of actual savings indicating inadequate budgetary control. As against savings of Rs 1169.57 crore, the amount surrendered was Rs 1307.86 crore resulting in excess surrender of Rs 138.29 crore. Details are given in **Appendix 2.6**.

**2.3.10 Substantial savings**

In 33 cases, the expenditure fell short by more than Rs 1 crore in each case and also by 15 per cent or more of the total provision as detailed in **Appendix 2.7**.

**2.3.11 Excessive/unnecessary reappropriation of funds**

Reappropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious reappropriation proved excessive or insufficient and resulted in savings/excess of over Rs 10 lakh in 577 sub-heads. The excess/saving was more than Rs 2 crore in 76 sub-heads as detailed in **Appendix 2.8**.

### 2.3.12 Unexplained reappropriations

According to paragraph 151 of Tamil Nadu Budget Manual, Volume I, reasons for the additional expenditure and the savings should be explained in the reappropriation statement and vague expressions such as “based on actual requirements”, “based on trend of expenditure”, etc., should be avoided. However, a scrutiny of reappropriation orders issued by the Finance Department revealed that in respect of 4,108 items out of 20,428 items (20 per cent), reasons given for additional provision/withdrawal of provision in reappropriation orders were of general nature like “actual requirement”, “based on latest assessment” and “restriction of expenditure”.

### 2.4 Non-reconciliation of Departmental figures

2.4.1 To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General.

Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard persisted during 2007-08 also. Eleven Controlling Officers did not reconcile expenditure amounting to Rs 333.81 crore as of September 2008.

Of the 11 controlling officers, amounts exceeding Rs 10 crore in each case remained unreconciled during 2007-08 in respect of the following five Controlling Officers as given in Table 2.3.

Table 2.3

(Rupees in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Director of Handlooms and Textiles	12.18
2.	Director of Medical and Rural Health Services	60.67
3.	Project Director, Tamil Nadu Health System Project	61.09
4.	Registrar of Co-operatives (Housing)	165.64
5.	Chief Engineer, Buildings	26.37

2.4.2 The Tamil Nadu Budget Manual stipulates (vide Paragraph 109) that Chief Controlling Officers should arrange to obtain from their subordinates, monthly accounts and returns in suitable form claiming credit for so much paid into the Treasury or otherwise accounted for and compare these with the Statements of treasury credits furnished by the Accountant General, Tamil Nadu, to see that the amounts reported as collected have been duly credited to Government account. Paragraph 128 of the Budget Manual also stipulates that all disbursing officers and subordinate controlling officers should reconcile their departmental figures including receipts with the treasury figures.

Eleven Controlling Officers did not reconcile receipts amounting to Rs 3.87 crore as of September 2008.

**2.4.3** In paragraph 2.4.4 of Audit Report (Civil) 2006-07, non-reconciliation of receipts pertaining to 2006-07 to the extent of Rs 6.06 crore, which included Rs 3.53 crore relating to Commissioner of Municipal Administration, was pointed out. As of September 2008 Rs 2.58 crore out of the amount relating to Commissioner of Municipal Administration was pending reconciliation.

## 2.5 Rush of expenditure

According to the Tamil Nadu Financial Code, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 53 sub-heads, expenditure exceeding Rs 10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2008 (**Appendix 2.9**). Results of review conducted by Audit in respect of a few of these cases revealed that

(1) Government provided funds (Rs 78.65 crore) in the original budget estimates for supply of free bicycles to the following categories of students studying in standard XI and XII in Government/Government aided/self financing schools during 2007-08 under the following sub heads:

2225.01.277.KJ	Girl students belonging to Scheduled Caste/Scheduled Tribe/Scheduled Caste Convert Communities
2225.03.277.KR	Girl students belonging to Most Backward Classes and Denotified Communities
2225.01.277.KO	Boy students belonging to Scheduled Castes/Scheduled Tribes/Scheduled Caste Converts
2225.03.277.KT	Boy students belonging to Most Backward Classes and Denotified Communities
2225.03.277.KS	Girl students belonging Backward Classes

Token provisions were also made in Supplementary II for meeting out the expected additional expenditure. However, the procurement procedure was completed and funds were allotted to districts for supply of bicycles only in February/March 2008. Payments for supply of bicycles were made by the districts during March 2008. This has resulted in rush of expenditure in March 2008 besides postponement of benefit to the students.

(2) Government provided funds for the following schemes for the welfare of agricultural labourer in the original estimates of 2007-08.

2235 60 200 KK	Tamil Nadu Agriculture Labour Welfare Board - Financial assistance for the marriage of children of the members (Original: Rs 28.00 crore reduced to Rs 26.20 crore in RE)
2235 60 200 KL	Tamil Nadu Agriculture Labour Welfare Board – Old Age Pension to the members (Original: Rs 14.11 crore reduced to Rs 13.51 crore in RE)
2235 60 789 JN	Agriculture Labour Welfare Board – Financial Assistance for the marriage of children of the members under Special Component Plan (Original: Rs 12.00 crore increased to Rs 13.80 crore in RE)

The funds were required to be allotted quarterly in June 2007, September 2007, December 2007 and March 2008. However, of the total funds of Rs 53.51 crore, Rs 51.65 crore for the above three schemes was drawn in March 2008 by Commissioner of Land Reforms and credited to the Personal Deposit account of the Tamil Nadu Agriculture Labour Welfare Board in April 2008 resulting in rush of expenditure.

## **2.6 Personal Deposit Accounts**

**2.6.1** Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were 1,294 PD accounts in 29 District Treasuries and five Pay and Accounts Offices in operation. Of these accounts, 1,109 PD accounts were not closed as of March 2008 and the balance of Rs 230.68 crore with these accounts was not transferred back to the respective service heads. Of these 1,109 accounts 758 accounts were not operated during 2007-08.

**2.6.2** During the inspection of treasuries by the Accountant General (A&E) and information collected from PAO (North) it was found that 159 PD accounts with balances exceeding Rs 5,000 were remaining inoperative for periods upto 24 years. The total amount involved in these accounts was Rs 3.21 crore. Of these accounts seven were not in operation for more than 20 years; 38 for more than ten years and 56 for more than five years.

**2.6.3** According to Tamil Nadu Financial Code, an expenditure should not be *prima facie* more than occasion demands and Government funds should not on any account be reserved or appropriated by transfer to a deposit or any other head or be drawn from the treasury and kept in a cash chest in order to prevent the funds from lapsing.

The following deposit accounts of Government Companies and Corporations (8443-00-800) funds were kept unutilised.

(i) Tamil Nadu Rural Housing Infrastructure Corporation (TNRHIC)	Rs 1.46 crore (from April 2005)
(ii) MGR University	Rs 99.07 lakh (from March 2004)
(iii) Adyar Poonga Trust	Rs 10.00 crore (from March 2007)

It was seen in as far as TNRHIC is concerned the amount was originally sanctioned for payment of interest on housing loans obtained from HUDCO. However, from March 2005 onwards the loans were ordered to be taken over by Director of Rural Development and payment of interest was to be made by DRD. However, the balance amount in this account was not remitted back to Government.

The MGR University has stated that the expenditure to the extent of Rs 61.29 lakh was already incurred for Upgradation of Regional Medical Library (Rs 28.97 lakh) and Establishment of Virtual Library (Rs 32.32 lakh) from the General Fund and same would be withdrawn from the PD account for recouping their General Fund.

The Adyar Poonga Trust has not made use of the funds during 2007-08 indicating that funds were released in March 2007 far in advance of requirements.

## 2.7 Lapsed Deposit

As per Article 271 (v) of Tamil Nadu Financial Code, all works deposits (deposits for work of land acquisition for public bodies or individuals) exceeding five rupees and unclaimed for more than five complete financial years shall lapse to Government. The amount lapsed should be credited to the Government at the close of March in each year.

A review of records on works deposits (8443.00.117) in two Pay and Accounts Officers, Chennai (North and South) revealed the following:

- PAO (South) had a balance of Rs 71.80 crore as at the end of 2007-08 out of which amounts pertaining to period prior to 2003-04 were Rs 4.49 crore. The PAO stated (October 2008) that proposals for lapsing the above amount would be sent shortly to the Accountant General.
- PAO (North) had a balance of Rs 5.52 crore. Of the balance, Rs 3.95 crore relating to period 1989-1995 (due for lapsing during 1995-1999) was not lapsed (September 2008) to Government.

The above instances would indicate failure on the part of the PAOs in lapsing the deposits.

## 2.8 Non-adjustment of Temporary Advances

Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanction of the State Government. According to the provisions of Article 99 of Tamil Nadu Financial Code, Volume I, if any temporary advance is pending for more than four months, the Treasury Officer/Pay and Accounts Officer is required to write to the Head of Department concerned for adjustment within a month duly supported with vouchers. An advance pending for more than five months should be brought to the notice of the Government.

As of 31 January 2008, 1,947 advances aggregating Rs 107.56 crore were pending adjustment by DDOs in the records of Pay and Accounts Offices (PAO) (7) and Treasuries (30) in the State. Agewise analysis of advances pending is given in Table 4.

Table 4

SINo	Pendancy	No of Advances	Amount (Rs in crore)
1	More than 10 years	56	2.78 (3)
2	More than five year upto 10 years	103	4.31 (4)
3	More than one year but less than five years	816	64.84 (60)
4	Less than one year	972	35.63 (33)
	Total	1947	107.56 (100)

Figures in brackets indicate percentage to total amount

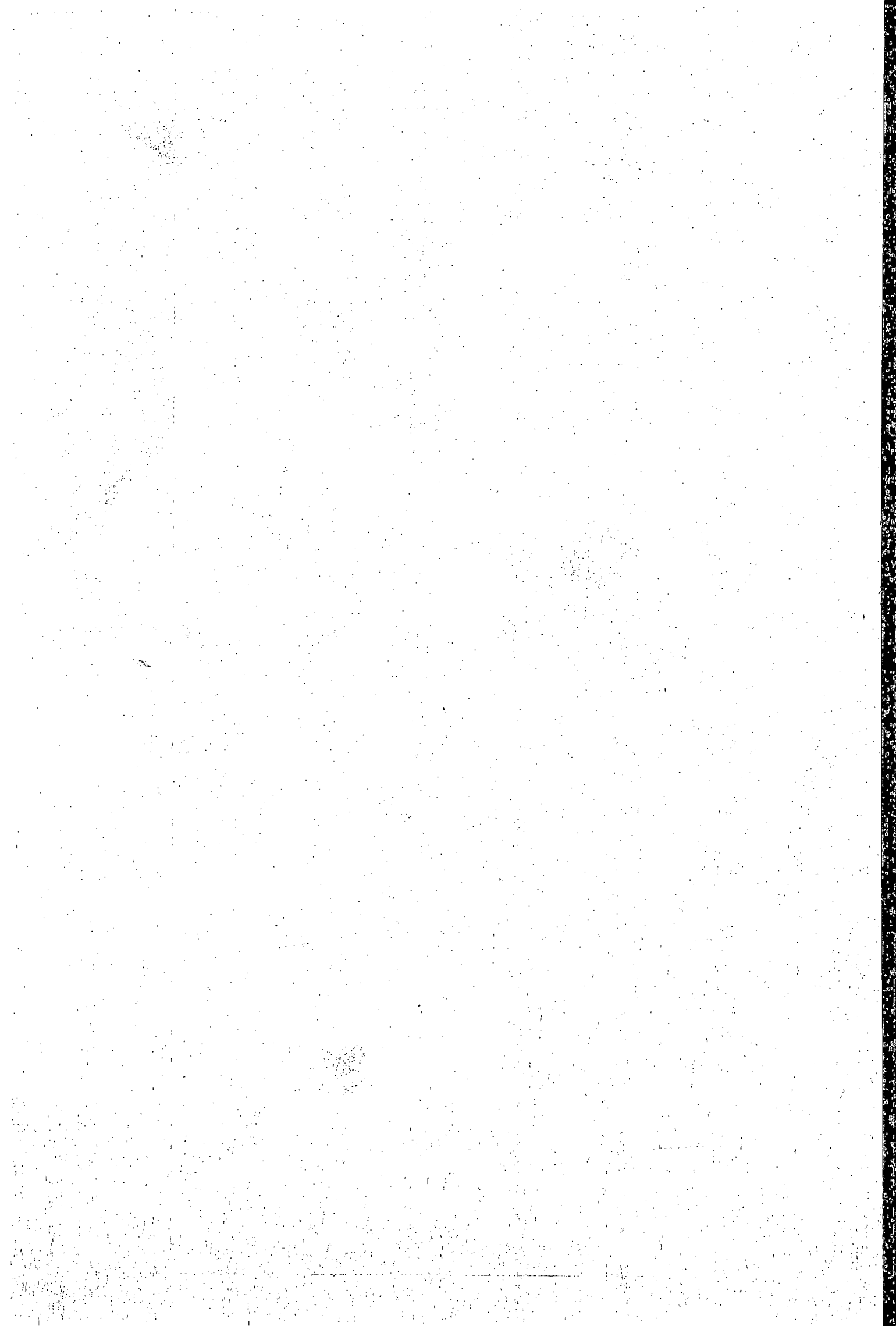
Test check of records of eight<sup>1</sup> Drawing and Disbursing Officers in the State revealed non-adjustment of temporary advances and Rs 53.56 crore were pending adjustment as of March 2008 for periods ranging from one year to more than 10 years for reasons discussed below:

		(Rupees in crore)
a)	Details for adjustment of accounts awaited from sub-ordinate offices/other agencies	10.37
b)	Adjustment bills submitted to PAOs not adjusted	5.19
c)	Adjustment vouchers not available with the Department	19.30
d)	Clarification on expenditure incurred awaited from the Government	0.10
e)	Pending with controlling officers	12.37
f)	Amount already remitted but not reflected in PAO records	0.17
g)	Advances claimed to have not drawn	1.99
h)	Pending for reconciliation with PAOs	0.15
i)	Original vouchers/details not available	2.13
j)	Amount kept unutilised	0.08
k)	Relevant records seized by Anti-corruption/vigilance department	1.71
	<b>Total</b>	<b>53.56</b>

The above instances would prove that laxity in enforcing codal provisions has resulted in pendency of large number of advances involving substantial amounts.

<sup>1</sup> Commissioner of Tourism (Rs 63.43 lakh), Commissioner of Animal Husbandry (Rs 1930.15 lakh), Director General of Police (Rs 1021.22 lakh), Director of School Education (Rs 309.76 lakh), Director of Treasury and Accounts (Rs 965.15 lakh), Director of Social Welfare (Rs 849.25 lakh), District Election Officer, Chennai (Rs 95.26 lakh) and Department of Tamil Development, Religious Endowments and Information (Rs 121.97 lakh).

CHAPTER III  
PERFORMANCE AUDIT





## CHAPTER III

### PERFORMANCE AUDIT

This chapter presents five performance audits (including one information technology review and one long paragraph). The Performance audits include reviews on Sports Development and Physical education, Functioning of Institutions run under Child Welfare Schemes and under Juvenile Justice Act, Traffic Improvement and Road Safety in Chennai Metropolitan Area and Functioning of Institute of Distance Education of University of Madras. The information technology review is on Computerisation of District Employment Offices.

#### YOUTH WELFARE AND SPORTS DEVELOPMENT DEPARTMENT AND SCHOOL EDUCATION DEPARTMENT

##### 3.1 Sports Development and Physical Education

###### *Highlights*

*Sports development is an essential component of human resource development, and helps to inculcate comradeship and competitive spirit. Excellence in sports enhances the sense of achievement, national pride and patriotism. As such, sports and games are widely perceived to be an effective tool for national integration and for personality development of the youth. Physical education in schools is the stepping stone for success in sports and it helps to inculcate discipline, team spirit and unity in childhood.*

- Minimal sports infrastructure like outdoor stadia, swimming pools and indoor stadia, crucial for sports development, were lacking in many of the districts, for which Rs 28.90 crore would be required. Instances of under-utilisation of grants given for infrastructure, abnormal delay in execution of projects and infrastructure lying idle were noticed in audit.

(Paragraphs 3.1.8.1, 3.1.8.2, 3.1.9.1 and 3.1.10)

- Under public-private partnership, Sports Development Authority of Tamil Nadu permitted establishment of infrastructure for swimming and tennis in Tiruvallur District and squash in Chennai by three private agencies without ensuring any benefit to deserving sports persons and students.

(Paragraph 3.1.11)

- World Beater Talent Spotting Scheme, implemented for identification of talented sports persons early in childhood, failed at all levels due to poor conducting of specified tests, inadequate coverage of unaided schools and poor participation of students in higher level competitions.

(Paragraph 3.1.9.3)

➤ As of March 2008, against the requirement of 235 coaches there was shortage of 83 posts for various disciplines affecting sports development. Non-performing coaches, identified through an evaluation by SDAT, continued working. The schemes for upgradation of coaching skills and scientific training were not implemented properly.

(Paragraph 3.1.13)

➤ Physical education, essential for the development of personality of each child, was not given due importance in schools due to shortage of Physical Education Teachers, lack of sports infrastructure like playgrounds in schools, lack of funds to carry out Physical education activities and inadequate supervision.

(Paragraph 3.1.14)

### 3.1.1 Introduction

Sport is listed in the State List of the Seventh Schedule to the Constitution and Government of India (GOI) plays a supplementary role in the development of sports. Both the GOI and State Governments have brought out several schemes in successive Five Year Plans to develop sports and integrate Physical education with sports.

The objective of sports development in Tamil Nadu is to promote and encourage quality participation, and improve the morale and performance of Tamil Nadu sports persons at national and international events through recognition, quality training support schemes and world class infrastructure.

### 3.1.2 Organisational Set up

Sports Development Authority of Tamil Nadu (SDAT) is the apex body for implementing all policy decisions on sports and youth welfare activities of the State Government. SDAT is a society, registered under Societies Act, established in 1992. The Chief Minister is the President of the authority. The executive powers of SDAT are vested in the Executive Committee (EC), headed by the Minister for Sports and Youth Welfare Department. The administrative head is the Secretary, Sports and Youth Welfare. Member Secretary (MS) of the Executive Committee is the Chief Executive Officer. The Executive Committee exercises all administrative and financial powers of the authority and generally pursues and carries out the objects of the authority as set forth in the Memorandum of Association executed. An organisational chart of SDAT is given in Appendix 3.1.

For Physical education, there is no organized structure at primary/middle school level. Physical education at High/Higher Secondary schools is organized at State level under the Chief Inspector of Physical education- Men (CIP-M) and Chief Inspector of Physical education- Women (CIP-W), who report to the Director of School Education. An organisational chart of Physical education functionaries under Secretary to Government, School Education Department is given in Appendix 3.2.

### 3.1.3 Audit coverage

The performance audit covered planning, funding, execution and monitoring in respect of the activities of SDAT aimed at creation, maintenance of sports infrastructure, talent identification, coaching and organizing sports events etc., to inculcate competitive spirit. On the Physical education front, the audit focused on the organization, supervision of Physical education at grass root level, talent identification and hosting of competitive games at various levels. Records relating to the five-year period 2003-08 were checked in Youth Welfare and Sports Development Department in the Secretariat and Sports Development Authority of Tamil Nadu (SDAT), Directorate of School Education, Offices of the Chief Inspector of Physical education, (CIP-M) and (CIP-W). An in-depth study was also carried out in seven sample districts,<sup>1</sup> out of 30, selected on random sampling basis, by checking records of 26 offices/institutions in the sample districts (Appendix 3.3) along with records of 61 schools. Apart from this, a survey questionnaire was also administered to Headmasters of 1034 schools for eliciting their views on the implementation of schemes in schools.

### 3.1.4 Audit objectives

The objectives of the performance audit were:

- To assess the adequacy and effectiveness of programmes and projects aimed at improving the availability of sport infrastructure
- To study the adequacy and effectiveness of organization and participation in sporting events
- To assess the efficiency and effectiveness of various coaching programmes implemented by SDAT for coaching talented students and youth
- To assess whether the system in place for administration of sports in the State is efficient and provides effective support for achievement of the objectives
- To study the efficiency and effectiveness of Physical education imparted in schools and its relevance in development of sports

### 3.1.5 Audit criteria and methodology

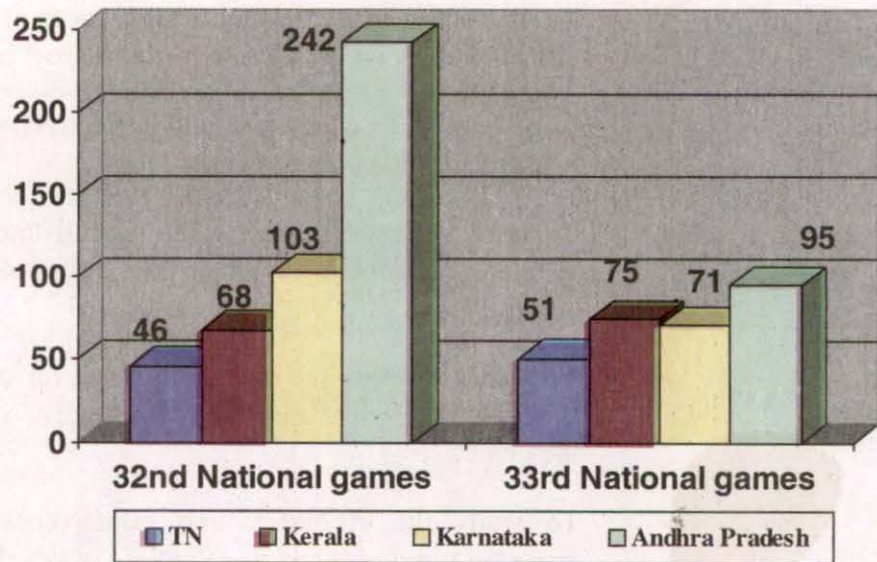
Goals set in Five Year Plans, Government policies, codes and manuals, scheme guidelines, Government orders, standards set by sports bodies etc., were adopted as the criteria to assess and measure the performance of SDAT in sports development and the Directorate of School Education in Physical education.

<sup>1</sup> Chennai, Dharmapuri, Dindigul, Erode, Kancheepuram, Madurai and Tiruvarur.

Entry conferences were held with the Member Secretary (MS), SDAT and Director of School Education (DSE) in January 2008. In the field audits during February ~ April 2008, the audit teams studied auditees records, collected information through questionnaires, ascertained auditees responses to audit observations and made site inspections along with the officers of auditee institutions. A survey was conducted among Headmasters of 1034 Government and aided/unaided private schools to obtain their views on the schemes implemented. Exit conferences were held with Secretary to Government, Youth Welfare and Sports Development Department and with Director of School Education in June 2008.

### 3.1.6 Sports scenario in the State

The performance of the State in terms of medal tally at national level continues to be below average. In the last two National Games (2002 at Hyderabad and 2007 at Guwahati), organized by the Indian Olympic Association, the State was placed in 10<sup>th</sup> and 14<sup>th</sup> positions, with 46 and 51 medals respectively. Five States<sup>2</sup> with a smaller population than Tamil Nadu won more medals in the National Games at Hyderabad and eight<sup>3</sup> such states showed better performance in the National Games at Guwahati. The other three southern States outperformed Tamil Nadu in the medals tally<sup>4</sup>.



Performance of school teams from Tamil Nadu in National level competitions was poor.

The games organised by the School Game Federation of India (SGFI) are the National level competition for school students (under 14-junior, under 17-senior and under 19-super senior). In the SGFI games held during 2004-2007, school teams from Tamil Nadu were placed at low positions as indicated in **Table 1**.

<sup>2</sup> Karnataka, Kerala, Punjab, Haryana and Manipur.

<sup>3</sup> Assam, Delhi, Haryana, Karnataka, Kerala, Madhya Pradesh, Manipur and Punjab

<sup>4</sup> Kerala 2002: 68 medals, 2007: 75 medals, Andhra Pradesh 2002: 242 medals, 2007: 95 medals, Karnataka 2002: 103 medals, 2007: 71 medals.

Table 1

Performance at SGFI				
Year	2004	2005	2006	2007
Position at National level	13	12	11	15

## Audit Findings

### 3.1.7 Budget provision and expenditure

The budget allocation and expenditure under Sports Development and Physical education during last five years 2003-04 to 2007-08 is given in **Table 2**.

Table 2

(Rupees in crore)

Year	Sports Development		Physical education <sup>5</sup>	
	Budget allocation	Expenditure	Budget allocation	Expenditure
2003-04	14.05	14.02	0.93	0.68
2004-05	39.40	39.39	0.90	0.87
2005-06	43.99	43.98	1.55	1.49
2006-07	26.07	28.57	1.58	1.54
2007-08	34.72	34.72	2.94	2.93
<b>Total</b>	<b>158.23</b>	<b>160.68</b>	<b>7.90</b>	<b>7.51</b>

(Source: - Appropriation Accounts of respective years)

Sports development was funded by the grants in aid given by GOI and State Government to SDAT for various purposes. Government of India provided 50 *per cent* of the cost of the District Sports Complex, indoor stadia and swimming pools and the State Government provided 25 *per cent* cost. The district level stadium committee, headed by the District Collector concerned had to mobilise the remaining 25 *per cent* through public contribution. Subsequent to the withdrawal of GOI assistance from April 2005, State Government provided 75 *per cent* of the cost to SDAT. State Government allocated funds for the inspection of Physical education activities in schools.

The grants given for various schemes/activities by State Government and Government of India to SDAT during the years 2003-04 to 2007-08 are given in **Table 3**.

<sup>5</sup> The budget and expenditure under 'Physical education' do not include salaries of Physical Education Teachers and Physical Directors as there is no separate head of account for booking the expenditure on their salaries in Government account and their salaries are included in the account along with the salaries of all other teachers.

Table 3

(Rupees in crore)

Year	State Government Grants				GOI grants for Infrastructure	Total Grants (by both GOI and State) <sup>6</sup>	Internal Revenue generation	Total
	For infrastructure (a)	For Schemes (b)	For Regular activities (c)	Total State Grant (a+b+c)				
2003-04	2.56	2.34	7.07	11.97	2.07	14.04	1.96	16.00
2004-05	21.41	10.36	6.93	38.70	0.66	39.36	2.87	42.23
2005-06	7.29	29.38	7.12	43.79	0.41@	44.20	3.19	47.39
2006-07	7.99	12.19	7.85	28.03	0.51@	28.54	3.71	32.25
2007-08	4.57	18.76	9.93	33.26	1.80@	35.06	*	35.06
Total	43.82	73.03	38.90	155.75	5.45	161.20	11.73	172.93

\* under compilation by SDAT

@ Grants sanctioned by GOI relating to previous years received subsequently

The internal revenue generation by SDAT comprises fee received from use of stadium and swimming pool, interest earned on deposits and miscellaneous receipts, etc. No budget or projections were prepared by SDAT for their revenue receipts. The rates for the usage of open stadia and indoor stadia were last revised in 1996 and 2001 respectively. For use of infrastructure created at Jawaharlal Nehru stadium, hockey stadium, aquatic complex, indoor stadium and other sports facilities in Chennai, for non-sports activities, rates were fixed in 1996 and no revision was made thereafter.

### 3.1.8 Planning for sports development

#### 3.1.8.1 Inadequate planning

SDAT did not have a long term plan for sports development with well defined targets. The Executive Committee (EC) of SDAT appointed four sub-committees, as decided in the EC meeting held in February 1999, for drafting a comprehensive perspective plan upto 2020 for sports development as viewed by Planning Commission. The resolution of the EC was not followed and the perspective plan not prepared. However annual plans were compiled and were executed.

Of the plan outlay of Rs 83.55 crore<sup>7</sup> envisaged for Tenth Five Year Plan (2002-07) for sports development, the State's share was Rs 70.59 crore against which the State Government released Rs 63.76 crore<sup>8</sup>. The financial achievement under Tenth Plan was 76 per cent as against the achievement of 132 per cent (approximate) under the Ninth Plan. The poor achievement was

<sup>6</sup> The year-wise receipt of Government grant (both State and GOI) by SDAT in this table is at slight variance with the table No.2 due to accounting of receipts at the year end in the subsequent year.

<sup>7</sup> State share: Rs 70.59 crore, GOI share: Rs 11.90 crore and other receipts: Rs 1.06 crore.

<sup>8</sup> Excluding expenditure incurred towards conduct of Rural Sports, the outlay of which was not included in the Tenth Plan outlay.

Long term plan and Perspective plan for development of sports not prepared.

mainly due to the inability of SDAT to utilise the grants in aid released by State Government. As of March 2008, Rs 6.94 crore, being the unspent balance of the grants given by Government for creating infrastructure, was invested by SDAT outside Government account (Appendix 3.4), as the same was not immediately required for utilisation. Though Government was aware of the delayed/non execution of schemes and investment of unutilized funds, it continued to give grants in succeeding years based on new proposals and such unutilized funds continued to be with SDAT till its final utilization.

Several projects/ schemes proposed in the Tenth Five Year Plan were not taken up. As against the target of laying four synthetic athletic tracks<sup>9</sup> by SDAT and three artificial hockey turfs<sup>10</sup> by the end of March 2007, only two synthetic athletic tracks (Madurai and Coimbatore) and one artificial hockey turf (Tirunelveli) were laid during 2006-07. The Accounts Officer, SDAT told Audit (April 2008) that no proposals had been sent for synthetic track in Tiruchirappalli and Nagercoil so far and proposals would be submitted in due course. Against the earmarked amount of Rs four crore for broad basing talent identifications, a scheme "World Beater Talent Spotting Scheme" (WBTSS) was implemented at a cost of Rs 1.08 crore, during 2002-07 and the audit findings noticed in the scheme are discussed in Paragraph 3.1.9.3.

### 3.1.8.2 Infrastructure

Sports infrastructure like outdoor stadia<sup>11</sup>, swimming pools, indoor stadia<sup>12</sup> etc. are crucial for sports development. State Government released Rs 43.82 crore to SDAT during 2003-08 towards creation of new sports infrastructure in all the 30 districts of the State. Audit scrutiny revealed the need for more sports infrastructure, ineffective utilisation of grants given for new infrastructure, unplanned development and poor maintenance of several sports infrastructure, as discussed below:

The existing norm for district level sports complex stipulates one outdoor stadium, one indoor stadium and a swimming pool as minimum facilities in every district. Vellore has no District Sports Complex at all. The position showing districts which lack minimum facilities is given in Table 4.

**Districts lacking minimum sports facilities.**

<sup>9</sup> In District Sports Complexes at Madurai, Coimbatore, Tiruchirappalli and Nagercoil. Madurai, Tiruchirappalli and Tirunelveli.

<sup>10</sup> Outdoor stadium consist of 400 metre running track, Gymnasium, foot ball/hockey grounds, volley ball courts, basket ball courts, kabbadi court, changing rooms, toilets etc.

<sup>12</sup> Indoor stadia with galleries for indoor games like badminton, table tennis etc.

Table 4

Sl. No.	Infrastructure component	Total Number of districts	Districts wherein infrastructure under development	Districts which lack the infrastructure
1	Outdoor Stadium	30	(1) Karur (2) Namakkal (3) Sivaganga (4) Thiruvallur	(1)Vellore
2	Indoor Stadium	30	(1) Dharmapuri (2) Kancheepuram (3) Krishnagiri (4) Thiruvallur (5) Tiruchirappalli	(1) Coimbatore, (2) Dindigul, (3) Karur (4) Nagapattinam, (5) Namakkal, (6) Perambalur, (7) Pudukottai, (8) Salem, (9) Sivaganga, (10) Thanjavur, (11) Theni, (12) The Nilgiris (13) Tiruvarur, (14) Tiruvannamalai, (15) Thoothukudi, (16) Vellore, (17) Viluppuram and (18) Virudhunagar
3	Swimming Pool	30	(1) Krishnagiri (2) Sivagangai (3) Theni (4) Thiruvarur (5) Tiruvannamalai	(1) Coimbatore, (2) Kancheepuram, (3) Karur, (4) Namakkal, (5) Perambalur, (6) The Nilgiris , (7) Vellore, (8) Villupuram and (9) Virudhunagar

Considering the prevailing cost as per the recent estimate<sup>13</sup> for outdoor stadium, indoor stadium and swimming pool, Government needs at least Rs 28.90 crore<sup>14</sup> for providing the minimum sports infrastructure in these districts. As GOI transferred all centrally sponsored schemes to the states and consequently withdrew their assistance from April 2005, State Government would need more allocation for meeting the needs of the above sports infrastructure.

• **Outdoor stadia**

The existing outdoor stadia in the sample districts lacked several essential facilities as mentioned in **Table 5**.

Table 5

Name of the District	Facilities lacking in the existing outdoor stadia due to non-provision
Dharmapuri	Fitness centre, accommodation facilities for trainees, Rest rooms, wash rooms, flood light system, six tracks (against the required number of eight tracks)
Dindigul	Rest room, Accommodation facilities for trainees
Kancheepuram	Residential accommodation for trainees, Rest room for players, toilet/bathroom, football and handball play fields require repair.
Madurai	Toilets, fitness centre, toilet/bathroom for trainees, drinking water facilities, bathroom
Thiruvarur	Fitness centre, accommodation facilities for trainees, flood light facilities.

<sup>13</sup> Outdoor stadium: Rs one crore, Indoor stadium: Rs 1.20 crore and Swimming pool: Rs 70 lakh.

<sup>14</sup> Rs 21.60 crore for 18 Indoor stadia, Rs One crore for one outdoor stadium and Rs 6.30 crore for 9 swimming pools.

Lack of essential facilities in outdoor stadia.



Because of this, many sports events could not be conducted effectively in the districts, depriving sports persons of these districts of the opportunity to participate in such events.

- **Taluk level infrastructure**

To provide playground facilities at decentralized locations (taluk level) in addition to the facilities already available in districts, Government sanctioned and released Rs 3.37 crore during 2004-07<sup>15</sup> to SDAT to construct 15 mini stadia, of which only five<sup>16</sup> were completed as of March 2008. Of the estimated cost of Rs 30 lakh for each stadium, State Government intended to provide Rs 22.50 lakh and the District Collector concerned was to mobilise the remaining amount of Rs 7.50 lakh through public contribution.

The number of works taken up and completed and the number of pending works are given in **Table 6**.

**Table 6**

	Number of Mini Stadia Proposed	Funds released (Rs in crore)	Number of Mini stadia completed	Number of pending works	Remarks
Phase I	10	2.25	4	6	Abnormal delay in identification of land and delay in identifying alternate site due to unsuitability of site selected earlier, and subsequent delay in selecting the tenderer and in entrustment of works were the main reasons for the delay in taking up and completion of six mini stadia under phase I.
Phase II	5	0.60	1	4	Mini stadia works at Virudhachalam for which Rs 22.50 lakh was released and at Thandarampet (Tiruvannamalai district) for which Rs 7.50 lakh was released are in progress. Mini stadia proposed at Andipatty and Srivalliputhur could not be taken up for want of land. The mini stadium sanctioned for Andipatty was shifted to Attur in Salem district for which Rs 7.50 lakh was released in October 2007 and the work was yet to commence (March 2008)
<b>Total</b>	<b>15</b>	<b>2.85</b>	<b>5</b>	<b>10</b>	

Though Government intended to provide mini stadia in all 206 taluks in the State, no assistance was provided to the scheme after 2005-06 as the Department failed to provide necessary budget provision. As the assistance was provided based on first come first served basis and based on the mobilisation of public contributions, one district (Tirunelveli) got three stadia, two districts (Krishnagiri and Perambalur) got two stadia each and eight

<sup>15</sup> November 2004: Rs 2.25 crore for 10 mini stadium, May 2005: Rs 37.50 lakh and September 2006: Rs 75 lakh the remaining five stadia.

<sup>16</sup> Uthangarai (Krishnagiri District), Sivakasi (Virudhunagar District), Tharangambadi (Nagapattinam District), Paramakudi (Ramanathapuram District) and Gandhi Madan (Nilgiri District).

districts got one each. The remaining 19 districts were not sanctioned any stadia. Thus infrastructural facilities were inadequate in the State.

No proposal was submitted by MS, SDAT for posting staff for the maintenance and use of the constructed mini stadia, to the Executive Committee, SDAT for their maintenance and utilization.

- **Stability and public safety**

According to Tamil Nadu Public Building Licence Act 1965, all public buildings should obtain structural stability certificate from PWD to ensure public safety. None of the sample sports complexes, however had obtained this certificate. In Kancheepuram, the reinforced rods in the roof of the stadium complex were exposed, corroded and plastered surface was worn out at many places in the gallery and in the rooms in front of the building. Though the EE, PWD Kancheepuram certified (October 2007) the roof as unsafe and forwarded the certificate to District Sports Officer (DSO), even as of February 2008 no remedial action was taken and the stadium continued to remain in use even in a dilapidated condition, posing a threat to daily users, sports-persons and the general public. Also, none of the stadia test checked by audit had emergency evacuation plans for public safety, though these stadia were utilised for hosting local and District sports events and had galleries for thousands of spectators.

### **3.1.9 Execution of projects/Schemes**

#### **3.1.9.1 Abnormal delay in execution of projects**

Abnormal delay in commencement and completion of projects

Of the 22 major infrastructure projects (information compiled by Audit) in 17 districts audit observed abnormal delays in completing 20 projects from the date of sanction. Though GOI stipulated that the Districts Sports Complex and indoor stadia be completed within two years and swimming pools within one year from the date of sanction, delays ranging between 3 to 101 months were noticed in nine completed works, while ten works were incomplete as of March 2008, after 10 to 149 months of their sanction. Work on indoor stadium at Mogappair, sanctioned by Government (May 2005), was not taken up as of March 2008 entailing delay of 34 months (**Appendix 3.5**).

The reasons for abnormal delay in commencement and in the eventual completion of projects are given below:

- (i) Delay in identification of land led to delayed commencement of the work of four projects of District Sports Complex at Karur, Sivaganga, Tiruvallur and Namakkal.
- (ii) Delay in calling of tender and entrustment of works led to delayed commencement of the indoor stadium at Tiruchirappalli, District Sports Complex at Dindigul, and swimming pool at Erode. Taking up of work with incomplete proposals led to subsequent corrections resulting in abnormal

delay in commencement of work of District Sports Complex at Sivaganga.

(iii) Due to abnormal delay in engaging consultant for civil design and calling for tender, the work of indoor stadium at Mogappair (Tiruvallur District) sanctioned by Government in May 2005 at an estimated cost of Rs 90 lakh had not commenced (April 2008) and the sum of Rs 22.50 lakh released by Government remained unutilized.

(iv) Failure in mobilisation and short mobilisation of public contribution committed by the district level stadium committee led to delay in execution of four projects viz. swimming pools at Erode, Tiruvannamalai, Thiruvarur and indoor stadium at Dharmapuri. The practice of seeking public donation and its eventual non-receipt in time caused delay in execution of projects. The district level stadium committee was allowed to obtain voluntary donation from public, retain it in a corpus fund for specific purposes and utilize the funds on the projects when needed. Perusal of records indicated that the District Collectors diverted Rs 3.27 crore in 11 works apart from District Panchayat Fund, Collector's discretionary fund and Panchayat Union Fund from other Government schemes<sup>17</sup>, when the committed public contribution was not received in time.

(v) Of the 22 selected projects, SDAT had not inspected nine projects<sup>18</sup> reflecting the absence of regular and continuous monitoring.

(vi) Though commented upon in earlier Audit Reports<sup>19</sup> the skeet and trap equipment of the shooting range at Avadi had not been commissioned due to delay in land allotment and a new site identified for the construction of velodrome<sup>20</sup> is yet to be taken over by SDAT and Rs 1.36 crore out of Rs 4 crore earmarked for velodrome was in fixed deposits (March 2008).

#### • Delay in test checked Projects

Delay in identification of suitable land, and administrative procedure led to belated finalisation of proposals. Further, lack of coordination between district administration and SDAT resulted in non-commencement of works and non-completion of six major works in as many districts thus postponing the benefits that could accrue for the development of sports in those districts (**Appendix 3.6**). Failure to forward complete proposals in time to GOI in four projects<sup>21</sup> due to non-identification of land resulted in loss of central grant of

Delay in completion of works in districts. Failure to forward proposals to GOI in time led to loss of GOI assistance of Rs 1.10 crore.

<sup>17</sup> Small Saving Incentive Scheme, Self Sufficiency Scheme, Member of Legislative Assembly Constituency Development Scheme, Member of Parliament Local Area Development Scheme, Sampoorana Grammen Rozgar Yojana, Rashtriya Samvikas Yojana.

<sup>18</sup> Swimming pools at Pudukottai, Tiruvarur and Nagercoil Indoor stadia at Dharmapuri and Nagapattinam, District Sports Complex at Tiruvallur, Pudukottai, Namakkal and Karur.

<sup>19</sup> Paragraphs 4.4.5 and 4.1.3 of Audit Reports of Comptroller and Auditor General of India – Civil – Government of Tamil Nadu for the year ended March 2006 and March 2007 respectively.

<sup>20</sup> Cycling track with steeply banked curves.

<sup>21</sup> District Sports Complex at Tiruvallur, Karur, Namakkal and Sivaganga.

Rs 1.10 crore, as the GOI withdrew their assistance for sports infrastructure from April 2005.

### 3.1.9.2 Defective execution of infrastructure

#### • *Indoor Badminton hall at Kancheepuram*

Uneven finishing of flooring in indoor badminton hall in Kancheepuram led to non laying of synthetic rubber mats.

The work of construction of an indoor badminton hall with two courts sanctioned under Self Sufficiency Scheme (a State Scheme for creation of minor infrastructure) at a cost of Rs 24 lakh (inclusive of Rs 6 lakh public contribution collected) was entrusted (May 2006) to Kattidamayyam<sup>22</sup> by the District Collector, Kancheepuram with due date of completion as 30 September 2006. Modifying the scheme, Government subsequently sanctioned (September 2006) Rs 55 lakh for construction of indoor badminton hall containing two courts, one at Kancheepuram (Rs 15 lakh) and another at Chennai (Rs 40 lakh). SDAT released Rs 15 lakh (April 2007: Rs 7.50 lakh and September 2007: Rs 7.50 lakh) as State share. The balance amount was to be met by the District Collector by getting funds under Self Sufficiency Scheme (SSS) for 2005-06. When the work was under execution by Kattidamayyam, the proposal was again revised (March 2007) to construct four courts with synthetic rubber flooring at a total cost of Rs 67.50 lakh<sup>23</sup> with revised date of completion as June 2007. However, Kattidamayyam entrusted the work to a private agency "T" (M/s Turret and Alps) and Rs 51.18 lakh was given as advance to the private agency between May 2007 and December 2007. The synthetic rubber mats could not be laid in the court due to uneven finishing of the flooring works by the private agency. The work was stopped in January 2008, as the private agency which had executed the works did not turn up. In response to audit query, the Member Secretary, SDAT wrongly stated (March 2008) that the work was completed without verification based on the UC given by Kattidamayyam. However, the Additional Collector, DRDA Kancheepuram stated (March 2008) that Kattidamayyam would complete the work after rectification of flooring. This indicated the absence of proper monitoring of work by the District Sports Officer, who is in charge at district level and by MS, SDAT at state level.

Non-preparation of a comprehensive proposal based on the requirement of the end user, at the initial stage itself led to modification of scheme in the intermediary stage which had affected the quality of works besides time-overrun.

#### • *Gymnastic play area in aquatic complex at Velachery*

Gymnastic play area established in aquatic complex at Velachery without any indoor facilities

Government decided (June 2006) to hold gymnastic events of the National Sports Festival during November 2006 in the Aquatic complex at Velachery. The Member Secretary of SDAT communicated this decision to the Stadium Officer in August 2006. As the Aquatic complex had no facility of a

<sup>22</sup> Kattidamayyam: Non-Governmental construction agency under District Administration.

<sup>23</sup> SSS: Rs 24 lakh, SDAT funds: Rs 15 lakh collector's Discretionary funds: Rs 20 lakh and Public contributions through District Collector: Rs 8.50 lakh.

gymnastic play area, the stadium officer proposed (September 2006) to construct a gymnastic play area and the proposal was approved (September 2006) by the Member Secretary, SDAT. Tenders were invited in October 2006 and the work was awarded to a private contractor on 30 October 2006 with the condition that the work be completed in one month. As the work was not completed, the venue for the event was shifted to University Stadium. The work was completed only in December 2006, well after the completion of National Sports festival, at a cost of Rs 6.29 lakh without any indoor facilities.

◦ *Poor Sub-base work for Tennis and Basketball courts at Madurai*

Creation of poor sub-base in tennis and basket ball courts, led to additional expenditure for rectifying the defects.

As per the uniform design adopted for synthetic tennis courts and synthetic basket ball courts, in the sub-base one asphalt layer is provided above two layers of Water Bound Macadam (WBM). The sub-base works for tennis and basket ball courts in District Sports Complex Madurai were executed (June 2005) at a cost of Rs 11 lakh. After completing the works, it was noticed (May 2006) that the courts were on low lying area without proper drainage and the completed sub-base for these courts were found to be unsuitable for laying synthetic layer due to undulation, caused by stagnation of rain water. Another asphalt layer with thick seal coat was provided (August 2007) to the sub-base of these courts at a cost of Rs 6.64 lakh. Preparation of estimate and consequent execution of work without analysing the site condition and non-provision of proper drainage facilities led to the execution of additional work at a cost of 6.64 lakh to make the courts usable. The AEE, SDAT agreed (April 2008) that the correction to the sub-base was essential to ensure proper slope and finish to facilitate better drainage.

3.1.9.3 Deficiencies in implementation of schemes

◦ *Poor implementation of World Beater Talent Spotting Scheme*

Failure of World Beater Talent Spotting Scheme.

National Sports Policy 2001 and the State Policy on Sports development place greater thrust on identifying talented sports persons, early in their childhood, so as to coach them to reach high performance levels. With this approach, Government launched (April 2002) the scheme "World Beater Talent Spotting Scheme" (WBTSS). The scheme was implemented jointly by the Director of School Education (DSE) and SDAT for all the students studying in classes VI, VII and VIII. Under WBTSS, all schools in the State are to conduct a battery of five tests<sup>24</sup>, once a year (increased to three times a year from 2004-05).

There are 17957 (Government and Private) Middle, High and Higher Secondary Schools in the State according to the Educational Statistic Handbook of Tamil Nadu for 2006-07. Records showed that Sports Development Authority of Tamil Nadu called for and compiled the data on implementation of WBTSS from the reports of 12897 schools during 2002-07

<sup>24</sup> The five tests are (i) 50 M running to test speed (ii) 800 M for boys and 600 M for girls running to test endurance (iii) Shot put to test strength, (iv) Long Jump to test explosive power and (v) 6 x 10 M shuttle to test agility.

and of 13218 schools during 2007-08. According to these reports the percentage of schools that did not conduct the tests during 2004-08 ranged between 32 and 46 per cent as mentioned in Table 7.

Table 7

Year	Total number of schools	Number of schools which furnished test reports (Percentage)	Number of schools which had not conducted the tests (Percentage)
2004-05	12897	7186(56)	5711(44)
2005-06	12897	8249 (64)	4648(36)
2006-07	12897	8767(68)	4130(32)
2007-08	13218	7129 (54)	6089(46)

(i) The particulars compiled by Audit from the Headmasters of 61 schools revealed the following about the first leg<sup>25</sup> of implementation of scheme.

(a) Thrity five per cent of Headmasters found it difficult to conduct the tests in their schools due to non-availability of Physical Education Teachers and play fields. Though Government had issued instructions to Chief Educational Officers (CEOs) to depute Physical Education Teachers from Government High/Higher Secondary Schools to middle schools which did not have PETs, CEOs of six sample districts<sup>26</sup> had not arranged such deputation of PETs resulting in non-conduct of specified tests.

(b) Twenty three per cent of Headmasters of unaided schools were not aware of the scheme procedures indicating that details of the scheme had not reached the unaided schools, constituting 22 per cent State student strength, to a large extent. It is clear that the State did not put in place an adequate system to disseminate its schemes and directions for development of sports.

(c) Against the envisaged three annual tests, 77 per cent of the sample schools conducted the test only once during 2005-08. The mandatory Physical education report cards indicating the performance of students in the tests with the parents' signature were not printed in many schools due to funds constraint, despite Government instructions to utilize the money available in the games fund for this purpose.

(ii) The second leg<sup>27</sup> of WBTSS, aimed at taking students into the fold of SDAT's coaching at educational district level also failed to a larger extent, as only 26 to 37 per cent students (19142) out of selected students (64017) took part in the five day coaching camps in the second level conducted at the educational district level during 2005-08.

The Headmasters replied that the students could not attend the camps as they were not allowed any travelling allowance (TA) and most of the students were

<sup>25</sup> First leg of the scheme is identification of talented students at school level through a battery of five tests.

<sup>26</sup> Chennai, Dharmapuri, Kancheepuram, Erode, Thiruvarur and Madurai.

<sup>27</sup> Second leg is the participation of students selected in the first leg in district level camps.

Scheme not implemented in 35 per cent schools due to non-availability of PETs and play fields.

Poor coverage of unaided schools under the scheme.

77 per cent of schools conducted tests once against three tests envisaged.

Poor participation of students in next level competitions due to non-allowing TA.

from a poor background. Thus the scheme was deficient to this extent. Further 67 per cent of the Headmasters, who responded to the audit questionnaire, indicated that SDAT did not promptly communicate the details of camps. As a result, 44875 talented students were denied the opportunity of attending second leg camps during 2005-08.

Eligible students did not participate in the regional level camps.

As per the scheme, two students who occupied the first two positions at Educational District level camps are permitted to take part in the regional level camp. The DSO, Dharmapuri admitted (February 2008) that those students who topped the list were not willing to participate, as they did not want their studies getting disturbed. The DSO, Madurai stated (March 2008) that some of the students who did well in district level camps did not participate in the regional level camps. However other willing next ranking students participated in such camps.

Non-ascertaining of the availability of internet facilities in most of the schools led to the failure of a web based mail system.

(iii) As the reports under WBTSS were not received by the District Sports Officers from Regional Inspectors of Physical education within the stipulated time, identified students were not able to participate in district camps. To overcome this MS, SDAT launched (May 2004) Tamil Nadu School Mail System, a web based system to capture the data of students taking part in the specified tests. SDAT spent Rs 5.90 lakh during 2004-05 towards the development of software and procurement of a web server and other peripherals. As against the 15000 schools envisaged to be covered under the scheme in the State, only about 300 to 400 schools uploaded their data during 2004-06 and the system was not operated after 2006-07. Most of the schools in the State do not have internet connection and even the office of the Chief Inspector of Physical education does not have a telephone connection. Therefore, the hasty introduction of school mail system in May 2004 without ascertaining the possibility of its utilisation at ground level showed lack of understanding of the ground realities by MS, SDAT and its very limited coordination with DSE.

Thus, the scheme WBTSS launched for early identification of children with an aptitude for sports, met with failure at all levels due to inherent deficiencies in the scheme as also failure in following the guidelines prescribed for the implementation of the scheme by SDAT.

- ***Champion Development Scheme***

Poor implementation of Champion Development Scheme.

Under the scheme, SDAT identifies and gives assistance to exceptionally talented sports persons who have the potential to win medals at the international levels so as to enable them to compete successfully and to bring laurels to the country. The basic eligibility criteria for consideration under Champion Development Scheme (CDS) is that the person should have won gold/silver medals in Junior/Sub-junior nationals and should be aged below 20 years. The assistance under CDS is being met from the accrued interest of the

Sports Development Fund<sup>28</sup> of Tamil Nadu.

The position of sports persons of different disciplines<sup>29</sup> identified under CDS and the expenditure incurred during 2003-08 are given in **Table 8**:

**Table 8**

Year	Number of players under the scheme				Expenditure incurred under the scheme (Rupees in lakh)
	At the beginning of the year	Identified and inducted during the year	Weeded out of the scheme during the year	At the end of the year	
2003-04	46	11	Nil	57	15.78
2004-05	57	22	12	67	17.99
2005-06	67	18	Nil	85	12.92
2006-07	85	14	Nil	99	5.51
2007-08	99	10	32	77	(NA)

(NA) – Not available as the Income and Expenditure statement is under compilation.

Against the physiological test envisaged to be conducted once in six months under CDS to identify the physical suitability and constraints in the sports discipline to which the beneficiary belonged, 36 players and 7 players took the test at Bangalore once and twice respectively during 2003-05, and no player was sent to Bangalore<sup>30</sup> after September 2005 by SDAT, which is responsible for conducting of such tests. Psychological motivation workshops were held in Chennai on three occasions and no workshop was conducted after July 2005. Despite the scheme providing for the formation of a team of nutritional experts to recommend proper diet to the players depending on their discipline, nutrition advice was provided to just 12 players only once (February 2004).

MS, SDAT stated (April 2008) that three panels of experts were formed to cater to the needs of CDS players. However these panels were formed only in July 2007 after a delay of two years since the conduct of last physiological test and psychological workshops. Only 12 CDS players were covered in all three components viz. nutritional, physiological and psychological workshops by these panels since July 2007. MS, SDAT did not insist on the players to submit a self performance report to SDAT by fifth of every month to evaluate the quality of their training and performance as required in the scheme. Thus the Member Secretary, SDAT failed to evaluate the performance of beneficiaries under Champion Development Scheme defeating the objective of training.

<sup>28</sup> A fund constituted for assisting sports development activities with a corpus of Rs ten crore of which the Government has provided share of Rs one crore and the remaining to be obtained by SDAT from sponsors.

<sup>29</sup> Swimming, Tennis, Squash, Sailing, Athletics etc.

<sup>30</sup> Institute for Sports Development in Bangalore, wherein such physiological tests were conducted.



Besides the decline in the number of players enrolled, the expenditure incurred under the scheme also declined from Rs 17.99 lakh in 2004-05 to Rs 5.51 lakh in 2006-07. SDAT stated that only willing players were brought into the scheme and assistance was provided to them. The reply was not tenable as the scheme clearly envisaged that talented persons be identified and provided assistance. The absence of publicity of the scheme led to continued decline in the number of players enrolled under the scheme.

- ***Advanced Training and Participation in Competitions Abroad for Outstanding Sports Persons***

The main objective of the scheme, introduced in 2004-05, is imparting of advanced training to sports persons, who have the potential to win medals in international tournaments, and participation of such sports persons who were trained under this scheme in international events. Government provided a grant of Rs 35 lakh during 2004-05. In the subsequent years, Government reimbursed the amount incurred under the scheme. Against Rs 113.14 lakh provided during 2004-08, Rs 107.28 lakh was spent under the scheme. Only 12 players and two contingents of hockey and tennis players each were sent to international institutions for advanced training at an expenditure of Rs 13.87 lakh (13 per cent of total expenditure of Rs 107.28 lakh). The remaining expenditure was mainly to facilitate participation of sports persons in international tournaments.

### 3.1.10 Idle infrastructure

Based on Member Secretary SDAT's proposal, Government sanctioned (May 2005) 14 synthetic tennis courts<sup>31</sup> and these were constructed in seven places at a cost of Rs 1.10 crore between April 2006 and October 2007. Of these 14 courts, two courts in Mogappair (Tiruvallur District) were handed over to a private tennis academy and two courts in Madurai were put to use with the help of a contract coach. SDAT did not plan to provide coaches to the tennis courts initially and the Member Secretary, SDAT proposed (April 2007) to run these courts by engaging private coaches. However the Executive Committee of SDAT rejected the proposal (12 April 2007) and directed the Member Secretary to engage coaches on contract basis. As a result 10 courts<sup>32</sup> constructed at a cost of Rs 78.80 lakh remained idle for periods ranging upto two years. No contract coaches were also recruited (April 2008). As the synthetic surface of tennis courts had only a life span of six years, the delay in commissioning the courts, resulted in wastage of two years (33.3 per cent) of their life span. In addition, SDAT lost revenue as usage charges from these tennis courts, as Audit noticed that two Mogappair courts earned a revenue of Rs 1.40 lakh per annum.

<sup>31</sup> Concrete courts with synthetic layer

<sup>32</sup> Chennai: 2, Cuddalore: 2, Kancheepuram: 2, Tiruvannamalai: 2 and Krishnagiri: 2.

Against plan of construction of two hostel buildings for 100 students each, buildings constructed at a cost of Rs 61.08 lakh could only accommodate 15 students, resulting in their non-utilisation.

Further, SDAT proposed to construct two hostel buildings, one each in Madurai and Tiruchirappalli at a cost of Rs 60 lakh each to accommodate 100 students in each hostel. Government sanctioned and released (May 2005) Rs 60 lakh for construction of first phase of the buildings in both the places. In the first phase, SDAT proposed to construct hostel buildings in both the places with a dormitory hall for accommodating 15 students, a warden room, toilet block, kitchen and dining room at a cost of Rs 30 lakh each. The first phase of construction of buildings of Madurai and Tiruchirappalli were completed in February 2007 at a cost of Rs 30.63 lakh and Rs 30.45 lakh respectively. Government sanctioned (September 2006) Rs 66.50 lakh<sup>33</sup> for the construction of second phase of the buildings for hostels at Madurai and Tiruchirappalli for accommodating about 85 children. The estimate for the second phase of Tiruchirappalli hostel was sent to the Member Secretary of SDAT in March 2008. The details of estimates for Madurai hostel were however not made available to Audit. The works are yet to be taken up (April 2008). Perusal of records showed that the wardens of Madurai and Tiruchirappalli had not shifted students from their existing hostels to the buildings constructed under phase I, as the buildings could only accommodate 15 students against their present strength of 100 students. As a result the two buildings constructed at a cost of Rs 61.08 lakh were lying idle from February 2007 and the students were deprived of the benefits of the project.

### 3.1.11 Public Private Partnership

Government permitted private agencies to establish and maintain sports infrastructure without insisting on arrangement of coaching for deserving sports persons and recommending free entry for use of sports services by students.

Government took a policy decision (June 2002) for developing sports infrastructure in association with private sector and issued orders permitting SDAT to enter into Memorandum of Understanding with the private sector agencies for creating infrastructure for sports. The land was not to be transferred where the infrastructure was to be created.

(a) Perusal of three cases where Government permitted private partnership in developing infrastructure for swimming and tennis in Tiruvallur District and squash in Chennai revealed that the MS of SDAT had not followed a transparent process of calling for 'Expression of interest' from various agencies associated with the sports before selecting the agencies. The MS of SDAT also failed to incorporate a suitable clause in MoU (while submitting the proposal through the EC) for arranging coaching of eligible persons as recommended by Government, and for recommending a lower rate or free entry for deserving sports persons and poor students to use these facilities. The EC had also not considered the inclusion of such clauses for the benefit of deserving sports persons and students. As a result, the private agencies fixed high commercial rate for the utilisation of the services, which prevented participation of sports persons and students who could not afford the high rates being charged, as discussed in Appendix 3.7.

<sup>33</sup> Rs 30 lakh for construction of each building and Rs 6.50 lakh for purchase of furniture

(b) Test check of two more projects of public-private partnership revealed non-creation of sports facilities as envisaged by SDAT and thereby the intended objective of encouraging and popularising sports was not achieved, as discussed below:

• *Private Academy for Table Tennis*

On a proposal by former national table tennis (TT) Champion Sri Chandrasekar to establish an academy for TT coaching, Government ordered (March 1996) the purchase of 9690 sq.ft. of land at Mugappiar Eri Scheme, Chennai. The land purchased at a total cost of Rs 20.06 lakh<sup>34</sup> was placed at the disposal of the academy (March 2001) on a ten year lease at the rate of Rs 1000 per ground per annum. Government had stipulated that the academy should be established within a period of five years from the date of getting possession of the land. The academy was not established and it approached (February 2007) SDAT for extension of the lease period to twenty years on the ground that the sponsors were worried about the short duration of lease. Despite his failure to submit any documentary proof for the mobilisation of required funds through sponsorship for establishing the academy in the near future, EC of SDAT accorded approval (April 2007) to certain amendments in the lease deed already enacted including the extension period of lease from the initial 10 years to 20 years and sought for the approval of Government. Government had not furnished (August 2008) any details regarding their approval, though called for by Audit in March 2008.

• *Indoor stadium at Dharapuram*

Under the scheme of providing financial assistance to State and private agencies, GOI approved (August 1996) the construction of an indoor stadium at Dharapuram by a private trust "V" (Vishnu Lakshmi Trust), on their land, at a total estimated cost of Rs 71.25 lakh and sanctioned Rs 52.50 lakh. After the trust spent its share of Rs 19.10 lakh for the project, GOI assistance of Rs 47.25 lakh<sup>35</sup> was released to it through State Government. After getting the second instalment from GOI, the trust did not restart the work, citing various reasons such as non availability and rising cost of building materials, continuous rain etc. Despite GOI and State Government directing (October 2000 and December 2003) the trust to complete the work, no progress was noticed even till August 2007. The Senior Regional Manager, SDAT, Coimbatore, found during his inspection (August 2007) that the trust had converted the unfinished building into class rooms with black boards and was running a school, for its personal gain. Thus the buildings partly constructed were not utilised for furthering sports development and the GOI assistance of Rs 47.25 lakh incurred on it became unfruitful. The MS, SDAT stated (April 2008) that he would initiate action against the trust in consultation with GOI.

<sup>34</sup> Cost of the land: Rs 14.53 lakh, Registration and other charges: Rs 5.53 lakh.

<sup>35</sup> August 1996 (Rs 25 lakh) and July 1997 (Rs 22.25 lakh).

### 3.1.12 Sports Coaching Centres

#### 3.1.12.1 Functioning of sports hostels and sports schools

Government provides financial assistance to four sports hostels<sup>36</sup>, run by SDAT to help students pursue their regular course of study in a school of their choice in the vicinity of the hostel. Government also provides assistance to seven private schools having their own hostels wherein students excelling in sports are admitted. The students of sports hostels are provided specialised coaching by the coaches attached to the hostels. Selection of students for admission into sports hostels/schools was based on a district level efficiency test, followed by a state level test.

Perusal of connected records revealed the following:

Few students applied for admission to sports hostels.

(a) The number of students who applied for admission to sports hostels was very low in several districts and no application was received in several districts for disciplines like swimming and boxing during the years 2005-06 and 2007-08 (**Appendix 3.8**). All the schools in each district had not been addressed individually by the District Sports Officers in order to broad base the selection through wide publicity.

Admission of students of class IX and class XI against the decision of MS, SDAT.

(b) The MS of SDAT decided, among other things in a meeting of wardens of sports schools and hostels held in March 2005 that students of class IX and Class XI be avoided for selection in future and only classes VI and VIII students be considered so that they could stay for more years in sports schools/hostels as against the present situation. However, 487 out of the 796 students, newly admitted during 2005-08, were students of standard IX and standard XI, which was against the decision made by MS, SDAT in March 2005. As these students would spend less than four years in the hostel and they would be appearing in two crucial public examinations viz SSLC and plus two, their selection would not serve the purpose of sports development.

(c) In Tiruchirappalli and Tirunelveli hostels, coaches for two (Hockey and boxing) and three disciplines (Athletics, Hockey and Swimming) respectively against five and four disciplines respectively were not available thereby defeating the purpose for which such special hostels were established.

(d) The coaches of different disciplines of Madurai hostel informed (March 2008) Audit that a specified minimum number of students were required for effective coaching in team games. However the number of students available for three team disciplines in Madurai hostel was found to be insufficient to have effective coaching, as given in **Table 9**.

<sup>36</sup> Boys hostels at Madurai, Tiruchirappalli and Tirunelveli and Girls hostel at Erode.

Table 9

Name of discipline	Minimum students required for effective coaching	Availability of Children								
		Children of age under 14			Children of age under 17			Children of age under 19		
		2005-06 (A)	2006-07 (B)	2007-08 (C)	(A)	(B)	(C)	(A)	(B)	(C)
Basket ball	12	Nil	3	1	Nil	4	2	Nil	11	7
Foot ball	25	Nil	Nil	Nil	11	17	20	8	8	12
Volley ball	20	10	3	3	Nil	10	8	Nil	Nil	6

(e) As per the norms prescribed by Government the students of sports hostels were to be provided with 3000 kilo calories per day, 60 per cent of energy from carbo-hydrates and 20 per cent from protein. However, no attempt was made to evaluate the diet by a qualified nutritionist at any time, to ascertain whether the diet supplied in these hostels would be of the specified calories as per the standards. This was because there was no post of dietician available in these hostels and the menu was being decided locally.

### 3.1.12.2 Sports Academies

Government established 17 specialised sports academies in nine districts<sup>37</sup> during 2003-06 in the state with the main objective of identifying talented individuals and grooming them in a particular game, and also monitoring their performance to produce players of international standards through scientific and systematic training. MS, SDAT stated (June 2007) to Government that expenditure was incurred in connection with the training of sports persons under nutritional assistance, psychological motivation, sports medicines, technical analysis by engaging experts.

However, test check in two academies viz Diving Academy and Hockey Academy, both in Chennai revealed that no expenditure was incurred under these items except for one seminar on sports medicine held in Hockey Academy (during 2007-08). Apart from coaching camps for 27 days during 2005-08 conducted in two to four phases every year, no other training was conducted in the two test checked academies. None of the sports persons out of 41 to 56 enrolled in hockey academy per annum during 2005-08 secured any medal or any placement at State and National level and only one person out of 16 to 21 enrolled per annum during 2004-08 of Diving Academy performed very well at Junior National level.

### 3.1.13 Coaching

#### 3.1.13.1 Inadequate availability of coaches

Government established (1962-2000) District Sports offices in all districts and sanctioned a total of 139 posts of coaches of which only 85 posts were filled up by SDAT as of March 2000. Sports Authority of India had placed 46 of their coaches under the control of SDAT. Based on the infrastructure facilities

<sup>37</sup> Chennai (6), Madurai(4), Salem (1), Virudhunagar(1), The Nilgiris (1), Tirunelveli(1), Pudukottai (1), Dindigul (1) and Nagercoil(1).

available in the districts and at State headquarters, SDAT assessed (March 2000) the requirement of coaches as 196 and decided to fill up the vacant posts (65) on contract basis. However SDAT started engaging coaches on contract basis only from April 2004. During the period 2004-08 many coaches retired and left SDAT and several new sports infrastructure were created<sup>38</sup>. Based on SDAT's own assessment (March 2000) and further requirement of coaches for the new infrastructure created subsequently, Audit worked out that SDAT required a total of 235 coaches as of March 2008 (Appendix 3.9 A). As against this, SDAT had only 152 coaches (63 SDAT coaches, 13 SAI coaches and 76 contract coaches).

No requirement of coaches assessed since March 2000.

The MS, SDAT stated (April 2008) that the vacancies could not be filled up due to the Government ban on recruitment of posts since 2001. Though the ban was lifted in February 2006, no recruitments were commenced by SDAT even as of March 2008 and the matter was under prolonged correspondence with employment exchanges. It was further observed that no comprehensive assessment of requirement of coaches was made since March 2000 and no proposal was submitted to Government even as of June 2008 for creating new posts. The failure of MS, SDAT to take any concrete action to create and fill up the posts of coaches permanently, resulted in shortage of 83 coaches against the requirement of 235 posts (Appendix 3.9 A and B).

No coach for identified priority games in two districts.

SDAT has identified (December 1994, March 1997) athletics, hockey, volleyball, shooting, boxing, weight lifting and swimming as priority games<sup>39</sup> for the purpose of prioritising assistance and encouragement. However, two districts (Sivaganga and Thiruvallur) had no coaches for any of these priority games. In nine districts<sup>40</sup>, there was only one coach for each priority game and in five districts<sup>41</sup> two coaches each for the priority games. Thus even the identified priority games were neglected in 16 districts.

### 3.1.13.2 Performance of coaches

The performance of coaches was evaluated by the MS, SDAT based on the medal winners produced by them at State/National level. Analysis of the performance of coaches revealed that of the 62 regular coaches, 13 had not produced any State/National level medal winners during January 2004 - December 2006.

Contract Coaches, who had not performed were allowed to continue in SDAT.

In addition, 66 contract coaches were appointed during the first phase viz. April 2004 to August 2005. Of these, 20 were employed on contract basis by the MS, SDAT without the specified proper sports qualification. As per the contract agreement these coaches were to be provided incentive, based on the medal winning performance of their trainees. SDAT identified (July 2007). 41 of them as non-performers. However, 14 of these identified non-performers subsequently performed satisfactorily and received incentives. Three coaches

<sup>38</sup> Seven tennis stadia, 15 boxing rings, and 12 swimming pools

<sup>39</sup> The games in which the State had potential, had been selected as priority games to improve those games by giving priority to them.

<sup>40</sup> Kancheepuram, Nagapattinam, Ramanathapuram, Tiruvannamalai, Villupuram, Krishnagiri, Tiruvarur, Karur and Perambalur

<sup>41</sup> Cuddalore, Namakkal, Salem, The Nilgiris and Theni

resigned or did not report and two coaches were weeded out. The remaining 22 non-performers continued to work with SDAT.

### 3.1.13.3 Upgradation of coaching skills

Government introduced (2004-05) a scheme "Upgrading the knowledge and skill of coaches" to provide opportunities to talented coaches and Physical education Teachers (PETs) to upgrade their skills and acquire international exposure through short-term courses/clinics abroad. Under the scheme Government agreed to provide a sum of Rs 30 lakh per annum. However due to poor implementation, SDAT could avail only a sum of Rs 37.94 lakh during 2004-2008 (32 per cent of total outlay for four years), out of which only Rs.17.30 lakh was utilised.

Poor implementation of the scheme of upgrading the knowledge and skill of coaches.

Audit scrutiny revealed that SDAT conducted only five coaching camps, two sports clinics and one sports seminar during 2003-08, apart from sending four coaches for training and as observers for National and International sports events in India and abroad. Though the MS, SDAT justified the continuance of the 'upgradation of coaches' scheme every year continued poor expenditure during 2004-08 showed that no concrete action was taken in this regard and SDAT had failed to avail funds and utilise the entire outlay of Rs 1.20 crore. Further, MS SDAT informed (May 2007) Government that coaches could be sent abroad only on invitations. Audit observed that MS, SDAT failed to probe the possibility of finding advanced training institutes abroad, tying up with them through formal MoUs for deputing coaches for advanced training under this scheme. In reply to an audit enquiry the MS, SDAT stated (April 2008) that steps would be taken to conduct training programmes in future.

### 3.1.13.4 Absence of latest techniques for coaching

National Sports Policy emphasises the need to provide scientific and technological back up to sports coaching. The MS, SDAT proposed (February 2005) to launch video simulation technology<sup>42</sup> to analyse the players' technical and bio-mechanical movements using specialized software for maximizing coaching inputs.

Video simulation technology envisaged for enhancing technical skills was not introduced due to non-purchase of required software.

SDAT engaged (March 2005) a consultant to demonstrate the new technique under Silicon Coach Software Training programme and trained 10 SDAT coaches on these techniques. MS, SDAT procured (April 2005) seven video cameras and accessories at a cost of Rs 2.80 lakh and spent Rs 80,000 on consultation charges. However, SDAT did not procure the required software to introduce the video simulation technique on a regular basis. The expenditure incurred on the purchase of video cameras thus proved unfruitful in the absence of the required software.

MS, SDAT had not taken any initiative for providing consultants for Sports

<sup>42</sup> The technology involves video graphing the players from vantage points, feeding the video clips into the computer and analysing the players' motion using specialised software.

medicine, psychology and nutritional advice. The MS, SDAT stated (April 2008) that the above programmes were not continued due to change in the management of SDAT. The new management did not continue the programme. Thus, the objective of providing scientific and technological backup to coaches was not achieved.

### **3.1.14 Physical Education in Schools**

Government recognized the importance of Physical education and made it compulsory in schools. Physical education in schools has a direct bearing on achievements in sports. Identifying and encouraging talented sports persons has to ideally commence from early childhood, much before the designated agency for sports development intervenes with expert coaching techniques. The synergy created between sports development programmes and Physical education programme therefore could help the State to achieve laurels in the sporting arena.

Audit scrutiny revealed the following.

#### **3.1.14.1 Shortage of Physical Education Teachers**

Government prescribed (December 1997) norm of one Physical education Teacher (PET) for a High School with student strength above 250 and for every additional 300 students one additional post of PET was to be created subject to a maximum of three PETs per school. In respect of Higher Secondary schools, one Physical Director (PD) post is allowed in lieu of one Physical Education Teacher post.

The sanctioned strength of Physical Education Teachers/ Physical Directors and vacancy position in the State as of 2007-08 were not made available by the Director of School Education (DSE). The vacancies for 2006-07 revealed that against the sanctioned strength of 7,881 posts in all the High and Higher Secondary schools, 834 posts (11 per cent) were vacant. Specific reasons for the vacancy and the action taken to fill up the vacancies were not furnished by the Director of School Education.

The vacancies of Physical Education Teachers/ Physical Directors vis-a-vis the sanctioned posts in the sample districts along with shortage noticed as per norms fixed for providing PETs/PDs is given in **Appendix 3.10**, which ranged upto 33.1 per cent in respect of PETs and 37.5 per cent in respect of PDs. The shortage of PETs contributed to the following deficiencies as noticed in sample schools during 2003-08

(i) Physical education classes for different standards were clubbed together. PETs could not give individual attention to every student for furthering the talent identified.

(ii) Of the 61 sample schools, 36 per cent did not conduct "Jump, Run and Throw" (JRT) test, which is required to be conducted for students of all classes VI to XII at regular intervals to monitor and improve their performance. The Chief Inspector/Inspectress of Physical education (CIPE)

**Eleven per cent  
Shortage of Physical  
Education Teachers  
in schools.**

**Non-conducting of  
mandatory sports  
tests in schools.**



attributed (March 2008) the non-conducting of JRT tests to the introduction of World Beater Talent Spotting Scheme (WBTSS) tests. This is not tenable since WBTSS is not a substitute for JRT, as WBTSS covers only students of classes VI to VIII.

(iii) None of the sample schools (2004-05: 18 schools, 2005-06: 10 schools, 2006-07: 7 schools and 2007-08: 9 schools) conducted three WBTSS tests stipulated since 2004-05. Also, 17 per cent of Headmasters due to lack of sufficient Physical Education Teachers expressed difficulty in conducting WBTSS tests. Though Government permitted the diversion of Physical Education Teachers from nearby Government schools to the needy schools where PETs were absent, no such arrangements were made by the concerned Chief Education Officers for conducting the WBTSS tests. Due to non conducting of WBTSS tests, the Department lost the opportunity of identifying talented students at an early age.

(iv) Of the sample schools, 20 per cent did not conduct the intramural games<sup>43</sup> for want of sufficient Physical Education Teachers and students were deprived of the opportunity to develop a competitive culture through sports.

(v) Tenth Five Year Plan set up a goal of providing one PET in each of the middle schools in the State. However, Government had not taken any final decision in this matter. While none of 35146 primary schools in the State had a PET post, only 7 per cent of middle schools in the State (582 of 8126 schools) had sanctioned posts of PETs. Availability of adequate PETs in primary/middle schools is essential for identifying sports talent in children, as it was the right stage for identification. In neighbouring Karnataka, one PET is posted to every middle school to handle Physical education class, irrespective of student strength.

### 3.1.14.2 Lack of sports infrastructure in schools

Though National Bank for Agriculture and Rural Development (NABARD) and State Government provided funds of Rs 435 crore and Rs 111 crore respectively during 2002-08 towards development of infrastructure like construction of class rooms, library buildings, drinking water and toilet facilities, no play fields were constructed as part of school infrastructure during 2002-08. This reflected the importance given by Government/DSE to the creation of sports infrastructure in schools.

Scrutiny of records revealed that during 2003-06, GOI share of Rs 24.17 lakh (40 schools) and State share of Rs 50 lakh (51 schools) were given for the development of play fields. As the total number of Government schools was 12305, the coverage of schools (91 schools) was very meagre and hence was too low to make any impact. According to the survey questionnaire prepared by Audit, the delay/non-conducting of intramural games and WBTSS respectively was attributed to lack of play fields. Test check also revealed that 15 per cent of the sample schools did not have a play ground. Since school is the starting place for talent to be spotted in young children, failure in creating

<sup>43</sup> Games conducted within a compound of the school among students of that particular school by dividing the students into various houses for sports purposes.

play fields with necessary facilities would defeat the objective of Physical education.

### 3.1.14.3 Lack of funds to carryout Physical education

Lack of funds in schools led to non-conduct of Physical education activities.

According to Government orders, schools collect games fees as a component of special fee, at the rate of Rs 10, Rs 20 and Rs 30 from students of Standard VI to VIII, Standards IX and X and Standards XI and XII respectively. Of this, Rs 3, Rs 6 and Rs 9 respectively are to be remitted to Government account and the balance kept in school games fund and utilized for conducting intramural games, annual sports day, TA/DA expenses to the participants of extra mural games, maintenance of play fields and purchase of sports articles. However survey reports compiled by Audit revealed that 13 per cent of the 1034 Headmasters, cited lack of funds for not conducting intramural games and WBTSS tests. Schools which won games at zonal level did not participate in the next divisional level due to insufficient funds to meet TA/DA expenses. In respect of students selected for representing the State in School Games Federation of India (SGFI) games, the schools/students concerned were forced to spend during 2006-07 and 2007-08, atleast Rs. 2500 per student to facilitate their participation, for want of funds in games fund and Government/DSE did not provide any financial help, there by forcing poor students to find sponsorships.

The games fund was used for various items of expenditure like purchase of sports articles, conducting school sports day (intramural games), payment of TA/DA to students participating in zonal and State level games, payment of affiliation fee to district school athletic association, remittance of one-third to Government account, maintenance of play fields, etc. Obviously, nothing was left out of the meager amount of Rs 10/20/30 per student to do very much to encourage Physical education.

### 3.1.14.4 Inadequate supervision of Physical education

Inadequate number of inspecting officers led to poor supervision.

Physical education in boys schools and co-education schools in 30 districts is administered through Regional Inspectors of Physical Education (RIPE) under the control of Chief Inspector/Inspectress of Physical education (CIPE) respectively. Chief Inspector/Inspectress are State level officers and play the main role in organizing sports events among the schools. The details of posts of RIPE and CIPE sanctioned and in position are given in Table 10:

Table 10

Category of schools	Regional Inspectors/Inspectress of Physical education (RIPE)		Chief Inspector/Inspectress of Physical education (CIPE)	
	Sanctioned	In position	Sanctioned	In position
Boys Schools/Co-education Schools	21	16	1	Vacant since July 2005
Girls Schools	4	4	1	1

As each Regional Inspector has to supervise around 718 schools every year at an average spread over atleast in two districts, and each Regional Inspectress has to look after at least five districts, shortage of manpower resulted in poor

supervision resulting in 59 per cent of sample schools not being inspected even once during 2003-08. This was aggravated further by the absence of any norms for the periodicity of inspection.

#### 3.1.14.5 Participation in sports events

Competitions as a part of Physical education starts with intramural games at school level and culminates in state level school events. The survey statistics compiled by Audit indicated that 23 and 27 per cent of the sample schools did not send their students to participate in individual and team events respectively. Of 1034 Headmasters from whom details were collected, 52 per cent reported that due to want of adequate play fields, paucity of funds, lack of PETs and their academic time table, they could not conduct intramural games.

The students of middle schools were not invited to inter-school sports and games events on the plea that they were under another HOD viz Directorate of Elementary Education and they do not contribute funds for hosting the events. The availability of PETs in a mere seven per cent of middle schools also made their participation in the events impossible. As a result, about 9.76 lakh class VI to VIII students studying in the middle schools (19 per cent of total students) were deprived of the chance to showcase their talents. Though Government/Department was well aware that it was the right time to train them and develop their talents, no action was taken.

Though 29.76 lakh students (43 per cent) of High/HS schools in the State were studying in schools run by Government and local bodies, the number of medals won by them was less (9 per cent of the total medals) than their counterparts in private schools. The lack of attention by PETs/PDs in sports related activities resulted in poor performance of students of Government schools at State level games.

#### 3.1.14.6 Failure in obtaining funds for conducting school games

For conducting events at State and District level, no funds were released by GOI after 1999-2000 and by State Government after 2000-01. This was mainly because, the State Government did not send proposals to GOI from 2001-02 onwards, neither did the Director of School Education demand funds in the State budget during 2002-03 to 2005-06. As a result, 76 students, who were selected as main players under various disciplines had not participated in the events, as seen from the test check of SGFI entry forms relating to participation in games during 2005-06 to 2007-08. In their place, second line students/standbys, who could afford to spend money, were allowed to participate in the games. Thus, the State was not represented by its best players. Besides, due to lack of funds, eligible players were deprived of the certificate of participation in such events which helps them get admission into professional colleges.

Affiliation fees of Rs 60,000, to be paid by DSE to SGFI for the years 2006-07 and 2007-08 is yet to be paid by the State despite several reminders. This could lead to banning of Tamil Nadu team in SGFI games.

Middle school students were not invited to inter-school sports and games events.

No funds released by Government for conducting school games after 2000-01.

### 3.1.15 Asset management

SDAT holds land, play fields and buildings all over the State. Besides, it also took over the land and buildings which belonged to the erstwhile sports councils, apart from the lands and buildings allotted/allocated by Government from time to time. However, SDAT did not maintain any record indicating the details of assets held in different parts of the State and the title deeds/alienation orders in respect of those properties were not kept in safe custody. Audit noticed that none of the sample districts had maintained such asset register. Thus, SDAT did not have a system of recording details of the assets.

#### ◦ *Encroached lands*

Test check in two sample districts viz. Chennai (5,000 sq.m in Thiruvanniyur) and Dindigul (4 acres) revealed that the land of SDAT were encroached upon for over 17 and 16 years respectively (Appendix 3.11), reflecting the failure of the authority in keeping track and maintaining its assets.

#### ◦ *Poor maintenance of Swimming Pools*

Maintenance of water quality is the most important factor in a swimming pool and any failure in this aspect would cause health problems to swimmers. According to Bureau of Indian Standards (BIS), the pH level<sup>44</sup> of the swimming pool water should be tested twice daily and the Total Dissolved Solids (TDS)<sup>45</sup> value and the residual chlorine value should be maintained within the standards, so as to make water fit enough for swimming.

Poor maintenance of water quality in swimming pools.

Scrutiny of records in sample districts revealed the following:

(i) The MS, SDAT had not issued any instructions regarding the periodicity at which the value of pH, TDS and residual chlorine of the water were to be tested and as a result tests were not carried out regularly during 2003-07. Test check also revealed that TDS kits were not available in six out of the seven test checked swimming pools and the one available in Velachery swimming pool was not fit for use.

(ii) Water quality tests conducted at Anna swimming Pool and Velachery swimming pool (both in Chennai) revealed that the water was unfit for swimming due to high level of TDS. However no steps were taken by SDAT to change the water at periodic intervals.

(iii) The filtration plants at Velachery and Shenoy Nagar swimming pools (both in Chennai) were not operated for many years due to faulty/eroded inlet

---

<sup>44</sup> pH level – This should be between 7.5 to 8.5 to maintain the neutrality of water (neither acidic nor alkaline).

<sup>45</sup> TDS-Total Dissolved Solids are unfiltered Solid Wastes (body wastes, Chlorine, dirt, pollen etc) which reduce the activity of Chemicals added and should be maintained below 1500 mg/l.

and outlet pipelines. Backwashing through filtration plant has also not been done to reduce the TDS, as the same was not working.

(iv) The pH level of water in the diving pool with capacity of 25 lakh litres at Velachery Aquatic Complex at Chennai was found to be 11 on 18 March 2008 indicating high alkalinity of water. The diving pool was not cleaned since August 2005 and the chemicals added to water to maintain the water quality had formed silt in the diving pool resulting in high alkalinity in the water. The authority stated that cleaning could not be taken up, due to water scarcity and lack of facility to store 25 lakh litres.

(v) While training aids such as kick boards, pull buoys, hand paddles, stretch chords, weight training equipment and heart rate monitors were not available in three district swimming pools (Erode, Dindigul, and Madurai), stretch chords and heart rate monitors were not available in Velachery, and Shenoy Nagar swimming pools (both in Chennai).

(vi) Of the 16 life guards of four swimming pools<sup>46</sup> (in three sample districts) who are required to watch the swimming pool activities from an elevated "Lifeguard stand" for ensuring safety of swimmers, only two possessed (one each in Dindigul and Velachery) the requisite life saving certificate. MS, SDAT had not taken any steps to provide the necessary life saving training and certificate to the remaining life guards. Also four swimming pools<sup>47</sup> had not been provided with life guard stands.

Perusal of records showed that seven deaths<sup>48</sup> occurred during 2002-08 in SDAT swimming pools.

### 3.1.16 Miscellaneous

#### 3.1.16.1 Equipment for synthetic athletic track not purchased

A synthetic athletic track sanctioned (November 2004) at a cost of Rs 2.50 crore in Madurai stadium was completed (July 2006) at a total cost of Rs 3.38 crore. The additional expenditure of Rs 0.88 crore was due to the highly specialised nature of the work with a sub-base which has exclusive designs and an imported synthetic surface. After completing the work, Government sanctioned and released (September 2006) Rs 30 lakh to SDAT for procuring track equipment<sup>49</sup> of international standard to conduct national and international level competitions, for the newly laid synthetic track at Madurai along with the synthetic track under construction in Coimbatore through the respective District Sports Officers. The equipments were not purchased even as of April 2008 and the amount was kept in fixed deposits. The Universities Athletic Meet, National Women Athletic Meet, and Inter

<sup>46</sup> Velachery (4), and Shenoy Nagar (4) (both in Chennai), Dindigul (4), Erode (4).

<sup>47</sup> Velachery, Shenoy Nagar (both in Chennai), Dindigul and Erode.

<sup>48</sup> One death each in Erode, Nagercoil and Anna Swimming Pool, Chennai and two deaths in Salem and Tiruchirappalli swimming pools.

<sup>49</sup> Rotary board, Lap counter (equipment used in track events of international standard), Electronic starting gun, Variflex quick shade in stand canopies.

Non availability of required equipment in four swimming pools.

Life guards without requisite qualification in four swimming pools.

Track equipment not purchased for synthetic track – failure to prepare comprehensive proposal.

Sports-Hostel Athletic Meet were held in October 2007, November 2007 and February 2008 respectively on the synthetic track at Madurai Stadium, without the required equipment.

MS, SDAT failed to prepare a comprehensive proposal including the purchase of equipment at the initial stage of sanction of laying synthetic track itself for the approval of EC. As a result, the required equipment could not be purchased immediately after laying the track and the purpose of laying synthetic track for providing an opportunity to Indian athletes to experience international standard, was not achieved.

### **3.1.16.2 Unfruitful expenditure on Computerisation**

**Expenditure incurred on computerisation became unfruitful, as the system ceased functioning.**

SDAT proposed (April 2005) to implement e-office, a computer based solution to enable faster processing and movement of files in SDAT headquarters and to make it a paperless office and for minimising deficiencies, improving responsiveness and simplifying the work of monitoring the schemes.

Accordingly, Member Secretary, SDAT after discussion selected (August 2005) "Min Aluvalagam"<sup>50</sup>. The developer implemented the package in September 2005 at a cost of Rs 5 lakh and SDAT incurred an expenditure of Rs 8.21 lakh on computers and other peripherals. Being a ready made package, SDAT had not carried out a full fledged testing. Instead of utilising the services of the developer for customisation of the software package and its testing, MS of SDAT decided (April 2006) to do it with in-house expertise. No annual maintenance contract with the developer was entered into. The system ceased to function from June 2006. Perusal of records revealed that SDAT did not follow a formal and structured approach for implementing the system. Even the basic requirement of preparing "User Requirement Specification" before proceeding to development/customisation of the system was not followed. The software could not handle the system of recording "note orders for bill payment" and the cash transactions of SDAT. The General Manager, SDAT stated (April 2008) that the firm failed to correct the bugs which arose during the implementation stage and the source code provided by the firm was not functioning properly and the system administrator/computer programmer in SDAT was unable to rectify the problems in the e-office software. SDAT further stated that the firm would be approached again to rectify the deficiencies and to provide the correct source code to implement the e-office system.

### **3.1.17 Monitoring**

Under the Societies Act, all registered societies should convene their annual general body meeting every year. General Body of SDAT with the Chief Minister as its president, met only twice (July 1993 and February 1997) since its inception in 1992. Further, SDAT has no system of reporting its activities including physical and financial performance achieved under various schemes

---

<sup>50</sup> A package developed in Linux platform with "MYSQL/PGSQL" as back end.

in an annual report for being presented to the General body meeting and Government. As such, Government is not in a position to have a comprehensive view of the programmes/schemes implemented by SDAT. It was further noticed that though the Secretaries to the Government, Sports and Youth welfare, Finance and Education were members of Executive Committee of SDAT under the Chairmanship of the Minister of Sports, they failed to monitor various schemes being implemented by SDAT leading to delays in completion of projects, lack of facilities in stadia and poor supervision in respect of CDS. Non-conducting of Advanced Training to Coaches and Sports Persons resulted depriving the benefits that could accrue from such training to them. Further, EC also failed to take notice of procedure for appointment of coaches with proper qualifications and weeding out of poor-performing coaches etc which resulted in poor performance by the sports persons trained by them.

In so far as Physical education is concerned the CIPE at State level and RIPE at District level are required to organize and monitor the Physical education activities of schools. However, no specific norms were laid out for inspection of schools and number of schools to be inspected during a year. Audit noticed that 59 percent of the sample schools were not inspected even once in the last five years. Shortage of manpower has contributed to this failure.

Due to poor monitoring and inadequate training as discussed in above paragraphs, the State could not improve its performance and the best position so far obtained was only 10<sup>th</sup> (2002) and 11<sup>th</sup> (2006) in National Games and SGFI games respectively and the State fared even worse (14<sup>th</sup> and 15<sup>th</sup>) in the above games during 2007.

### 3.1.18 Conclusion

Sports Development Authority of Tamil Nadu, the apex body for development of sports in the State, did not have a long term plan with well-defined targets and had not prepared the envisaged perspective plan. Sports infrastructure like outdoor stadia, swimming pools and indoor stadia, crucial to sports development, were lacking in districts. While SDAT was unable to spend Government grants given for infrastructure, abnormal delays were noticed in both taking up and completing many works in sample districts for providing infrastructure facilities. Infrastructure created was lying idle in two sample districts. SDAT permitted the establishment and maintenance of sports infrastructure for swimming, tennis and squash by three private agencies without any benefit to sports persons and students in the form of coaching or nominal rate or free entry to the created infrastructure. 83 out of 235 posts of coaches required were vacant. Continuation of non-performing coaches, improper implementation of schemes for upgradation of coaching skills and scientific training further affected sports development. World Beater Talent Spotting Scheme, implemented from April 2002, for identifying very young, talented sports persons for coaching to reach high performance levels, failed due to poor coverage of schools by the prescribed tests and poor participation of students in successive level competitions.

Imparting of Physical education in schools, envisaged for the full development of each child, was deficient because of shortage of Physical Education

Teachers, lack of play fields, lack of funds and inadequate supervision.

**3.1.19 Recommendations**

- A comprehensive plan for creation of sports infrastructure like outdoor stadia, swimming pools and indoor stadia has to be drawn up for each district, and necessary infrastructure created by utilizing Government grants, after assessing the extent of utilisation of existing infrastructure.
- Projects should be approved, only after finalising the site required for construction.
- Immediate action should be taken to complete the works lying incomplete for a long time, to avoid further cost escalation, and utilisation ensured.
- Required number of coaches for all disciplines should be provided to give effective coaching. The knowledge of coaches should be enhanced through scientific and updated training.
- SDAT must provide trained life guards in all the swimming pools besides maintaining the water quality in the swimming pools as per the prescribed norms.
- All schools (including middle) should be provided with sufficient Physical Education Teachers, infrastructure like play fields and sports equipment and enough funds given for imparting quality Physical education.

The above points were referred to Government in July 2008; reply has not been received (November 2008).



**SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME  
DEPARTMENT**

**3.2 Functioning of Juvenile Homes and other Institutions for children in need of care and protection**

**Highlights**

*For providing care, training and rehabilitation to neglected children and children in conflict with law by setting up Homes for them, the Juvenile Justice (Care and Protection of Children) Act, 2000 was enacted by Government of India (GOI) on 30 December 2000 and the corresponding rules were notified in June 2001. GOI amended the Act in August 2006 and prepared the model rules for the amended JJ Act in October 2007. To provide for the supervision and control of orphanages and homes for neglected women and orphaned/destitute children who are in need of care and protection, GOI enacted the Orphanages and Other Charitable Home (Supervision and Control) Act in 1960. In Tamil Nadu, functioning of the Juvenile Homes and other child care institutions run by Government and NGOs and the implementation of the relevant Acts/ Rules was deficient, resulting in denial of care, protection and welfare to the targeted children. Major audit findings are as under:*

- Though the amended JJ Act, 2006 required formation of Child Welfare Committees and Juvenile Justice Boards in each district, only eight JJBs and 18 CWCs are functioning for the 30 districts in the State. This led to delay in clearance of cases referred to them.

(Paragraphs 3.2.8.1 and 3.2.9.3)

- In violation of the Act, juveniles in conflict with the law and the children in need of care and protection were being kept in the same premises, exposing the innocent children to the delinquent juveniles.

(Paragraph 3.2.9.1)

- Children Homes and orphanages run by Government have not been authorized to place children for adoption, as required under JJ Act.

(Paragraph 3.2.9.2)

- Government had not established Special Homes for mentally or physically challenged destitute children. Services of medical officers were also not provided to a Home run by an NGO in Mayiladuthurai for children with special needs. This resulted in denial of medical facilities to 129 special children residing in the home.

(Paragraph 3.2.11)

- **The destitute homes and the orphanages run under Director of Social Welfare (by both Government and NGOs) were not registered as per Section 19 of the amended JJ Act, 2006.**

**(Paragraph 3.2.13.1)**

- **The practice of insisting upon certificate of income or a certificate for the status of orphan deters the admission of orphans and hardly any orphans were admitted in the orphanages, in violation of the Act.**

**(Paragraph 3.2.13.3)**

- **Funds raised in September 2002 for rehabilitation of over 45,000 street children in six municipal corporations were lying unutilized (Rs 38.19 lakh) as of April 2008. Absence of adequate programmes led to non-rehabilitation of more than 30,000 street children in Chennai alone. Government did not act upon a proposal for establishing ten training centres for the children in four existing shelters.**

**(Paragraphs 3.2.14.1 and 3.2.14.2)**

- **There were only 18 Probation Officers against 68 required for the 22 Government Homes. Assignment of non-probation duties and other duties to them led to accumulation of more pending cases.**

**(Paragraph 3.2.17.1)**

- **For want of adequate staff, 40 out of the 45 Government units were inspected only once during the last five years. Five units were not inspected at all. As a result, major deficiencies were not identified.**

**(Paragraph 3.2.20.1)**

### **3.2.1 Introduction**

Children constitute the principal asset of any country and their development is the best way to develop national human resources. A lot more has to be done for the health, nutrition and education of children and their protection is most important as they are vulnerable to exploitation and abuse. Several Acts in existence pertaining to children are listed in **Appendix 3.12**. The implementation of the Juvenile Justice (Care and Protection of Children) Act, 2000 (JJ Act 2000) in the State was entrusted to the Directorate of Social Defence. For rehabilitating orphans and destitute children, Directorate of Social Welfare (DSW) is separately running orphanages. Besides, NGOs are also running destitute homes for this purpose under the Orphanages and Charitable Homes Act, 1960.

The JJ Act 2000 was amended by GOI as the Juvenile Justice (Care and Protection of Children) Amendment Act (Amended JJ Act) 2006 and came into effect from 22 August 2006. Government of India modified the model

rules for the amended JJ Act 2006 in October 2007. State Government is yet to prepare the model rules for the implementation of the Act in the State.

### 3.2.2 Organisational set up

Directorate of Social Welfare (DSW) manages various orphanages, destitute homes and child care institutions for orphans and destitute children while Directorate of Social Defence runs Observation Homes, Children Homes, Special Homes and After Care Centers meant for children in conflict with law. Both the Directorates are under the control of Secretary, Social Welfare and Nutritious Meal Programme Department at Government level. The Director of Social Welfare (DSW) is assisted by District Social Welfare Officers, who are responsible for implementing the scheme of Government orphanages and NGO run destitute homes in the districts. The Commissioner of Social Defence (CSD) is assisted by a Joint Director, Deputy Director and Assistant Directors for implementing the schemes of various homes in districts. An organisational chart of the Directorates is given in Appendix 3.13.

As of March 2008, 260 institutions were functioning in the State under the control of CSD and DSW for rendering various services to children, as shown in Table 1.

Table 1

Name of the Directorate	Number of institutions functioning		
	Under Government	Under NGOs	Total
Directorate of Social Defence	30*	29*	59
Directorate of Social Welfare	27	174	201
<b>Total</b>	<b>57</b>	<b>203</b>	<b>260</b>

\* including 15 Reception Units which accommodate the children only for a short stay.

### 3.2.3 System of providing services to the children

#### 3.2.3.1 Child care services provided under Juvenile Justice Act

There are two categories of children as per Juvenile Justice Act, 2000 viz., children in need of care and protection and children in conflict with law.

Children in need of care and protection are produced before Child Welfare Committees (CWC) by any Police officer, any public servant, childline, social worker, public spirited citizen and by the child on their own are kept in Reception Unit pending enquiry by CWC. After enquiry the child is either reintegrated with family or is sent to Children Homes for rehabilitation.

Children in conflict with law are produced before Juvenile Justice Boards (JJBs) by Police and are kept in Observation Homes or sent on bail pending enquiry. After enquiry the child is either acquitted or kept in Special Homes for rehabilitation. Children discharged from Children Homes/Special Homes are sent to 'After Care Centres' for higher education, ITI training, degree courses, etc.

### **3.2.3.2 Child care services provided through Government Orphanages**

Government through its order in 1979 decided to start orphanages and admit children who are orphaned/abandoned by parents or relatives, children of single parent families where either of the parents had died/been imprisoned for a long term or had deserted, whose annual income was Rs 12,000 only and the children whose parents were unable to take care of them due to leprosy or mental illness etc.

Various institutions established under the two Directorates and the services provided in such institutions are given in Appendix 3.14.

### **3.2.4 Audit objectives**

Performance audit was conducted to assess the following:

- The mechanism for enforcing various Acts and Rules relating to children including the institutions run by NGOs
- Method adopted for admission of children to various institutions
- Adequacy of institutions as compared to the estimated number of the targeted children and quality of services provided
- Quality (including adequacy of manpower) of the existing monitoring system

### **3.2.5 Audit criteria**

The following criteria were adopted to assess the performance of various schemes in achieving the envisaged objectives.

- Government policy and provisions of Orphanages and Other Charitable Home (Supervision and Control) Act, 1960 and rules relating to the Act.
- Government policy and provisions of Juvenile Justice (Care and Protection of Children) Act 2000, as amended in 2006 and rules relating to the original and amended Acts.
- Codes and manuals of the Directorate of Social Welfare and Social Defence relating to the welfare and protection of children.

### **3.2.6 Audit scope and methodology**

Performance audit for the period 2003-04 to 2007-08 was conducted in Social Welfare and Nutritious Meal Department (SW&NMP) in the State Secretariat, Directorate of Social Welfare (DSW) and Directorate of Social Defence during December 2007 and April 2008.

At the field level, records of eight out of 30 District Social Welfare Officers, 23 selected Government homes and orphanages and 46 selected institutions

run by NGOs in eight sample districts<sup>1</sup> (Appendix 3.15) were verified. The data on delinquent juveniles was collected from the records of State Crime Records Bureau, Chennai, Special Juvenile Police Unit, Directorate General of Police, and data on children neglected, abandoned etc., including street children was obtained from the Corporation of Chennai, Railway Police and Commissioner of Labour.

The audit objectives were discussed with the Secretary to Government, Social Welfare and Nutritious Meal Programme (SW&NMP) Department in an entry conference held in December 2007. An exit conference was held on 8 July 2008 in which the main audit conclusions were discussed with Secretary, SW &NMP Department.

### Audit findings

#### 3.2.7 Budget and expenditure

##### 3.2.7.1 Funds provided and expenditure incurred

The budget allotment and expenditure on various schemes implemented by CSD and DSW for the welfare of children during 2003-08 is given in Table 2.

Table 2

(Rupees in crore)

Year	Directorate of Social Defence (JJ Act)		Directorate of Social Welfare (OCH Act)		Total	
	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure
2003-04	11.39	10.13	8.11	7.15	19.50	17.28
2004-05	10.07	10.45	7.70	7.32	17.77	17.77
2005-06	12.24	11.30	8.43	9.28	20.67	20.58
2006-07	14.75	12.76	8.97	7.90	23.72	20.66
2007-08	16.35	13.40	10.16	8.81	26.51	22.21
Total	64.80	58.04	43.37	40.46	108.17	98.50

The budget allotment of the Directorate of Social Defence decreased from Rs 11.39 crore in 2003-04 to Rs 10.07 crore in 2004-05 and then increased to Rs 16.35 crore in 2007-08 which showed increasing trend mainly due to increased allotment under child care institutions<sup>2</sup> under the Directorate. Similarly, the budget allotment of DSW after a marginal decrease from Rs 8.11 crore in 2003-04 to Rs 7.70 crore in 2004-05 increased to Rs 10.16 crore in 2007-08, mainly due to increased allotment under grants to NGOs for running the destitute homes.

<sup>1</sup> Chennai, Coimbatore, Cuddalore, Dharmapuri, Madurai, Nagapattinam, Ramanathapuram and Vellore.

<sup>2</sup> 2003-04: Rs 6.41 crore, 2004-05: Rs 6.59 crore, 2005-06: Rs 6.87 crore, 2006-07: Rs 7.70 crore and 2007-08: Rs 10.41 crore.

Savings during 2006-07 and 2007-08 were mainly because of reduced expenditure under Programme for the care of destitute children ~ Assistance to Private Institutionf operated by DSW and Approved schoolsf operated by CSD.

### 3.2.7.2 Government of India grants not claimed

Under the scheme of Prevention and Control of Juvenile Social Maladjustment, GOI was to share the recurring cost of running the observation homes, children homes and special homes under JJ Act as given in **Table 3**.

Table 3

(in per cent)

	GOI	State	NGO
For Government Institutions	50	50	0
For NGO run institutions	45	45	10

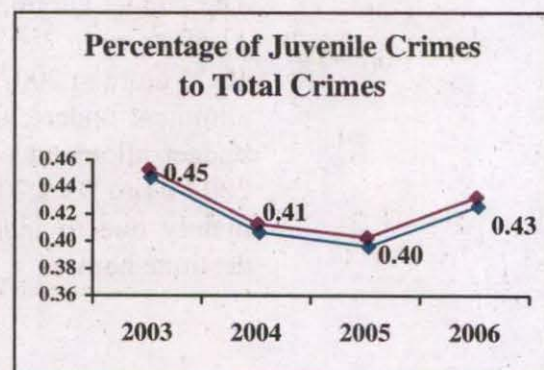
The grant from GOI was claimed by the State Government each year after ascertaining the expenditure incurred for Government run institutions. State Government, inspite of providing feeding charges at specified rates per child to all homes run by NGO s, did not claim the share of the expenditure from GOI.

As of March 2008, 22 NGO run homes were under the control of CSD in the State. The omission to claim Central assistance of Rs 59.19 lakh towards maintenance grant in respect of 15 NGOs during 1996-99 was pointed out in the Report of Comptroller and Auditor General of India ~ Civil ~ Government of Tamil Nadu for the year ended March 1999. During current scrutiny, it was observed that maintenance grant of Rs 62.64 lakh due for 20 children homes and two observation homes run by NGOs relating to the period 2003-07 was not claimed.

### 3.2.8 Juvenile delinquency

The data compiled by the State Crime Records Bureau revealed that the share of crimes committed by juveniles in the State during the years 2003-06 as a percent of total crimes in the State was 0.45, 0.41, 0.40 and 0.43 respectively as shown in graph. Details are given in **Appendix 3.16**.

The largest number of juveniles indulged in theft (47.2 per cent), followed by burglary (18.5 per cent), causing death by negligence (12.1 per cent), attempted murder (2.8 per cent) and rape (1.2 per cent).



Though the number of juveniles apprehended declined steeply from 5,568 in 2002 to 1,974 in 2006, the number of juveniles apprehended belonging to the age group of 16-18 years was on the high side ranging between 953 in 2003 and 674 in 2006 (Appendix 3.16). This indicated that juveniles of this age group need to be given specific rehabilitation programmes.

As per the reports of State Crime Records Bureau, of the total juveniles apprehended during 2006, 19 *per cent* cases were disposed of after advice or admonition, 41 *per cent* were placed under care of parents/guardians, 3 *per cent* were sent to fit institutions<sup>3</sup>, 8 *per cent* were sent to Special Homes, 5 *per cent* were fined and 3 *per cent* were either acquitted or their cases disposed off. The remaining 21 *per cent* (417 cases) relating to the year 2006 are pending.

### 3.2.8.1 Inadequate number of institutions

Section 6 of the amended Act, 2006 (August 2006) requires that the Juvenile Justice Board be formed in each district within a period of one year from the date of commencement of the amended Act, by notification in official gazette in order to exercise powers to adjudicate and dispose cases of juveniles in conflict with law. However, as of March 2008, the State had only eight JJBs functioning as against the required 30 JJBs in as many districts in the State with some JJBs having jurisdiction over two to three districts, which eventually resulted in delay in disposal of cases. Similarly, section 16 of the amended Act requires establishment of Child Welfare Committees (CWCs) in each district for exercising the powers and discharging duties in relation to children in need of care and protection, within one year from the date of commencement of the amended Act. Only 18 CWCs<sup>4</sup> are functioning as against 30 CWCs required in as many districts in the State, eventually resulting in delayed disposal of cases.

Further, model rule 58 to the amended Act provides for the parents / relatives of children visiting their children once in a month or more frequently in needy cases. All the child care institutions formed for taking care and protection of children under the Act have jurisdiction over a large area covering two to four districts. This resulted in admission of children in homes situated at places distant from the area to which they belonged, making it difficult for the parents / guardians from poor families to visit their children periodically.

### 3.2.8.2 Capacity utilisation of institutions

The details on the sanctioned capacity and the actual capacity utilised for children in the existing childcare institutions under the control of Government and NGOs are given in Appendix 3.17.

<sup>3</sup> Fit institution means a Government or a registered non-governmental organization or a voluntary organization prepared to own the responsibility of a child and such organization is found fit by the competent authority.

<sup>4</sup> Chennai, Chengalpattu, Coimbatore, Cuddalore, Dharmapuri, Dindigul, Erode, Karaikudi, Madurai, Nagapattinam, Ranipet, Salem, Tiruchirappalli, Tirunelveli, Thanjavur, Thiruvallur, Thoothukudi and Virudhunagar.

Only 18 CWCs and eight JJBs were available in 30 districts, as against the requirement of one CWC and one JJB in each district.

Against the total sanctioned capacity of 25,897 children in 245 institutions<sup>5</sup> the actual capacity utilised was 20,172 children in 2007-08. Of the sanctioned capacity of 25,897 children, the total capacity of Observation Homes (2), Children Homes (20) and Destitute Homes (174) run by NGOs was 17,047. These homes accommodated 13,921 inmates during 2007-08. Thus, against sanctioned capacity, NGOs utilised 82 *per cent* while Government run institutions utilised only 71 *per cent* of its capacity.

In the absence of any baseline survey to ascertain the number of children who require care and protection, Audit could not ascertain the number of such needy children remaining uncovered by the institutions.

### 3.2.9 Implementation of JJ Act and Rules

The JJ Act was enacted to consolidate and amend the laws relating to both juveniles in conflict with law and children in need of care and protection. It also envisaged better treatment of children and catering to their development needs, by adopting a child friendly approach in the adjudication and disposition of matters to the best interest of children and for their ultimate rehabilitation through various institutions established under this enactment.

The deficiencies in implementation of the Act are mentioned in the succeeding paragraphs.

#### 3.2.9.1 Mixing of children

Though the State Rules, 2001 notified under JJ Act 2000 and the GOI Model Rules, 2007 require that each home should establish and maintain exclusive living premises for housing different age groups of children, this was not complied with and children of all age groups from 5 to 18 years were put together. In 12 institutions<sup>6</sup> in five districts out of eight test-checked, the juveniles in conflict with law and the children in need of care and protection were kept in the same premises. This was in violation of the Rule 40 of State Rules. As a result, innocent children in need of protection were exposed to criminal or quasi-criminal children. The CSD admitted (December 2007) the fact that the practice of keeping both categories of children together exists in three Districts (Salem, Tiruchirappalli and Coimbatore) because both Child Welfare Committees (CWCs) and Juvenile Justice Boards (JJBs) were functioning in the same premises in these cities. The CSD stated that instructions were issued to separate these two kinds of children and put them in different places. A comment on continued mixing of children in

Children in need of care and protection and children in conflict with law kept in the same premises in five districts

---

<sup>5</sup> Excluding 15 Reception Units.

<sup>6</sup> Government Observation Home for Boys and Girls, Government Children Home, Government Special Home for Girls all in Chennai.  
Government Observation Home and Reception Unit for Boys and Girls in Tirunelveli.  
Government Observation Home, Reception Unit for Boys and Government Children Home all in Thanjavur.  
Government Observation Home and Reception Unit for Boys and Girls in Salem  
Observation Home run by NGO and Reception Unit for Boys and Girls in Coimbatore.



Observation Home at Coimbatore is included in Para 3.2.10.1. Keeping boys and girls in Reception Units in the same compound was also not advisable and urgent steps need to be taken for providing separate premises in all institutions to prevent untoward incidents.

### 3.2.9.2 Adoption of children

Adoption of children by suitable parents is a measure for rehabilitation of the children. As per Rule 36 of State JJ Rules, 2001, Children Homes established under JJ Act and orphanages run by State Government should be recognised as agencies for the purpose of placement of children in adoption. GOI also insisted (December 2006) the State Government to ensure that opportunities be given to suitable parents for adoption of orphans, abandoned or surrendered children<sup>7</sup> in need of care and protection who were admitted in various childcare institutions run by Government/NGOs. However, State Government has not issued orders authorising the homes to undertake adoption as recognised agencies (April 2008). No children from the State run orphanages under DSW or Homes under CSD have been adopted by willing eligible families. Thus the children in such homes were deprived of the opportunity to get rehabilitated within a supportive family.

### 3.2.9.3 Delay in finalisation of cases

Delays were noticed in finalisation of cases related to both children in need of care of protection (handled by CWC) and children in conflict with law (handled by JJB) as discussed in the succeeding paragraphs.

#### ◦ *Delay by Child Welfare Committees*

Each Child Welfare Committee constituted under JJ Act consists of a non-official Chairman and four members (including one woman member). The CWCs are vested with powers of Metropolitan Magistrate or Judicial Magistrate First Class. The committees were to sit thrice a week (Tuesday, Thursday and Friday) in the premises of the notified homes for inquiring into the cases of children brought to them. The committee assigns the case of each child to a social worker or child welfare officer of the institution or any recognized agency for conducting the inquiry and submitting a report containing an individual care plan and suitable rehabilitation.

The model rules notified by GOI in June 2001 specified that the inquiry by the CWCs be completed within four months or within such shorter period as may be fixed by the committee. The committee could, in the best interest of the child and for reasons to be recorded in writing, extend the said period under special circumstances.

Scrutiny of relevant records revealed that delays of more than six months were noticed in completing the inquiries during 2003-08 are given in Table 4.

<sup>7</sup> Parents themselves given their children voluntarily for adoption.

Table 4

Name of the CWC	Total cases	Delay in completing the inquiries	
		6 months to one year	More than one year
Mayiladuthurai (Nagapattinam District)	79	25	17
Villupuram <sup>8</sup>	327	28	26
Dharmapuri	446	24	1

This led to children being kept in Reception Units for longer period thus denying them formal education/vocation training during the period of delay. No abnormal delays were noticed in the remaining five sample districts.

o *Delay in Juvenile Justice Boards*

Eight Juvenile Justice Boards<sup>9</sup>, against the requirement of 30, were functioning in the State to deal with cases of the children in conflict with law. The Board consists of a Metropolitan Magistrate or a Judicial Magistrate First Class as Chairman with two social workers (including one women social worker) as members having powers conferred under the Criminal Procedure Code 1973. The Boards have to meet three days in a week (Monday, Wednesday and Friday) in the premises of the respective Observation Homes.

As per Rule 10 of State Rules, 2001 (approved in January 2002) under JJ Act 2000, the investigation agency is to complete the investigation in relation to a child in conflict with law within a period of three months so as to enable the JJB to adjudicate the disposition within four months. However the details collected from the eight sample JJBs revealed that cases were pending disposal for more than the prescribed period of four months in 60 to 92 per cent of cases in five JJBs as shown in Table 5.

Table 5

Sl No	JJB at	Number of cases pending on 31 December 2007	Number of cases pending for more than 4 months	Percentage
1	Chennai	254	152	60
2	Coimbatore	277	248	90
3	Madurai	391	289	74
4	Salem	206	182	88
5	Tirunelveli	362	334	92

The number of cases pending in the remaining three test checked JJBs were relatively low (between 12 and 96). Further perusal revealed that the pendency of cases for more than a year on 30 September 2007 ranged between 18 and 63 in the above 5 JJBs. Details for the period ending 31 December 2007 are yet to be furnished to Audit (April 2008).

<sup>8</sup> Excluding 2007-08 for which details are not made available.

<sup>9</sup> Chennai, Coimbatore, Cuddalore, Madurai, Salem, Thanjavur, Tiruchirappalli, and Tirunelveli.

Finalisation of large number of cases was delayed by JJBs.

Such delays resulted in retention of children in Observation Homes for the period of delay and they could not be discharged or transferred to homes for getting proper rehabilitation benefits. The particulars furnished by CSD to Registrar, High Court showed that the delay was due to non posting of a full time magistrate to the JJBs, besides non formation of special juvenile police units in districts and handling of enquiry by prison Probation Officers. This indicated lack of co-ordination among the departments concerned. The delay in cases was also due to non-provision of infrastructure facilities and amenities for the day to day working of the JJBs, as stated by Members and Magistrates of the four JJBs<sup>10</sup>.

#### 3.2.9.4 Recreation facilities

Model rule 28 (h) of JJ Act specified that adequate importance is to be given to providing leisure, creativity, playing facilities to children and ensuring a secured environment in homes where children were boarded. Various homes of the children are provided only with indoor game facilities and the facility for outdoor games, sports, etc., are lacking in the homes. In the test checked districts, four homes<sup>11</sup> out of nine Government run homes did not have play ground facilities. In the State as a whole, for 19 Government homes (excluding Reception Units and After Care homes) only 13 posts of Physical Education Teachers were sanctioned, against which five were in position. Government thus did not give adequate attention to providing recreational facilities. Therefore, the children were deprived of the same. While the buildings and surroundings in four homes<sup>12</sup> were not conducive for conducting sports and cultural activities, four homes<sup>13</sup> functioning in rented buildings did not even have adequate space for playgrounds.

#### 3.2.9.5 Inadequate manpower in Institutions.

Under the scheme of Prevention and Control of Juvenile Social Maladjustment, GOI stipulated the staffing pattern of the Observation homes and Children Homes, established under the Juvenile Act for socially maladjusted children. According to the staffing pattern each Observation Home and Children/Special Home should have 23 different categories of staff<sup>14</sup>.

The staff position as on 25 February 2008, collected from the Director of Social Defence revealed that of the 1023 posts sanctioned for the Directorate as a whole, only 619 were in position and 404 posts (39 per cent) were vacant. The major vacancies were in the post of Secondary Grade Teacher (54 posts), office assistant (31 posts), watchman (29 posts), Guard/Junior Reception

Shortage of  
manpower in the  
cadre of secondary  
grade teachers.

<sup>10</sup> Coimbatore, Cuddalore, Tiruchirappalli and Tirunelveli.

<sup>11</sup> Cuddalore, Madurai, Vellore and Villupuram.

<sup>12</sup> Panchampalli, Ranipet, Royapuram and Thanjavur.

<sup>13</sup> Coimbatore, Cuddalore, Madurai and Villupuram.

<sup>14</sup> Superintendent: 1, Part time Medical officer: 1, Probation officer: 4, Vocational Instructor: 1, Teacher: 1, UDC: 1, Matron: 1, Typist: 1, Caretakers: 6, Chowkidar: 1, Cook: 1, Helper: 1, Group D: 1 and Sweeper: 2.

Home Assistant (26 posts), cook (22 posts) and sanitary worker (21 posts) as of February 2008.

Every institution was to provide education to all children/juveniles according to the age and ability as per requirement. Against 84 posts of secondary grade teachers sanctioned (54 posts), 64 per cent were vacant as of February 2008. Data collected from 8 out of 11 children homes functioning in the State, revealed that against 62 sanctioned posts of secondary grade teachers, 36 posts (58 per cent) were vacant. The vacancy position in 6 homes<sup>15</sup> was acute, and would, obviously result in inadequate facilities of education to the children of these homes.

As per Government orders (June 2002), subjects like English, Mathematics and Science in Standards VI to VIII of middle schools should be handled by qualified graduate teachers. However, in the 9 middle schools attached to the homes<sup>16</sup>, these subjects were handled only by Secondary Grade teachers, as the posts of graduate trained teachers were not provided to these homes (except in school attached to Government Children Home, Chengalpattu).

### 3.2.9.6 Creation of Juvenile Justice Fund

Rule 132 of State Rules, 2001 stipulated that the State Government should create a fund at State level called as Juvenile Justice Fund for the welfare and rehabilitation of the child dealt with under the provisions of the Act.

Besides voluntary donations, the Central/State Governments were also to make contributions to the Fund. The Fund was to be applied to implement the programmes for the welfare and rehabilitation of children, to pay grants-in-aid to NGOs, to meet the expenses of State Advisory Board and its purpose and to do all other things that are incidental and conclusive to the above purposes. The management and administration of the fund was to be under the control of State Advisory Board.

No Fund, exclusively for the welfare of children, has been created by the State Government as of April 2008. In July 2002, based on the proposal of CSD, Government changed the nomenclature of an existing welfare fund viz. "Tamil Nadu Welfare Fund for rehabilitation of the victims of moral exploitation" to "Tamil Nadu Social Defence Welfare Fund for women and children" and permitted CSD to utilise the funds for rehabilitation of children being dealt with under the provisions of the Juvenile Justice (care of Protection of children) Act 2000.

Out of the total available amount of Rs 1.81 lakh during 2002-08 under the Fund, Rs 0.96 lakh only was utilised and entire expenditure incurred was

<sup>15</sup> Chengalpattu: 7 out of 13, Ranipet: 4 out of 8, Thattaparai: 7 out of 8, Thanjavur: 4 out of 8, Royapuyram: 3 out of 5 and Mallipudur: 4 out of 6.

<sup>16</sup> Chennai, Chengalpattu, Ranipet, Thattaparai, Panchampalli, Thanjavur, Royapuram, Mallipudur and Villupuram.

No separate Juvenile Justice Fund formed as required in JJ Act. The existing Fund did not provide any assistance to children.

towards financial assistance to women admitted to Vigilance/Protective Homes. No expenditure from the Fund was utilised for the welfare of children, though specified in the Government order issued on the Fund. A JJ Fund for children envisaged in the JJ Act 2000 was not created so far for serving the intended objectives.

### **3.2.10 Functioning of Homes for children in conflict with law by NGOs**

Deficiencies noticed during test check in the functioning of various organisations/ institutions formed for the welfare of all children including orphans, juvenile delinquents, deserted and destitute children are discussed in the succeeding paragraphs.

#### **3.2.10.1 Observation Home for children facing enquiry before JJ Boards**

Two Observation Homes were run by NGOs in the State and neither were functioning properly.

##### **• Observation Home at Coimbatore**

The District Collector, Coimbatore sent (October 2001) a report to Government stating that in violation of the provisions of the Act, the Observation Home run by the NGO (Discharged Prisoners' Aid society) was lodging juvenile delinquent boys and abandoned children in need of care and protection, in the same premises, which was bound to affect children psychologically at a tender age by exposing them to the bad influence of juvenile delinquents. He asked Government to recognize one or two protected homes for lodging the abandoned / orphaned children separately. Subsequently, the CSD requested (July 2002) Government to take over the home, as the management of the institution was not satisfactory. Government directed (June 2005) the CSD to inspect the home and forward a report to the Government for taking further action. The Assistant Director, Social Defence inspected (August 2005) the home and communicated the following:

- (i) The management did not take proper care of the personal hygiene of children.
- (ii) The staffing pattern of the home was not in accordance with the norms specified by the Government of India, educational needs of children were totally neglected and no professionally equipped, trained staff were posted for providing counseling, vocational guidance, moral support etc.,
- (iii) No vocational training was imparted, as there was no post of instructor in the home.
- (iv) Children were not given balanced diet and no efforts had been taken by the management to improve the quality of food and clothing;

Government did not take over the Observation home at Coimbatore, despite its poor functioning.

- (v) Bedding was not provided as per norms fixed by Government.

Assistant Director suggested the shifting of CWC to another campus and attaching it to another Children Home. He added that an NGO had to be identified in the district in order to look after innocent children in need of care and protection. In fact, a child of 13 years of age kept in the Observation Home run by the NGO in Coimbatore was beaten to death by fellow children in May 2008, as reported in the Press.

• **Observation Home at Madurai**

The Madurai based NGO (Children Aid Society) run observation home was not providing adequate medical, sanitation facilities, etc., for the children from 1996 onwards. The home had 25, 15, 33 and 17 children during 2003-07 against the sanctioned strength of 50. CSD forwarded (August 2000) a proposal to Government for taking over the home by Government stating that the NGO did not take proper care of the children of the home. No action has been taken by the Government (January 2008) even after lapse of seven years.

**3.2.10.2 Children Home for girls at Madurai**

Only two girls were in a NGO run Home for Girls at Madurai, since March 2005.

A children home for girls at Madurai was functioning since May 2000 under the control of one NGO viz., People Association for Rural Development (PARD). As against the sanctioned capacity of 100, the actual children in the home during 2004-05 to 2006-07 were 15, 4 and 2 respectively.

Inspection of the home by the Probation Officer (October 2006) revealed that only 35 girls were admitted in the home since its commencement in May 2000 till March 2005. From March 2005 onwards, only two girls were in the home. The Probation Officer recommended the transfer of these two girls to a nearby home, to avoid payment of maintenance grant etc., to this NGO.

Perusal of connected records revealed that despite non-production of certain records including the stock register of diet articles during earlier inspection conducted by the Deputy Director (Regional office), Madurai in March – April 2004, no timely action was taken against the home except for the issue of a memo, calling for an explanation. Grant of Rs 2.37 lakh was also paid (March 2007) for the period April 2005 to March 2007. Government finally derecognised the home run by PARD only in June 2007.

**3.2.10.3 Absence of rehabilitation measures**

Rehabilitation measures were not available in homes run by NGOs

Welfare measures provided for rehabilitating the children admitted in 22 child care institutions for children in conflict with law viz., Government Children Homes (11), Government Observation Homes (6), Special Homes (2) and After Care Homes (3) such as marriage grant, family support scheme, lump sum assistance etc., are given in **Appendix 3.18**. No rehabilitation measures were provided to children admitted in institutions run by NGOs (two Observation Homes and 20 Children Homes) depriving those children of such benefits. The NGOs also did not introduce these welfare measures on their own utilising their funds to provide benefits to the children of their homes.

### 3.2.10.4 Court directives to improve the condition of children homes

One NGO (Children Aid Society, Madurai) had filed a writ petition in High Court, Madras (2006) under Article 226 of the Constitution of India to direct all concerned to carry out the developmental activities for the improvement of the welfare of the children of petitioner's home. The High Court appointed an Expert Committee for this purpose with five members under a retired Judge to examine the conditions in different children in Homes, Special Homes, Observation Homes, shelter homes and the working of the JJBs and CWCs functioning under the Directorate of Social Defence and to make comprehensive recommendations for improving the conditions of the children of the homes and their rehabilitation. Five regional committees formed in October 2006, submitted their reports to the Expert Committee after visiting all the homes in their respective regions. The Expert Committee submitted their recommendations to improve the conditions in the homes especially in the areas of vocational training in modern trades, creation of more infrastructural facilities, fine tuning of probation services, enhancing the quantum of grants in aid to NGOs, improvement of the health care system prevailing in homes, appointment of more trained professionals to the homes and improvement of the competence of staff.

The major recommendations of the Committee are given below:

- a) Revamp Academic and Vocational Programmes
- b) Match buildings to meet the needs and functions of the concerned Institutions
- c) Fine tune the Probation Services
- d) Role of Police in handling child related cases
- e) Tracing parents of children who lost contact with their families
- f) Enhancing grants
- g) Differently abled Children
- h) Appoint Professionals such counsellors, psychologists, social workers and criminologists.
- i) Improving functioning of Juvenile Justice Boards by providing social worker members, full time magistrate etc.
- j) Improve competency of the staff
- k) Provide adequate budget for maintenance
- l) Ensure minimum standards

Details of action taken by the Department and Government reply on the recommendations and the Court's subsequent directives are given in **Appendix 3.19**. Of the 12 major issues for which directions were issued, Government promised to take action on all the issues within three to six months and submitted an "Action Taken Report" to the High Court

(March 2008). The next hearing in the case fixed for July 2008 has not taken place so far (September 2008).

### **3.2.11 Home for Children with Special Needs**

According to Section 2 (d) (iii) of JJ Act 2000, a child in need of care and protection includes a child who is mentally or physically challenged or ill children or children suffering from terminal diseases or incurable diseases having no one to support them. Rule 47 of model rules for management of Juvenile/special homes established under the JJ Act 2000 issued (January 2006) by State Government stipulate that the State Government should run a home for destitute mentally challenged children and children with multiple disabilities. Such homes should have comprehensive care and rehabilitation centre involving the local community, local NGOs and should include specialized services with inputs from experts/academic bodies. Despite the above stipulation, State Government did not establish a special home for children with special needs. At present, no Children Home for the welfare of children with special needs is functioning under Government. Three such homes are run by NGOs with two at Chennai (Children Homes under Bala Vihar one for mentally challenged girls and another for mentally challenged boys) and another at Mayiladuthurai (Children Home under Arivagam for mentally and physically challenged).

Children with special needs referred to by the CWCs/JJBs from different areas of the State are being admitted in these homes and taken care of. The NGOs running these homes are getting only maintenance grants and no other grants like staff grant, building grant etc for taking care of said children with special needs. Due to the absence of more such homes in the State, children with physical and mental disabilities were put to hardship in getting admission and the parents/guardians were also experiencing difficulties in visiting these homes from different parts of the State.

A proposal by CSD, as part II scheme during 2006-2007 for starting three Government Children Homes and one home under NGO at a cost of Rs. 67.23 lakh<sup>17</sup> for maintenance of differently abled children or ill children or children suffering from terminal diseases who require trained staff to look after them specialised doctors in the particular fields, facilities for frequent hospitalization of these children, supply of nutritious food, supply of extra clothing and bedding and other implements was not approved by Government.

---

<sup>17</sup> Cost of personnel (Administrator: 1, Physiotherapist: 1, Social Worker: 1, Trained teacher: 1, Clerk: 1, Caretakers: 5, Attendant: 3, Sanitary worker: 2, Vocational Trainer: 1, Psychologist: 1, Medical Doctors (Part time): 2 and cook: 1): Rs 9.06 lakh per annum. Building rent: Rs 1.20 lak per annum, Medicines: Rs 2.40 lakh, Special Diet Rs 1.20 lakh and Food, Clothing etc.: Rs 1.35 lakh all per annum. Hearing aid/Recreational aid/ Furniture cots, beds, wheel chairs etc: Rs 5 lakh. Kitchen materials, plats, tumblers etc: Rs 0.15 lakh. Medical/Therapeutical aids and appliances: Rs 2 lakh and Disabled friendly toilets etc.: Rs 0.05 lakh.



Perusal of records of the home run by an NGO at Mayiladuthurai which had 132 children<sup>18</sup> as of November 2007 revealed the following.

(a) As against the sanctioned capacity of 100, increased to 150 from September 2006, the average strength of children in this home during the three years 2004-07 was 92,105 and 113 respectively.

(b) During the period 2003-08, 53 children died; out of 125 children who ran away from home, only 58 were traced and 67 are still untraced/missing. Besides, 12 children went on leave during this period and had not returned.

(c) Children with special needs are admitted to the home through CWCs. The main records which are sent to the home when the child is admitted are order of CWC, the particulars of the child and a letter from the medical officer confirming the status of the child as a child with special needs. However, the medical history of the child or a complete medical report of the child containing the details of child's disability is not made available at the time of admission. As these children are prone to continued ailments, such a report would help the authorities of the home in early intervention and avoidance of extreme situations like death.

(d) Amended Rule 66A (2) of the JJ Act 2000 stipulates that every juvenile or child be provided with adequate medical care, both preventive and remedial, and special diet, as medically advised on grounds of illness or ill health. No medical officer was provided for the home inspite of repeated reminders by the authorities of home and the departmental officers. Only a taluk hospital is available near the home and it had no specialist doctors. In the District Advisory committee meeting held as early as in May 2004, the District Collector, requested the Chief Medical Officer, Mayiladuthurai to depute medical officers to the home when the necessity arises. However, the position has not improved even after this. Only a physiotherapist was arranged by the home for exercises.

CSD requested (November 2007) the Director of Medical Education / Director of Rural Health Services / Director of Public Health and Preventive Medicines to conduct periodical medical checkup once in three months in all institutions and to depute a doctor to conduct regular outpatient service for the children.

The Secretary of the Children's Home informed (March 2008) Audit that the institution is facing difficulty in getting doctors for medical treatment of children from GH, Mayiladuthurai and he had requested the CSD to provide a full time resident Medical Officer, preferably a pediatrician and sufficient number of staff to look after the children with different disabilities for providing care, protection and rehabilitation services.

<sup>18</sup> Mentally retarded: 45; children with multiple disabilities: 43, Children having hearing impairment: 22, children with different disabilities: 19 and normal children: 3.

53 children died and 125 children escaped from the home at Mayiladuthurai during 2003-08

No medical officer was posted to the home of children with special needs functioning at Mayiladuthurai.

The CSD, under Part II scheme for 2006-07, proposed the setting up of a Children's Home for mentally retarded boys and girls at Mayiladuthurai in the existing Children's Home run by the NGO which was meant for both physically and mentally challenged children. CSD also proposed new complement of staff and infrastructure for the home at a cost of Rs 30.39 lakh. Government has not approved the proposal (April 2008).

Failure of the Government to provide the required staff and infrastructure to the home for mentally and physically challenged children in Mayiladuthurai resulted in poor functioning of the home besides depriving those children various facilities and services essential for their survival and rehabilitation.

### **3.2.12 Children escaping from homes**

#### **3.2.12.1 Runaway children/escape of children from institutions**

Reports compiled from the test checked districts by Audit revealed that, 592 children escaped from 17 child care institutions run by Government and NGOs for children in conflict with law during the review period, 310 children (52 per cent) were missing/still to be traced **Appendix 3.20**.

Rule 70 of State Rules notified under JJ Act 2000 stipulates that in the event of escape, the officer in charge of the institution besides conducting immediate search of the missing children was to send a report to CSD after conducting an enquiry. The matter was also to be intimated to the parents/guardian immediately and the missing of children reported to the Police authorities. The officer in charge was to specify the security lapses, if any, noticed at the time of enquiry and to take suitable action against persons responsible for the lapses. Rule 71 of State Rules notified (January 2002) under JJ Act 2000 says that in cases of run away children, the search of the child was to be carried out besides sending a report to parents/guardian, and in case of frequent escape of children from an institution the monitoring committee was to study the factors causing such escapes and recommend appropriate remedial measures. The data compiled from the test-checked districts revealed that such escapes occurred continuously in many institutions. The details from two institutions from where several escapes occurred during the above period are discussed in the succeeding paragraphs.

**Large number of children missing from Government Special Home, Vellore and Home for Special Need Children, Arivagam (Mayiladuthurai).**

(i) Seventy-three delinquent children escaped from Government Special Home, Vellore on 11 occasions<sup>19</sup>. Of the above, 15, 19 and 21 children escaped at a time on three occasions. Sixty one children were located subsequently and 12 were yet to be traced out. The main reasons attributed by the Superintendent of the Home for the continuous escape from this home were inadequate security staff, poor/inadequate counseling services, absence of regular medical treatment facilities, lack of recreational facilities like play facilities for want of adequate space and play ground and inadequate formal

---

<sup>19</sup> 31 August 2004: 2, 19 September 2005: 1, 9 November 2005: 3, 13 April 2006: 15, 2 October 2006: 1, 22 February 2007: 2, 7 May 2007: 19, 2 June 2007: 1, 9 August 2007: 21, 1 December 2007: 2 and 18 December 2007: 6

education. No remedial steps were taken by the Department to prevent such incidents, as the above escaped children were in conflict with law.

Incidentally, the data on security staff revealed that provision of security staff was inadequate as given in Table 6.

Table 6

Type of Home	Number of Homes	Name of the Post	Number of posts	
			Sanctioned	Vacant
Observation Home	5	Watchman	22	6
Children Home	3	Chief Guard	3	3
	6	Guard	30	16
	5	Watchman	20	10
After care organisation	2	Watchman	4	2

(ii) From the Home functioning for special need children (Arivagam) at Mayiladuthurai run by an NGO, 125 children with special needs escaped during 2003-08. Of these only 58 were reported as traced back, 67 children remained untraced as of April 2008. The main reason attributed by the Secretary of the Home for the escape of the children was inadequate medical facilities, which were essential for such children. Despite the matter being reported by the authorities of the Home repeatedly upto HOD level, a full time resident medical officer was not provided to this home containing children with special needs and sufficient number of other staff were not given to the home for providing care, protection and rehabilitation services (April 2008).

### 3.2.12.2 Children not returning from leave

Under Rule 81 of State Rules notified under JJ Act 2000, children in the institutions are granted 15 days leave in addition to the regular summer vacation leave of three weeks in a calendar year to participate in festivals, marriages etc. If they return to the institution within the stipulated period, the leave days shall be excluded in computing the period of placement in the institutions. Director of Social Welfare issued (May 1997) instructions to allow leave to the children in batches, and the Superintendent or any other connected officer in charge of the Home, before letting the children on leave, should obtain an undertaking from the parent/guardian of the children that they would bring the children back to home after the expiry of leave.

In four test checked districts, 164 children of five children homes<sup>20</sup>, who went on leave during 2003-08 did not return to their respective Homes. As rehabilitation of these children was inadequate/half hearted, the efforts taken by the Department were futile due to the non-return of these children. No follow up action was taken by the Department to ensure whether these children have been rehabilitated properly.

<sup>20</sup> Government Children Homes at Panchampalli (42), Thanjavur (37), Ranipet (50), Arivagam Childrens Home (NGO), Mayiladuthurai (12) and Seva Samajam Children Home (NGO), Pallipatty, Chennai (23).

**3.2.13 Government Orphanages and implementation of OCH Act, 1960**

**3.2.13.1 Integration of all child care institutions under the amended JJ Act, 2006**

Orphanages and Destitute homes functioning under Directorate of Social Welfare were not registered under the amended JJ Act.

Consequent to the introduction of sub section 3 of section 34 to the Principal Act (as per Section 19 of the amended Act), all child care institutions run by State Government/NGOs were to be registered with Government, within a period of six months from the date of commencement of the amended Act, without prejudice to any thing contained in other existing laws. However, none of the 27 Government Orphanages and 174 Destitute Homes run by NGOs functioning under the control of DSW has been registered under the JJ Act, 2000. Scrutiny of records revealed that in November 2007 CSD had taken steps to cover the grantee institutions and *proformae* for receiving proposals for registration under the amended Act had been circulated to all Government/NGO run homes under the DSW. The DSW and the Commissioner for Disabled had also been addressed by CSD (March 2008) to obtain proposals in the format and recommend them after scrutiny to the CSD for taking further steps for registration. The CSD had also addressed (March 2008) the Director of Social Welfare and the Commissioner for Disabled to set up a cell in their offices to hasten the process. No further action was taken by DSW (July 2008).

**3.2.13.2 Implementation of Orphanages and Other Charitable Home Act 1960**

Orphanages and Other Charitable Home (Supervision and Control) (OCH) Act, 1960 was enacted by Parliament in April 1960 to provide for the supervision and control of orphanages, homes for neglected children and women, other like institutions and for other institutions concerned with it.

Government orphanages are functioning in the State since 1979-80 and they provide education, food, clothing, shelter and health care to orphaned children. To rehabilitate destitute children, Destitute Homes were run by NGOs in the State since 1974-75 by obtaining Government grants. As of March 2008, there were 25 Government Orphanages and 174 grant receiving Destitute Homes functioning under the control of DSW.

State Government established (October 2002) a Board of Control for the supervision and control of homes in the State. After the commencement of this Act, no person could maintain or run any home except under and in accordance with the conditions of a certificate of recognition as per section 13 of the Act. Every person desiring to maintain or run a home had to apply for a certificate of recognition to the Board in such form, containing such particulars as prescribed in Section 14 of the Act. Minimum standards regarding boarding, lodging, clothing, sanitation, health and hygiene, having regard to the conditions of the locale in which the recognised home was situated and its resources, had to be complied with in the home as per Section 16 (e) of the Act.

### Institute funding without registration

Orphanages and Destitute homes were functioning without registration under OCH Act 1960.

A Board of Control is issuing recognition certificates from 2003 onwards to the organisations which run homes for children. Government fixed (May 2004) minimum standards in the children's orphanages run by NGOs relating to physical infrastructure, admission criteria, clothing, toiletry, bedding, staff, food and nutrition, health care and educational facilities etc. for adherence and for eventual recognition. Despite giving wide publicity in this regard, Government found that several organizations were running their orphanages without obtaining recognition. In December 2005, the Board of Control, which had been issuing recognition certificates to the institutions functioning under the control of DSW, delegated the power of giving recognition temporarily to the District Collectors and they were collecting the information of the existing institutions. DSW asked (December 2006 and January 2007) all District Collectors and District Social Welfare Officers to organise *cent percent* verification of all homes in the State by utilising the services of Revenue and Development Department officials to ensure that no organisation was running any home without recognition and to issue show cause notices or impose penalties on such homes which do not have the minimum standard prescribed (May 2004) by Government. DSW instructed all District Collectors to give a report by January 2007. The final report, however, is yet to be completed in respect of all institutions run under DSW in the State (June 2008). The present position in this regard had not been made available to Audit.

During test check, it was found that the required verification was not completed in six sample districts<sup>21</sup> and 32 out of 174 destitute homes run by NGOs though functioning without recognition were getting grants regularly. Data compiled by Audit revealed that Rs 58.28 lakh was received as grants during 2003-08 by 14 of the above 32 unrecognised institutions.

- ***Institutes declared unfit***

Thirty-one orphanages in three districts (Coimbatore: 6, Dharmapuri: 14 and Nagapattinam: 11) in the State with more than 600 children, though declared unfit between November 2006 and September 2007, by District Social Welfare Officers continued functioning. Besides, in Coimbatore District 268 children were kept in unrecognized orphanages without any basic facilities. Seventy five children were kept in two homes in Nagapattinam District situated within 500 metres from the sea in violation of Coastal Zone Regulation Act despite the district being prone to disasters.

### 3.2.13.3 Admission policy not followed

Though one of the main aims of the Government homes under DSW is to cover orphaned and abandoned children, the practice of insisting on certificates of income or a certificate for the status of orphan from Revenue

The existing practice of insisting on certificate of income deter the admission of orphans.

<sup>21</sup> Chennai, Coimbatore, Dharmapuri, Nagapattinam, Ramanathapuram and Vellore.

Authorities deters the admission of real orphans. As a result, only single parent children or children with guardians were admitted in these orphanages, defeating the intended objective of Orphanage Act, 1960. Test check revealed that only five children out of 1468 children admitted during 2003-08 were orphans<sup>22</sup> in seven test check Government Orphanages.

**Boys in the age group of 5 to 10 were not admitted in Madurai home**

Besides, perusal of records revealed that boys above 10 years were discharged immediately on attaining the age of 10 or on completion of the class in which they were studying, whichever was later and such boys were thereafter left to the care of parents/guardians and no follow up was done thereafter. Though Director of Social Welfare stated that children who had no guardians/relatives were pursuing their education by joining various hostels run by NGOs and by Government, no details regarding such children were made available to audit.

Further, a child has been defined in both OCH, Act and JJ Act as a boy or girl who has not completed the age of 18 years. Orphanages were to admit children in the age group of 5 to 18 years as per Government orders (August 1979), therefore children below 5 years were not admitted in the homes and thus left without intended care and protection. In one district viz., Madurai, even boys in the age group of 5 to 10 years were not admitted. The cardinal objective was thus not achieved by Government run homes and vulnerable children had no chance of receiving protection and care.

Director of Social Welfare accepted (June 2008) that children above five years alone were admitted in Government Orphanages as per instruction contained in the order issued in 1979 and that the purpose of orphanage is to promote the educational status of children. The reply was not tenable as the orphanages were for giving care and protection to needy children and not merely for the promotion of education. Government also said that due to practical difficulties in keeping boys and girls above 10 years of age under one roof, boys above 10 years were not admitted and the boys were discharged after completing 10 years as per the existing policy decision and were helped in getting admission to the hostels run by other Government departments like Adi Dravidar and Tribal Welfare, Backward Classes Welfare, etc. This reply was not tenable as Government could not establish that all boys above 10 years were admitted to Government hostels. Government thus failed to provide suitable facilities for both boys and girls as per the Act.

Government further admitted (June 2008) that admission of children was made on the basis of certificate issued by Revenue authorities and hence no review was made at higher level regarding such admission and 'semi orphans' (1463 out of 1468 children in 7 test checked Government orphanages) in a poor family but having support of the parent/ relative/guardian were also admitted. This goes against the objective of running the orphanage for orphaned/abandoned/ neglected/ deserted children.

---

<sup>22</sup> Children without parents or close relatives.

### 3.2.13.4 Inadequate grants for diet

The grant given towards diet charges per child, for children living in homes run by NGOs for children in conflict with law under the control of CSD, was increased from Rs 225 per month to Rs 450 per month, by Government in August 2007 on the decision of High Court to provide food at the cost of Rs 15 per day. However the grant for feeding charges to Government orphanages and destitute homes run by NGOs under the control of Director of Social Welfare continued to be at the rate of Rs 225 per child per month. Director of Social Welfare stated (May 2008) that the Government decided to increase the diet charges to Rs 400 per month. Government stated (June 2008) that the food charges of children in the destitute homes run by NGOs under the control of DSW were increased to Rs 225 per month from Rs 200 from 1 April 2007 onwards.

Incidentally, for the children homes and special homes under the CSD the scale of diet has been prescribed, while no scale of diet was prescribed for children of homes under Directorate of Social Welfare. In the absence of scale of diet for the children in orphanages it could not be ascertained whether the required calorie-value was maintained in the diet prescribed by the Directorate of Social Welfare.

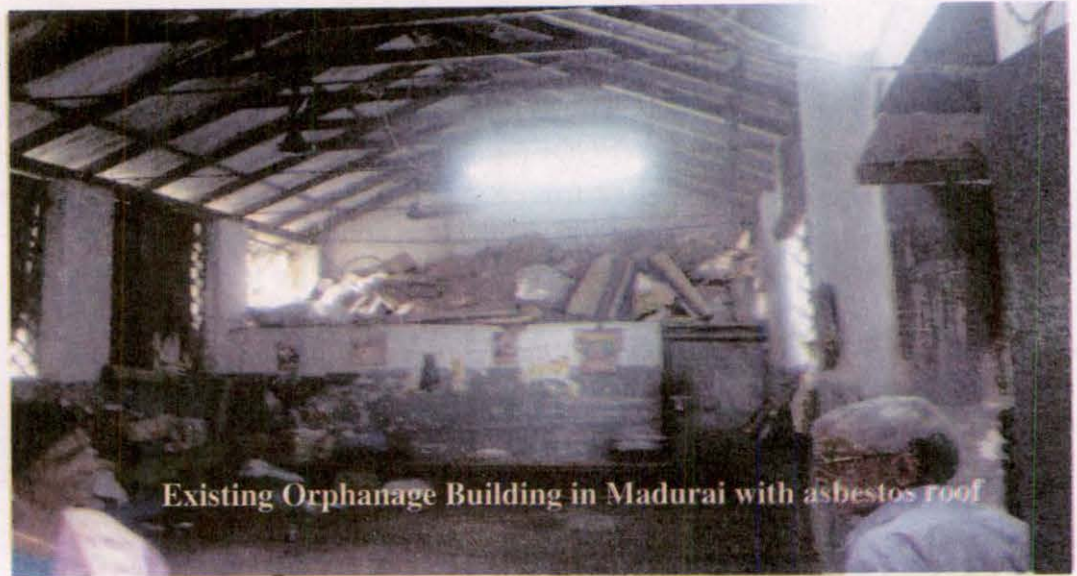
### 3.2.13.5 Inadequate funds for infrastructure

Two buildings costing Rs.35 lakh constructed for orphanages at Madurai and Dharmapuri are lying idle due to inadequate facilities

Two buildings constructed at a cost of Rs 35 lakh for the orphanages at Madurai and Dharmapuri District were lying idle for more than 3 years. Government released the funds in instalments during 2003-04 (Rs 5 lakh), 2004-05 (Rs 10 lakh) and 2007-08 (Rs 10 lakh) for construction of building at Madurai. The constructed building was not utilized due to lack of compound wall around the building and non-availability of a night watchman. Being an orphanage for girls in age group 5 to 18, the above was considered essential for the security of the girl children. As a result the orphanage continued to function in a rent free building with asbestos roof without adequate facilities.



New Orphanage Building in Madurai without compound wall



Existing Orphanage Building in Madurai with asbestos roof

As against Rs 1.30 crore sanctioned by Government for construction of a building at by Dharmapuri PWD, Rs 10 lakh only was released (August 2004) by Government for construction of administrative building in August 2005. Even this building which was situated at 20 km away from Dharmapuri, was not provided with dormitories, kitchen, class room, bath room and toilets and had only a partially constructed compound wall for the building which had 200 children. The District Collector, Dharmapuri inspected the premises in February 2007 and suggested immediate construction of building with required facilities. However, the orphanage is functioning from a marriage hall, at a rent of Rs 12,320 per month.

### 3.2.13.6 Lack of amenities

Amenities provided to children in the homes under CSD and those under DSW differ in respects of admission criteria, feeding charges, uniforms, scale of diet, medical benefits and educational allowance as shown in **Appendix 3.21**. As a result, the children of the institutions run by DSW were deprived of services which the children of the institutions under the control of CSD were enjoying. Government admitted (June 2008) the above facts.

### 3.2.14 Rehabilitation of Street Children

#### 3.2.14.1 Survey of street children

Government conducted a special raffle draw on 15 September 2002 for rehabilitation of children roaming in streets and credited the net profit of Rs 42.93 lakh out of the proceeds in the Personal Deposit account of CSD in March 2004.

The Indian Society of Victimology, Department of Criminology, University of Madras entrusted with the task of situational analysis of street children in six municipal corporation areas conducted (March ~ April 2005) a survey of street children at a cost of Rs 5.92 lakh. The University received an advance payment of Rs 4.74 lakh. CSD reported (July 2007) to Audit that the balance

Funds raised for rehabilitation of children remained unutilized for over five years. Proposal for establishing training centres for street children was pending with Government.



amount was not paid to the University, as they had not received the final report after rectifying the defects pointed out (April 2007) by the Directorate. The remaining amount of Rs 38.19 lakh out of the proceeds of lottery was lying unutilised in the PD Account of CSD (April 2008).

The survey revealed that there were 45,334 street children in six municipal corporation areas<sup>23</sup>. A proposal submitted (April 2007) by CSD to Government for establishing 10 training centers in the existing four shelter homes for training the children in four trades<sup>24</sup> at a cost of Rs 35.88 lakh was pending with Government (December 2007). Thus even after five years of special lottery/raffle draw, the major portion of its proceeds (Rs 38.19 lakh), though intended to be utilised for the rehabilitation of street children, has been lying unutilised since September 2002 due to delay in finalising the required proposals by Department/Government.

### 3.2.14.2 Programmes implemented for street children

Programmes for rehabilitation of street children were inadequate

Comprehensive Street Children Programme (State Scheme) and Integrated Programme with in-built educational and vocational training (Centrally sponsored scheme) are implemented by the department for the well-being of street children with the involvement of NGOs. The main aim of the scheme is to protect the child from a life on the street and their absorption in the national main stream. Under the scheme, these children are provided with shelter, nutrition, health care, hygiene sanitation safe drinking water, vocational training and recreational facilities besides protecting them against abuse and exploitation.

(a) The Night Shelter Programme, run earlier by the NGOs has been changed into Comprehensive Street Children Programme. The maintenance grant of Rs 65,500 earlier given for each shelter per annum has been raised to Rs 1,35,000 per shelter per annum (at the rate of Rs 225 per child per month for 50 children per shelter). At present six shelters<sup>25</sup> are functioning under the programme in the State.

(b) As of March 2006, six NGOs are implementing the Integrated Programme for street children by covering about 300 children per NGO. Thus only 1900 (5 per cent) children were covered under both Central (1800 children) and State programmes (100 children in two homes) together, as against 37,683 street children identified through a survey conducted in Chennai Corporation area by the Indian Society of Victimology, Department of Criminology, University of Madras in March/April 2005.

30,000 street children in Chennai yet to be rehabilitated

As most of the street children were yet to be covered under rehabilitation, State Government sanctioned (September 2006) Rs 6.75 lakh as grants in aid

<sup>23</sup> Chennai : 37683, Coimbatore: 1484, Madurai: 1897, Salem : 1734, Tiruchirappalli: 1610 and Tirunelveli: 926.

<sup>24</sup> Automobile mechanism (94 shelter homes), Granite cutting (one shelter homes) laying and polishing (4 shelter homes), DTP training and Air conditioning and refrigeration (one shelter home).

<sup>25</sup> Chennai (2), Madurai (2), Salem and Tirunelveli.

to NGOs for opening six more shelter homes in Chennai city with 50 children per home under the Comprehensive programme for street children by NGOs. Even after this, the Chennai city had more than 30000 street children yet to be rehabilitated.

### **3.2.15 Juvenile Justice Board**

Juvenile Justice Boards are constituted under Section 4 of JJ Act to deal with cases of the children in conflict with law, status of inadequate facilities provided to these boards are discussed in the following paragraphs.

#### **3.2.15.1 Strengthening of JJBs**

JJBs were not provided with full time Magistrates, though instructed by Madras High Court.

To dispose of cases in time, the Madras High Court instructed the Government (October 2006) to consider appointment of regular judicial magistrates, instead of deputing them from the existing strength and identify the JJBs dealing with maximum number of cases for the purpose. CSD had collected the details of cases filed, disposed and pending from each of the JJB and from that data assessed the work load of JJBs and found that five JJBs (Chennai, Coimbatore, Salem, Madurai and Tirunelveli) had a comparatively larger work load and the number of cases disposed by other JJBs was very low i.e., below 30 per cent in a year. CSD had collected all the details of cases dealt by each JJB and assessed the workload of all JJBs and then finally forwarded (March 2008) a proposal to the Registrar General, High Court of Madras requesting for the posting of a full time magistrate to Chennai JJB and magistrates with additional charge of only one court to the remaining four boards besides increasing the number of sitting days as required by the Magistrate concerned. The matter is under the consideration of High Court, Madras (May 2008).

#### **3.2.15.2 Inadequate infrastructure of JJBs**

Infrastructure with the JJBs at Madurai and Coimbatore was inadequate

Government sanctioned (August 2004) construction of buildings of 6 JJBs<sup>26</sup>. The Principal Magistrate JJB, Madurai stated (July 2008) that the building constructed for Madurai JJB was not utilised, as the constructed space (200 sq. feet) was not sufficient for conducting the JJB sittings and the building lack other essential facilities including chamber and toilet facilities etc. As such the new building was utilised to keep the documents<sup>27</sup> linked to the case and other things related to cases. Incidentally, Audit noticed that though specific minimum standard of accommodation was not mentioned in Rule 9 of the model rules notified by GOI under the JJ Act 2000, model rule 40 (3) notified by GOI in October 2007 stipulates that two rooms for JJBs/CWCs of 300 sq. feet each should be earmarked in the building for accommodation for an institution with 50 juveniles or children. In the absence of clear cut norms earlier, State Government/Department should have ascertained the minimum space required for the functioning of JJB based on the staff strength and nature of works allotted before construction of Government building for JJBs. In Coimbatore, the construction of building was yet to be taken up (April 2008)

---

<sup>26</sup> Coimbatore, Madurai, Salem, Thanjavur, Tiruchirappalli, and Tirunelveli  
<sup>27</sup> Seized from the location of crime.

and the JJB continued to function in an Observation Home run by a NGO, without adequate space to conduct the Board's proceedings and to keep their records.

### 3.2.16 Improper location of CWC

CWC, Madurai was functioning at a place far away from city.

The CWC, Madurai was functioning since 2004, in a home run by an NGO at about 10 kms from Madurai. The center was too small to accommodate even the six staff of CWC and had no public transport except for a private minibus service. The Chairperson of CWC had communicated (October 2007) these difficulties to the DSW stating that due to inadequate public transport facilities there were difficulties in reaching the center by the public, Police and other departmental officials. Therefore, the number of children brought to the center for inquiry purposes declined gradually. He had also asked for the transfer of the center to the place where it was functioning earlier, as that place had the required facilities. Further action, if any, taken in this regard was not made available to Audit.

Similarly the CWC at Dharmapuri was functioning in an NGO home, situated at about 17 km from Dharmapuri town. Despite public transport being available, the center was not near the town to enable the public, police and departmental officials to approach it for placing distressed children for inquiry purposes.

Thus the CWCs at Madurai and Dharmapuri were so poorly located that they could not function efficiently as envisaged. The Secretary accepted the facts when the point was discussed in the exit conference.

### 3.2.17 Probation Services

Probation is a procedure for dealing with offenders (children) within the community. This was developed as an alternative to imprisonment or institutionalisation whichever is applicable to cases where guilt is established but where the judiciary considers that imposing of a prison sentence would do no good. As a conditional suspension of punishment, it provides for assistance to the probationers in the form of personal supervision and guidance during the probation period through Probation Officers, appointed for this purpose.

#### 3.2.17.1 Probation Officers

Under Rule 97 of Tamil Nadu State Rules, 2001, State Government should appoint as many Probation Officers as possible in every district, as they enquire into and investigate the cases as received in JJBs and CWCs and prepare various reports prescribed in the Act. The Probation Officers are also given other responsibilities such as attending on various committees, conducting inspections and supervision of juvenile or child released on probation, and of discharged child/juvenile.

Probation Officers available were too few considering the number of cases.

Under the guidelines issued (after enactment of Juvenile Justice Act, 1986) by GOI for the establishment of various homes under JJ Act, four Probation Officers were required for an observation home with 50 children and

children/special home with 100 children. Thus, for 22 Government homes<sup>28</sup> 68 Probation Officers were required. As against this, there were only 18 POs in the State as of February 2008. This was because the posts of Probation Officers are not created taking into account the sanctioned capacity of children in the homes but only on the basis of number of CWCs. The number of Probation Officers was grossly inadequate considering the large number of cases involved. The Probation Officers were often assigned with non-probation duties/additional duties/responsibilities such as conducting inspection of De-addiction centers, *Swadhar* homes, Street children projects, children's homes run by NGOs etc. Scrutiny revealed that 788 and 1,083 cases were pending for conducting enquiry with Probation Officers in CWCs and JJBs at the end of 2006-07. The Committee constituted by the High Court, Chennai consequent to the writ petition filed by one NGO requesting Government to carry out activities for the welfare of children recommended fine tuning of the probation services by provision of more Probation Officers and voluntary probation services. CSD had submitted (October 2007) a proposal for 14 additional Probation Officers, in addition to 18 existing POs; so as to have one PO for each of the 30 districts in the State except Chennai which require three POs based on the existing heavy work load in the institutions in Chennai, and also because of inclusion of about 38,000 street children in Chennai classified as children in need of care and protection. State Government accepted (March 2008) the proposal of the Department for creation of 12 Probation Officers posts at a cost of Rs 26.20 lakh per annum as a new scheme during 2008-09, and the High Court directed (March 2008) the State Government to fill these posts within a period of six months. Government orders have not been issued as of May 2008.

According to Rule 85 of model rules on the amended Act, 2006, honorary or voluntary welfare officers and Probation Officers could be appointed from voluntary organisations and social workers found fit for the purpose and their services could also be co-opted into the implementation machinery to augment the existing probation service. Despite the shortage of 38 POs as compared to the pattern approved by GOI, State Government/Department has not initiated steps as per codal provisions.

### **3.2.17.2 Inadequate follow up by Probation Officers after discharge of children**

As per model rule 87 read with Rule 15 (8), a periodical visit has to be made by the Probation Officer to the family or the place of the juvenile/child for a period of three years to assess the impact of rehabilitation programme suggested at the time of discharge. In addition, the character, relationship with family members, peer group relationship, behaviour with the community should also be assessed by the Probation Officer. If any lapses were noticed, the officer should intervene in the matter and make necessary arrangements to put things back to normal. A periodical follow up report has to be submitted

---

<sup>28</sup> Observation Home: 6 with 163 children, Children Home: 11 with 1139 children and Special Homes: 2 with 54 children and After Care Homes: 3 with 94 children

to the Home and the same should be recorded in the "Register of after care supervision" in specified form.

While no after care supervision was made by Probation Officer in respect of those discharged from Government Children Home for girls at Chennai after 2002 and from Government Children Home at Villupuram after 2003, the supervision done in respect of children discharged from Government Special Home at Vellore was inadequate. Scrutiny of the details collected from the Probation Officers in test checked districts showed that absence of follow up or poor follow up was mainly due to shortage of Probation Officers and the heavy work pressure on the existing officers. Due to poor/inadequate follow up, the impact of rehabilitation provided to these children could not be assessed.

### 3.2.18 Counselling services

#### ◦ *More Psychologists, Counsellors required*

Professional help was inadequate for want of Psychologists and Counsellors

Many of the children admitted to the Children's Homes and Observation Homes are abused and neglected children, they need the professional help of counsellors to help them lead a normal life. The Department had only two psychologists for this purpose, which was grossly inadequate. Therefore, CSD proposed (August 2004) counselling services through NGOs and asked for five counsellors for this purpose at an honorarium of Rs 3500 per month. Government also accorded (August 2004) necessary sanction for creation of posts of these counsellors.

There were 11 Government Children Homes and 6 Observation Homes, 15 Reception Units, two Special Homes for which only two psychologists (out of 3 posts sanctioned) and three counsellors are available in the Department at present. Further 20 Children Homes and two Observation Homes run by NGOs were not provided with the services of psychologists and counsellors. Six Juvenile Guidance Bureaus were also formed for the purpose of counseling and guidance to the children whose services were inadequate.

Due to lack of adequate professionals within the juvenile justice system, the Expert Committee constituted (October 2006) by the High Court recommended (August 2007) provision of required number of professionals for counselling purposes. Government had not filed any specific response to this recommendation initially. The High Court directed the Government to enlist the services of counselors, psychologists, psychiatrists, social workers and medical personnel in each district on an honorarium basis and/or voluntary basis within a period of three months from August 2007. Subsequently, the CSD had forwarded proposals on establishing Resource Centre<sup>29</sup> in all districts and for appointment of medical professionals. Government accepted (March 2008) the proposal for establishment of Resource Center in each district, outsourcing of part time medical officers/

<sup>29</sup> The primary objective of the Resource Centres is to provide counseling services to all children dealt under the JJ Act.

doctors on payment/visit basis and committed to release the funds for these purposes during 2008-09. However procedure and other details for outsourcing of medical officers/doctors are awaited from Government (September 2008).

### **3.2.19 Special Juvenile Police**

No special Juvenile police units formed in the districts

Section 63 of JJ Act 2000 (Rule 93 of State notified rules) stipulate that police officers who frequently or exclusively deal with juveniles need to be specially instructed and trained. It also stipulated that in every police station at least one officer with aptitude and appropriate training and orientation was to be designated as the Juvenile/child welfare officer (Police) to handle the children in co-ordination with police. Special juvenile police units were to be created in every district and city to co-ordinate and to upgrade the police treatment of children. State Government or the local authority could also direct a juvenile in conflict with law undergoing any sentence or imprisonment, to be sent to a Special Home or kept in a fit institution for the remaining period of sentence.

There are in all 1,432 police stations in the State of which 196 are All Women police stations.

The DGP stated (February 2008) that Special Juvenile Aid Police Units are functioning in 6 cities<sup>30</sup> at present and these units are yet to be formed in districts. He further stated that proposals were already submitted to State Government and the same was under process. One Inspector and one Sub-Inspector had so far been trained in the course on "Regional Training and Sensitive Programme of Juvenile Justice" during December 2007.

### **3.2.20 Monitoring**

#### **3.2.20.1 Inspection of institutions**

Inspection of homes was inadequate due to shortage of staff.

Since the child care institutions were situated in 19 districts of the State, the headquarters of the Directorate of Social Defence in Chennai and one branch office at Madurai, could not supervise the functioning of all institutions. Separate inspection staff was not available in the Department and the inspections were conducted by deputing regular staff. No internal audit party was available either in Chennai office or in branch office at Madurai. Inspection Committees, as required in section 35 of JJ Act 2000 were also not constituted.

The details of inspection conducted by regular staff during the last five years, as reported by the Deputy Director (Administration) are given in Table 7.

---

<sup>30</sup> Chennai City: 8 posts, Madurai City: 8 posts, Salem City: 5 posts, Coimbatore City: 7 posts, Tirunelveli City: 3 posts and Tiruchirapalli City: 6 posts.

Table 7

Year	Total number of inspections				Shortfall in conducting inspection (Number of institutions)	
	To be conducted per annum		Actually conducted		Government institutions	Institutions run by NGOs
	Government institutions	Institutions run by NGOs	Government institutions	Institutions run by NGOs		
2002-03	24	21	3	5	21 (88)	16 (76)
2003-04	24	21	5	Nil	19 (63)	21 (100)
2004-05	24	21	17	17	7 (29)	4 (19)
2005-06	24	21	Nil	Nil	24 (100)	21 (100)
2006-07	24	21	2	Nil	22 (92)	21(100)

Except during 2004-05, inspections conducted were very few. While no units (both under Government and NGOs) were inspected during 2005-06, none of the NGO run institutions were inspected during 2003-04 and 2006-07. Shortfall in conducting inspection of Government institutions ranged between 29 percent (2004-05) and 100 percent (2005-06) and in respect of institutions run by NGOs ranged between 19 percent (2004-05) and 100 percent (2003-04, 2005-06 and 2006-07).

Of the 45 units to be inspected, five units<sup>31</sup> were not inspected even once during 2003-04 to 2006-07, while the remaining 40 units were inspected only once during the above period.

The Deputy Director (Administration) stated that the institutions were not inspected annually because of shortage of staff. Absence of such periodical inspections would result in the continuance of poor functioning of homes.

Three JJBs and nine CWCs were not supervised annually by the Chief Judicial Magistrate as required in sections 14 and 9 of the amended Act.

### 3.2.20.2 Child Protection Units

According to the Section 24 of JJ Amended Act, every State Government was to constitute a Child Protection Unit for each district to take up matters relating to children in need of care and protection and juveniles in conflict with law to ensure implementation of the Act including the establishment and maintenance of homes, notification of competent authorities in relation to these children and their rehabilitation and co-ordination with various official and non-official agencies concerned.

No child protection unit was formed, as required in the Act

<sup>31</sup> NGO run JGB, Vellore and NGO run units in Chennai: 4.

However, no State/District units were formed as envisaged in the Act for supervision and monitoring purposes.

### **3.2.21 Conclusion**

There were shortages of Child Welfare Committees and Juvenile Justice Boards which led to delay in clearance of the cases referred to them. Juvenile delinquents and innocent children were put up in the same place in certain homes, in violation of the Act. Government had not established Special Homes for mentally or physically challenged destitute children. Services of medical officers were also not provided to a Home for children with special needs run by an NGO in Mayiladuthurai, depriving the special children of continuous medical facilities. The homes run by Director Social Welfare did not get registered under Section 19 of the amended JJ Act 2006. The practice of insisting on certificate of income or a certificate for the status of orphan was a major deterrent in admitting the orphans in the homes. Limited number of probation officers, psychiatrists and counsellors resulted in poor follow up and counseling services. The measures undertaken for rehabilitating street children were not adequate and large number of street children are yet to be rehabilitated in Chennai City alone.

### **3.2.22 Recommendations**

- CWCs and JJBs should be established in each district to avoid any delay in finalizing the cases referred to them.
- Children of different age groups should not be kept together. Further, innocent children in need of care and protection should be kept apart from children in conflict with law and juvenile delinquents.
- Orphans, rather than the single parent children, should be admitted to orphanages and admission policy needs to be suitably revised.
- Government should expedite the process of registering all child care institutions under JJ Act.
- The required number of Probation Officers should be appointed to improve counseling services.
- Doctors should be posted in all homes and especially in homes for children with special needs.
- More attention should be given for adequate implementation of the schemes for rehabilitating street children.

The above points were referred to Government in September 2008; reply has not been received (November 2008).



**HIGHWAYS, HOME, HOUSING AND URBAN DEVELOPMENT,  
MUNICIPAL ADMINISTRATION AND WATER SUPPLY AND  
TRANSPORT DEPARTMENTS**

**3.3 Traffic Improvement and Road Safety in Chennai Metropolitan Area**

*Highlights*

*Chennai is the fourth largest metropolis in India. The Chennai Metropolitan Area (CMA) covers 1172 sq.kms with a population of 70.50 lakh (2001) and the projected population in CMA is expected to be 88.20 lakh by 2011. There were 26.52 lakh vehicles in Chennai as on 1 April 2008. Road accidents in CMA increased from 4,202 in 2003 to 6,892 in 2007; fatal accidents went up from 509 in 2003 to 1,125 in 2007. Road infrastructure and road safety measures in CMA were inadequate. Major audit findings are as under:*

➤ Against the allocation of Rs 3794.67 crore for transport component under Chennai Metropolitan Development Plan during 2003-08, Rs 1473.20 crore were spent. Shortfall was mainly due to low expenditure by Highways Department. Under Tamil Nadu Urban Development Project expenditure incurred was only one per cent (Rs 3.89 crore) of the outlay for 2005-08.

*(Paragraph 3.3.7.2)*

➤ Though five agencies are responsible for traffic improvement, road construction and road safety, Chennai Metropolitan Development Authority, the planning and urban development authority for Chennai, has no mandate or power to coordinate the work of other agencies, or to monitor plan implementation.

*(Paragraph 3.3.8.2)*

➤ Of the 29 prioritised road works (cost: Rs 552.20 crore) and 15 Road Over Bridge/Road Under Bridge works (cost: Rs 293.76 crore) under Comprehensive Traffic and Transport Study, 10 road and six ROB/RUB works were not sanctioned as of April 2008.

*(Paragraph 3.3.9.1)*

➤ Out of 328 works taken up under Chennai Metropolitan Development Plan during 2003-08, 24 works (cost : Rs 108.23 crore) were dropped, 11 works (cost : Rs 219 crore) were transferred to other projects, 45 works (cost : Rs 356.99 crore) are yet to be commenced and two works (cost : Rs 50.61 crore) are to be re-tendered. Sixty seven works (cost : Rs 323.57 crore) were under progress as of March 2008.

*(Paragraph 3.3.9.2)*

- **Forty eight road widening works were held up on account of non-shifting of electric poles and junction boxes despite payment of Rs 11.72 crore to the Tamil Nadu Electricity Board, as shifting charges.**

*(Paragraph 3.3.9.3)*

- **Out of the 17 infrastructure works (five flyovers, six ROB/RUBs, four Grade Separators and two bridges) taken up by Chennai Corporation, only one flyover was completed and two flyovers were under progress as of March 2008. The remaining are yet to be commenced.**

*(Paragraph 3.3.9.4)*

- **None of the 29 road works proposed under Tamil Nadu Urban Development Programme III during 2005-08 was taken up indicating the poor and tardy implementation of the project.**

*(Paragraph 3.3.9.5)*

- **Inadequate parking facilities, non-provision of separate cycle track, encroachment of foot paths, inadequate pedestrian guard rails and prioritised subways in CMA, contributed to the deficient road development works and traffic management measures.**

*(Paragraphs 3.3.11.1 to 3.3.11.5)*

- **Non-synchronisation of existing signals, non-implementation of scientific systems like Area Traffic Control, ineffective monitoring through CCTV system and inadequate traffic policemen affected traffic enforcement.**

*(Paragraphs 3.3.13.3, 3.3.14.1 and 3.3.14.2)*

### **3.3.1 Introduction**

The manifold increase in vehicle population, presence of both fast moving and slow moving vehicles, lack of road space/infrastructure, etc. are contributing to an alarming increase in accidents. As of 1 April 2008, Chennai accounted for 26.5 per cent (26.52 lakh) of the total vehicle population (1 crore) in Tamil Nadu. Road accidents in CMA increased from 4202 in 2003 to 6892 in 2007; fatal accidents went up from 509 in 2003 to 1125 in 2007. Accidents in most of the cases were attributed to negligent driving of drivers by the State Road Safety Council (meeting held in February 2008).

Government formulated a separate road safety policy only in April 2007 to control incidence of road accidents and to ensure safe travel to all road users, although a study on traffic improvement had been engaging their attention since 1992.

Besides causing pain, grief and suffering to the families of the victims, these road accidents also cause huge economic loss to the nation, which are not easy to measure.

### **3.3.2 Organisational set up**

The five agencies responsible for traffic improvement and providing road safety in Chennai Metropolitan Area are given in **Table 1**.

Table: 1

Sl. No.	Name of the Agency/ Department	Responsibility entrusted to the agency	Administrative control vested in
1	Chennai Metropolitan Development Authority (CMDA)	Infrastructure planning and coordinating the various urban development activities in CMA.	Secretary, Housing and Urban Development Department
2	Highways Department	Maintenance of Highways within Chennai, Construction of Road Over Bridges (ROB), Road Under Bridges (RUB), Pedestrian subways, formation of new roads in CMA.	Secretary, Highways Department
3	Chennai Corporation	Maintenance of Corporation roads, in their area of jurisdiction, both bus route/ interior routes within Corporation limits. Provision of roads, construction of ROB, RUB, Pedestrian subways.	Commissioner, Chennai Corporation and Secretary, Municipal Administration and Water Supply Department
4	Chennai City Traffic Police	Traffic management measures including maintenance of signals and enforcement of traffic rules.	Secretary, Home (Police) Department
5	Transport Commissioner	Overall authority for providing road safety in Tamil Nadu issue of licences registration of vehicle etc.	Secretary, Home (Transport) Department

Special Commissioner and Transport Commissioner is the designated Road Safety Commissioner for Tamil Nadu to advise the Government on framing road safety policies, oversee road safety programmes and provide effective coordination between various agencies involved in road safety. He is assisted by Regional Transport Officers (RTOs) who are in-charge of issue of licenses, registration of vehicles, control of driving schools, etc.

Besides, at State level, a high level body called "State Road Safety Council" headed by Transport Minister, with members from various departments/agencies like Home, Transport, Highways, Municipal Administration, Chennai Corporation, etc. is functioning to advise and to make recommendation to the Government on all policies and programmes relating to road policy and road safety, by periodically reviewing the road policy.

### 3.3.3 Audit coverage and methodology

Records relating to traffic management, enforcement and road safety measures in the Departments of Home, Housing and Urban Development and Highways at the Secretariat with regard to Government decisions and directions, records at CMDA for planning, records of Highways Divisions and Chennai Corporation on implementation of various works on road infrastructure/traffic improvement and road safety and records of the offices of the Transport Commissioner and Commissioner of Road Safety and Additional Commissioner of Police (Traffic) were examined. Audit was conducted during January to April 2008 and June 2008 covering the period from 2003-04 to 2007-08. Important points noticed are discussed in the succeeding paragraphs.

An entry conference was held on 30 January 2008 and the audit objectives discussed with the Secretary to Government of Tamil Nadu, Home

Department. Major audit observations were discussed during the exit conference held on 18 July 2008 with the Home Secretary and other agencies concerned.

### **3.3.4 Audit objectives**

Audit was conducted to:

- ascertain quality and effectiveness of planning;
- assess quality of road infrastructure;
- gauge the effectiveness of traffic management in ensuring road safety;
- determine the adequacy of manpower and equipment in enforcing traffic rules and regulations, and,
- examine the adequacy of measures taken up for educating the public on road safety.

### **3.3.5 Audit criteria**

The criteria adopted to achieve audit objectives on traffic improvement and road safety were as under:

- National Urban Transport Policy, National Road Transport Policy and Road Safety Policy of State Government
- Comprehensive Traffic and Transportation Study Plans (CTTS) 1995 and 2004, conducted by CMDA and Plans prepared under Chennai Metropolitan Development Programme
- Second Draft Master Plan prepared by CMDA (Transport component)
- Indian Road Congress specifications
- Government orders issued from time to time
- Central Motor Vehicles Act, 1989 and Rules made thereunder.

## **Audit findings**

### **3.3.6 Magnitude of the problem**

The magnitude of problem observed by a study Comprehensive Traffic and Transport Study Plan (CTTS – 2004) conducted by CMDA revealed the following:

- ***Road network and growth of vehicles***

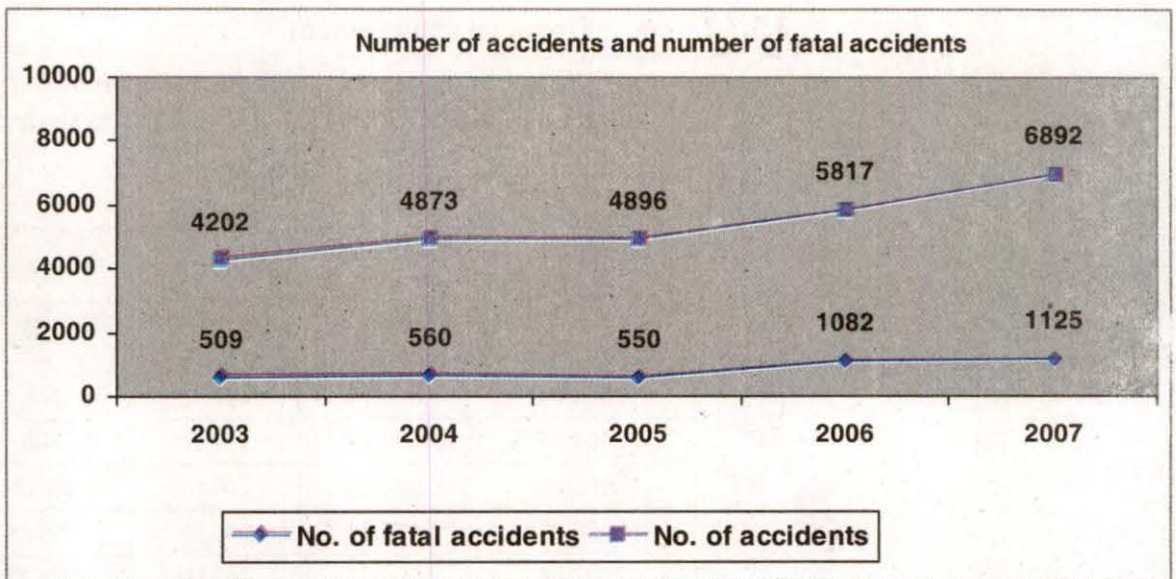
The city's road network comprises State highways (75 kms) and Corporation roads (Bus routes: 305 kms and Interior roads: 2475 kms). The major road network in Chennai is dominated by radial pattern converging at George Town which is the main central business district (CBD). The four highways are NH 4 on the south-west towards Bangalore, NH 5 on the North-west towards Kolkatta, NH 45 on the southern direction towards Madurai, and, NH 205 Thiruvallur High Road. Besides, Arcot Road, Kamarajar Salai, Thiruvottiyur High Road, Old Mahabalipuram Road and East Coast Road are other important radial roads.

All arterial roads leading to CBD carry heavy traffic due to concentration of commercial, industrial and other employment related activities. While the increase in road space was only 3 to 4 per cent to the total area during 1984-2004 the increase<sup>1</sup> in vehicle population worked out to 1060 per cent during the same period. The volume of traffic is nearly 1.5 times the capacity in the link roads leading to CBD. The total number of motor vehicles in Chennai increased from 1.44 lakh in 1984 to 26.52 lakh<sup>2</sup> (1742 per cent increase) in April 2008.

- **Trend in road accidents and analysis of fatal accidents**

The National Crime Records Bureau (NCRB), mentioned that Chennai metro came second (after Delhi) in the number of road accidents during 2006 among the four metros, despite having the lowest population.

The trend of road accidents in Chennai is given in **Appendix 3.22**. The data collected from Transport Commissioner shows that accidents in CMA increased by 64 per cent during 2003-07 and the number of fatal accidents went up by 121 per cent as shown in the graph.



Analysis of road accidents in Chennai in 2007, based on the types of roads and types of vehicles is given in **Appendix 3.23**. The analysis revealed that 27 per cent of the total road accidents in Chennai occurred on National Highways and the road accidents in other district roads constitute 73 per cent. Accident of cars and jeeps accounted for nearly 30 per cent of the total accidents, followed by two wheelers which accounted for 28 per cent. In fatal accidents the largest number of people killed were in accidents involving trucks, closely followed by two wheelers and then by cars/jeeps etc.

<sup>1</sup> 1,44,282 in 1984 to 16,74,185 in 2004.

<sup>2</sup> Non-transport vehicles: 25 lakh and transport vehicles: 1.52 lakh.

### 3.3.7 Financial Management

#### 3.3.7.1 Funding pattern

During the period 2003-04 to 2007-08, infrastructure needs of the road sector in CMA were proposed to be met mainly through implementation of two major schemes viz. Chennai Metropolitan Development Plan (CMDP) and Tamil Nadu Urban Development Programme III (TNUDP III). While funds for the works executed by the Highways Department and Chennai City Traffic Police (CCTP) under the transport component of CMDP were to be provided in the respective departmental budget, funds for the works executed by Chennai Corporation and other agencies (Municipalities, Special Village Panchayats/Town Panchayats, Panchayat Raj Institutions in the peripheral area of CMA) were to be met by those local bodies either from their own funds or through institutional finance obtained by them. TNUDP III was implemented with assistance from World Bank. Besides, funds were released by Government to Road Safety Fund for eventual utilisation on road safety measures.

#### 3.3.7.2 Financial achievement

The year-wise allocation made and expenditure incurred during 2003-08 under the traffic component of CMDP and TNUDP III are as under:

Table : 2

(Rupees in crore)

Year	CMDP		TNUDP III	
	Allocation	Expenditure	Allocation	Expenditure
2003-04	406.14	412.16	Nil	Nil
2004-05	679.73	237.28	Nil	Nil
2005-06	936.23	240.63	53.18	0.35
2006-07	978.26	240.13	186.68	0.53
2007-08	794.31	343.00	139.72	3.01
<b>Total</b>	<b>3794.67</b>	<b>1473.20</b>	<b>379.58</b>	<b>3.89</b>

#### ◦ Chennai Metropolitan Development Programme (CMDP)

Against the allocation of Rs 3794.67 crore for the transport component under CMDP during 2003-08 only Rs 1473.20 crore (39 per cent) were spent. The component wise break up details during the above period as reported to Government, are given in Appendix 3.24. Shortfall was mainly under the traffic component of Highways Department. Though funds were allocated under CMDP during 2004-08 for the CCTP towards infrastructure development, no amount was sanctioned by Government as of March 2008.

#### ◦ Tamil Nadu Urban Development Programme (TNUDP) III

Against the estimated outlay of Rs 379.58 crore for the first three years (total project outlay - Rs 604.01 crore for 2005-11) only Rs 3.89 crore (1 per cent) was incurred under this programme towards establishment expenses (Rs 3.08 crore) and on purchase of traffic control equipment (Rs 0.81 crore).

Financial achievement under traffic component of CMDP was poor (39 per cent of total allocation).

### 3.3.7.3 Inadequate provision of funds for traffic component of CMDP executed by Highways Department

Details of allocations made under traffic component of CMDP to Highways Department, and the actual budget allocation made by Government, along with expenditure incurred during 2003-2004 to 2007-2008 are given below in Table 3.

Table : 3

(Rupees in crore)

Year	Highways department					Percentage of expenditure to CMDP allocation
	As per CMDP plan allocation approved by Government	As per accounts (sub-head: 5504 80 800 JW) CMDP			Expenditure	
		Budget allocation	Reappropriation	Final Modified Appropriation		
2003-04	NA	50.00	(-)35.00	15.00	15.00	--
2004-05	410.11	50.00	(-)25.23	24.77	24.61	6
2005-06	463.50	148.00	(-)83.59	64.41	64.40	14
2006-07	650.27	200.00	(-)112.10	87.90	87.98	14
2007-08	350.00	200.00	(-)90.50	109.50	109.49	31
<b>Total</b>	<b>1,873.88</b>	<b>648.00</b>	<b>(-) 346.42</b>	<b>301.58</b>	<b>301.48</b>	<b>16</b>

In the CMDP review meeting held on 25 January 2008, Highways Department attributed the poor expenditure to land acquisition problems in cases of road widening, shortage of bitumen, shifting of electrical poles and cables, tendering problems, etc.

The above data showed that the funds Government provided in the budget, were far lower than the annual allocation made under CMDP for traffic component. However, expenditure could not be incurred even against this reduced allocation. As the outlay of the project was agreed upon (2003) after discussion with the Department, the reduced budget allocation implied that the Department had not prepared and finalised proposals in time for the project allocation agreed to, thereby affecting the pace of implementation of the project. Despite this being pointed out in the periodical review meetings conducted by the Vice-Chairman of CMDA on the progress of CMDP, the position has only marginally improved during 2007-08.

### 3.3.8 Planning

As part of the urban planning process, CMDA prepared an investment plan for CMA in 2003 for providing various infrastructure facilities in CMA which included investment plan for transport infrastructure. This transport infrastructure plan covers road development as well as urban rail and bus transport services taking into account the integrated long term view of the transport needs of the CMA.

A new quick study "Comprehensive Traffic and Transport Study Plan" (CTTP) was also conducted in 2004 for prioritizing the works to be taken in CMA for its development.

Road Safety Policy formulated only in April 2007.

Government formulated the Road Safety Policy only in April 2007. However, during 2007 (January–December 2007), the number of accidents and the number of fatal accidents increased by 18.5 per cent and 4 per cent respectively in Chennai over the base year 2006.

For a comprehensive approach in each and every fatal accident case and to find out the factors which have contributed to the accidents, an inter-departmental team of officers comprising Police, Transport and Highways Departments was constituted (October 2007) to furnish a comprehensive report to the Transport Commissioner through the District Collector within three days after the joint spot survey with specific recommendations on punitive, preventive and remedial measures to be initiated to avert such accidents in future besides providing useful inputs for policy initiatives by Government. Thus, the first joint indepth analysis of fatal accidents commenced only from November 2007.

### **3.3.8.1 Master Plan**

Draft Second Master Plan was approved by Government, 13 years after it was prepared.

Subsequent to the first master plan (August 1975), the draft second master plan – 2011 was prepared by CMDA in June 1995. Due to writ petition filed by public in the High Court, it could not be finalized. The revised master plan submitted (November 2007) by CMDA was approved by Government in September 2008 after obtaining public views. Some of the major investments suggested under Traffic component in the plan are given below:

- (i) Strengthening and expanding the urban rail network including MRTS
- (ii) Improving the capacity of the major arterial road corridors and promoting exclusive bus lanes, where applicable.
- (iii) Augmenting the capacity of the major road corridors by constructing elevated highway along the median of the road.
- (iv) Augmenting the capacity of major sub-arterial road corridors.
- (v) Removing bottlenecks in the road / rail corridor such as road rail crossings, narrow bridges across river / canals etc.
- (vi) Increasing the transit operation by development of LRT / Sky bus along select corridors.

Thus, Government took more than a decade to finalise the second master plan of the city.

### **3.3.8.2 Lack of co-ordination between various agencies**

Traffic and transportation schemes are presently implemented by several departments and agencies. While long term planning and coordination is carried out by Chennai Metropolitan Development Authority, individual infrastructure schemes are executed by Department of Highways and Rural Works, Chennai Corporation, Metropolitan Transport Corporation, Railways etc. Traffic enforcement is carried out by Traffic Police. Though several committees exists to co-ordinate implementation of the schemes in Chennai Metropolitan Area, the co-ordination of these committees is very limited, in the absence of financial and administrative powers vested in them.

Chennai Corporation, on their own, decides and executes various projects like flyovers, subways which were not among the works identified under the Chennai Metropolitan Development Plan, CTTS 2004 etc. finalized by



There was no authority to co-ordinate the work of the agencies and monitor plan implementation.

CMDA. This resulted in non-synchronisation with CMDP plans. This also showed the lack of co-ordination among the agencies.

Member Secretary, CMDA stated (March 2008) that CMDA had no mandate to enforce co-ordination among the implementing agencies. He added that constitution of a centralised agency would help in effective monitoring of the implementation.

National Urban Transport Policy recommended (February 2005) creation of a Unified Metropolitan Transport Authority (UMTA) for every major urban area to ensure the integration of the planning and operation of all transport modes and inter linking transport development with development as a whole. The State Level Steering Committee prepared a blue print for setting up the unified agency in July 2007 which would initiate planning, monitoring, implementation of public transport scheme so as to switch over to control and operation of various public transport modes in due course. The envisaged authority was set up only in March 2008. Government constituted (March 2008) a cell structure with the Transport Minister as Chairman to deal with urban transportation system initially, which was to be expanded later to cover the system planning, monitoring and overseeing the implementation of schemes and coordination between various public transport modes.

### 3.3.9 Implementation of projects

Out of 357 works proposed under CMDP and TNUDP III during 2004-08, at an estimated cost of Rs 1592 crore, 179 had been completed, 67 works (cost: Rs 324 crore) were in progress, 76 works (cost: Rs 408 crore) were not commenced and 35 works (cost: Rs 737 crore) were dropped or transferred to other projects as of March 2008.

Details of works taken up under various projects for traffic improvement and road safety in CMA and their status are given in Appendix 3.25.

Slow progress of works and delay in taking up of works, etc., resulted in Government's failure in achieving the proposed objective of traffic improvement and decongestion, as discussed in the succeeding paragraphs, project-wise.

#### 3.3.9.1 Prioritized road works under Comprehensive Traffic and Transportation Study (CTTS) - 2004

The CTTS 2004, prioritized 29 road works and 15 ROB/RUB works to be taken up for improvement of roads.

Of the 29 road works (cost of Rs 552.20 crore) selected for implementation (during 2004-05) through Highways Department, 10 works (costing Rs 149.11 crore) were yet to be sanctioned by Government (April 2008). Thirteen works (cost: Rs 253.24 crore), sanctioned for execution under TNUDP III were under Draft Project Report (DPR) stage (April 2008). Of the remaining six works sanctioned under CMDP, two works<sup>3</sup> (cost: Rs 46 crore) were dropped for

Slow progress in taking up works prioritized under CTTS 2004.

<sup>3</sup> Widening and strengthening of Sardar Patel Road (6 lanes) (cost : Rs 6 crore) and widening and strengthening of Thiruvottiyur - Ponneri- Panchetty road (cost Rs 40 crore).

taking up under other schemes; three works<sup>4</sup> (cost Rs 95 crore) were under progress and tender for one work<sup>5</sup> (cost Rs 8.85 crore) was not finalised.

Of 15 ROBs/RUBs (costing Rs 293.76 crore), while six works (cost: Rs 126.28 crore) were yet to be sanctioned by Government, five works (cost: Rs 110 crore) were proposed by Highways Department under TNUDP III subsequently and were under DPR stage. Four works (cost: Rs 57.48 crore) sanctioned during 2006-07 (three) and 2007-08 (one) were taken up by Chennai Corporation under CMDP and were under progress.

Due to non-taking up of these ROB/RUB works, the bottlenecks noticed in those places continued and the flow of traffic affected, causing hardship to the public.

### 3.3.9.2 Works under Chennai Metropolitan Development Plan (CMDP)

Chennai Metropolitan Development Plan is an investment plan proposed to be implemented in three categories viz. short term plan to be implemented in one year (2003-04) at a cost of Rs 406.14 crore towards transport component, medium term plan over 3 years at a cost of Rs 3757.02 crore, and the long term plan to be implemented at a cost of Rs 6113.56 crore over 5 to 10 years.

Out of 328 works taken up under CMDP during 2003-08, 24 works were dropped, 11 works were transferred to other projects, 45 works are yet to be commenced, two works were to be re-tendered and 67 were under progress as of March 2008. The position is as given in **Table 4**.

Table: 4

Stage of works	By Highways Department			By Chennai Corporation	Total
	Road works	Land Acquisition	Infra-structure works	Infra-structure works	
Total number of works	290	6	15	17	328
Transferred to other projects	11	Nil	Nil	Nil	11 (Cost: Rs 219 c
Dropped	22	Nil	Nil	2	24
Completed	178	Nil	Nil	1	179
In progress	57	6	2	2	67 (Cost : Rs 323.57 crore)
At preliminary stage and yet to commence	22	Nil	13	10	45 (Cost : Rs 356.99 crore)
To be re-tendered	Nil	Nil	Nil	2	2 (Cost : Rs 50.61 crore)

The details of works taken up under CMDP but transferred and dropped subsequently were given in **Appendices 3.26 and 3.27** respectively.

<sup>4</sup> Widening and strengthening of Chennai-Ennore road (cost Rs 10 crore), widening and strengthening of Thirumazhisai – Sathiyavedu road (cost : Rs 35 crore) and widening and strengthening of Red hills – Thiruvallur road (cost : Rs 50 crore).

<sup>5</sup> Widening Lattice Bridge road (cost : Rs 8.85 crore).

Of the 328 works taken up under CMDP, 24 works were dropped, 11 works transferred to other projects, 45 works yet to be commenced and two works to be re-tendered.

### 3.3.9.3 Present status of pending works under Highways Department

- *Land acquisition cases*

Six works (2004-05: 1 and 2005-06:5) under CMDP were pending due to non acquisition of land for which Rs 51.40 crore were released by Government during 2004-06 (**Appendix 3.28**). Even as of March 2008, land acquisition proceedings were initiated only in two works, widening of Eastern By-pass road and widening of East-Coast Road.

- *Grade separators*

Of the six grade separators, one grade separator at Maraimalai Adigal Bridge-Irumbuliyur road (MBI road) and Pallavaram-Thuraiakkam road junction was taken up for execution during 2004-05 at a cost of Rs 12 crore with date of completion as 28 October 2008. As of May 2008, Rs 4.97 crore were spent on the work which is likely to be completed in December 2008. All the remaining five grade separators (estimated cost: Rs 122 crore) are yet to commence due to revision of administrative approval (one work), change of alignment (one work) and the decision to take up along with metro rail project (three works). The present position of all the Grade Separators is given in **Appendix 3.29**.

- *Bridges*

None of the seven bridges (estimated cost: Rs 57.20 crore) were taken up for execution and the present position regarding the stage of work of these bridges is given in **Appendix 3.30**.

- *Road Over Bridge (ROB)*

The construction of Road Over Bridge at Vyasarpadi under pass in GNT road was sanctioned during 2005-06 at a cost of Rs 50 crore. The technical sanction was yet to be issued, as the approval for the alignment of the works was awaited from Railways. The Draft Project Report for the work is under preparation. The proposal for land acquisition was sent by Kancheepuram Division of Highways Department to Special Deputy Collector (LA) in May 2008 and the site verification by the land acquisition authorities was yet to be done. Due to non-commencement of ROB, the traffic problems continued.

- *Road works in the peripheral areas of CMA*

Details collected regarding CMDP works in the peripheral area in CMA in adjoining two districts viz. Thiruvallur and Kancheepuram and discussed in the review meeting held in June 2008 disclosed the following:

Forty eight road widening works were held up on account of non-shifting of electric posts and junction boxes by the Electricity Department. As of June 2008, 3798 electric posts and 218 transformers<sup>6</sup> were yet to be shifted though the shifting charges amounting to Rs 11.72 crore had been paid to Electricity Board by Highways department. Such delays in shifting would eventually result in time overrun and cost overrun and also delay in traffic improvement implementation plan.

<sup>6</sup> Thiruvallur district (Rs 8.19 crore); 2909 electric posts and 173 transformers, Kancheepuram district (Rs 3.53 crore); 889 electric posts and 45 transformers.

Progress of works under CMDP was poor.

— Road works in the peripheral areas of CMA were not taken up.

Highways Department stated (January 2008) that the slow progress of work was due to land acquisition problems, hike in bitumen price and inadequate tender participation.

#### 3.3.9.4 Execution of infrastructure works by Chennai Corporation

There was inordinate delay in completion of flyovers, ROB/RUBs, Grade separators and bridges by Chennai Corporation.

Of the 17 infrastructure works sanctioned during 2006-08, only one work of "Flyover at the junction of North Usman road and Kodambakkam road" (estimated cost: Rs 9.72 crore) was completed in March 2008. Two flyover works (GN Chetty road and Usman road) were in progress. Two grade separators, four Rail Over Bridges, two Rail Under Bridges and two bridges were not commenced even as of March 2008. Two grade separators were found not feasible and further action to be taken were under consideration. The present position of the pending works is given in Appendix 3.31.

The road works undertaken by Chennai Corporation comprised only relaying of bus route roads, laying of concrete roads and relaying of foot path. As such, it did not aim at providing increase in road space for traffic. No major road widening work/ formation of new roads was taken up by the Corporation.

#### 3.3.9.5 Non-commencement of works under TNUDP III

State Government issued (April 2005) administrative sanction for implementation of TNUDP III with World Bank assistance for a period of five years. The project commenced in October 2005 after the loan agreement with the World Bank. As none of the 29 road works<sup>7</sup> originally proposed under TNUDP III were taken up for execution till May 2007, the World Bank had made a comment in May 2007 that this was due to two unresolved issues viz. (i) creating the Project Implementation Unit (PIU) in full stage with all powers to execute various sub-projects, and, (ii) non-sanctioning the enhanced fees to the consultants which eventually led to non-finalisation of DPRs and further delay in commencement of Civil works and required to rectify the deficiencies.

None of the 25 works proposed to be taken up as per the updated plan (2005-11) were taken up.

An updated procurement plan was prepared and approved by World Bank in August 2007. Under this, the road sub-component comprises widening and strengthening of 13 roads, construction of six ROB/RUBs, three grade-separators and three pedestrian sub-ways, procurement of traffic equipment, consultancy studies and setting up of project management unit were to be taken up during 2005-11 at a total cost of Rs 609 crore.

None of the above works have commenced as of April 2008. The present stage of works is given in Appendix 3.32. All the proposed works under this project were still at pre-preliminary/preliminary stage even after 30 months since its administrative sanction in October 2005. Though as per original procurement plan an expenditure of Rs 53 crore and Rs 128 crore were to be incurred during 2005-06 and 2006-07, only an expenditure of Rs 3.89 crore was incurred towards setting up of project management unit and purchase of equipment as of March 2008.

<sup>7</sup> Road widening (13), Rail Over Bridge, Rail Under Bridge (10), Grade Separators (3), Pedestrian Subways (3).

### 3.3.10 Improvement to road geometry

For improving the geometry of major arterial roads such as Anna Salai, Periyar EVR Salai and other city roads in terms of bus ways, junctions improvements etc. CMDA identified in 2003-04 itself certain pieces of land belonging to various departments<sup>8</sup>, in 46 locations (Appendix 3.33) in the city. Government was requested to issue necessary orders to alienate the lands in 32 locations to Highways Department and in 14 locations to Chennai Corporation for improving road geometry.

Based on this proposal of CMDA, Government issued instruction in June 2003 to the Highways Department and Chennai Corporation to take up the projects immediately in respect of 23 locations after obtaining formal orders from the respective departments<sup>9</sup>. However, road geometry works were taken up only in 15 locations<sup>10</sup> and completed as of March 2008 as shown in Table 5.

Table : 5

Department/agencies	Locations	Land owned by the same agency	Land belonging to other departments	Works completed	Balance number of works
Highways	32	15	17	10	22
Chennai Corporation	14	8	6	5	9
Total	46	23	23	15	31

The table shows that works were not taken up by the agencies even in the cases where they owned the land.

### 3.3.11 Traffic facilities for the public

#### 3.3.11.1 Parking facilities

Parking is one of the key issues to be addressed in CMA. The CTTS 1995 reported that the problem of parking was escalating in an exponential manner with the rapid growth of vehicle ownership. In older developed areas like CBD, T.Nagar, Anna Salai, Inner Orbital Corridor and Mylapore, parking areas were provided mostly on streets and older buildings in these areas had not provided adequate parking space in their premises. Even in new buildings, the space provided for parking was not adequate. ACP (Traffic) in his report (February 2008) to the State Level Committee on road connectivity and traffic improvements in Chennai, indicated that nearly 30 per cent of carriageway was lost by parking of vehicles on the road.

The updated CTTS 1995 study in 2004 also reiterated the need for parking facilities and recommended creation of parking lots in three places viz. Flower Bazar, Purasawalkam and Luz. However, no action was taken in this matter as of April 2008.

<sup>8</sup> Railways, Postal Departments, Directorate of Collegiate Education, Public Works, Health, Metro Transport Corporation etc.

<sup>9</sup> Highways department and Municipal Administration and Water Supply department in June 2003.

<sup>10</sup> Highways department : 10 and Chennai Corporation : 5

Multi level parking places yet to be created.

The draft Second Master Plan (December 2005) mentioned that CMDA had undertaken a two staged parking study for the metro area. Based on field surveys covering 360 critical stretches, the total parking demand in the area was of the order of 13,000 Passenger Car Equivalent (PCE) against the present supply of 5,100 PCE. The study pointed out inadequate parking facilities in T. Nagar (against a demand of 2151 PCE availability was 794 PCE) and in Parrys Corner (against a demand of 4426 PCE, availability was 704 PCE). Only 104 parking slots were available in the city.

A study for providing multilevel car parking under DBOT<sup>11</sup> basis at two places<sup>12</sup> was awarded to the selected consultants in March 2008 and studies are under way.

Though under TNUDP III, nine<sup>13</sup> areas were proposed for short-term parking facilities, these were not approved by the World Bank.

Thus, the absence of new parking facilities to cater to the vehicle growth would further aggravate the prevailing parking problems and road congestion.

### 3.3.11.2 Infrastructure facilities for cyclists

The National Urban Transport Policy says non-motorised modes are environmentally friendly and have to be given due share in the transport system of a city. The safety concern of cyclists has to be addressed by encouraging the construction of segregated way for bicycles.

Poor facilities for cyclists using roads.

The IRC guidelines for cyclists in metro cities prescribed separate cycle tracks with specific width and segregated cycle traffic at intersections.

As per the second master plan there are no segregated tracks for cycles in Chennai, though the flow of cycles on many roads warrants such segregation of road space. Despite 10 *per cent* of the road accidents involving the cyclists as per CTTS 2004 study (and most of them fatal), no segregation of cycle traffic has been attempted in CMA. Chennai Corporation stated (April 2008) that in view of space constraints in city roads, no separate cycle track was planned.

### 3.3.11.3 Facilities for pedestrians

As pedestrians are most vulnerable to accidents, provision of unobstructed footpaths and carriageways to them with facilities like guard rails, secured crossing areas, foot over bridges and subways are the first requirement for any form of effective traffic enforcement. The facilities to be provided to pedestrians, the general principles to be followed while planning the provision of such facilities and the requirements for footpaths have also been specified by the Indian Road Congress.

<sup>11</sup> Design Build Operate and Transfer.

<sup>12</sup> Broadway bus stand and Wallace Garden First Street near Greams Road.

<sup>13</sup> T.Nagar, George Town, Anna Nagar, Adyar, Anna Salai, Purasawalkam, Nungambakkam, Mylapore and Velachery.

Facilities for pedestrians were not adequate.

In Chennai, out of 15,402 roads with a total length of 2780 km excluding roads maintained by the Highways Department, footpaths are available only on 3,203 roads, for a length of 897.05 kms. However the minimum breadth of footpath was 1 m in Chennai as against the minimum of 1.5 m suggested by IRC. The draft Second Master Plan also stated that permanent and temporary encroachments on footpaths and carriageways have reduced the capacity of roads. No study for requirement of footpaths however has been undertaken by the Corporation so far.

When Chennai Corporation took efforts to remove the encroachments of footpaths, the traders occupying the footpaths filed a Special Leave Petition (SLP) in 1997 in the High Court Chennai. The Court constituted a Committee under a retired High Court Judge with the Chief Engineer of Chennai Corporation, Joint Commissioner of Police, Chennai and one officer from CMDA as members to regulate the settlement of these traders. Chennai Corporation reported (January 2008) to Government that efforts would be taken to evict the encroachment after completion of the work of identification and allotment of alternate site. The Committee also reported every month its progress to the High Court. So far, about 1,370 hawkers were evicted in 15 places, in Chennai, identified by the Committee (October 2008).

#### 3.3.11.4 Pedestrian guard rails

Pedestrian guard rails are important design element to prevent indiscriminate crossing and spilling over of pedestrians on to the carriageway. Their judicious use can help to ensure that pedestrian cross the street at pre-determined and safe location.

No new pedestrian guard rails were provided during last five years.

However, in Chennai, out of 357 bus-route roads (305 kms) maintained by Chennai Corporation, guard rails are provided only in four roads, for a length of 4.2 kms. In respect of roads under the control of Highways Department, guard rails were provided in four roads for a length of 3 kms. No new guard rails for footpath has been provided in any road during the period under review. The Divisional Engineer (Highways) Chennai, Roads division admitted (May 2008) that Chennai Roads (H) Division has not made any assessment regarding the requirement of guard rails and guard rails were provided only at selected points such as Central Railway Station, Spencer Junction etc., in consultation with the Traffic Police.

#### 3.3.11.5 Pedestrian crossings and pedestrians subways

As per IRC specifications when complete segregation of pedestrian from vehicular traffic is not possible, some form of planned road sharing principle must be applied. Being the most vulnerable road user, pedestrians should increasingly be given the place and time to claim the right to cross the road. In Chennai, crossings with signals exist in 334 intersections besides exclusive signals for pedestrian crossing at 10 places and 7 foot over bridges were available for pedestrian crossing.

Only four out of 20 prioritized subways were taken up for implementation.

In Chennai, 17 pedestrian subways are available on Highways and five on Corporation roads. Of the 20 pedestrian subways prioritized by CTTS 1995/2004 (Appendix 3.34), only four have been constructed so far. No

pedestrian subway work was taken up under CMDP during 2003-04 to 2007-08. Three pedestrian subways proposed during 2005-06 in TNUDP III are yet to be taken up for execution, as the Draft Project Reports proposals are under the consideration of the World Bank.

### 3.3.11.6 Exclusive corridor for public transport

The National Urban Transport Policy 2005 encourages measures that allocate road space on a more equitable basis, with people as its focus. At present, a bus carrying 40 people is allocated only two and a half times the road space that is allocated to a car carrying only one or two persons. This can be achieved by reserving lanes and corridors exclusively for public transport and non-motorised modes of travel. The CTTS conducted in 1995 observed that the construction of bus way along Anna Salai will help reduction in congestion on this main road. Further, to facilitate movement of public transport users, CTTS recommended implementation of bus corridors as a long term scheme. However, even after 12 years, no action was taken in this matter. Senior Planner, CMDA stated (May 2008) that owing to paucity of resources, the Government did not consider exclusive bus way for Anna Salai *in lieu* of which Government considered development of the Outer Ring Road with the objective of opening up development in the peri-urban areas of CMA. However, the work of exclusive bus way has again been considered (September 2006) for execution under Jawaharlal Nehru National Urban Renewal Mission under "elevated highway along Grand Southern Trunk Road from Chennai Port to Tambaram" at a cost of Rs 1400 crore.

Exclusive corridors for public transport to ease traffic congestion was not formed.

### 3.3.12 Alternative means of public transport

Chennai city is densely populated and ongoing migration towards Chennai puts enormous pressure on the existing public transportation system. Due to inaccessibility of the rail facility in most corridors, it was suggested in CMDP (2003) in their investment plan for transport infrastructure in CMA.

Commencement of metro rail project delayed due to Government indecision.

The railways enters the city along three lines converging in the George Town area. Their combined corridor length is 117.8 kms. In 1995, the CTTS contemplated the implementation of Light Rail Transport/Sky Bus, in addition to the proposed MRTS, along select corridors as a mass transport system in CMA, as part of the long term plan. The decision to introduce metro rail in Chennai was taken only in May 2004 and the Delhi Metro Rail Corporation was ordered to conduct a feasibility study for metro project. Meanwhile, based on the feasibility report of a Government agency, orders were issued (December 2005) for the introduction of mono rail in Chennai. Again in their order of July 2006, Government stated that Metro Rail Project has been decided to be implemented in Chennai like in all other cities because it could carry more passengers and was comparatively less costlier than mono rail system. Thus introduction of mono rail was dropped and orders were issued for implementation of the metro rail project in 2007, which is properly integrated with other forms of public and private transport including buses, suburban trains and MRTS.

State Government had created a Special Purpose Vehicle (SPV) called "Chennai Metro Rail Limited", incorporated in December 2007 under the Companies Act, for implementing the project. Thus, the delay as well as inconsistency in formulating policy on the introduction of metro/mono rail not



only delayed the implementation of project, but also affected the implementation of other road projects in the corridors, which are required to be improved, as such works were kept in abeyance pending the finalisation of the alignment of the proposed rail network. Thus, the envisaged efforts to change the modal preference from private to public transport contemplated as early as in 1995 has commenced to some extent only in 2007.

### 3.3.13 Traffic management and road safety measures by Chennai City Traffic Police

Urban traffic is heterogeneous in nature, it consists of fast moving motor vehicles and also slow moving vehicles such as cycles. Pedestrian traffic is also heavy due to high density of population in urban areas. The rapid increase in population of motor vehicles combined with increase in pedestrian traffic exposed the inadequacy of road system in the metropolitan areas.

Certain preventive measures like compulsory fastening of seat belts in cars, compulsory wearing of helmets by the two wheeler drivers and pillion riders with certain exceptions like women, children etc., prohibition of black films on wind screen front glass and rear windows and specifying a single colour to all school/college going buses for identification were made mandatory through Government orders.

Regulation of traffic to conform to a certain desirable pattern with measures like segregation of traffic, control of traffic, installation of speed breakers and rumble strips, installation of signals and traffic lights, enforcement of traffic laws, etc., would ease traffic congestion to a great extent. Traffic management measures, involving traffic engineering improvements and regulation and control of movements of different types of vehicles on the road system would ensure safe and efficient movement of traffic. Further, road users, both motorists and pedestrians, would need to be properly educated about the regulations, awareness on road safety, etc., to make improvements in metro traffic.

In Chennai, the CCTP is able to reserve exclusive lanes for motorists such as buses, taxis, two wheelers, auto rickshaws etc., for a limited stretch in the two arterial roads (Anna Salai and Poonamalee Road) and even in these roads, better enforcement of lane discipline needs to be made. The CCTP does not have any plan of action/programme to introduce these measures in other roads.

#### 3.3.13.1 Procurement of equipment for traffic management

To cater the needs of the Chennai City Traffic Police, the CCTP proposed to procure traffic components and equipment worth Rs 23.85 crore under CMDP<sup>14</sup> (Rs 10 crore) and TNUDP III<sup>15</sup> (Rs 13.85 crore).

However, it was only in respect of TNUDP III, that necessary sanction was accorded (September 2006) for procurement of equipment at a cost of Rs 13.85 crore against which the department procured equipment worth Rs 81 lakh only.

<sup>14</sup> Two wheeler recovery vehicles, Heavy recovery vehicles, CCTVs, Breath analyser, speed radar guns, cats eye, walky-talky etc., under TNUDP III.

<sup>15</sup> VHF Hand held sets (300), VHF Mobile sets (300), VHF Static sets (30), Lap top computers (9) and Multimedia projector (2) under CMDP.

### 3.3.13.2 Functioning of signals

#### ◦ Signal controlled intersections

For safe passage of cyclists and pedestrians, and for orderly movement of traffic at busy intersections, signals at intersections are valuable devices. According to IRC specifications, a comprehensive investigation of traffic conditions and the physical characteristics of the locations like minimum vehicular volumes, interruption of continuous traffic, minimum pedestrian volume and accident analysis is required to determine the necessity for installation of signals. During 2003-08, 122 new signals<sup>16</sup> were added and there were 228 intersections with signals at the end of 2007-08. The cost of providing these signals were met from modernization of police fund, Chennai Metropolitan Development Plan etc. In 500 major non-signal intersections, either police control the traffic or sign-boards and markings control traffic.

500 major intersections in city were without signals.

The ACP (Traffic) stated (June 2008) that surveys were conducted by the traffic police at particular junctions depending upon the increase in volume of the traffic at those points and on field assessment, traffic signals were installed for better management of traffic movement. The ACP accepted (June 2008) that there are still more than 500 junctions without signals. However, he could not produce the traffic data collected for updating the timings of various signals and stated (June 2008) that there was no exclusive staff strength and funds for collecting data by traffic police. Such data were collected at places where improvement was required in addition to the data collected by the Highways Research Institute.

#### ◦ Delay in provision of signals in identified road junctions

A proposed scheme for providing signals in 116 identified road junctions through sponsors was not implemented.

In June 2006, after conducting a detailed survey, CCTP identified 116 important road junctions, mostly in the outskirts and belt areas, which were in urgent need of installation of traffic signals. Bharathiya Sanchar Nigam Limited (BSNL) had indicated their willingness for sponsoring 116 road signals so as to derive publicity benefits. Government sanctioned (February 2007) the proposals for installation of 116 road signals through BSNL and directed that BSNL should meet the installation charges to the tune of Rs 4.70 crore and Government would meet the expenditure of Rs 42.56 lakh<sup>17</sup> on maintenance of the signals. The Government also imposed the condition that the space for the advertisement should be 1' X 2' on every pole of signal and ordered that only 20 per cent of the space be earmarked for BSNL and the remaining 80 per cent used for traffic oriented advertisements.

As the space earmarked for advertisement was considered very small, BSNL sought (April 2007) at least 100 sq.ft. for advertisement at each of the signal. Commissioner of Police requested (April 2007) the Government that BSNL may be permitted to put up the sign board for their message with 2' x 4' dimension on each pole of the signal with a message on both sides. Home Secretary sought (November 2007) the opinion of Commissioner, Chennai Corporation and CE, Highways. Delay in deciding upon the advertisement space in the proposed signals thus resulted in non-installation of the signals in

<sup>16</sup> 2003-04 : 18, 2004-05:12, 2005-06: 71, 2006-07:12 (including two signals sponsored by private agency) and 2007-08: 9.

<sup>17</sup> Rs 28.64 lakh towards electricity consumption cost during the warranty period of one year after installation and Rs 13.92 lakh per annum from the second year towards annual maintenance cost.

116 road junctions which are urgently in need of the signals and the objective of effective junction traffic management and free flow of traffic to ensure safety to the road users at these junctions was not achieved.

◦ *Non-provision of blinking signals (orange lights)*

The blinking signals at the junctions of major and minor roads act as a warning to motorists, allowing them to slow down.

The Joint Commissioner of Police (Traffic), called for (August 2006) proposals for erecting signals and blinking signals in Chennai by utilizing Road Safety Fund. Accordingly, the sub-divisional officers proposed 257 blinking lights<sup>18</sup> and 56 additional signals<sup>19</sup> for the sub-divisions. Of these, Deputy Commissioner of Police (Traffic), short-listed (August 2006) cases for providing 80 blinking lights at a cost of Rs 76.77 lakh and 51 additional signals at a cost of Rs 1.92 crore, after assessing the priority areas. No follow up action was however taken as of March 2008 for providing these blinking signals and additional signals. As a result, the identified and prioritized cases were still left without blinking lights and additional signals.

### 3.3.13.3 Non-implementation of Area Traffic Control

In order to provide uninterrupted flow of traffic, synchronisation or coordination of traffic signals over a wide area using computer tools<sup>20</sup> is called Area Traffic Control (ATC) system. Government sanctioned (June 2001 and September 2003) Rs 1 crore and Rs 3 crore for Area Traffic Control as a pilot project in CMA under the centrally sponsored Modernisation of Police Force. In the absence of a feasibility study on the implementation of ATC, the sanctioned funds were diverted by the Commissioner of Police for upgradation of traffic signals. State Government subsequently sanctioned Rs 1 lakh in May 2005 for conducting the study which was also drawn by CMDA. The Chief Planner, SDAT, in response to Audit, stated (May 2008) that the commissioning of the study met with problems, as the professor who had been identified for the study had gone on a foreign deputation and in the absence of any reputed agency to undertake specialized task of establishing the feasibility of ATC, no significant headway could be made further. Thus, even after seven years, the objective of synchronization of signals over a wide area for ensuring uninterrupted free flow of traffic eliminating traffic congestion enroute these signals under the proposed ATC in Chennai continues to be under consideration. As the daily traffic has already crossed one lakh vehicles (May 2005) along major travel corridors, and considering the constraints in widening these major arterial roads, the study needs to be conducted at the earliest for induction of ATC in Chennai.

Co-ordination of Traffic signals through Area Traffic Control in city was not implemented.

<sup>18</sup> St. Thomas Mount: 132, T. Nagar: 26, Adayar: 31, Anna Nagar: 46, North Beach: 8 and Flower Bazaar: 14.

<sup>19</sup> Chennai: 17, Tiruvallur district: 19 and Kancheepuram district: 20.

<sup>20</sup> SCOOT: Split Cycle Offset Optimisation Technique.  
SCAT: Sydney Coordinated Adaptive Traffic System.

◦ *Non-synchronisation of signals*

Scheme taken up for synchronisation of signals was incomplete.

In order to provide uninterrupted flow of traffic, Government sanctioned (December 2003) Rs 12 lakh for partial synchronisation of signals in eight corridors<sup>21</sup>. The signals installed in these places were not synchronized even as of March 2008, as the selected firm (M/s CMS Traffic Systems Limited) had not conducted a study on timings for the synchronization of signals, as required (January 2007) by JCP, Traffic. The ACP (Traffic) stated (June 2008) that though the installation work was completed (September 2006), the setting of programme for synchronisation was pending finalisation and the demo for work completion was not given. Thus, the objective of synchronisation of signals to facilitate the uninterrupted movement of vehicles plying within the stretches of these signals had not been achieved even after four years.

3.3.13.4 **Non-implementation of Traffic Related Management System**

Traffic related management system proposed for effective traffic management of traffic is yet to be taken up.

A new Intelligence Transport system called "Traffic Related Management" (TRMS<sup>22</sup>) is now under execution in Tiruchirappalli town, which mainly consist of installation of Close Circuit TV system for effective monitoring and traffic management.

Transport Commissioner called for (September 2007) proposals for Traffic Related Management System (TRMS) in Chennai from the Commissioner of Police, Chennai and for Coimbatore and Madurai from the District Collectors.

As implementation of such a system is not under the scope of funding under the Tamil Nadu Road Sector Project (TNRSP), it was decided (November 2007) to employ individual experts to work out strategies and drafting of terms of reference. The Project Director, TNRSP had stated (November 2007) that four persons (all from foreign countries) had been approached to send their willingness for evaluation. He had further stated that on receipt of expression of interest he will take further action in consultation with all connected departments. This subject was again discussed in the Inter-departmental Committee meeting (December 2007) and the Committee had requested the ADGP to discuss the matter in the next meeting. No further action was taken as of March 2008.

3.3.14 **Enforcement of Traffic Rules**

3.3.14.1 **Manpower in Traffic Police**

The road safety policy of the State Government brought out in April 2007 aims to reduce fatalities and injuries of accidents through effective traffic enforcement. The major requirement for effective enforcement is adequate manpower, especially in traffic control.

<sup>21</sup> Anna Salai, EVR Salai, Inner Ring Road, Kamarajar Salai, Radhakrishnan Salai, LB Road, Sardar Patel road and Anna Nagar III Avenue.

<sup>22</sup> A system consists of several sub systems such as integrated GIS based automated vehicle tracking and management system (AVTMS), Area Traffic Control (ATC) System, Distress Call Response Management System (DCRMS) and Critical Public Place Surveillance System (CPPSS).

Out of 3001 posts sanctioned for Chennai City Traffic Police, only 2453 were in position, leaving 548 posts (22 per cent) lying vacant as of January 2008.

Of these 548 vacant posts, 445 posts belonged to the cadre of traffic police men (Head Constable, Gr.I and Gr.II), who regulate the traffic and enforce the traffic rules, besides 102 posts of sub-inspectors and others. The data compiled for the last five years revealed that the vacant posts increased from 62 in 2005 to 632 in 2006 and 637 in 2007 and then slightly improved to 445 in 2008.

Additional Commissioner of Police (Traffic) stated (June 2008) that a proposal was being prepared to be sent to Government for 331 additional staff requirement in the traffic police stations taking into consideration the length of the road, intersection/junctions handled, special features such as shopping areas/VIP areas/residential areas etc. Thus the strength of traffic police has not kept in pace with the rise in vehicle population, which has resulted in the deterioration of traffic enforcement measures.

### 3.3.14.2 Monitoring traffic through CCTV systems

The main reasons for the accidents on roads, as stated by the Director General of Police and indicated by Government in their order in June 2005, were non-adherence to traffic rules and serious indiscipline among the motorists. If motorists come to know that their violations are being recorded on a video along with the certainty of action and that such video records are permissible as evidence, it would act as a deterrent and they would be more cautious, thereby reducing traffic violations.

Government sanctioned (June 2001) of Rs one crore under Modernisation of Police Force and CCTV systems were installed at eight junctions<sup>23</sup> at a cost of Rs 91.11 lakh and the system was brought into use from May 2005. Government have accorded administrative sanction (June 2005) for installation of 20 more CCTV systems in various traffic junctions in Chennai for monitoring traffic at an estimated cost of Rs 2.01 crore. These were, however, yet to be purchased and installed (August 2008).

Although 2,50,476 cases<sup>24</sup> were booked for violations during 2005-08 (upto May 2008), notices were begun to be issued only from 2007 to motorists who violated traffic, based on real time images from CCTVs. ACP (Traffic) stated that notices to the remaining persons could not be issued for want of correct address etc. Upto May 2008, only 61909 ( 33 per cent) responded in paying the fine of Rs 35.54 lakh.

The Additional Commissioner of Police (Traffic) stated (April 2008) that steps were being taken to quicken the judicial process, as a large number of cases are pending.

Unless effective follow up action is taken in sending notices to all persons booked for traffic violations and making them to pay the fine, the objective of installation of CCTV would remain largely unachieved.

<sup>23</sup> Anna Salai – Venkatnarayana Road Junction, Eldams Road Junction, Spencers Junction, Central Railway Station, Ega theatre junction, Anna Rotary junction, Gandhi Statue Junction and Koyambedu Junction.

<sup>24</sup> 2005:54,032, 2006: 57,621, 2007: 55,473 and 2008: 83,350.

traffic enforcement  
as affected due to  
vacancy in the posts  
of traffic policemen.

Objective of CCTV  
system installed in  
eight junctions of the  
city remained  
unachieved.

**3.3.14.3 Very few meetings of Road Safety Council**

Road safety council did not meet as required.

The State Road Safety Council a high level body to advise the Government on all the policies and programmes relating to road safety, was established in 2003 in Tamil Nadu under Section 215 of the Motor Vehicles Act 1988 with the Chief Minister as Chairman. The Executive Committee of the Council was to periodically review road policy and make recommendations to Government for modification as and when necessary. The Council was reconstituted in July 2007 with the Transport Minister as Chairman and with additional members from Police, Transport and other departments. Though Government had stipulated the Council meeting at least once in three months, Council did not meet during 2003-07 and met just twice during 2007-08 (20 July 2007 and 12 February 2008) after reconstitution.

**3.3.14.4 Creation of public awareness**

Government permits utilisation of road safety fund for preparing and screening of short film on road safety in TV channels, the department did not develop any short film on road safety and thus the benefit of mass appeal through media, in promoting road safety awareness among the road users, has not been explored so far.

Further, as against 1383 schools and 78 colleges functioning in Chennai, only 365 schools and seven colleges were covered during 2004-08 under programmes for awareness of road safety.

**3.3.14.5 Quality of drivers**

List for improving the quality of drivers not yet prepared.

Since road accidents occur mostly due to negligent driving, improving the quality of drivers is of vital importance to minimise these road accidents. National Road Transport Policy also suggested a three tier structure for driver training schools/institutions. To improve the quality of drivers, refresher training to the drivers involved in major accidents was planned (January 2007) by Government to be conducted in Chennai during 2007-08. A sum of Rs. 3 lakh was given from Road Safety Fund for this purpose to CCTP in 2006-07. The CCTP collected the information on drivers involved in major accidents in Chennai from the Metropolitan Transport Corporation (MTC) in November 2007. However, till date, 501 identified drivers were not given training, as the CCTP propose to include private drivers involved in the major accidents also for training. Though some information was obtained from the field units (Police Stations) in this regard, the CCTP has not yet finalised the list of drivers to be given refresher training.

**3.3.15 Conclusion**

Traffic improvement and road safety in Chennai Metropolitan Area suffered due to delay in formulation of a road safety policy, poor progress in the completion of road development works and inability to properly co-ordinate the functioning of the five agencies involved. Financial achievement under traffic component of Chennai Metropolitan Development Programme was poor (39 per cent of total allocation). Funds provided to Highways Department were far lower than the approved allocation. No funds were provided in the budget of CCTP for traffic management. The prioritised works identified in the CTTS 2004 and other important projects proposed under CMDP and TNUDP III were either not taken up or remained

incomplete, as of March 2008. Deficiencies in road development works and non-completion of ROB/RUBs, flyovers, grade separators, sub-ways and road widening schemes etc. delayed the benefits that could accrue to the public. Deficiencies in traffic management measures like non-provision of pedestrian facilities, separate cycle tracks and signals at all intersections, inadequate parking facilities, non-adoption of modern techniques like Area Control Programme, Traffic Related Management etc., synchronisation of signals adversely affected the traffic improvements planned. Enforcement of traffic rules was ineffective due to shortage of manpower and non-provision of required equipment.

### 3.3.16 Recommendations

- A comprehensive time bound traffic management programme for the CMA taking into account existing traffic problems in specific roads should be prepared and implemented immediately.
- Government to ensure proper co-ordination between Chennai Corporation, Traffic Police, Transport department, Highways department and CMDA, for effective planning and implementation of the projects for traffic improvement.
- The works of widening of roads, construction of RUB/ROB, bridges, bus bays and grade separators should be given priority.
- The public transport system should be strengthened so as to encourage the public to switch over from private vehicles to public vehicles.
- Pedestrian facilities should be improved by creation of new footpaths, pedestrian subways, guard rails etc. and removal of encroachments.
- The Chennai City Traffic Police force should be strengthened by filling up the vacant posts and by providing the essential equipment.

## EMPLOYMENT AND TRAINING DEPARTMENT

### 3.4 Computerisation of District Employment Offices

#### Highlights

*The Department of Employment and Training runs 35 Employment Exchanges in order to bring about a better matching of the demand for and the supply of work opportunities in the State. The Department has under its control, one employment exchange for each district, apart from special exchanges for technical, handicapped and professional candidates.*

➤ In the absence of Y2K compliant FoxBASE, DBMS, 3245 dates between 2000 and 2008 got stored as dates between 1900 and 1908.

*(Paragraph 3.4.7.1)*

➤ The database being localised at the district level, could not be utilised to generate State-wide lists of eligible candidates.

*(Paragraph 3.4.7.1)*

➤ Manual intervention resulted in errors in data entry in respect of 'due date for next renewal' and premature lapsing of 22,733 registrations.

*(Paragraph 3.4.8.1)*

➤ Manual intervention was resorted to during selection of candidates for employment rendering the authenticity of the selection process doubtful.

*(Paragraph 3.4.8.2)*

➤ Out of the 1,90,670 re-registrations carried out in 2007, renewal was not done in respect of 3,555 candidates, resulting in pre-mature lapsing of their candidatures.

*(Paragraph 3.4.8.3)*

➤ Lack of input controls and validation checks resulted in awarding of higher seniority to 9.31 lakh candidates, duplication of data entries in respect of 1.28 lakh candidates and incomplete data with respect to the qualifications of 2,07,199 candidates.

*(Paragraphs 3.4.9 and 3.4.10)*

➤ There was a backlog of 6.50 lakh candidates (26 per cent) in data entry for the period 2004-07.

*(Paragraph 3.4.11.2)*

#### 3.4.1 Introduction

Computerisation of Employment and Training Department commenced in 1988 and its implementation completed in 2002-03. So far, Rs.2.50 crore has been spent on hardware and system software. The functional activities of the Department, like registration, renewal and sponsoring of candidates for



employment have been computerised. Now, the Department is totally dependent on the computer system for their day to day operations. The system was developed by M/s. Tata Consultancy Services using DOS based FoxBASE as DBMS<sup>1</sup>, Novell NetWare as operating system and Clipper as programming language. The system works on a batch process and is decentralised to the district level.

#### 3.4.2 Organisational structure

The Department is headed by a Commissioner of Employment and Training (CET) at the State level and a set of three Joint Directors and four Regional Deputy Directors assisted by one District Employment Officer in each District.

#### 3.4.3 Audit objectives

The objectives of audit were to check whether:

- the computerised system met the basic objectives of the Department;
- the application was developed with adequate application controls to ensure completeness, accuracy and reliability of the data;
- the versions of the application in use were current and uniform;
- adequate security controls were inbuilt in the system to ensure the safety of data against accidental or wilful manipulation, and
- the computerisation was supported by business continuity plan.

#### 3.4.4 Audit criteria

The criteria of audit are

- manuals and rules in force
- policies of the government with reference to the selection of candidates
- instructions issued from time to time for maintenance and updation of data

#### 3.4.5 Scope of audit

As the Department completely relied on the computer system for its activities, the data maintained in the system needed to be complete, accurate and reliable. The data from 31 out of 35 District Employment Offices (DEOs) were examined. Data in respect of the remaining 4 DEOs were not made available to Audit. Other activities of the Department like training and payment of unemployment Assistance, not being computerised, remained outside the scope of this review.

#### 3.4.6 Audit methodology

The review commenced with an entry conference with the Head of the Department. The rules, regulations and policy decisions relating to computerisation were reviewed. Further, information was gathered through

<sup>1</sup> Data Base Management System

questionnaire issued to all the DEOs. Data from the commencement of computerisation till date of audit (January 2008) was obtained and analysed using Computer Assisted Audit Techniques. The provisions and controls available in the application software were ascertained through an examination of the data entry screens and a review of the source code wherever required. Audit observations were then confirmed by a detailed study in five DEOs<sup>2</sup> in the State. Audit concluded with an exit conference (July 2008) with the Commissioner of Employment and Training wherein all observations raised were discussed.

### **Audit findings**

#### **3.4.7 Deficiencies in General Controls**

##### **3.4.7.1 Post-implementation review not carried out**

The application software now in use has been in operation for over 6 to 20 years and is being used with all the deficiencies with which it was implemented. No attempt has been made to review the functioning of the system by conducting a comprehensive post-implementation review to detect, analyse and correct errors or deficiencies existing in the system.

##### *◦ Database Management System*

The DOS based FoxBASE DBMS in use for the storage and management of the data in the employment exchanges was deficient in the following respects:

- (i) The DBMS in use could not ensure uniqueness of records.
- (ii) Non-availability of logical access controls in the FoxBASE DBMS provided easy access to the data through the back end, affording scope for data manipulation, by-passing the access controls provided at the front end.
- (iii) DOS based applications were designed for stand alone personal computers and hence the built-in security features were inadequate for a multiple user system on a Local Area Network
- (iv) It has no in-built provision for ensuring relational integrity within the database

The discrepancies of data as indicated in subsequent paragraphs were attributable to the deficient DBMS in use. Department continued to depend on a deficient DBMS for its day to day activities.

##### *◦ DBMS in use was not Y2K compliant*

It was observed that since the DBMS was not Y2K compliant, 3,245 dates falling between the years 2000 and 2008 entered in "dd/mm/yy" format representing dates of registration, dates of seniority etc, were stored in the system as the dates between 1900 and 1908. This resulted in consideration of 348 candidates as senior-most by the system during selection of candidates to be sponsored for employment. Manual intervention was resorted to remove such candidates, before forwarding the same to the respective employers.

<sup>2</sup> District Employment Offices at Chennai, Coimbatore, Kancheepuram, , Madurai, and Thiruvallur.

- *Non-switching over to a centralised database*

Failure to have a centralised database resulted in several operational deficiencies.

In a manual system, it was not possible to maintain the data relating to citizens seeking employment for the State as a whole (with around 67 lakh candidates) and to utilise the data to prepare the required outputs in a consolidated form. It was seen that even after computerisation, as the database was localised at the district level and not maintained as a State-wide centralised database, the prospective lists of candidates for employment could be generated at the district levels only. The resultant deficiencies are as follows.

- (i) State-wise lists of eligible candidates based on requests from departments like education, transport etc. could not be generated through the system.
- (ii) While a candidate is permitted to have one registration across the State, a test check of data relating to three<sup>3</sup> pairs of adjoining districts disclosed that 47 candidates had registered themselves in two DEOs. It was also detected in a test check of data in four<sup>4</sup> districts that 49 candidates had more than one registration in the same DEO.
- (iii) Renewals could be carried out only at the office of the original registration.
- (iv) Candidates were allowed to transfer their candidature from one employment office to another without loss of seniority. Transfer of candidates across districts required manual intervention and thus resulted in delays and gave scope for data entry errors and manipulation. A test check of transfers made to Chennai and Thiruvallur Districts from nearby districts<sup>5</sup> disclosed that due to manual intervention, in respect of 224 candidates, the seniorities higher than their previous seniorities were assigned in the latter districts.

Government in their reply (November 2008) accepted the observations and promised corrective action. Government have also stated that the system was proposed to be shifted to a more secured centralised Relational Database Management System (RDBMS).

### 3.4.8 System development controls

#### 3.4.8.1 Deficiency in system design

- *Candidates getting placed in jobs on their own – information not captured in the computer system*

A registered candidate after getting employed is required to surrender his/her employment card. However, the system did not have a provision to capture the fact. In the absence of such information in the system, there is a risk of maintaining the records related to the employed personnel live in the system as well as denial of opportunities to genuine candidates continued to exist.

<sup>3</sup> Kancheepuram- Thiruvallur, Madurai-Dindigul and Coimbatore-Udhagai

<sup>4</sup> Thiruvallur, Kancheepuram, Madurai and Coimbatore

<sup>5</sup> Into DEO Chennai General from Kancheepuram, Nagercoil, Thiruvallur, Vellore and Tiruvannamalai; Into DEO Thiruvallur from Kancheepuram, Nagercoil, Chennai General and Vellore.

Manual interventions resulted in premature lapsing of registration.

Transferred candidates given enhanced seniorities.

• *Due dates for renewal of registrations-non utilisation of system*

The registration of a candidate would lapse if not renewed before the due dates. It was noticed that the due dates for next renewal were calculated and entered manually instead of by the system. This manual intervention led to entry of due renewal dates earlier to the actual in respect of 22,733 candidates due to which their registration would lapse prematurely. Similarly, the registration of 18,937 candidates would remain live even beyond the dates of their actual due renewal due to entry of later dates.

• *Non-capture of critical information - Enhanced seniorities given to transfer-in candidates*

As stated earlier the system is maintained as a localised data base. Further, the system has no provision to capture the registration number of the earlier district and only the name of the earlier district was captured while admitting the transfer of the candidates. A test check of data in six selected districts revealed that the information relating to most of the transferred candidates were not available in their earlier districts as detailed in Table 1.

Table 1

Transfer		Total number of transferees	Number of candidates not traceable in the original district
From	To		
Thiruvallur	Chennai	435	417
Dindigul	Madurai	307	272
Ooty	Coimbatore	149	134
Tirunelveli	Tuticorin	469	397
Nagercoil	Tirunelveli	381	345
Krishnagiri	Salem	63	40

Hence, the accuracy and validity of seniorities assigned to such transferred candidates could not be ensured.

• *Re-registration type not stored in computer system*

The registration of a candidate lapsed on account of non-renewal or on getting employment could be revived and re-registered without loss of seniority. The re-registration could be effected in the system in the following three different circumstances i.e., if sought for re-registration within

- (i) 90 days from the date of his ousting from his employment.
- (ii) 18 months after the due date for his renewal was over, under 'general relaxation'; or
- (iii) such time limits as stipulated under 'special relaxations' by the Government.

Lack of provision to capture the type of re-registration resulted in lack of information and lack of audit trail whereby the correctness of the due dates for next renewal as entered in the system could not be ensured.

• *Monitoring the selection of sponsored candidates*

The list of prospective candidates as per the seniority is generated as per the requirement of employers and sponsored for employment. After the

The database did not have provision to store the re-registration types

completion of the selection process, the status is to be reported back to the Department by the respective employer to record the details of the selected candidates. A person thus sponsored for an employment may get selected or rejected or might not have reported to the employer. The system however, did not have a provision to capture the fact of a person not reporting for the selection. Thus the information regarding such candidates could not be tracked through the system.

Government in their reply (November 2008) stated that steps would be taken to correct the database and address the deficiencies pointed out in their proposed new system.

#### 3.4.8.2 Non-utilisation of System – Outputs generated by the computer system required manual intervention

One of the objectives as envisaged through maintenance of a computerised system was to select the eligible candidates based on different criteria from a large number of registrants. However, the system was not able to generate comprehensive lists of candidates satisfying different criteria at a time and required manual intervention, brought out as under.

(a) When an employer required candidates from Open Competition, Backward Class and Most-Backward Class, etc. the system could not generate a single list with the required number of candidates with relevance to proportionate reservation percentage. Hence, separate lists had to be generated in respect of each reservation category. As open competition also contained the candidates of other categories there was an overlapping of candidates between the lists, were required to be removed manually.

(b) Due to errors in data relating to doubtful seniority, qualifications, lacking in information, etc., manual intervention was resorted to delete the name of certain candidates due to such errors from the list generated through the system. In order to accommodate such removal by manual intervention the users were compelled to generate a list with more number of candidates than required.

(c) The system could not generate the required list of eligible candidates when candidates were required based on more than one criterion like a conductor's license with Higher Secondary qualification. In such circumstances candidates satisfying one criterion were generated through the computer system and those having the second criterion picked out therefrom manually.

The Department continued to use this system for more than six years with all these deficiencies without taking any action to address these issues. Further, manual interventions pose the risk of frauds, manipulation leading to denial of opportunities for genuine candidates.

In respect of (b) above, Government stated (November 2008) that the proposed modified system would take care of the deficiency. In respect of (a) and (c) the reply furnished did not address the issues raised in the observations.

The system could not generate the final output as required by users and required manual intervention

### 3.4.8.3 Non-linking of processes by the system

- *Candidatures not renewed on re-registration*

Based on relaxation orders of the Government, the lapsed registration of the candidates satisfying certain conditions were allowed to be revived without loss of seniority through re-registration process. The process of re-registration was carried out in the system in two stages

1. Changing the status of the candidate from 'lapsed' to 'live' (Re-registration)
2. Updating his 'due date for next renewal' (Renewal).

However, the system allowed completion of re-registration with the first stage alone without invoking the second stage. As a result, though the lapsed candidatures were revived, the respective 'due dates for next renewal' were not updated. Failure in this regard resulted in candidature of revived candidate getting lapsed, when the process to detect and lapse the registration of candidates who were not renewed their registration was carried out at the end of the month rendering the whole re-registration process futile.

Data analysis revealed that the candidature of 3,555 candidates out of the 1,90,670 re-registrations carried out during the year 2007 were prematurely lapsed at the end of the month of re-registration itself, while the due date of next renewal according to the respective candidate being three years from such date of revival. Thus, deficient and non-transparent service was rendered to the candidates.

- *Candidatures not renewed on registration of an additional qualification*

Non-renewal of registration of additional qualification resulted in premature lapsing of 9,997 registrations.

Whenever a candidate registers for an additional qualification, his candidature would be renewed for further three years with effect from that date as per the provisions contained in the Department's circular No.22/92 dated 23 April 1992. The registration process and the renewal process have to be carried out through distinct modules in the application software. In the event of not carrying out the renewal process, the candidature lapses pre-maturely based on the non-updated renewal date already available in the system. Due to not linking of these two processes and failure to carry out renewal process, registration of 9,997 candidates out of 4,18,181 candidates who had registered for additional qualifications during 2005 to 2007 were indicated as lapsed even before the end of 2007.

Government in their reply stated that field officers were asked to account for the premature lapses, and corrective measures were proposed in respect of non-renewals on registration of additional qualifications.

### 3.4.8.4 Deficiency in application software - Information on placement of candidates not captured in the data

The details of candidates getting employed through the system were required to be maintained in the system along with the other details of employment like the employer, remuneration, etc. However, due to a deficiency, the system failed to provide the link between the candidate and the employment awarded

to him. This has resulted in non-availability of details of employments awarded in respect of 54,633 candidates.

Government in their reply (November 2008) stated that the lacuna in the program will be removed.

### 3.4.9 Input controls and validation checks

Input controls and validation checks ensure the data entered is complete, accurate and reliable. The department did have a manual control whereby data captured was manually checked, authenticated by the HOD and stored as a hard copy at the end of each day. Ineffectiveness of this critical control combined with lack of other input controls/validation checks resulted in the following accuracies in the database.

- (i) Apart from other criteria, a candidate is always recommended for employment based on his seniority. Despite the criticality of this information, the data contained the following discrepancies.
  - The date of seniority was blank in 18,349 instances and system considered them as senior-most.
  - There were 654 instances where the date of seniority was prior to 1,963 when the Department was not even formed.
  - There were also 633 instances where the seniority was given as a future date.
  - Apart from transfer candidates, no candidate can have a seniority date higher than his date of registration. However the data contained seniority dates higher by a few months to a few years than their respective registration dates in respect of 9,30,974 candidates.
- (ii) Due to absence of validation checks with respect to the date of birth , the system accepted dates in respect of acquiring various qualification which resulted in indication of candidates acquiring such qualifications much earlier than the possible limits as detailed below.
  - 9,178 candidates were shown to have completed their Matriculation at less than 15 years of age,
  - 22,434 candidates were shown to have completed their Higher Secondary (Plus Two) at less than 17 years of age and
  - 6,249 candidates were shown to have completed their Graduation at less than 20 years of age.
- (iii) Seniority of candidates is maintained against the respective National Code for Occupation (NCO) for which they had registered and the type of employment to which they are to be recommended is based on the NCO. Though NCOs were standardised and their entry was mandatory for deciding the nature of job opportunities
  - NCO codes were not captured in respect of 919 candidates and
  - NCO codes captured did not conform to the standardised codes available in the system in respect of 2,235 candidates.

Registrations of over 26,000 candidates remained incomplete

- (iv) The fifth character in the Registration Number indicated the sex of a candidate. However,
- a redundant provision to capture the sex of the candidate has also been made
  - discrepancies relating to sex of the candidate were noticed in 5,853 live candidates between Registration Number and as indicated in the separate column meant for storing the same.
- (v) The registration of the candidate has to go through a three-stage process in the system. Failure to complete the registration process would result in no benefit accruing to the registrant. Lack of input controls resulted in incomplete registration process in the following cases.
- There were 20,636 instances where registrations were left incomplete at the preliminary stage where only few details of the candidates were entered.
  - In 5,494 other instances, though full details of candidates were captured, the third stage i.e., the transfer of the data to the database was not gone through.

In respect of the above mentioned observations, Government (November 2008) stated that the data will be examined and remedial action taken.

#### **3.4.10 Data Management**

1.28 lakh duplicate entries made in the database rendered the same unreliable.

- It is imperative that necessary controls need to be in-built to ensure safety of data against corruption, loss or duplication during restoration of the back ups in the event of disaster, transfer of data between machines. Deficiencies in this regard had resulted in
- 64,913 candidates having duplicate entries with the same registration number, name and date of birth,
  - 63,210 candidates having duplicate entries for the same qualification,
  - details of qualifications were not available in respect of 2,07,199 candidates and hence could not be considered for any employment,
  - names and identities were not available in respect of 61,315 candidates though the details of qualifications were available and hence could not be offered any employment opportunity
  - postal addresses for communication were not available in respect of 11,472 candidates.

This indicated lack of input controls and resulted in poor service rendered.

Government (November 2008) have stated that the instructions were issued to the field officers to make good the missing data.



### 3.4.11 General Controls

#### 3.4.11.1 Lack of documentation/training

In order to maintain the business continuity of the system it required comprehensive training and a documented user manual. Though the Department claimed that training was provided to the staff during 1997 and 2000, and user manual was available, it was noticed that neither user manual nor any trained personnel were available in the DEOs. Due to lack of training and in the absence of user manuals, the users were unable to use the system efficiently. The CET stated that (July 2008) staff would be given training on the functioning of the system.

#### 3.4.11.2 Backlog of data entry

During the time of declaration of examination results (SSLC, Higher Secondary etc) due to the rush for registration, the registration process was done manually and registration was confirmed through the manual 'employment card' given to candidates.

However, it was noticed that some of these manual registrations were yet to be entered in the computer system. Data analysis revealed that the details of 6.50 lakh out of 24.98 lakh candidates who had registered during the period 2004-2007 were yet to be entered in the computer system. As the selection of candidates for employment was done only through the computer system, these candidates were deprived of the benefits from their registrations. Thus, 26 per cent of registered candidates were kept outside the computer system which indicated failure of service intended.

Government in their reply (November 2008) stated that instructions were issued to field officers to clear the backlog at the earliest.

#### 3.4.11.3 Lapsing of Registration of candidates

The registration of the candidates who did not renew even after the grace period of two months after the prescribed due dates, were identified and were given "lapsed" status through a separate process carried on the last day of each month. On a test check of data, it was revealed that the process was not carried out in 10 districts<sup>6</sup>. Such failure was not even monitored by the head office. Thus, the status of registration of 2,48,534 candidates continued to remain *live* even without due renewal.

Government in their reply (November 2008) stated that action has been initiated to monitor the running of this process as per schedule.

### 3.4.12 Conclusion

The computerisation in the Department, despite its criticality, continued to function on outdated software lacking in controls and security features. For want of a comprehensive post-implementation review, the system with several deficiencies continued to be in operation for about 20 years. The computerisation lacked in manual and system input controls resulting in a database with erroneous data. Inadequate monitoring by the management led

<sup>6</sup> Coimbatore, Cuddalore, Dharmapuri, Krishnagiri, Perambalur, Salem, Sivaganga, Tiruvarur, Udhagai and Villupuram.

Registration details of 6.50 lakh candidates were not fed into the computer system.

to backlog in data capture. The decentralised, unlinked district level database was unable to handle inter-district transfer of registrations efficiently and failed to render State level outputs when required. The present unreliable database compounded with the non-supply of user manuals and lack of training led to an inefficient functioning of the system. Further, manual interventions led to scope for manipulation.

Thus, after an investment of Rs.2.50 crore and being in operation for about 20 years, the objective of computerisation in the Department of Employment and Training is yet to be fully achieved.

### **3.4.13 Recommendations**

- A comprehensive review of the software has to be conducted and errors that have crept in due to system deficiencies and lack of controls in the existing database should be corrected.
- The backlog in data capture has to be cleared without further loss of time.
- It should be ensured that system generated outputs are free from errors without requirement for manual alterations.
- The system has to be switched over to a centralised database on a more secure RDBMS to improve its efficiency.
- Introduction of E-Services may be considered for registration and renewal.
- To avoid heavy rush on the declaration of results, sharing of data available with the Education Department may be considered for registration.

## HIGHER EDUCATION DEPARTMENT

### 3.5 Functioning of Institute of Distance Education of University of Madras

#### 3.5.1 Introduction

The University of Madras, established in September 1857 under the Act of Incorporation, 1857 was re-organised in May 1923 by the University of Madras Act, 1923. The University is a teaching and affiliating university. It offers various Under Graduate (UG) and Post Graduate (PG) courses through its Institute of Distance Education (IDE) besides offering PG courses through its departments of study. The IDE of the University was established in 1981. As of 2007-08 the IDE offered 44 programmes<sup>1</sup> (UG: 19, PG: 20, Professional courses: 5), excluding M.Phil, Certificate and Diploma courses.

The Vice Chancellor is the Principal Executive Officer of the University and the IDE is headed by a Director. An organisational chart is given in **Appendix 3.35**.

#### 3.5.2 Financial Management

The receipts and payments of Institute of Distance Education during 2003-08 are given in **Table 1**.

Table 1

(Rupees in crore)

Year	Opening balance	Receipts <sup>2</sup>	Total funds available	Payments <sup>3</sup>	Closing balance
2003-04	3.11	71.71	74.82	72.28	2.54
2004-05	2.54	75.31	77.85	77.68	0.17
2005-06	0.17	90.66	90.83	86.55	4.28
2006-07	4.28	108.39	112.67	112.37	0.30
2007-08 <sup>4</sup>	0.30	162.21	162.51	146.34	16.17
<b>Total</b>		<b>508.28</b>		<b>495.22</b>	

#### 3.5.3 Audit findings:

A review on functioning of IDE conducted in April 2008 revealed the following:

<sup>1</sup> PhD is not offered under IDE.

<sup>2</sup> Receipts comprise mainly recurring receipts like fees from students, sale of prospectus, etc. and non-recurring receipts like grant from Government for scholarship, interest from investments, etc.

<sup>3</sup> Including investments – the investments as at the end of 2006-07 was Rs 180.18 crore.

<sup>4</sup> Provisional figures.

### **3.5.3.1 Violation of AICTE guidelines for MBA programme**

The Tamil Nadu Government directed the Universities/institutions to make admissions to MBA/MCA through either all India or State level entrance test from the academic year 2004-05, as per the notification dated 28 October 2003 of All India Council for Technical Education (AICTE).

The IDE of University followed their own system of entrance examination for admission to MBA course up to 2007 calendar year course. However, the University decided (April 2007) to abolish entrance test for MBA course from 2007-08 and students were admitted to MBA course without an entrance test.

Further as per the norms and standards of Distance Education Council (DEC) and AICTE, the duration of MBA course under distance mode should be minimum of three years considering the learning experience to be provided to the students under part time programme. However the IDE of the University offers an MBA programme with a duration of two years only.

### **3.5.3.2 Academic staff**

**As against the requirement of 44 academic staff, the IDE had only 20 regular and 12 consultant academic staff.**

As per DEC guidelines, there should be at least one member of academic staff for each programme offered under distance education. Though the IDE offered 44 programmes (excluding M.Phil, Certificate and Diploma courses), only 20 members of academic staff and 12 temporary consultant academic staff were available under IDE. This has resulted in non-printing of study materials for certain subjects as discussed in the succeeding paragraph.

### **3.5.3.3 Supply of study materials to students**

One of the most important learning resources for the learners under distance education mode is print material. As per the norms of DEC also, the study material in Self Instruction Material (SIM) pattern was to be kept ready before launching the programmes or at least by the time of advertising for the programmes.

**Delay in providing study materials to students.**

The IDE offered courses both under calendar year pattern (commencing in January with examinations in October/November) and academic year pattern (courses commencing in June with examinations in April/May).

The University revised the syllabus for all the courses, except for MCA, Bachelor of Library and Information Science and Master of Library and Information Science from academic year 2005-06 and Calendar year 2006. The following deficiencies were noticed in the printing and supply of study material:

When the examination for the students was due in April/May in the case of academic year pattern, the material in respect of MSc Psychology I year and II year, MA (Tamil) I Year, Bachelor of Computer Application I year and II year were given for printing only between January and April of the respective academic years 2005-06 and 2006-07. The material for BCA II year (Tamil

Medium) for 2006-07 was given for printing only in May 2007. The details of study materials belatedly given for printing are given in **Appendix 3.36**.

In respect of science subjects (MSc Physics, Chemistry, Botony and Zoology) introduced (calendar year courses from 2006 and academic year courses from 2007-08), and MSc Geography, no study material were prepared for the IDE students; instead, only text books from the market were purchased and issued.

Books were issued more than six months after the commencement of courses in respect of 31 papers relating to nine courses (**Appendix 3.37**).

The IDE replied (May 2008) that supply of text books for science subjects was resorted to due to non-availability of faculty members.

The reply confirms that there were deficiencies in planning and preparation of study material due to inadequacy of staff. The lack of study material, the main source of learning for IDE students, would have an adverse impact on learning by the students.

#### 3.5.3.4 Status of books in Library

As per Distance Education Council (DEC) guidelines, the University offering distance education should have a separate well equipped library at headquarters a with good collection of books, journals/periodicals, audio-video tapes, CDs and other electronic media learning materials to serve the need of the staff and learners. The library should also function as a resource center for various types of information. The library of IDE has about 8,000 books. During the last five years, the budget provision and expenditure on purchase of books have decreased as shown in **Table 2**.

Table 2

(Rupees in lakh)

		2003-04	2004-05	2005-06	2006-07	2007-08
1	Budget provision	10.00	10.00	10.00	2.00	2.00
2	Value of books purchased	1.59	1.00	1.99	0.33	0.48
3	Number of books purchased	735	323	267	105	101

Further, no journals, audio-video tapes were procured during the above period. While the provision for purchase of books was reduced from Rs.10.00 lakh to Rs.2.00 lakh, the number of books purchased also came down from 735 in 2003-04 to just 101 in 2007-08.

#### 3.5.3.5 Selection of study centers

In a distance education mode the study centres play an important role since they act as focal contact points for distance learners. The study centres provide academic and administrative support services to the distance learners.

Budget for purchase of books reduced.

Three schools not affiliated to any University were study centres.

The IDE has 41 study centres in India and 13 abroad. A test check of the records produced to Audit revealed that four study centers (vide Sl. No.1 to 4 of Appendix 3.38), which were approved as study centres for all the courses of IDE including science, did not have science laboratories for conduct of practical classes.

With reference to DEC guidelines the IDE Advisory Committee of the University decided (2002-03) not to grant study centre status to any institutions/ schools other than affiliated colleges. However, three schools, which were not affiliated to any University were given study centre status (vide Sl No.5 to 7 of Appendix 3.38).

### 3.5.3.6 Trend in pass percentage

An analysis of pass percentage of students in examinations from October 2005, May 2006 and May 2007 in respect of Post Graduate courses revealed a decreasing trend as indicated in Table 3.

Pass percentage in respect of six PG degree courses recorded a decreasing trend.

Table 3

PG Degree	October 2005		May 2006		May 2007	
	Regd.	Passed*	Regd.	Passed*	Regd.	Passed*
M.A.	1,662	1,006 (61)	3,246	1492 (46)	9,927	1,314 (13)
M.Com	2,247	615 (27)	2,247	711 (32)	6,224	585 (9)
M.Sc	1,600	307 (19)	1,874	652 (35)	3,959	385 (10)
MBA	825	251 (30)	501	169 (34)	3,957	236 (6)
MCA	4,891	685 (14)	3,474	465 (13)	2,600	308 (12)
M.Sc.(IT)	1,030	230 (22)	567	95 (17)	616	91 (15)

Regd: Registered; \*Figures in brackets represent the percentage of pass.

Details for number of students who appeared were not available to Audit. However, as per details for previous years there was no significant difference between number registered and the number that appeared.

As may be seen from the table above, the pass percentage was as low as six per cent in respect of MBA in the examination held in May 2007. All the six courses showed decreasing trend of pass percentage in May 2007 as compared to October 2005.

### 3.5.3.7 Decreasing trend in enrolment of students in IDE

The annual growth of enrolment in the distance education programmes in the country during the IX Plan was 15 per cent. For the X Plan (2002-07), the DEC expected a growth rate of 20 per cent to 30 per cent.

The enrolment in 23 courses decreased to 12,011 in 2007-08 from 22,881 in 2003-04.

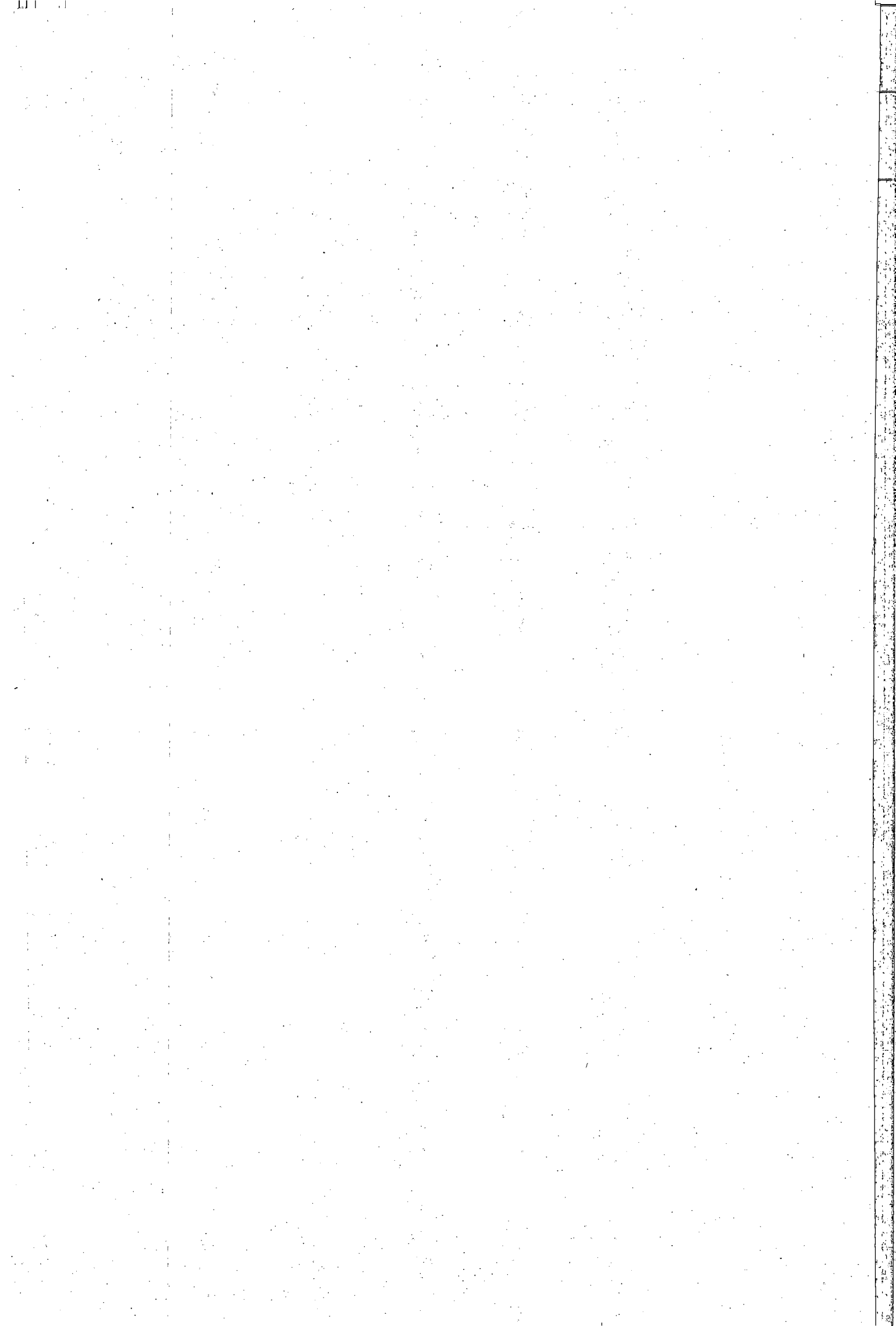
An analysis of trend in admission in 34 courses, which were offered right through the five years period 2003-08 indicated that number of students admitted declined from 22,881 during 2003-04 to 12,011 in 2007-08 in respect of 23 courses (Appendix 3.39).

### 3.5.4 Conclusion and Recommendations

Entrance test for MBA course was not conducted in violation of AICTE norms. The academic staff was inadequate, supply of study materials to students was irregular and delayed and addition of books to library was negligible. Selection of some study centres was also deficient. The pass percentage in respect of PG courses and enrolment of students showed a declining trend. Following recommendations are suggested for improving performance

- Academic staff as per norms should be provided
- Preparation and despatch of study materials should be made in time
- Library should be further strengthened.

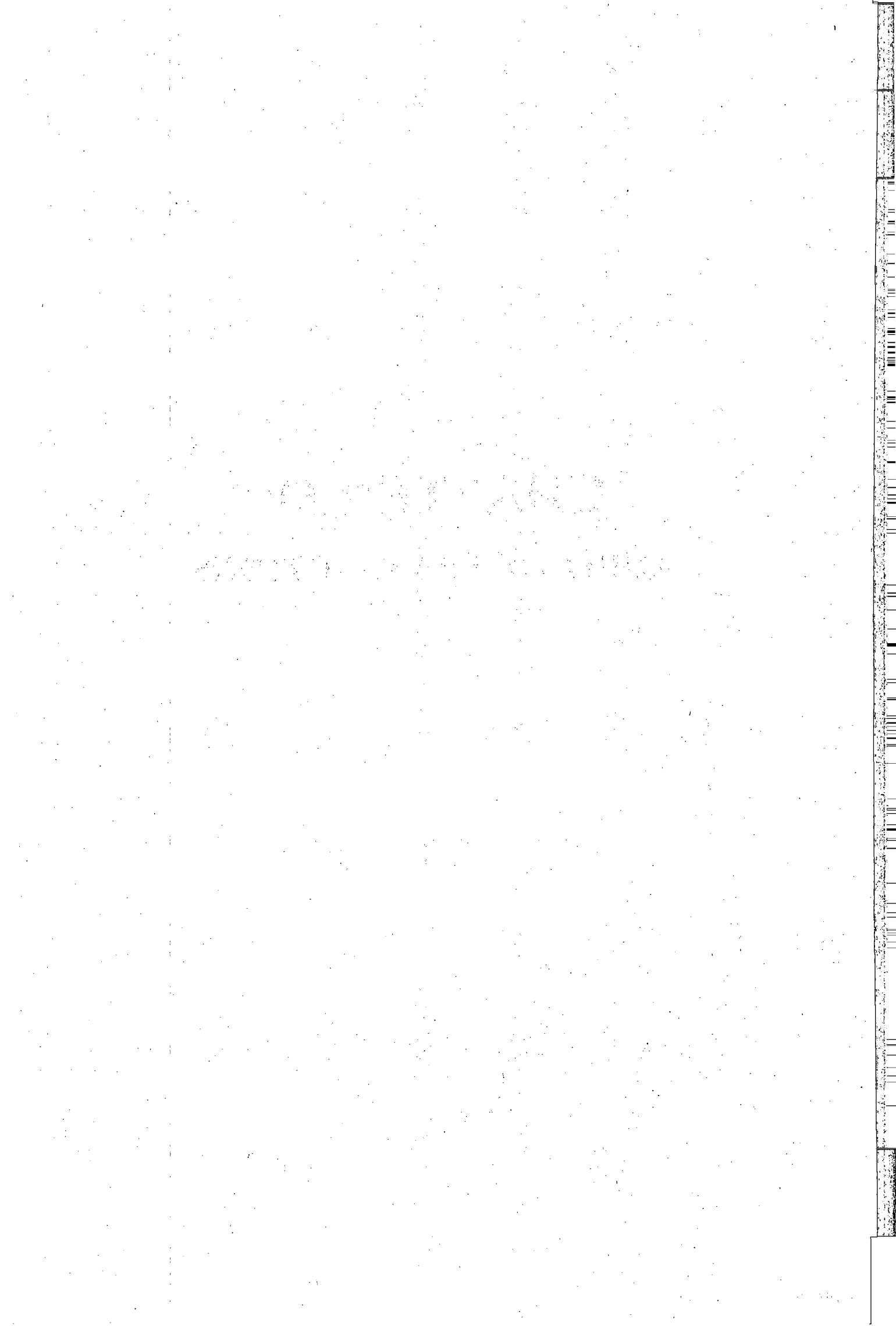
The above points were referred to Government in July 2008; reply has not been received (November 2008).





# CHAPTER IV

## AUDIT OF TRANSACTIONS



## CHAPTER IV

### AUDIT OF TRANSACTIONS

Audit of transactions of the Departments of the Government, their field formations as well as that of the autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

#### 4.1 Wasteful/unfruitful expenditure

##### *PUBLIC DEPARTMENT*

##### *4.1.1 Wasteful expenditure on preliminary works relating to construction of new secretariat complex*

**Taking up preliminary works relating to construction of a new secretariat complex without obtaining environmental clearance from Ministry of Environment and Forests resulted in wasteful expenditure of Rs 2.55 crore and contractual liability of Rs 8.02 crore towards consultancy charges.**

The State Government decided (September 2003) to construct a new secretariat complex including legislative assembly hall in a site measuring about 43.20 acres at Kotturpuram, comprising lands belonging to the State Government, Anna University, and Madras University.

The Chennai Metropolitan Development Authority (CMDA) was entrusted (September 2003) with the responsibility of selecting the architects and construction agency. The work of providing architectural and consultancy services was awarded (October 2003) to M/s. C.N. Narayana Rao, Chennai, through tender process.

Government of India, Ministry of Environment and Forests issued (October 2003) a draft notification under Section 5(3) of Environment Act and Rules for introducing provisions for mandatory clearance by GOI for projects. However, the State Government instructed (November 2003) CMDA to proceed further with the preliminary work of construction.

GOI issued (July 2004) the final Notification under Environmental Act requiring the State Government to obtain environmental clearance. CMDA instituted (July 2004) case against the notification in High Court, Madras. However, pending final decision on the above notification, the State Government went ahead with the preparatory work and sanctioned (September 2004) Rs.1.33 crore towards repairs, renovations, modifications and shifting arrangements. Rupees 0.67 crore was spent out of this amount and the balance was remitted back to Government.

In another case, CMDA settled (September 2005) the entire claim of Rs 1.33 crore towards cost of advertisements for calling of tenders. Further,

an adhoc payment of Rs 0.55 crore was also made to M/s. C.N. Narayana Rao against a claim Rs 8.57 crore for consultancy services.

The State Government cancelled (June 2007) the order for construction of the new secretariat complex issued in September 2003 stating that a new complex was being contemplated at Omandurar Government Estate.

As the preparatory works were taken up without clearance from Ministry of Environment and Forests or the orders of the High Court in respect of the case filed against the GOI notification, the State Government incurred wasteful expenditure of Rs 2.55 crore. Further, a claim for the architectural consultancy charges to the extent of Rs 8.02 crore is also pending settlement.

The matter was referred to Government in January 2008. In reply the Government stated (September 2008) that the expenditure towards shifting charges, advertisements and tender processing was incurred with good intention of executing the project. Government further stated that entire shifting operation was stopped after careful examination of the aspects including pending disposal of the issue regarding notification of Ministry of Environment and Forests.

The above reply of the Government only lends support to the audit observation that there was wasteful expenditure due to taking up preparatory works without clearance of Ministry of Environment and Forests.

#### ***MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT***

#### ***TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD***

#### ***4.1.2 Wasteful expenditure on excess provision of cement***

Failure to adopt the latest Indian Standard Specifications resulted in wasteful expenditure of Rs 25.81 lakh on excess use of cement without requirement.

The Combined Water Supply Scheme to Ariyalur, Sendurai and Veppur Panchayat Unions and wayside habitations in Perambalur District was sanctioned by Government in June 2006. The work was technically sanctioned (July 2006) by the Chief Engineer, Tamil Nadu Water Supply and Drainage Board, Thanjavur (CE) for execution on turn-key basis. The work, awarded (December 2006) to the lowest tenderer on percentage tender basis, was in progress (March 2008).

Scrutiny of the sanctioned estimate for the work in the office of the CE revealed adoption of 430.80 kg of cement per cubic metre (cum) of reinforced cement concrete (RCC) of 1:1.5:3<sup>1</sup> mix as provided in the Data Book of the Public Works Department (PWD). This nominal mix is equivalent to M 20 grade concrete and IS 456 as revised in 2000 allowed only 300 kg per cum of cement for this grade of design mix concrete considering the availability of

<sup>1</sup> Proportion of cement, sand and metal aggregate

improved quality cement. Failure to adopt the latest IS Specification resulted in excess use of cement valuing Rs 25.81 lakh.

When pointed out, the CE stated (October 2007) that IS 456-2000 also prescribed the same nominal mix for M 20 grade concrete requiring 430.80 kg of cement. This contention is not tenable as IS 456-2000 prescribed 300 kg of cement for achieving M 20 grade design mix RCC and test reports of Highways Research Station and Anna University on cement requirement for various design mix prescribed in IS 456-2000 indicated that the strength of M 20 grade concrete could be achieved by use of 300 kg of cement.

Failure to prepare the estimate adopting design mix prescribed in IS 456-2000 resulted in excess use of cement without requirement and consequent wasteful expenditure of Rs 25.81 lakh.

The matter has been referred to Government in May 2008; reply had not been received (September 2008).

#### 4.2 Avoidable/excess expenditure

##### *MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT*

##### *TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD*

#### 4.2.1 Avoidable delay in finalisation of tender

**Failure of the Managing Director of the Board in communicating acceptance of tender before the expiry of its validity resulted in an avoidable additional liability of Rs 3.32 crore.**

The Chief Engineer, Western Region, Coimbatore (CE) of Tamil Nadu Water Supply and Drainage Board (Board) called for tenders (October 2005) on turn-key basis for the work of 'Combined Water Supply Improvement Scheme to Chennimalai-KC Palayam-Perundurai Special Village Panchayats' adopting two cover system. The tenders were valid upto 8 April 2006.

The technical bids of five tenderers, opened on 9 December 2005, were evaluated by the Tender Evaluation Committee (TEC) and three tenderers were pre-qualified on 20 February 2006. The CE opened (24 February 2006) price bids of these three tenderers and recommended (27 February 2006) the lowest offer of Rs 16.30 crore. As election code of conduct in the State came into force from 1 March 2006, the Joint Chief Engineer requested the CE to get the validity of tender extended upto 15 June 2006.

While the lowest tenderer did not extend the validity of his tender, the other two tenderers extended the validity. After the election code of conduct ended on 12 May 2006 the CE called (17 and 26 May 2006) the second lowest tenderer for negotiation. When the tenderer sought enhancement of his bid citing increase in the cost of steel and cement, the CE sent (31 May 2006) the proposals to Managing Director for consideration by TEC. The TEC evaluated the price bids and recommended (8 June 2006) the offer of Rs 17.15 crore of the second lowest tenderer for acceptance after rejecting the

enhancement plea which contravened the conditions of tender. The Managing Director, instead of obtaining orders of the Board of Directors for the acceptance of the tender and communicating it to the tenderer within the validity period of 15 June 2006, called the tenderer (9 June 2006) for discussion on 12 June 2006 for reducing the bid and extending the validity period of tender. After discussion, the tenderer (14 June 2006) withdrew only his request for enhancement of his bid but refused to extend the validity period. Due to expiry of validity period of tender, the tenders were cancelled (July 2006). Finally, the offer of Rs 20.47 crore by the lowest tenderer in the third call<sup>2</sup> was accepted by the Board (May 2007). The work is under progress (May 2008).

Calling the tenderer for discussion after finalisation of tender by FEC resulted in non-communication of acceptance of the tender to the contractor within the validity period and in avoidable additional liability of Rs 3.32 crore (Rs 20.47 crore – Rs 17.15 crore) to the Board.

The matter has been referred to Government in May 2008; reply has not been received (November 2008).

## **HIGHWAYS DEPARTMENT**

### **4.2.2 Extra liability due to preparation of incorrect environmental report**

**Wrong environmental classification of site for construction of a bridge in protected area resulted in non-approval of the lowest offer by Asian Development Bank within the validity period and extra liability of Rs 2.96 crore on acceptance of a higher bid on re-tender.**

The agreement entered (May 2005) into by the Government with Asian Development Bank (ADB) for providing loan assistance for Tsunami Emergency Assistance Projects (TEAP) stipulates the preparation of Initial Environmental Examinations (IEE) focusing on environmental issues and environmental classification of projects. While ADB extended assistance to environment category 'B' projects<sup>3</sup>, 'B-Sensitive' projects<sup>4</sup> require disclosure of IEE on ADB's website for 120 days for recategorisation before acceptance of the bids by ADB.

Government established the Pulicat Bird Sanctuary in September 1980 to conserve the terrestrial as well as aquatic birds. In order to give connectivity to Pulicat town for the people living in kuppams<sup>5</sup> across Pulicat lake, Government sanctioned (October 2005), the construction of a high level bridge across the lake under TEAP. Though the environmental consultant of ADB observed (November 2006) that the proposed bridge site was in the bird sanctuary, the consultant, appointed by the Superintending Engineer,

<sup>2</sup> The offer of Rs 22.52 crore by a single tenderer was rejected as very high.

<sup>3</sup> Projects with some adverse environmental impact.

<sup>4</sup> Projects with some adverse environmental impact and falling within the protected area or buffer zones of protected areas.

<sup>5</sup> Fishermen hamlets.

NABARD and Rural Roads (N&RR) Circle, Chengalpattu (SE) (February 2006) for preparation of IEE, categorised the Project as 'B' instead of 'B-Sensitive' in the draft final report of IEE submitted in November 2006. The report mentioned the bridge location by the edge of the south-eastern boundary of the bird sanctuary, but while classifying the project, it was indicated that the project area did not lie adjacent to or within any protected area or buffer zone of protected area. Without correcting the discrepancy, the SE forwarded (December 2006) the IEE to ADB through the Chief Engineer (N&RR) and the Project Director (TEAP).

Meanwhile, the SE invited tenders (November 2006) for this work and after evaluation recommended (December 2006) the technical bids. Pending environmental assessment, ADB approved (February 2007) the technical bids. After opening the price bids, the lowest bid of Rs 11.25 crore was recommended (March 2007) to ADB by the Project Director. However, the bid could not be approved by ADB as the entire project would need to undergo recategorisation of environment category which required public disclosure of the IEE on ADB's website for 120 days. The revised IEE was received only in July 2007.

The tenderer declined to extend the validity beyond 31 May 2007 due to steep increase in the cost of reinforced steel and cement. Fresh tenders were invited in July 2007. After getting the IEE revised by the consultant and observing the formalities of recategorisation of the project, the lowest bid of Rs 14.21 crore quoted by the same contractor who withdrew his offer of Rs 11.25 crore in the first call was approved by ADB in November 2007. The work proposed to be completed in 15 months, commenced in November 2007 and Rs 1.53 crore were spent as of March 2008.

Poor scrutiny of IEE by the SE resulted in wrong categorisation of the project as 'B' instead of 'B-Sensitive' and consequent delay in finalisation of first tender. This led to extra liability of Rs 2.96 crore on acceptance of higher bid on retender.

When this was pointed out by Audit (May 2008), Government accepted (August 2008) that the IEE was submitted to ADB without detailed scrutiny. The Government, though, contended that the extra liability could not have been avoided as the tender would have been initiated only in March 2007 after the clearance period of 120 days of publication of IEE on the website. This contention is not correct as the tender initiated in November 2006 and valid till May 2007 could have been finalised within the validity period if the IEE had been accurate. The project could not be cleared by ADB within the validity period as the revised IEE was received only in July 2007 and recategorisation required public disclosure of the IEE on the ADB website for 120 days.

**PUBLIC, HOME, ENVIRONMENT AND FORESTS  
DEPARTMENTS**

**4.2.3. Inadmissible payments towards encashment of leave to All India Service officers**

Contrary to the provisions of AIS rules, 140 All India Service Officers were allowed the benefit of encashment of leave while in service amounting to Rs 40.52 lakh during the period February 2005 to July 2007.

According to the provisions of Rule 2(b) of the All India Services (Conditions of Service-Residuary matters) Rules, 1960, the conditions of service of All India Service (AIS) officers working with the affairs of a State are to be regulated under the provisions of Section 3 of the All India Services Act, 1951. When specific provision is made in regard to them on particular subject regulating their conditions of service in the said Act and the Rules, the question of applicability of the State Fundamental Rules to them does not arise.

As per Government of India (GOI), Ministry of Personnel, Public Grievances and Pensions notification of December 1993 incorporated under Rule 20 A of AIS (Leave) Rules, 1955, members of AIS, are entitled to encashment of leave only on superannuation or in the case of death. Members of AIS are, however, not entitled to the benefit of encashment of leave while in service except encashment of Earned Leave for 10 days while availing Leave Travel Concession (LTC) subject to maximum of 60 days in their service. The Ministry, while informing all the Chief Secretaries of the State Governments that the members of the AIS were not entitled to the benefit of encashment of leave under any of the rules of the State Government, specifically directed (January 2005) that no benefit under the rules of the State Government should be allowed to the members of the AIS.

It was, however, observed in audit that contrary to the provisions of AIS Rules and ignoring the specific instructions of the Government of India, the members of the AIS were allowed the benefit of encashment of earned leave amounting to Rs 40.52 lakh<sup>6</sup> to 140 AIS officers (172 cases) while serving in the State Government during the period from February 2005 to July 2007.

The Chief Secretary to Government of Tamil Nadu stated (May 2008) that Rule 20 A of AIS (Leave) Rules regulate the payment of cash equivalent of leave salary in case of retirement or death only and hence encashment of leave salary during service period to AIS officers, was to be governed by the rules and orders applicable to officers of the State Civil Services, Class I.

---

<sup>6</sup> 98 cases in respect of 78 Indian Administrative services (IAS) cadre officers: Rs 22.74 lakh, One case of Indian Forest Service (IFS) cadre officer: Rs 0.26 lakh and 73 cases in respect of 61 Indian Police Service (IPS) cadre officers: Rs 17.52 lakh.



The reply is not tenable. Although the pay and allowances are borne by the State Government the fact remains that the conditions of service of AIS officers are regulated under AIS rules issued by the GOI. In their letter (January 2005) GOI had categorically stated that members of AIS are not entitled to the benefit of encashment of leave under any of the rules of the State Government. As the payment of encashment of leave to AIS members goes against the provisions of rules discussed above, the inadmissible payments stand to be recovered from the AIS officers concerned.

### 4.3 Idle Investment/blockage of funds

#### *PUBLIC WORKS AND REVENUE DEPARTMENTS*

##### *4.3.1 Blocking of funds on incomplete tank construction work due to delay in acquisition of land*

**Avoidable delay in acquiring land for excavation of canal for a new tank resulted in foreclosure of contract and blocking of Rs 10.23 crore spent on tank construction work.**

Government sanctioned (October 2001) Rs 14.15 crore (including land cost and contingencies) for construction of a new tank across Mathalapallam river in Dharmapuri District to provide irrigation to 1100 acre of dry land. The Chief Engineer, Chennai Region (CE), issued technical sanction for the detailed estimate in January 2002. After finalising the design for surplus weir in consultation with the Superintending Engineer (Designs), the work was entrusted to a contractor in February 2005 for completion by September 2006. The contract was extended till September 2007 due to change in the location of surplus weir and non-acquisition of land. The contractor, after completing all works except canal excavation for 7.74 kilometre (km), sought (August 2007) foreclosure of contract on the ground of escalation in cost and non-handing over of site for excavating the canal. The CE ordered foreclosure (November 2007) of contract and entrusted the balance work to another contractor for Rs 3.95 crore on tender basis (June 2008).

Scrutiny of records relating to acquisition of land by the Tahsildar, Pennagaram revealed that the delay was avoidable as discussed below:

The Executive Engineer, Upper Pennaiyar Basin Division, Dharmapuri (EE) forwarded proposal for acquisition of land for forming 7.74 km of canal to the District Collector, Dharmapuri in August 2004. The Revenue Divisional Officer, Dharmapuri (RDO) proposed to acquire the land by negotiation to avoid delay and directed (September 2004) the Tahsildar, Pennagaram to conduct field inspection and send the acquisition proposals within 15 days. The Tahsildar, however, organised the field inspection only in July 2005 and sent the acquisition proposals in December 2005. After rectifying the deficiencies in the proposals in June 2006, the District Collector conducted negotiation with the land owners in August 2006 and fixed the land cost in November 2006. The EE paid compensation and took over the land for excavating canal for 6.24 km by February 2007. The remaining land could not be acquired due to dispute over survey, ownership, etc., and the CE requested

(March 2008) the District Collector to acquire these lands by invoking urgency provision of Land Acquisition Act. The acquisition was not completed (July 2008).

The avoidable delay in acquisition of land resulted in non-taking up of the canal work by the original contractor along with the tank construction work. Consequently, Rs 10.23 crore spent on construction of tank remained blocked as the intended objective of providing irrigation was not achieved due to non-formation of canal.

The matter has been referred to Government in May 2008; reply has not been received (November 2008)

### ***HEALTH AND FAMILY WELFARE DEPARTMENT***

#### ***4.3.2 Delay in purchase of Linear Accelerator for treatment of cancer patients***

**Linear Accelerator and other medical equipment, purchased for cancer hospital out of Central grant of Rs 7.88 crore (2005), were not made operational due to non completion of building and delay in receipt of equipment.**

Government of India (GOI) sanctioned and released a one time grant of Rs 2.88 crore (March 2005) for purchase of a Linear Accelerator and Rs 5 crore (September 2005) for purchase of another Linear Accelerator with building, accessories and other medical equipment<sup>7</sup> to the Government Arignar Anna Memorial Cancer Hospital (GAAMCH) under National Cancer Control Programme. The release and other details of these grants are furnished in Appendix 4.1.

As the amount released was not sufficient to purchase all the required equipment, State Government proposed (May 2006) purchase of an upgradable Medical Linear Accelerator with accessories at a cost of Rs 5 crore and other equipment<sup>8</sup> at a cost of Rs 2.88 crore and sought the permission of GOI to combine both the amounts sanctioned. However, GOI did not agree to clubbing of the two amounts but approved the purchase of one upgradable Medical Linear Accelerator with accessories for Rs five crore (September 2006).

Scrutiny of connected records revealed the following:

(a) The Director signed a Memorandum of Understanding with GOI in May 2005 stating that the required building was under construction; however, the construction of building was sanctioned from State funds at a cost of Rs 58 lakh by Government only in February 2007 and construction commenced in June 2007. As of October 2008, the proposed building is completed at a cost

<sup>7</sup> Rotational Cobalt Unit, CT Simulator, equipment for medical physics, video endoscope, colonoscope and other equipment for Anaesthesia Department.

<sup>8</sup> Upgradable medical linear accelerator: Rs five crore with accessories and Medical Physics Equipment: Rs 0.68 crore, Remote after loading High Dose (Rate (HDR) Brachy Therapy System): Rs One crore, CT Simulator: Rs 1.20 crore.

of Rs 53.37 lakh without the provision of electrical power supply. Additional infrastructure<sup>9</sup> required by the Director at the cost of Rs 29 lakh for the building is yet to be sanctioned by Government.

(b) Orders were placed (February 2007) with the Tamil Nadu Medical Service Corporation (TNMSC) for the purchase of an upgradable Medical Linear Accelerator from a firm<sup>10</sup> stipulating that the same should be supplied within three months, and other equipment to be supplied within 30 days at a total cost of Rs.9.06 crore<sup>11</sup>

The Linear Accelerator consignment was delivered to the hospital (September 2008). However, the building for its installation is not yet ready (October 2008). Additional funds of Rs 1.18 crore required (March 2007) by Director of Medical Education towards purchase of the said equipment (Rs 40 lakh) and customs duty (Rs 78 lakh) from Government is yet to be sanctioned and payment made to TNMSC. It was observed that even before receiving all equipment, Director, GAAMCH furnished an incorrect utilisation certificate for the entire grant of Rs 7.88 crore to GOI in February 2007 itself.

Thus, despite receipt of GOI grant of Rs 7.88 crore in March/September 2005, the said Linear Accelerator was not installed, due to delay in both procurement of the equipment and completion of the building to install it. This resulted in blocking of funds for over three years besides denying treatment to the cancer patients who have been waiting for the same.

In response to audit observation, the Secretary, Health and Family Welfare Department replied (July 2008) that the utilisation of the above amount by Director, GAAMCH on getting suitable orders from the Government through Director of Medical Education had resulted in delay in procuring of the equipment.

#### *4.3.3 Facilities provided for strengthening of Food Analysis Laboratories lying idle*

Equipment and buildings costing Rs 2.30 crore in Palayamkottai, Thanjavur and Chennai laboratories could not be utilised due to lack of infrastructural facilities.

Government of India formulated (April 2003) a uniform plan for strengthening the food and drugs sector in all states under World Bank assisted capacity building project, which commenced in October 2003. The main objectives of the project were to plan, implement and monitor Prevention of Food Adulteration (PFA) activities in the State.

The entire expenditure of the project was met through World Bank assistance. The State Government was to meet the expenditure on staff appointed on

<sup>9</sup> Construction of CT simulator room, Treatment Planning room and staff room at a cost of Rs 10 lakh and provision of electrical works for Rs 19 lakh.

<sup>10</sup> M/s Varian Medical systems India Private Limited, Chennai.

<sup>11</sup> Linear Accelerator with accessories and Radiation field analyzer and Intensity Modulation Radio Therapy (IMRT); Rs 6.56 crore Remote after loading High Dose Rate (HDR) Brachytherapy system and accessories: Rs 1.09 crore and CT Simulator: Rs 1.41 crore.

regular/contractual basis, procurement of chemicals/reagents, maintenance of building/equipment and other office expenses.

Scrutiny of records relating to all the three Food Analysis Laboratories (FALs) at Guindy, Palayamkottai and Thanjavur covered under the project revealed that equipments and buildings costing Rs 2.30 crore were lying idle, for the following reasons.

Sl. No.	Name of the Laboratory	Equipment/ Building lying idle	Month of receipt/ completion	Cost (Rs. in lakh)	Remarks
1	FAL, Palayamkottai	31 Equipment	Between May 2004 and July 2007	79.85	Equipment not installed for want of space despite specific instructions from DPH & PM to Public Analyst to provide site in June 2003. Warranty period of the equipment costing Rs 35.93 lakh without installation had expired (March 2006). Construction of the building, sanctioned by Government (September 2007) at a cost of Rs 17.50 lakh was in progress (April 2008).
		Instrument room	May 2007	3.46	Not used for want of electrical connection.
2	FAL, Thanjavur	Two Equipment	Between July 2004 and May 2007	0.88	Not installed for want of space. Government sanctioned (September 2007) the construction of building at a cost of Rs 11.75 lakh from their funds and the same was in progress (September 2008).
3	FAL Guindy, Chennai	New building	September 2006	146.00	New building constructed at a cost of Rs 146 lakh not used for want of water and electricity connections. Rs 10 lakh and Rs. 11 lakh sanctioned for water and electricity connection (August 2007) by State Government was not sufficient. Director of Public health and Preventive Medicine required an additional amount of Rs 3.21 lakh in May 2008, which is yet to be sanctioned by Government.
				230.19	

Due to the failure of the department in providing required building for installing the equipment purchased, and in ensuring coordinated action for providing necessary facilities like water and electricity in time to the buildings constructed, the equipment and buildings costing Rs 2.30 crore met from World Bank assistance in the three laboratories are lying idle and the benefits out of it are yet to reach the intended public.

The matter was referred to Government (February 2008), reply has not been received. (November 2008).

#### 4.4 Regularity issues and other points

### **MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT**

### **CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD**

#### 4.4.1 Non-recovery of loan

#### **Failure to recover the loan paid to the contractor from his bills/claims resulted in non-recovery of Rs 74.60 lakh for over six years.**

Chennai Metropolitan Water Supply and Sewerage Board entrusted (December 1997 and February 1998) two pipe laying works<sup>12</sup> (contract value : Rs 11.48 crore and Rs 8.36 crore) to M/s. Southern Structural Limited (SSL), a Public Sector Undertaking. The two works were taken up in January 1998 and April 1998. During the period of execution, the Board withheld Rs 1.98 crore from the interim payment bills for release after commissioning of pipelines.

The works were completed by SSL during January 2000 and April 2000. As the Board could not provide water for disinfection and commissioning of pipelines due to severe water shortage, SSL requested (March 2000) for release of Rs 1.98 crore. As this would contravene the agreement conditions, the Board released (October 2000) Rs 2.00 crore as inter-corporate loan.

The works were commissioned in April 2001. While settling (January 2001 to January 2006) the claims for the withheld amount, the final payment for these two works and miscellaneous claims relating to other works executed by SSL aggregated Rs 2.65 crore (Works : Rs 2.38 crore and Miscellaneous claims : Rs 0.27 crore), the Board recovered only Rs 45.51 lakh towards principal and Rs 50.77 lakh towards interest and made payment of Rs 88.86 lakh to SSL. The remaining amount of Rs 79.89 lakh were not paid to SSL as of March 2008. Consequently, loan amounting to Rs 1.55 crore<sup>13</sup> was not recovered from SSL, against which the Board retained only Rs 79.89 lakh. As the Board of Industrial and Financial Reconstruction, New Delhi (BIFR) issued notice (August 2005) to wind up SSL and the bankers seized its assets in November 2005, there seems to be little possibility of recovering Rs 74.60 lakh<sup>14</sup>.

The matter was reported to Government/Board in May 2008; the Managing Director of the Board accepted (September 2008) the facts and stated that efforts would be made to get the repayment of outstanding dues by taking up the matter with BIFR as SSL had already been wound up. The Managing Director, however, had not explained the reason for releasing Rs 88.86 lakh without adjusting the loan.

<sup>12</sup> Supply, laying, jointing, testing and commissioning of clear water transmission mains (i) from Porur to Kathipara junction and (ii) from Kathipara junction to Pallipattu.

<sup>13</sup> Rs 200 lakh – Rs 45.51 lakh = Rs 154.49 lakh.

<sup>14</sup> Rs 154.49 lakh – Rs 79.89 lakh = Rs 74.60 lakh.

**GENERAL**

**FINANCE, RURAL DEVELOPMENT AND PANCHAYAT RAJ,  
MUNICIPAL ADMINISTRATION AND WATER SUPPLY AND  
ENVIRONMENT AND FORESTS DEPARTMENTS**

**4.4.2 Lack of responsiveness of Government to audit**

Response to audit was inadequate as 2414 Inspection Reports involving 7309 paragraphs, issued upto September 2007 remained outstanding as of March 2008

Important irregularities detected by Audit during periodical inspection of Government offices through test check of records are followed up through Inspection Reports (IRs) issued to the Head of Office with a copy to the next higher authority. Government issued orders in April 1967 fixing a time limit of four weeks for prompt response by the authorities to ensure corrective action in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. A half-yearly report of pending IRs is sent to the Secretary of the Department by the Accountant General to facilitate monitoring of action on the audit observations.

As of March 2008, out of the IRs issued upto September 2007, 7309 paragraphs relating to 2414 IRs remained to be settled for want of satisfactory replies. Of these, 335 IRs containing 670 paragraphs (issued upto 2004-05) had not been settled for more than three years. Year-wise position of the outstanding IRs and paragraphs is detailed in the Appendix 4.2. Compilation of details by Audit revealed that of the above unsettled paragraphs even the initial reply was not received for 455 IRs involving 1680 paras, relating to 32 departments as detailed in the Appendix 4.3. This showed the absence of response from the authorities and as a result the deficiencies and lapses pointed out continued to be unaddressed.

A scrutiny of the IRs issued up to September 2007 pertaining to 3 departments viz., Rural Development and Panchayat Raj Department, Municipal Administration and Water Supply Department and Environment and Forests Department revealed the following:

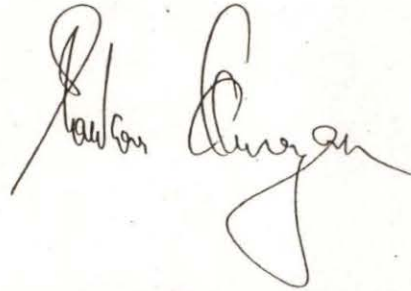
- 117 IRs involving 412 Paras, issued up to September 2007 remained outstanding as of March 2008 as detailed below:

Year in which IRs were issued	Department						Total	
	Rural Development and Panchayat Raj		Municipal Administration & Water Supply		Environment & Forests			
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
2001-02	--	--	--	--	2	2	2	2
2003-04	---	---	---	---	4	4	4	4
2004-05	1	1	6	24	12	25	19	50
2005-06	1	6	1	9	16	28	18	43
2006-07	1	17	2	17	35	112	38	146
2007-08	2	22	1	2	33	143	36	167
<b>Total</b>	<b>5</b>	<b>46</b>	<b>10</b>	<b>52</b>	<b>102</b>	<b>314</b>	<b>117</b>	<b>412</b>

- Even initial replies had not been received as of March 2008 in respect of 13 IRs involving 81 paragraphs issued upto September 2007.
- As a result of the long pendency, serious irregularities as detailed in **Appendix 4.4** had not been settled as of March 2008.

Government constituted at both State level and department level, Audit and Accounts Committees for consideration and settlement of outstanding audit observations. Eleven paragraphs were settled by convening the committee between April 2007 and March 2008 and further, at the instance of Audit, during joint sittings with departmental officers, 1,819 paragraphs were settled between April 2007 and March 2008.

The matter was referred to Government (September 2008); reply has not been received (November 2008).

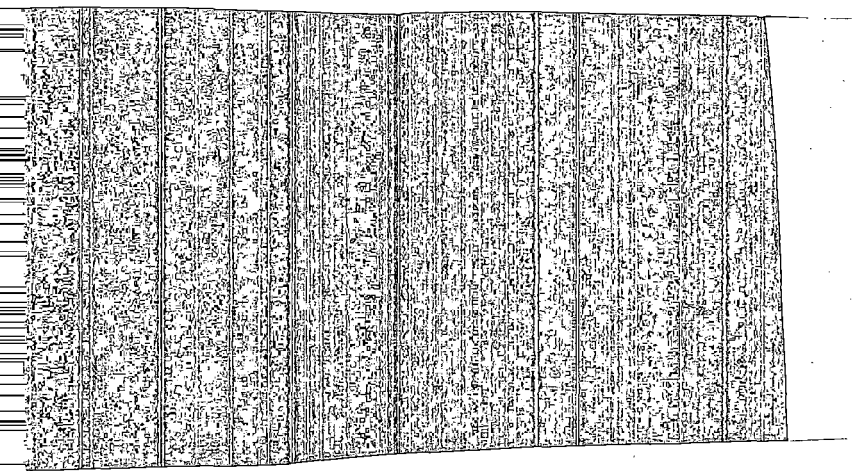


(SHANKAR NARAYAN)  
Principal Accountant General (Civil Audit)  
Tamil Nadu and Puducherry

Chennai  
The 19 3 APR 2009

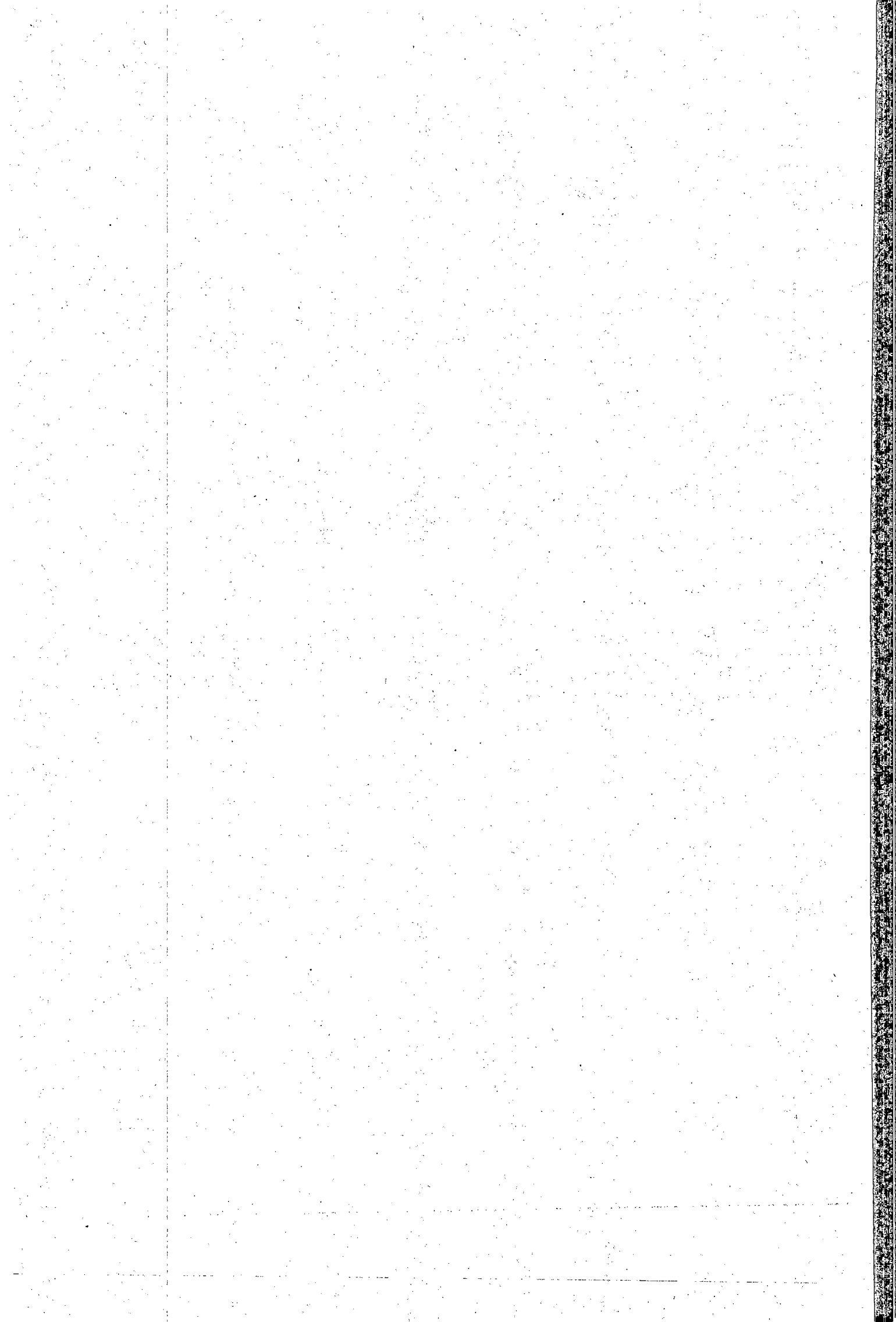
*Countersigned*

New Delhi  
The 24 APR 2009





# APPENDICES



## Appendix 1.1

(Reference: Paragraph 1.1; Page 1)

### Part A: Structure and Form of Government Accounts

**Structure of Government Accounts:** The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

#### Part I: Consolidated Fund

All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

#### Part II: Contingency Fund

Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

#### Part III: Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.

**PART B**

(Reference: Paragraph 1.1;Page 1)

**Layout of Finance Accounts**

Statement	Lay Out
Statement No.1	Presents the summary of transactions of the State Government –receipts and expenditure, revenue and capital, public debt receipts and disbursements etc in the Consolidated Fund, Contingency Fund and Public Account of the State.
Statement No.2	Contains the summarised statement of capital outlay showing progressive expenditure to the end of 2007-08.
Statement No.3	Gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.
Statement No.4	Indicates the summary of debt position of the State which includes internal debt, borrowing from Government of India, other obligations and service of debt.
Statement No. 5	Gives the summary of loans and advances given by the State Government during the year repayments, recoveries in arrears etc.
Statement No.6	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
Statement No.7	Gives the summary of cash balances and investments made out of such balances.
Statement No.8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2008.
Statement No.9	Shows the revenue and expenditure under different heads for the year 2007-08 as a percentage of total revenue/expenditure.
Statement No.10	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No.11	Indicates the detailed account of revenue receipts by minor heads.
Statement No.12	Provides detailed accounts of revenue expenditure by minor heads and capital expenditure by major heads under non-plan and plan.
Statement No.13	Depicts the detailed capital expenditure incurred during and to the end of 2007-08.
Statement No.14	Shows the details of investments of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc up to the end of 2007-08.
Statement No.15	Depicts the capital and other expenditure to the end of 2007-08 and the principal sources from which the funds were provided for that expenditure.
Statement No.16	Gives the detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.
Statement No.17	Presents detailed account of debt and other interest bearing obligations of the Government of Tamil Nadu.
Statement No.18	Provides the detailed account of loans and advances given by the Government of Tamil Nadu, the amount of loan repaid during the year, the balance as on 31 March 2008 and the amount of interest received during the year.
Statement No.19	Gives the details of earmarked balances of reserve funds/deposit accounts.

## PART C

(Reference: Paragraph 1.2.1; Page 4)

## List of rates/terms used in Chapter I and basis for their calculation

Terms	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter / GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X)/ Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services+ Grants-in-aid
Weighted Interest Rate (Average interest paid by the State)	Interest payment/ $[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth – Weighted Interest rates
Interest received as <i>per cent</i> to Loans Advanced	Interest Received $[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Expenditure - Revenue Receipt
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances given – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Balance from Current Revenues (BCR)	Revenue Receipts minus all Plan grants (under Major Head 1601-02,03,04) and Non-Plan revenue expenditure excluding debit under 2048 – Appropriation for Reduction or Avoidance of Debt

**Appendix 1.2**  
**(Reference: Paragraphs 1.2.1 and 1.8; Pages 4 and 21)**  
**Time series data on the State Government finances**

(Rupees in crore)

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	23706(38)	28452 (39)	33960 (41)	40913 (38)	47520 (38)
(i) Tax Revenue	15945(67)	19357 (68)	23326 (68)	27771 (68)	29619 (62)
Taxes on Agricultural Income	1	1	1	..	..
Taxes on Sales, Trade, etc	11005(69)	12996 (67)	15555 (67)	17727 (64)	18156 (61)
State Excise	1657(10)	2549 (13)	3177 (13)	3986 (14)	4764 (16)
Taxes on Vehicles	934(6)	1015 (5)	1125 (5)	1261 (5)	1483 (5)
Stamps and Registration fees	1316(8)	1604 (9)	2085 (9)	2997 (11)	3805 (13)
Land Revenue	18	72	179 (1)	121 (..)	78(-)
Taxes on Goods and Passengers	611(4)	764 (4)	985 (4)	1244 (4)	1097 (4)
Other Taxes	403(3)	356 (2)	220 (1)	435 (2)	236 (1)
(ii) Non Tax Revenue	2094(9)	2209 (8)	2601 (8)	3422 (8)	3304 (7)
(iii) State's share of Union taxes and duties	3544(15)	4236(15)	5013 (15)	6394 (16)	8065 (17)
(iv) Grants in aid from Government of India	2123(9)	2650 (9)	3020 (9)	3326 (8)	6532 (14)
<b>2. Miscellaneous Capital Receipts</b>	..	..	..	..	..
<b>3. Recoveries of Loans and Advances</b>	575(1)	783 (1)	892 (3)	1602 (1)	1013 (1)
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	24281	29235	34852	42515	48533
<b>5. Public Debt Receipts</b>	9723(16)	12136 (17)	8966 (11)	7147 (7)	7647 (6)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8700	10878	8524	6820	6868
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..
Loans and Advances from Government of India	1023	1258	442	327	779
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	34004	41371	43818	49662	56180
<b>7. Contingency Fund Receipts</b>	..	..	..	16	..
<b>8. Public Account Receipts</b>	28107(45)	31864 (43)	39603 (47)	57895 (54)	67392 (55)
<b>9. Total Receipts of the State (6+7+8)</b>	62111	73235	83421	107573	123572
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	25271(85)	29155 (84)	32009 (86)	38265 (36)	42975 (35)
Plan	4436(18)	3904 (13)	5382 (17)	7201 (19)	8297 (19)
Non Plan	20835(82)	25251 (87)	26627 (83)	31064 (81)	34678 (81)
General Services (including interest payments)	10589	12058	12891	14995	16129
Social Services	8598	9683	11316	13026	15726
Economic Services	4607	5454	5773	7797	7771
Grants-in-aid and contributions	1477	1960	2029	2447	3349
<b>11. Capital Expenditure</b>	3590(12)	4564 (13)	4054 (11)	5952 (6)	7462 (6)
Plan	3469(97)	4280 (94)	4072 (100)	5853 (98)	7259 (97)
Non Plan	121(3)	284 (6)	(-) 17 (..)	99 (2)	203 (3)
General Services	253	376	125	195	277
Social Services	1512	2449	1121	1132	1239
Economic Services	1825	1739	2808	4626	5946
<b>12. Disbursement of Loans and Advances</b>	1011(3)	1085 (3)	1040 (3)	2254 (2)	1782 (1)
<b>13. Total (10+11+12)</b>	29872	34805	37103	46471	52219
<b>14. Repayments of Public Debt</b>	3948(6)	7188 (10)	2046	4690 (4)	3546 (3)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	732	2838	1353	4150	3235
Net transactions under Ways and Means Advances and Overdraft	55	205	391	..	..
Loans and Advances from Government of India	3161	4145	302	540	310
<b>15. Appropriation to Contingency Fund</b>	..	..	..	..	..
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	33820	41993	39149	51161	55765
<b>17. Contingency Fund disbursements</b>	..	..	16	..	..
<b>18. Public Account disbursements</b>	27196	30735 (42)	38132	55326 (52)	66709 (55)
<b>19. Total disbursement by the State (16+17+18)</b>	61016	72728	77297	106487	122474
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>	(-) 1565	(-) 703	(+) 1951	(+) 2648	(+) 4545
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	(-) 5591	(-) 5570	(-) 2251	(-) 3956	(-) 3686
<b>22. Primary Deficit (21+23)</b>	(-) 891	(-) 815	(+) 2308	(+) 1550	(+) 2400
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	4700	4755	4559	5506	6086
<b>24. Financial Assistance to local bodies etc.,</b>	5128	5484	5066	8737	8401
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	..	..	..	..	..
Ways and Means Advances availed (days)	1710 (41)	1337 (23)	675 (14)	..	..
Overdraft availed (days)	..	..	..	..	..
<b>26. Interest on Ways and Means Advances/Overdraft</b>	9	1	1	..	..
<b>27. Gross State Domestic Product (GSDP)<sup>@</sup></b>	175897	200780	223528	246266	279287
<b>28. Outstanding Fiscal liabilities (year end)</b>	49445	55144	62310	66320	71072
<b>29. Outstanding guarantees (year end) (including interest)</b>	10098	8424	5564	4038	5410
<b>30. Maximum amount guaranteed (year end)</b>	18843	17220	13669	15942	20090
<b>31. Number of incomplete projects</b>	59	47	64	82	49
<b>32. Capital blocked in incomplete projects</b>	552	619	951	565	1223

Figures in brackets represent percentages (rounded) to total of each sub-heading  
@ GSDP figures communicated by the Government adopted.

**Appendix 1.3**  
**(Reference: Paragraph 1.2.1; Page 4)**  
**Abstract of Receipts and Disbursements for the year 2007-08**

(Rupees in crore)

2006-07	Receipts			2006-2007	Disbursements				
			2007-08			Non-Plan	Plan	Total	2007-08
	<b>Section-A: Revenue</b>								
40913.23	I	Revenue receipts	47520.51	38264.97	I	Revenue expenditure-		42975.02	
27771.15		-Tax revenue	29619.10	14994.86		General services	16091.60	37.19	16128.79
3422.57		-Non-tax revenue	3304.37	13026.35		Social Services-	9001.46	6724.17	15725.63
				6061.10		-Education, Sports, Art and Culture	6267.91	577.84	6845.75
				1551.97		-Health and Family Welfare	1372.83	364.22	1737.05
6393.86		-State's share of Union Taxes	8065.27	1185.20		-Water Supply, Sanitation, Housing and Urban Development	100.33	1178.96	1279.29
				723.86		-Information and Broadcasting	29.95	753.55	783.50
1026.70		-Non-Plan grants	3462.90	874.33		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	335.06	622.79	957.85
				144.31		-Labour and labour Welfare	116.78	23.06	139.84
1584.03		-Grants for State Plan Schemes	2165.79	2449.38		-Social Welfare and Nutrition	729.79	3197.61	3927.40
				36.20		-Others	48.80	6.15	54.95
714.92		-Grants for Central and Centrally sponsored Plan Schemes	903.08	7796.75		<b>Economic Services-</b>	<b>6524.19</b>	<b>1247.11</b>	<b>7771.30</b>
				1799.30		-Agriculture and Allied Activities	1337.40	494.47	1831.87
				678.17		-Rural Development	342.32	462.51	804.83
				12.65		-Special Areas Programmes	0.76	11.27	12.03
				605.14		-Irrigation and Flood control	604.69	24.17	628.86
				1182.07		-Energy	1169.15	1.11	1170.26
				482.24		-Industry and Minerals	172.28	172.04	344.32
				859.39		-Transport	856.00	19.08	875.08
				9.01		-Science, Technology and Environment	0.48	9.61	10.09
				2168.78		-General Economic Services	2041.11	52.85	2093.96
				2447.01		<b>Grants-in-aid and Contributions-</b>	<b>3060.66</b>	<b>288.64</b>	<b>3349.30</b>
				38264.97		<b>Total</b>	<b>34677.91</b>	<b>8297.11</b>	<b>42975.02</b>
	II	Revenue deficit carried over to Section B			II	Revenue Surplus carried over to Section B			4545.49
40913.23	<b>Total</b>			40913.23	<b>Total</b>				
	<b>Section-B : Others</b>								
7315.57	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	8402.01		III	Opening Overdraft from Reserve Bank of India			--
	IV	Miscellaneous Capital receipts		5952.37	IV	Capital Outlay-			7462.22
				194.64		General Services-	169.27	107.75	277.02
				1132.11		Social Services-	0.28	1238.58	1238.86
				178.94		-Education, Sports, Art and Culture	0.03	222.23	222.26
				118.54		-Health and Family Welfare	--	95.79	95.79
				737.15		-Water Supply, Sanitation, Housing and Urban Development	(-) 1.12	804.97	803.85
				2.54		-Information and Broadcasting	1.15	0.86	2.01
				85.80		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	102.50	102.50





**Appendix 1.4**  
**(Reference: Paragraph 1.2.1; Page 4)**  
**Sources and applications of funds**

(Rupees in crore)

2006-2007	Sources	2007-08
40913.23	1. Revenue receipts	47520.51
1602.45	2. Recoveries of Loans and Advances	1012.71
2456.90	3. Increase in Public debt other than overdraft	4101.31
..	4. Increase in overdraft	--
	5. Net receipts from Public Account:	
255.93	Increase/Decrease (-) in Small Savings and Provident Funds	383.32
1129.89	Increase/Decrease (-) in Deposits and Advances	137.81
167.81	Increase/Decrease (-) in Reserve Funds	129.73
963.54	Net effect of Suspense and Miscellaneous transactions	161.94
51.99	Net effect of Remittance transactions	(-) 130.44
16.37	6. Net effect of Contingency Fund transactions	--
<b>47558.11</b>	<b>Total</b>	<b>53316.89</b>
2006-2007	Applications	2007-08
38264.97	1. Revenue expenditure:	42975.02
2254.33	2. Lending for development and other purposes	1781.56
5952.37	3. Capital expenditure:	7462.22
..	4. Decrease in overdraft	--
1086.44	5. Increase in closing cash balance	1098.09
<b>47558.11</b>	<b>Total</b>	<b>53316.89</b>

Appendix 1.5

(Reference: Paragraphs 1.2.1 and 1.8; Pages 4 and 20)

Summarised financial position of the Government of Tamil Nadu as on 31 March 2008

(Rupees in crore)

As on 31.03.2007	Liabilities		As on 31.03.2008
46616.13	<b>Internal Debt -</b>		50248.93
16372.52	Market Loans bearing interest	20502.09	
3.87	Market Loans not bearing interest	1.46	
1278.79	Loans from Life Insurance Corporation of India	1203.29	
28960.95	Loans from other Institutions	28542.09	
..	Ways and Means Advances	--	
..	Overdrafts from Reserve Bank of India	--	
6466.30	<b>Loans and Advances from Central Government -</b>		6934.83
5.62	Pre 1984-85 Loans	5.62	
106.58	Non-Plan Loans	101.24	
6225.14	Loans for State Plan Schemes	6694.11	
25.85	Loans for Central Plan Schemes	24.62	
103.11	Loans for Centrally Sponsored Plan Schemes	109.24	
150.00	<b>Contingency Fund</b>		150.00
7087.57	<b>Small Savings, Provident Funds, etc.</b>		7470.89
5611.96	<b>Deposits</b>		5749.22
2636.98	<b>Reserve Funds</b>		3340.34
460.72	<b>Remittance Balances</b>		330.28
69029.66			74224.49
	<b>Assets</b>		
32383.28	<b>Gross Capital Outlay on Fixed Assets -</b>		39843.52
4278.43	Investments in shares of Companies, Corporations, etc.	6230.40	
28104.85	Other Capital Outlay	33613.12	
6149.29	<b>Loans and Advances -</b>		6918.14
420.03	Loans for Power Projects	407.31	
5339.93	Other Development Loans	6116.14	
389.33	Loans to Government servants and Miscellaneous loans	394.69	
2098.82	<b>Reserve Fund Investments</b>		2672.45
7.48	<b>Advances</b>		6.93
(-) 2772.02	<b>Suspense and Miscellaneous Balances</b>		(-) 2881.07
8402.01	<b>Cash -</b>		9500.10
16.66	Cash in Treasuries and Local Remittances	16.38	
74.67	Deposits with Reserve Bank	(-) 815.11	
8.15	Departmental Cash Balance including		
	Permanent Advances	8.71	
8302.53	Cash Balance Investments	10290.12	
22760.80	<b>Deficit on Government Account -</b>		18164.42 <sup>(A)</sup>
(-) 2648.26	(i) Less Revenue Surplus of the current year	(-) 4545.49	
(-) 28.90	(ii) Miscellaneous Deficit	(-) 52.89	
25437.96 <sup>@</sup>	Accumulated deficit at the beginning of the year	22762.80 <sup>@</sup>	
69029.66			74224.49

<sup>@</sup> Differs from the figures shown in the previous years' account due to proforma corrections.

<sup>(A)</sup> Differs from figures shown in statement 15 of Finance Accounts 2007-08 due to proforma accounts corrections made in statement 15.

**Explanatory Notes for Appendices 1.2, 1.3 and 1.4:**

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

Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.4, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

There was a difference of Rs 3.34 crore (Net credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". A net difference to the extent of Rs 4.76 lakh (Net debit) had been reconciled (June 2008) leaving a balance of net credit of Rs 8.09 crore which was under reconciliation.

## Appendix 1.6

(Reference: Paragraph 1.6; Page 20)

Cases of misappropriation pending action as on 30 June 2008

*Department-wise analysis*

(Rupees in lakh)

Sl. No.	Department	Number of cases	Amount
1	Agriculture	33	203.73
2	Animal Husbandry and Fisheries	2	88.00
3	Commercial Taxes and Religious Endowments	8	100.96
4	Education	30	208.51
5	Finance	6	6.89
6	Handloom, Handicrafts, Textiles and Khadi	3	0.71
7	Health and Family Welfare	14	33.94
8	Home	3	1.67
9	Industries	1	2.24
10	Labour and Employment	1	3.49
11	Revenue	138	23.79
12	Rural Development	6	21.73
13	Social Welfare and Nutritious Meal Programme	5	1.05
14	Transport	2	10.11
<b>Total</b>		<b>252</b>	<b>706.82</b>

*Year-wise analysis*

(Rupees in lakh)

Year	Number of cases	Amount
Upto 2001-2002	225	324.31
2002-2003	8	166.89
2003-2004	7	53.26
2004-2005	3	79.98
2005-2006	3	69.40
2006-2007	4	10.72
2007-2008	2	2.26
<b>Total</b>	<b>252</b>	<b>706.82</b>

Appendix 1.7

(Reference: Paragraph 1.6; Page 20)

Cases of shortages, etc., reported to Audit up to March 2008

Department-wise analysis

(Rupees in lakh)

Sl. No.	Department	Number of cases	Amount
1	Agriculture	139	158.61
2	Animal Husbandry and Fisheries	45	6.68
3	Backward classes and Social Welfare	2	2.73
4	Education	23	6.10
5	Environment and Forests	6	0.87
6	Finance	1	5.68
7	Health and Family Welfare	25	21.17
8	Home	1	Nil*
9	Labour and Employment	1	2.61
10	Personnel and Administrative Reforms	1	0.03
11	Public Works	2817	1699.93
12	Revenue	3	1.50
13	Rural Development	10	7.76
14	Transport	1	1.97
15	Sericulture	1	0.05
<b>Total</b>		<b>3076</b>	<b>1915.69</b>

\* negligible amount

Year-wise analysis

(Rupees in lakh)

Year	Number of cases	Amount
Up to 2001-2002	2865	1555.18
2002-2003	135	205.86
2003-2004	34	34.64
2004-2005	12	26.06
2005-2006	12	38.39
2006-2007	8	36.31
2007-2008	10	19.25
<b>Total</b>	<b>3076</b>	<b>1915.69</b>

## Appendix 1.8

(Reference: Paragraph 1.7; Page 20)

## Department-wise break-up of outstanding utilisation certificates

(Rupees in lakh)

Sl. No.	Department	Number of certificates	Amount
1	Director of Tourism	2	80.00
2	Revenue Administration	85	67898.19
3	Agriculture Department	295	3366.25
4	Market Committee (Agriculture)	1	362.70
5	Handloom and Textiles	3	57.88
6	Director of Rural Development	89	330.22
7	Director of Rural Development and Panchayat Raj	31	18347.14
8	Director of Social Welfare	1892	26240.07
9	Director of HR & CE	1	57.55
<b>Total</b>		<b>2399</b>	<b>116740.00</b>

Appendix 2.1

(Reference: Paragraph 2.3.1; Page 38)

Excess over provision of previous years requiring regularisation

(Rupees in crore)

Year	Number of grants/appropriations	Grant/appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1998-1999	16 Grants	3,5,6,17,20,27, 30, 33,35,38,39, 40, 48, 50,52 and 57	232.85	Explanatory notes are awaited. Not yet discussed by PAC
1999-2000	2 Appropriations 9 Grants	Debt Charges and 45 2,17,26,33,35,38, 41,45 and 46	362.99	Explanatory notes are awaited. Not yet discussed by PAC
2000-2001	1 Appropriation 6 Grants	29 6, 21, 29, 35, 47 and 61	2239.47	Explanatory notes are awaited. Not yet discussed by PAC
	7 Appropriations	54 and Public Debt-Repayment		
2001-2002	3 Grants 4 Appropriations	32, 35 and 41 16, 42, 54 and Public Debt-Repayment	379.38	Explanatory notes are awaited. Not yet discussed by PAC.
2002-2003	12 Grants	Revenue – 1, 14, 16, 20, 35, 38, 48 and 49 Capital – 6 and 26 Loans – 5, 20 and 40 Revenue – 1 and 21 Capital – 20 Loans – Public Debt –	2436.71	Explanatory notes are awaited. Not yet discussed by PAC.
	4 Appropriations	Repayment		
2003-04	7 Grants	Revenue – 33, 40 Capital – 5, 27, 28, 43, 47 Revenue – 1, 14, 38, 48, Debt Charges	154.61	Explanatory notes are awaited. Not yet discussed by PAC.
	5 Appropriations			
2004-05	7 Grants	Revenue – 14,33 and 36 Capital – 19 and 22 Loans – 20 and 21 Revenue – 1,14,37,40 and 48	2.82	Explanatory notes are awaited. Not yet discussed by PAC.
	5 Appropriations			
2005-06	6 Grants	Revenue – 8 and 38 Capital – 3 and 46 Loans – 12 and 21 Revenue – 22,23,37 and 48	9.00	Explanatory notes are awaited. Not yet discussed by PAC.
	4 Appropriations			
2006-07	6 Grants	Revenue –40 Capital – 5, 28, 44 and 47 Loans – 49 Revenue – 2 and 38	95.61	Explanatory notes are awaited. Not yet discussed by PAC.
	2 Appropriations			
		<b>Total</b>	<b>5913.44</b>	

## Appendix 2.2

(Reference: Paragraph 2.3.3; Page 38)

## Expenditure incurred without provision

(in Rupees)

Sl. No.	Grant Number	Head of Account	Actual expenditure
1.	03	2014.00.800.AA (V)	1527
2.	05	2202.80.789.JC (V)	27250
3.	05	2402.00.103.JE (V)	680
4.	05	2705.00.112.UA (V)	494
5.	19	2210.01.110.AA (C)	25000
6.	19	2235.60.200.AG (V)	28650
7.	20	2202.03.105.AC (V)	73900
8.	20	2202.03.107.AF (V)	349000
9.	20	2202.03.107.JA (V)	3107372
10.	20	2205.00.104.AU (V)	355893
11.	29	3452.80.001.JG (V)	585
12.	34	2215.01.101.KB (V)	2852
13.	34	2217.05.800.AA (V)	312789
14.	35	2070.00.800.AV (V)	233187
15.	38	2015.00.105.AA (V)	14081
16.	38	2070.00.003.AN (V)	735267
17.	38	2070.00.105.BW (V)	825
18.	38	2075.00.800.AK (V)	155
19.	39	2059.80.001.AR (V)	2529
20.	40	4701.03.299.JB (V)	1875
21.	40	4701.03.300.JA (V)	100613
22.	40	4701.03.353.PA (V)	50852
23.	40	4701.03.354.PA (V)	12638
24.	40	4701.03.355.PA (V)	907125
25.	40	4701.03.356.PA (V)	19455
26.	40	4701.03.357.PA (V)	42128
27.	40	4701.03.358.PA (V)	42364
28.	41	2053.00.093.JA (V)	108
29.	41	2070.00.003.AA (V)	63765
30.	41	3604.00.200.AA (V)	4553
31.	43	2202.05.103.SB (V)	89600
32.	50	2235.60.102.AL (V)	98497
33.	51	2245.02.107.AA (V)	2309500
34.	53	2049.60.101.AD (C)	311057
35.	53	2049.60.101.AF (C)	1057928
36.	53	2049.60.101.AR (C)	3123109
37.	53	2049.60.101.AS (C)	60104
38.	53	2049.60.101.AT (C)	99580
39.	53	2049.60.101.AU (C)	16434
40.	53	2049.60.101.BR (C)	5068
41.	53	2049.60.101.BS (C)	101754
42.	53	2049.60.101.BT (C)	2014
43.	53	2049.60.101.BU (C)	466699
44.	53	2049.60.101.EB (C)	188387
45.	53	2049.60.101.EC (C)	6002928
46.	53	2049.60.101.ED (C)	8728
47.	53	2049.60.101.EM (C)	40250
<b>Total</b>			<b>20499149</b> or 2.05 crore

**Appendix 2.3**

(Reference: Paragraph 2.3.6; Page 39)

**Cases where supplementary provision (Rs 10 lakh or more in each case) proved unnecessary**

(In thousands of Rupees)

Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
<b>A Revenue (Charged)</b>					
1.	03	434190	426556	7634	6799
2.	21	13	0	13	1028
<b>Total for Charged</b>		<b>434203</b>	<b>426556</b>	<b>7647</b>	<b>7827</b>
<b>A Revenue (Voted)</b>					
3.	01	198865	188686	10179	1019
4.	04	6145515	5931519	213996	210615
5.	05	10879632	9568031	1311601	373503
6.	06	2191288	2075910	115378	20482
7.	07	960454	680610	279844	6809
8.	09	3535227	3342085	193142	174303
9.	11	1346090	1338419	7671	105768
10.	17	5229912	5063237	166675	1274
11.	19	22311993	20159213	2152780	1400251
12.	20	10343100	8274208	2068892	205784
13.	21	12018228	10369672	1648556	8509
14.	23	1149137	829790	319347	1523
15.	24	899980	821897	78083	32457
16.	26	3077715	512925	2564790	13975
17.	27	691830	349896	341934	108605
18.	28	334236	332584	1652	21211
19.	31	7669948	7582564	87384	90976
20.	32	3621328	3003003	618325	5355
21.	33	132334	87519	44815	4093
22.	35	325736	308004	17732	19195
23.	36	391606	336502	55104	5006
24.	38	1344107	1303076	41031	164768
25.	39	1314249	1064377	249872	5012
26.	43	68946028	57185444	11760584	49537
27.	45	14786969	14683258	103711	1362221
28.	46	245837	240904	4933	35899
29.	50	61841915	60386771	1455144	182332
<b>Total for Voted</b>		<b>241933259</b>	<b>216020104</b>	<b>25913155</b>	<b>4610482</b>
<b>Total - Revenue</b>		<b>242367462</b>	<b>216446660</b>	<b>25920802</b>	<b>4618309</b>



Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
<b>B Capital</b>					
30.	07	148556	108590	39966	20003
31.	09	324772	271352	53420	52158
32.	15	1434884	1271219	163665	50009
33.	19	546780	312626	234154	509437
34.	21	27557595	22759180	4798415	2124
35.	22	2070001	1892035	177966	247118
36.	29	138901	138486	415	29554
37.	32	35519	32886	2633	38945
38.	39	3036137	2064487	971650	5122
39.	40	5491706	3359742	2131964	4956
<b>Total - Capital</b>		<b>40784851</b>	<b>32210603</b>	<b>8574248</b>	<b>959426</b>
<b>Grand Total</b>		<b>283152313</b>	<b>248657263</b>	<b>34495050</b>	<b>5577735</b> <b>or 557.77 crore</b>

Appendix 2.4

(Reference: Paragraph 2.3.7; Page 39)

Statement showing cases where supplementary provision was made in excess of actual requirement (where saving is exceeding Rs 50 lakh in each case)

(Rupees in crore)						
Sl. No.	Number and name of the grant/ appropriation	Original provision	Supplementary provision	Total provision	Expenditure	Saving
<b>Charged</b>						
<b>A Revenue</b>						
1	35 - Personnel and Administrative Reforms Department	13.63	9.22	22.85	20.88	1.97
2	53 - Debt Charges	5995.82	611.00	6606.82	6537.13	69.69
<b>Voted</b>						
<b>A Revenue</b>						
3	12 - Cooperation (Cooperation, Food and Consumer Protection Department)	400.59	11.88	412.47	410.38	2.09
4	13 - Food and Consumer Protection (Cooperation, Food and Consumer Protection Department)	2101.05	60.30	2161.35	2154.96	6.39
5	14 - Energy Department	1158.30	21.54	1179.84	1177.67	2.17
6	29 - Tourism - Art and Culture (Tourism and Culture Department)	65.19	6.46	71.65	69.25	2.40
7	34 - Municipal Administration and Water Supply Department	1926.39	145.14	2071.53	2066.09	5.44
8	37 - Prohibition and Excise (Home, Prohibition and Excise Department)	43.47	2.63	46.10	43.93	2.17
9	49 - Youth Welfare and Sports Development Department	45.10	4.90	50.00	48.81	1.19
<b>B Capital</b>						
10	04- Adi Dravidar and Tribal Welfare Department	23.00	57.62	80.62	66.84	13.78
11	05 - Agriculture Department	81.29	11.57	92.86	89.79	3.07
12	06 - Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	1.25	6.98	8.23	6.62	1.61
13	20 - Higher Education Department	20.14	4.12	24.26	20.36	3.90
14	42 - Rural Development and Panchayat Raj Department	806.10	165.80	971.90	970.49	1.41
<b>C Loans</b>						
15	16 - Finance Department	16.84	6.44	23.28	19.72	3.56
16	26 - Housing and Urban Development Department	108.50	113.40	221.90	211.53	10.37
17	27 - Industries Department	112.00	311.98	423.98	366.92	57.06
<b>Total</b>		<b>12918.66</b>	<b>1550.98</b>	<b>14469.64</b>	<b>14281.37</b>	<b>188.27</b>

## Appendix 2.5

(Reference: Paragraph 2.3.8; Page 39)

## Results of review of substantial surrenders made during the year

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (Rupees in lakh)	Percentage of Surrender
1)	05 Agriculture Department	State scheme for drip and sprinkler to cover farm pumpsets particularly in ground water stresses blocks- General (2401.00.119.KX)	450.00	100
2)		State scheme for drip and sprinkler to cover farm pumpsets particularly in ground water stresses blocks- Special scheme (2401.00.119.KY)	450.00	100
Due to huge allotment of funds under centrally sponsored micro irrigation scheme and allotment of funds under world bank assisted Tamil Nadu Irrigated Agriculture Modernisation and Water Bodies Restoration and Management (IAMWARM) Project the entire provision of Rs 9.00 crore under the above two schemes were surrendered				
3)		Scheme on Sustainable Development of Sugarcane Based Cropping System (2401.00.108.UP)	113.00	100
The above scheme was not approved by Government of India for implementation during 2007-08. Hence provision was surrendered.				
4)		Comprehensive Waste Land Development Programme (2402.00.103.JE)	250.00	100
As adequate funds were available under comprehensive waste land development programme entire provision was surrendered				
5)		Development of Horticulture in Districts (2401.00.119.AW)	235.60	100
The head of account was changed as 2401.00.119.JX in FMA and expenditure was booked under that head.				
6)	19 Health and Family Welfare Department	Establishment of Trauma Care under Health Systems Project (4210.04.200.PC)	1500.00	100
7)		Construction of Primary Health Centres, Health Sub Centres and Improvement of Non-Taluk Hospitals under National Bank for Agriculture and Rural Development (4210.02.103.JF)	1000.01	100
Entire provision was surrendered due to non-utilisation of funds for major works				
8)	26 Housing and Urban Development Department	State Government Share on extension of Metro Rail Transport service from Velacherry to St. Thomas Mount (4217.60.190.JY)	2000.00	100
Due to non-requirements of funds for the work under State's share, the entire provision was surrendered				
9)		Grants to Tamil Nadu Slum Clearance Board for construction of Tenements in lieu of Tenements given under Emergency Tsunami Reconstruction Project (4216.80.190.JF)	1200.00	100
Due to non issue of Government Orders for release of funds, the entire provision was surrendered				
10)	41 Revenue Department	Works Bank assisted Emergency Tsunami Reconstruction Project (ETRP) (2216.80.800.QB)	3000.00	100
The entire provision was surrendered as the proposal with world bank was not approved in 2007-08				
11)	42 Rural Development and Panchayat Raj Department	Works under Emergency Tsunami Reconstruction Project (ETRP) with assistance from World Bank - Rural Development Housing (4216.03.800.QA)	109.01	100
Entire provision was surrendered due to delay in implementation of the project				

Appendix 2.6

(Reference: Paragraph 2.3.9; Page 39)

Surrenders in excess of actual savings (Rs 50 lakh or more)

(Rupees in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
<b>Revenue – Charged</b>					
1.	03 - Administration of Justice	44.10	1.44	2.08	0.64
2.	35 - Personnel and Administrative Reforms Department	22.85	1.96	2.51	0.55
<b>Revenue – Voted</b>					
3.	02 - Governor and Council of Ministers	18.95	1.32	1.83	0.51
4.	03 - Administration of Justice	226.13	29.32	30.29	0.97
5.	04 - Adi Dravidar and Tribal Welfare Department	635.61	42.46	53.96	11.50
6.	10 - Commercial Taxes (Commercial Taxes and Registration Department)	201.20	6.29	32.98	26.69
7.	15 - Environment and Forest Department	183.26	24.59	27.67	3.08
8.	17 - Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	523.12	16.79	17.28	0.49
9.	19 - Health and Family Welfare Department	2371.22	355.30	399.30	44.00
10.	22 - Police (Home, Prohibition and Excise Department)	1927.51	301.63	302.10	0.47
11.	24 - Information Technology Department	93.24	11.05	11.37	0.32
12.	33 - Law Department	13.64	4.89	4.95	0.06
13.	35 - Personnel and Administrative Reforms Department	34.49	3.69	3.88	0.19
14.	36 - Planning, Development and Special Initiatives Department	39.66	6.01	7.01	1.00
15.	37 - Prohibition and Excise (Home, Prohibition and Excise Department)	46.10	2.17	2.35	0.18
16.	45 - Social Welfare and Nutritious Meal Programme Department	1614.92	146.59	148.10	1.51
17.	47 - Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department)	43.50	4.86	5.04	0.18
<b>Capital – Voted</b>					
18.	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	37.69	10.56	10.65	0.09
19.	19 - Health and Family Welfare Department	105.62	74.36	76.96	2.60
20.	36 - Planning, Development and Special Initiatives Department	18.63	2.94	4.41	1.47
21.	39 - Buildings (Public Works Department)	304.13	97.68	138.79	41.11
22.	42 - Rural Development and Panchayat Raj Department	971.90	1.41	1.54	0.13
23.	43 - School Education Department	161.91	11.23	11.47	0.24
24.	47 - Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department)	1.07	0.66	0.90	0.24
<b>Loans – Voted</b>					
25.	26 - Housing and Urban Development Department	221.90	10.37	10.44	0.07
<b>Total</b>		<b>9862.35</b>	<b>1169.57</b>	<b>1307.86</b>	<b>138.29</b>

## Appendix 2.7

(Reference: Paragraph 2.3.10; Page 39)

Statement showing cases where expenditure fell short by more than Rs one crore each and also by 15 per cent or more of the total provision

(Rupees in crore)						
Sl. No.	Grant/Appropriation Number	Name of Grant/Appropriation	Provision	Actual expenditure	Saving	Percentage of Saving over Provision
<b>Voted Grants</b>						
<b>A - Revenue</b>						
1.	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	96.73	68.06	28.67	29.64
2.	16	Finance Department	464.6	365.53	99.07	21.32
3.	20	Higher Education Department	1054.89	827.42	227.47	21.56
4.	22	Police (Home, Prohibition and Excise Department)	1927.51	1625.88	301.63	15.65
5.	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	115.07	82.98	32.09	27.89
6.	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	61.57	51.06	10.51	17.06
7.	26	Housing and Urban Development Department	309.17	51.29	257.88	83.41
8.	27	Industries Department	80.04	34.99	45.05	56.29
9.	32	Labour and Employment Department	362.67	300.3	62.37	17.2
10.	33	Law Department	13.64	8.75	4.89	35.85
11.	36	Planning, Development and Special Initiatives Department	39.66	33.65	6.01	15.16
12.	39	Buildings (Public Works Department)	131.93	106.44	25.49	19.32
13.	41	Revenue Department	2349.11	1855.63	493.48	21.01
14.	43				1181.0	
15.	44	School Education Department	6899.56	5718.54	1.00	17.12
		Small Industries Department	63.13	35.03	28.1	44.51
<b>B - Capital</b>						
16.	04	Adi Dravidar and Tribal Welfare Department	80.62	66.84	13.78	17.09
17.	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	8.23	6.62	1.60	19.51
18.	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	16.86	10.86	6.00	35.58
19.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	37.69	27.14	10.56	28.01
20.	19	Health and Family Welfare Department	105.62	31.26	74.36	70.40
21.	20	Higher Education Department	24.26	20.36	3.90	16.08
22.	21	Highways Department	2755.97	2275.92	480.05	17.42
23.	22	Police (Home, Prohibition and Excise Department)	231.71	189.2	42.51	18.35
24.	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	8.89	3.11	5.79	65.08
25.	26	Housing and Urban Development Department	519.88	143.73	376.14	72.35
26.	29	Tourism - Art and Culture (Tourism and Culture Department)	16.85	13.85	3.00	17.79
27.	32	Labour and Employment Department	7.45	3.29	4.16	55.84
28.	36	Planning, Development and Special Initiatives Department	18.63	15.69	2.94	15.79
29.	39	Buildings (Public Works Department)	304.13	206.45	97.68	32.12

*Audit Report (Civil) for the year ended 31 March 2008*

(Rupees in crore)						
Sl. No.	Grant/Appropriation Number	Name of Grant/Appropriation	Provision	Actual expenditure	Saving	Percentage of Saving over Provision
30.	40	Irrigation (Public Works Department) C - Loan	549.67	335.97	213.69	38.88
31.	16	Finance Department	23.28	19.72	3.55	15.26
32.	34	Municipal Administration and Water Supply Department Charged A - Revenue	151.94	102.52	49.41	32.52
33.	04	Adi Dravidar and Tribal Welfare Department	4.00	2.83	1.17	29.24

## Appendix 2.8

(Reference: Paragraph 2.3.11; Page 39)

## Excess/Unnecessary/Insufficient reappropriation of funds

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final Excess(+)/ Saving (-)
1.	04	Adi Dravidar and Tribal Welfare Department	2225.01.277.AA	(-)3487.40	460.92
2.			2225.01.277.KM	8029.87	465.85
3.			2225.01.277.SA	(-)6374.75	227.73
4.			2225.02.277.AA	424.02	(-)687.59
5.	05	Agriculture Department	2401.00.800.AY	899.70	(-)899.82
6.	10	Commercial Taxes (Commercial Taxes and Registration Department)	2040.00.101.AB	(-)2687.77	(-)221.17
7.			3604.00.103.AC	(-)1004.21	2843.74
8.	15	Environment and Forest Department	2406.01.101.AF	3.05	239.49
9.			4407.03.190.AA	644.99	(-)645.00
10.	19	Health and Family Welfare Department	2210.01.110.AV	(-)1836.47	(-)222.73
11.			2210.01.110.AW	(-)4824.25	1477.08
12.			2210.03.103.BI	(-)4222.72	311.84
13.			2210.05.105.AA	(-)912.46	219.93
14.			2235.60.200.KG	4589.84	2931.23
15.			2235.60.789.JC	1301.99	246.78
16.	20	Higher Education Department	2202.03.103.AA	(-)3142.76	(-)1354.41
17.			2202.03.103.AB	(-)2612.65	(-)602.37
18.			2202.03.104.AA	(-)10557.76	(-)842.01
19.	21	Highways Department	3054.80.001.AC	103.45	(-)205.49
20.			3054.80.001.AE	(-)1072.12	(-)572.44
21.			5054.04.800.JK	(-)373.81	604.77
22.	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AA	(-)747.86	233.70
23.			2055.00.108.AB	375.94	213.63
24.	27	Industries Department	3054.80.797.JC	17.42	(-)585.75
25.	31	Information Technology Department	2220.60.111.JC	205.27	(-)867.75
26.			2852.07.800.JD	(-)305.00	(-)866.94
27.	34	Municipal Administration and Water Supply Department	2251.00.090.AM	363.94	(-)298.73
28.	40	Irrigation (Public Works Department)	2701.80.001.AF	(-)2721.95	(-)261.96
29.			2701.80.800.AA	7607.94	(-)26258.15
30.			4701.01.211.JA	278.76	308.30
31.			4701.03.345.JA	(-)840.65	298.58
32.			4701.80.800.JJ	(-)214.98	(-)2219.23
33.	41	Revenue Department	2029.00.102.AG	(-)1271.01	260.89
34.			2053.00.094.AB	(-)1652.02	(-)242.23
35.			2053.00.094.AC	(-)8131.11	549.60
36.			2235.60.102.JB	4312.38	(-)854.04
37.	42	Rural Development and Panchayat Raj Department	2215.02.105.JE	(-)985.59	910.72
38.			2501.06.003.JA	911.97	(-)244.21
39.			2515.00.102.AD	(-)563.00	9000.00

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final Excess(+)/ Saving (-)
40.	43	School Education Department	2202.01.101.AA	(-)2374.08	(-)1732.57
41.			2202.01.101.AB	(-)1586.68	(-)229.75
42.	43		2202.01.101.AC	(-)34771.12	(-)3820.22
43.			2202.01.101.AD	(-)4065.60	1140.50
44.			2202.01.102.AD	(-)6445.92	(-)1623.70
45.			2202.01.104.AA	(-)260.15	(-)588.74
46.			2202.02.001.AA	(-)56.61	265.92
47.			2202.02.109.AA	(-)26696.64	1381.38
48.			2202.02.109.AZ	(-)9041.49	(-)2018.04
49.			2202.02.109.KD	3908.73	(-)1995.06
50.			2202.02.110.AA	(-)16900.96	6376.54
51.			2235.60.200.CF	(-)0.01	(-)240.10
52.			4202.01.202.JG	(-)3000.00	(-)442.31
53.			4202.01.789.JA	2913.99	472.81
54.	45	Social Welfare and Nutritious Meal Programme Department	2236.02.101.JN	1986.91	269.52
55.			2236.02.102.KN	(-)517.95	217.38
56.	50	Pension and Other Retirement Benefits	2071.01.101.AA	16905.40	(-)5514.86
57.			2071.01.101.AC	(-)4145.85	(-)2656.18
58.			2071.01.101.AN	(-)6400.00	(-)616.79
59.			2071.01.102.AA	(-)6732.83	2160.19
60.			2071.01.104.AB	(-)9047.88	2596.80
61.			2071.01.105.AA	13339.50	(-)1084.75
62.			2071.01.105.AC	1594.48	(-)677.38
63.			2071.01.109.AA	(-)648.70	(-)666.28
64.			2071.01.109.AB	4622.88	(-)1593.20
65.			2071.01.109.AC	(-)2158.63	393.17
66.			2071.01.109.AD	2639.58	(-)374.42
67.			2071.01.109.AF	(-)1903.24	368.77
68.			2071.01.115.AA	(-)8117.40	1137.87
69.			2071.01.800.AF	143.42	(-)524.76
70.	51	Relief on account of Natural Calamities	2245.02.101.AE	(-)737.01	258.97
71.			2245.02.106.AA	(-)9964.41	4955.84
72.			2245.02.114.AA	12641.66	(-)4473.56
73.			2245.02.122.AA	(-)924.27	622.54
74.			2245.02.191.AD	1688.00	(-)1329.48
75.			2245.80.800.AA	(-)96.50	334.65
76.	53	Debt Charges	2049.60.101.ER	2923.36	(-)794.18



**Appendix 2.9**  
**(Reference: Paragraph 2.5; Page 41)**  
**Rush of Expenditure**

(Rupees in crore)					
Sl.No.	Grant Number	Head of account Scheme/Service	Expenditure incurred in March 2008	Total expenditure	Percentage of expenditure in March 2008 to total expenditure
1.	9	2225.03.190.JA	25.07	25.07	100
2.	41	2405.00.800.KE	44.14	44.14	100
3.	34	3604.00.191.AB	10.35	10.35	100
4.	27	4217.60.190.JW	32.73	32.73	100
5.	34	2217.01.191.PD	11.24	11.24	100
6.	43	2202.02.106.JC	18.20	18.20	100
7.	34	4217.60.800.PA	50.00	50.00	100
8.	27	4875.60.190.JG	150.00	150.00	100
9.	34	2217.05.191.AA	10.80	10.80	100
10.	34	3604.00.192.AE	14.15	14.15	100
11.	12	2425.00.108.KD	13.72	13.72	100
12.	9	2225.03.277.KR	17.42	17.43	100
13.	8	4425.00.108.AA	30.18	30.2	100
14.	10	2040.00.001.JB	19.37	19.41	100
15.	43	2202.01.789.JA	46.07	46.97	98
16.	41	2235.60.200.KH	25.96	26.48	98
17.	43	2202.01.108.JC	25.06	25.57	98
18.	43	2225.01.789.JA	10.74	10.96	98
19.	4	2225.01.277.KO	13.62	13.97	97
20.	42	2515.00.102.AD	96.12	100.37	96
21.	34	2217.04.192.JB	32.52	34.30	95
22.	9	2225.03.277.KT	15.19	16.25	93
23.	21	5054.03.337.JA	40.47	43.91	92
24.	4	4225.01.277.JK	40.80	45.80	89
25.	9	2225.03.277.KS	23.56	27.35	86
26.	5	2415.01.120.JD	16.46	19.36	85
27.	19	2059.01.053.BW	14.96	18.10	83
28.	21	5054.80.800.JX	30.00	36.76	82
29.	45	2235.60.200.KQ	10.27	12.70	81
30.	16	2235.60.110.BU	26.38	32.80	80
31.	22	4055.00.207.UA	29.80	38.42	78
32.	4	2225.01.277.KM	85.47	120.37	71
33.	42	2215.02.105.JL	13.71	19.38	71
34.	34	2217.04.192.JC	221.49	315.04	70
35.	41	2216.80.800.JN	224.70	327.50	69
36.	11	2030.02.101AA	16.85	24.91	68
37.	22	4055.00.211.AK	101.26	150.78	67
38.	5	4402.00.102.JM	12.17	18.30	67
39.	20	2202.03.102.AB	26.46	41.36	64
40.	20	2203.00.102.AA	12.63	19.78	64
41.	42	2515.00.800.JW	31.26	50.01	63
42.	5	2402.00.102.UM	20.83	33.99	61
43.	5	2401.00.103.JB	11.36	18.62	61

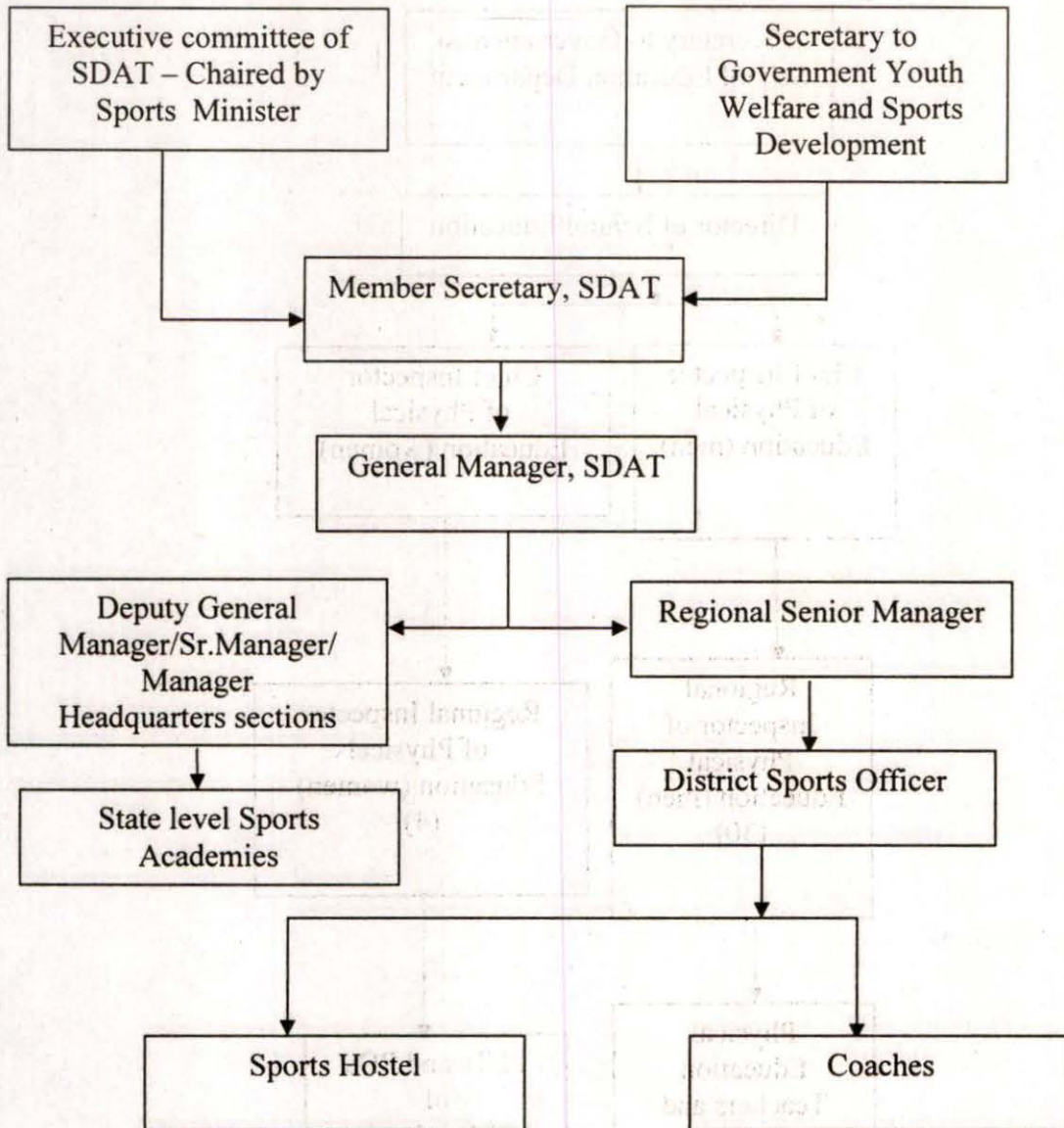
*Audit Report (Civil) for the year ended 31 March 2008*

(Rupees in crore)						
Sl.No.	Grant Number	Head of account Scheme/Service	Expenditure incurred in March 2008	Total expenditure	Percentage of expenditure in March 2008 to total expenditure	
44.	51	2245.80.800.AB	63.17	104.64	60	
45.	11	2030.03.001.AD	11.43	19.23	59	
46.	51	2245.02.114.AA	83.18	142.31	58	
47.	34	2217.05.800.JM	39.49	69.48	57	
48.	17	2851.00.108.AA	33.33	59.04	56	
49.	12	2425.00.108.AH	60.07	106.9	56	
50.	41	2059.01.053.AJ	12.08	21.75	56	
51.	51	2245.02.122.AA	14.49	26.40	55	
52.	19	2210.01.110.CR	25.71	50.00	51	
53.	14	4801.80.101.JA	250	490	51	

Appendix 3.1

(Reference: Paragraph 3.1.2; Page 46)

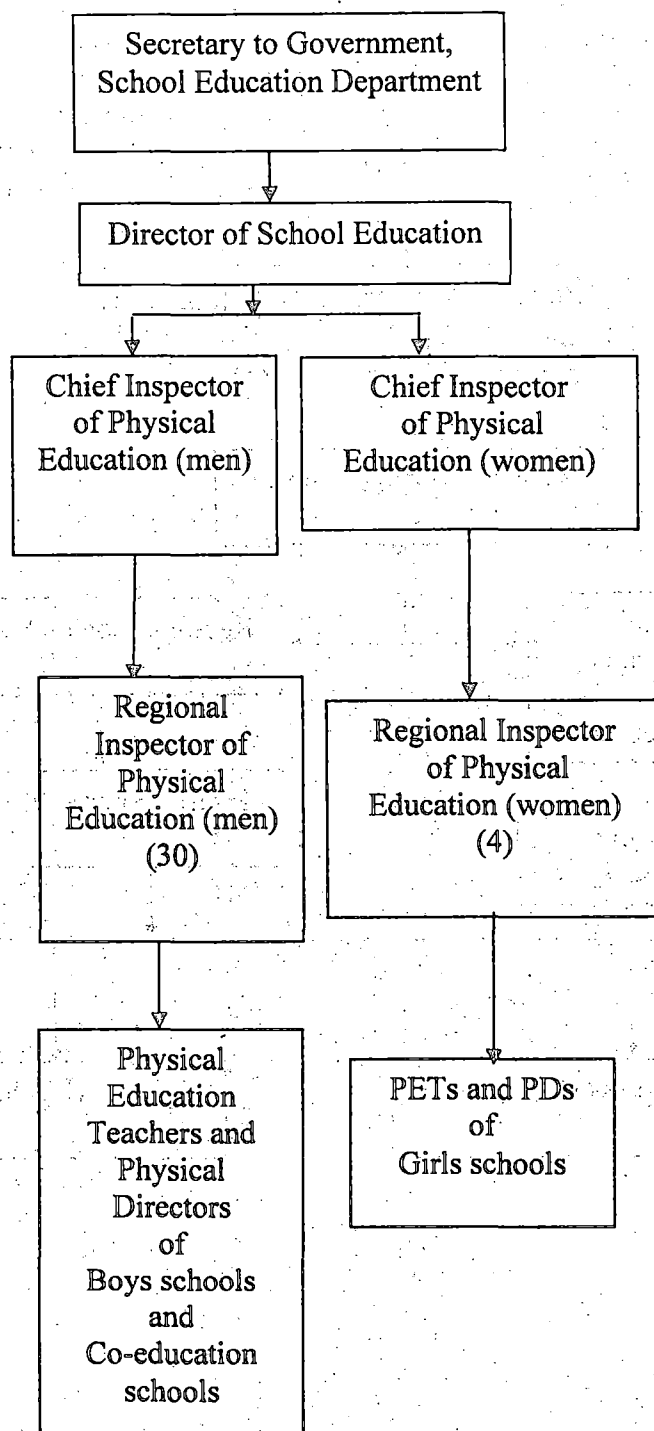
Organisation chart of Sports Development Authority of Tamil Nadu



Appendix 3.2

(Reference: Paragraph 3.1.2; Page 46)

ORGANISATION CHART – PHYSICAL EDUCATION DEPARTMENT



**Appendix 3.3**  
**(Reference: Paragraph 3.1.3; Page 47)**  
**List of offices visited**

Sl.No	District	Name of the office	Total number of offices visited
1.	Chennai	District Sports officer, Chennai Diving Academy and Hockey Academy in Chennai	3
2.	Kancheepuram	District Sports Officer, CEO, RIPE	3
3.	Dharmapuri	District Sports officer, CEO, RIPE	3
4.	Erode	District Sports officer, CEO, RIPE, DEEO and Sports hostel	5
5.	Dindugul	District Sports officer, CEO, RIPE, DEEO	4
6.	Madurai	District Sports Officer, CEO, RIPE, Sports Hostel	4
7.	Thiruvarur	District Sports Officer, CEO, RIPE, DEEO	4

Apart from this 61 schools in the above sample districts were visited

CEO: Chief Educational Officer

RIPE: Regional Inspector of Physical Education

DEEO: District Elementary Education Officer

Appendix 3.4

(Reference: Paragraph 3.1.8.1; Page 51)

Details of Government grants remaining unutilised with SDAT

(In Rupees)

Sl.No.	Purpose for which funds were released	Date of investment	Amount deposited	Amount still in Fixed Deposit
1	Indoor Badminton Hall, Kanchipuram and Chennai	October 2006	55,00,000	43,25,000
2	Multi Purpose Indoor stadium, Mogappair	October 2006	45,00,000	45,00,000
3	DSC, Namakkal	October 2006	28,00,000	28,00,000
4	Swimming Pool, Theni	October 2006	25,00,000	25,00,000
5	Multi Purpose Indoor stadium, Dharmapuri	October 2006	45,00,000	24,73,309
6	Synthetic Tennis court, Tirunelveli and Salem	October 2006	14,00,000	14,00,000
7	Sports Hostel, Trichy and Madurai	October 2006	66,50,000	48,63,733
8	Track equipments, Madurai and Coimbatore	October 2006	30,00,000	30,00,000
9	District Sports Complex, Thiruvallur	October 2005	28,00,000	8,00,000
10	Chief Minister Award	December 2007	15,00,000	15,00,000
11	Velodrome	December 2006	1,36,00,000	1,36,00,000
12	Shooting Range	August 2005	2,90,00,000	2,65,00,000
13	District Sports Complex , Karur	October 2005	28,00,000	11,40,478
	<b>Total</b>		<b>8,05,50,000</b>	<b>6,94,02,520</b> or <b>6.94 crore</b>

**Appendix 3.5**  
(Reference: Paragraph 3.1.9.1 ; Page 54)

**Delay in execution of works**

Sl.No.	Name of the work	Month of sanction	Month of completion	Period of delay in completion (In months)	Period since the date of sanction upto March 2008 (In months)	Remarks
<b>(A) District Sports Complexes</b>						
1.	Thiruvallur	November 2004	Not yet completed	-	40	Works in progress
2.	Ariyalur	September 2001	June 2006	33		
3.	Namakkal	May 2005	Not yet completed	-	34	Work in progress
4.	Dindigul	November 2000	February 2008	63		
5.	Karur	November 2004	Not yet completed		40	Work in progress
6.	Thiruvannamalai	August 2004	September 2007	13		
7.	Sivaganga	October 1995	Not yet completed	-	149	Work in progress
8.	Thiruvarur	May 2002	September 2005	16		
9.	Pudukottai	August 1994	January 2005	101		
<b>(B) Swimming pools</b>						
1.	Pudukottai	November 2004	February 2006	3		
2.	Krishnagiri	September 2006	Not yet completed	-	18	Work in progress
3.	Thiruvannamalai	May 2007	Not yet completed	-	10	Work in progress
4.	Thoothukudi	November 2004	February 2008	27		
5.	Thiruvarur	May 2007	Not yet completed	-	10	Works in progress
6.	Erode	October 1995	December 2003	86		
7.	Madurai	January 1999	May 2007	88	-	
<b>(c) Indoor stadium</b>						
1.	Tiruchirappalli	June 1998	Not yet completed	-	117	Works in progress
2.	Krishnagiri	November 2004	Not yet completed	-	40	Works in progress
3.	Dharmapuri	May 2005	Not yet completed	-	34	Works in progress
4.	Mogappair (Thiruvallur District)	May 2005	Yet to be taken up	-	34	Work yet to be taken up

Appendix 3.6

(Reference: Paragraph 3.1.9.1; Page 55)

Delay in construction of projects in districts and deprival of central assistance

Name of the project	Month of approval by State Government	Month in which the proposal sent to GOI	Specific reasons, if any for belated forwarding/non-forwarding of proposal to GOI	Amount of Central assistance that could not be availed due to belated forwarding of proposal to GOI (Rupees in lakh)
(A) District Sports Complex 1. Thiruvallur	November 2004	September 2004	Though the proposal was conceived as early as in 1998, due to difficulty in identifying land and belated formation of District level stadium committee in May 2002, the proposal was sent to GOI in September 2004. As GOI withdrew its assistance for State Sports Infrastructure scheme from April 2005, the GOI assistance could not be obtained.	28.00
2. Karur	November 2004	September 2004	Though the original proposal was conceived as early as in 1997, the initially identified land in 2000 could not be alienated. The required land was identified and taken possession in September 2005. The work commenced in January 2006. As of 10/2007 Rs 86.25 lakh was given (Public contribution: Rs 72.25 lakh and State Share through SDAT: Rs 14 lakh) and works for Rs 39.95 lakh were completed. As GOI withdrew its share from 1 April 2005, Central assistance of Rs 28 lakh proposed could not be obtained.	28.00
3. Namakkal	May 2005	(Not forwarded to GOI)	Though the proposal was conceived as early as in January 1999, due to delay in identification of land, the final approval was given by State Government only in May 2005. As GOI withdrew their assistance for State Sports infrastructure from April 2005, State Government lost the opportunity of getting eligible GOI assistance.	28.00
4. Sivaganga	October 1995	October 1994 March 2001 and February 2002	Proposal was first sent to GOI in October 1994. As GOI returned (February 1995) the proposal, calling for rectification of certain deficiencies like non-receipt of land ownership certificate, non-forwarding of plan and estimates for swimming pool, non-adoption of PWD rates etc. State Government submitted the revised proposal only after six years in March 2001. This was again returned (July 2001) by GOI, calling some more particulars. The re-revised proposal was sent to GOI in February 2002. GOI sanctioned the project at a total cost of Rs 70.66 lakh with GOI share as Rs 25.73 lakh with the condition that the State Government should approach for central assistance with in two years time (i.e.) before May 2004, after incurring the 50 per cent of State share. However the State Government had given their administrative approval only in April 2003 without finalising the site. When SDAT requested for extension of time, GOI intimated that its approval would be cancelled as such time over run would result in cost over run also. Despite this, the site for construction was finalised and allotted only in May 2005. The work commenced in December 2005 was stopped in December 2006 due to paucity of funds. A revised administrative approval for Rs 122 lakh was issued (May 2007) by the District collector and Rs 63 lakh was also released to District Sports Officer (DSO) to complete the work. The progress of work was very poor and due to time over run and delay in execution of work, the committed GOI assistance was not given.	25.73



Name of the project	Month of approval by State Government	Month in which the proposal sent to GOI	Specific reasons, if any for belated forwarding/non-forwarding of proposal to GOI	Amount of Central assistance that could not be availed due to belated forwarding of proposal to GOI (Rupees in lakh)
B. Indoor Stadium 1. Krishnagiri	November 2004	Forwarded but not approved	District collector issued (February 2005) administrative sanction for the work at a cost of Rs 1.20 crore and State share of Rs 60 lakh was released in March 2005 to SDAT, who in turn released Rs 30 lakh to the District Collector for construction. Even after two years, Rs 25.59 lakh alone was spent (February 2007). The SDAT stated that the slow progress was due to paucity of funds as the District Collector had not mobilised the public contribution. The contention of SDAT was not tenable as out of Rs 60 lakh released as state share to SDAT, Rs 30 lakh was still with it and the amount could have been transferred for continuing the work with proper instructions to the concerned District collector to mobilise the committed funds immediately. This could have avoided the situation of stoppage of works due to paucity of funds. The work is yet to be completed even after three years (March 2008)	-----
2. Mogappiar (Tiruvallur District)	May 2005	Not forwarded	Due to delay in issue of Administrative sanction by State Government the work is yet to commence (April 2008). SDAT stated (April 2008) that the time for fund mobilisation and abnormal cost escalation of materials, cement, steel, bricks etc. have increased the estimate cost. However this was actually due to time over run at every stage.	-----

Appendix 3.7

(Reference: Paragraph 3.1.11; Page 62)

Public Private Partnership Projects handed over to private agencies

Sl.No.	Details of the Project		Remarks
1.	Name of the Private Agency	Dolphin Swimming Academy (Mogappair, Tiruvallur District)	SDAT handed over (April 2002) the land to the Academy on 20 years lease even before the proposal given by the Academy was approved by EC. The EC subsequently ratified the transaction in May 2002. Based on the recommendation of SDAT, Academy also received a grant of Rs 25 lakh from GOI for meeting part of the cost of establishment of swimming pool and connected infrastructure in the leased out land. Perusal of connected records revealed that SDAT had not followed a transparent process of calling for Expression of Interest from various agencies, associated with the sport of swimming for deciding the eligible agency to have a partnership for establishing swimming sports infrastructure. The leasing out of land (worth Rs 4.12 crore at the present market rate )based on a single proposal was incorrect and deprived of the benefit of participation of different competent private agencies.
	Proposed Project	Construction of Swimming Pool and its maintenance	
	Extent of land handed over	8.5 grounds in Mogappair Eri Scheme	
	Details of lease	20 Years lease with a lease rent of Rs 30,000 per annum	
	Month of MoU	April 2002	
			SDAT swimming pools charge different rate for various categories of users of swimming pool. Lower rates or free access was allowed to performing sports persons undergoing coaching or deserving students undergoing training for inducing swimming culture and developing swimming sports. For other users of swimming pool for physical fitness or for leisure activities, SDAT charges commercial rates. The failure of SDAT to recommend eligible swimmers for coaching by the Academy and include such lower rates or free entry for sports persons and deserving students duly incorporating the same in the MoU entered upon with the Dolphin academy, led to losing of services of this swimming pool for coaching purposes and to charging of higher rates from the users of the swimming pool, resulting in commercial exploitation of the sports infrastructure. SDAT stated (April 2008) that necessary action would be taken to streamline the rates, as SDAT had no previous experience in the field of leasing. SDAT also stated that only Dolphin Academy had come forward to establish the swimming pool with the terms and conditions stipulated by SDAT. However, no records were produced to substantiate their reply to the effect no other agency to whom the proposals for establishment of swimming pool sent, had come forward for accepting the proposal.

Sl.No.	Details of the Project		Remarks
2.	<p>Name of the Private Agency</p> <p>Proposed Project</p> <p>Details of lease</p> <p>Month of MoU</p>	<p>Prince Tennis Academy (Mogappair, Tiruvallur District)</p> <p>Maintenance of synthetic tennis courts at Mogappair</p> <p>For the period of five years from November 2005 initially and extendable for five more years based on performance</p> <p>December 2005</p>	<p>Stating that recruitment of tennis coaches on contract basis was difficult, SDAT entrusted the maintenance of synthetic tennis courts constructed in Mogappair to Prince Tennis Academy from among three contenders. Agreeing to share 50 per cent of the income accruable from the tennis courts with SDAT, the Prince Tennis Academy also agreed to create additional infrastructure like toilet, restroom, flood light etc. The courts were handed over, even before getting the approval of EC. Though EC decided against the handing over of courts to the Academy initially, it revised its decision in November 2007 and agreed to the leasing out.</p> <p>The entrustment of maintenance to the Academy by calling only three bidders without going for an open solicitation of offers by calling Expression of interest from various eligible and interested agencies was incorrect and was in violation of Tender Transparency Act. Also SDAT had not fixed the rate of usage of tennis courts or recommended deserving students for free/concessional coaching by the Academy or stipulate lesser rate or free entry for deserving sports persons and students with a view to develop the sport of tennis. As a result, the project had turned into a full-fledged commercial venture by charging Rs 600 (increased from Rs 500 from 2006-07) for students and Rs 750 (increased from Rs 600 from 2006-07) per adult per hour. This was exorbitant compared to the rate of Rs 100 per hour charged in the tennis courts under SDAT and deter the deserving student with poor background from practising there.</p>

*Audit Report (Civil) for the year ended 31 March 2008*

Sl.No.	Details of the Project		Remarks
3.	Name of the Private Agency	Tamil Nadu Squash Racquet Association (Egmore, Chennai)	<p>SDAT entered into an MoU with Tamil Nadu Squash Racquet Association (TNSRA) in 1998 for establishing a squash academy with three courts and with related infrastructure and 12458 Sq.ft. of land was handed over to them for this purpose. Subsequently in 2002 and 2007, SDAT further allotted 17000 Sq.ft. of land to TNSRA after entering into two more MoUs. Perusal of connected records revealed that the land handed over to TNSRA was actually resumed by the State Sports Council (which was later converted into SDAT) under the orders (November 1997) of Government for establishing a Regional Sports Coaching Centre with a stadium and office for the state sports council. SDAT was unable to construct an indoor badminton hall for which Government had sanctioned Rs 40 lakh as early as in 2005-06 in the remaining portion of land and for want of any other land.</p> <p>TNSRA subsequently constructed a swimming pool in the place allotted for squash facilities after getting permission from SDAT in 2005, indicating that TNSRA had been given land in excess of their requirement, which had been used by TNSRA for their commercial purposes. Except the coaching of one batch of 40 students for world Beater Battery of Tests in 2002-03, SDAT had not recommended for any coaching by TNSRA and thus had not derived any benefit to Government from the establishment made by TNSRA. All the above showed that an unintended benefit was extended to TNSRA under public-private partnership.</p>
Proposed Project	Establishment of a Squash Academy and its maintenance		
Extent of land handed over	12458 Sq.feet in 1998 and 17,000 Sq.ft. in 2002 and 2004		
Details of lease	15 years lease commencing from April 1997 and ending with July 2012		
Month of MoU	February 1998, December 2001, April 2002 and June 2007		



## Appendix 3.8

(Reference: Paragraph 3.1.12.1; Page 64)

## Discipline wise numbers of students appearing in district level selection

Name of Discipline	2005-06		2007-08	
	Number of students	Number of districts from which no application received	Number of students	Number of districts from which no application received
Hockey	132	6	170	10
Foot ball	298	2	292	1
Boxing	12	21	16	20
Basket Ball	184	1	127	6
Swimming	21	18	12	20

Note: 2006-07 details not made available

**Appendix 3.9 A**

(Reference: Paragraph 3.1.13.1; Page 66)

**Requirement of Coaches as of March 2000**

Sl.No.	Name of the facility	Athletics	Football	Vollyball	Basketball	Hockey	Swimming	Boxing	Tennis	Kho-kho	Kabaddi	Gymnastics	Weightlifting	Badminton	Cricket	Table Tennis	Total
1.	Each District Units	29	29	29	29	29	-	-	-	-	-	-	-	-	-	-	145
2.	Jawaharlal Nehru Stadium	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	2
3.	Sports Hostel of Excellence	1	-	1	1	-	1	1	-	-	-	-	-	-	-	-	5
4.	Hockey Stadium	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
5.	Tennis Stadium	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	2
6.	Indoor Stadium	-	-	1	-	-	-	-	-	-	-	-	-	4	-	-	5
7.	Aquatic Complex	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2
8.	Shenoy nagar, Thanjavur, Dharmapuri, Swimming Pools	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	3
9.	Sports Hostels	4	2	3	2	1	-	-	-	-	-	-	-	-	-	-	12
10.	State Coaching Scheme	1	1	1	1	1	-	1	1	1	1	1	1	1	1	1	14
11.	Anna Swimming Pool	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2
12.	Special Coaching Centres	-	-	-	1	1	-	-	-	-	-	-	1	-	-	-	3
	<b>Total</b>	<b>36</b>	<b>33</b>	<b>35</b>	<b>34</b>	<b>33</b>	<b>8</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>196</b>
	<b>New facilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>
																	<b>235</b>
	Number of Coaches Available as on March 2008																<b>152</b>
	<b>Number of Coaches required</b>																<b>83</b>

## Appendix 3.9 B

(Reference: Paragraph 3.1.13.1; Page 66)

## Details of non-availability of coaches vis-à-vis infrastructure created

Sl.No.	District	Athletics	Hockey	Football	Volleyball	Basket ball	Boxing	Tennis	Squash	Total
1.	Tiruvallur	NA				NA				2
2.	Kancheepuram	NA	NA	NA		NA	NA	NA	NA	7
3.	Vellore			NA						1
4.	Cuddalore		NA	NA	NA	NA	NA	NA	NA	7
5.	Villupuram	NA		NA						2
6.	Nagapattinam	NA		NA			NA		NA	4
7.	Thanjavur		NA		NA				NA	3
8.	Pudukottai	NA			NA					2
9.	Perambalur/Ariyalur	NA		NA	NA	NA				4
10.	Dindigul					NA				1
11.	Virudhunagar						NA		NA	2
12.	Thuthukudi	NA		NA	NA	NA	NA		NA	6
13.	Tirunelveli			NA		NA	NA			3
14.	Kanyakumari	NA					NA		NA	3
15.	Dharmapuri					NA	NA			2
16.	Salem			NA	NA	NA	NA		NA	5
17.	Erode			NA		NA	NA		NA	4
18.	Nilgris			NA	NA	NA	NA			4
19.	Ramanathapuram	NA	NA	NA	NA	NA	NA			6
20.	Theni	NA					NA			2
21.	Tiruvannamalai	NA		NA		NA	NA	NA		5
22.	Tiruvarur	NA		NA	NA	NA				4
23.	Krishnagiri					NA	NA	NA		3
24.	Chennai							NA		1
	<b>Total</b>	<b>12</b>	<b>4</b>	<b>14</b>	<b>9</b>	<b>15</b>	<b>15</b>	<b>5</b>	<b>9</b>	<b>83</b>

NA: Not Available

Appendix 3.10

(Reference: Paragraph 3.1.14.1; Page 68)

Vacancy Position of Physical Education Teachers/Physical Directors in seven sample districts

Sl.No.	District	Number of Schools	Vacancy against sanctioned post									Shortage of posts with reference to norms of Government		
			Sanctioned			In position			Vacancy			PET	PD	Total
			PET	PD	Total	PET	PD	Total	PET	PD	Total			
1.	Chennai	184	300	58	358	291	56	347	9(3)	2 (3.4)	11 (3.1)	27	32	59
2.	Kancheepuram	244	235	24	259	209	22	231	26 (11.1)	2 (8.3)	28 (10.8)	151	90	241
3.	Thiruvarur	124	137	16	153	107	16	123	30 (21.9)	Nil	30 (19.6)	60	27	87
4.	Madurai	214	279	52	331	258	51	309	21 (7.5)	1(1.9)	22 (6.6)	64	78	142
5.	Dharmapuri	133	121	16	137	81	10	91	40 (33.1)	6 (37.5)	46 (33.6)	62	49	111
6.	Dindugul	183	179	16	195	158	15	173	21 (11.7)	1 (6.3)	22 (11.3)	82	57	139
7.	Erode	197	239	30	269	200	28	228	39 (16.3)	2 (6.7)	41 (15.2)	68	31	99
	<b>Total</b>	<b>1279</b>	<b>1490</b>	<b>212</b>	<b>1702</b>	<b>1304</b>	<b>198</b>	<b>1502</b>	<b>186 (12.5)</b>	<b>14(6.6)</b>	<b>200 (11.8)</b>	<b>514</b>	<b>364</b>	<b>878</b>

(Figures in Brackets indicate the percentage of vacant posts to sanctioned posts)



## Appendix 3.11

(Reference: Paragraph 3.1.15; Page 72)

## Details of lands under encroachment in sample districts

Sl.No.	District	Details of land	Purpose of handing over	Remarks
1.	Chennai	Land measuring 5072 Sq.mt. (23 grounds approximately) in Thiruvanmiyur	Construction of indoor stadium so as to utilise the land within one year from the date of handing over.	Though the land was handed over in January 1990, it was taken possession by SDAT in September 1991. SDAT neither utilised the land nor took any safety measures to prevent it from encroachment. During inspection in March 2007, SDAT found that the two third of the area of the land had been encroached by Pucca houses. Consequent to the reference of SDAT to the District collector, the Tahsildar inspected the land and stated that the land was encroached for more than 10 years. When SDAT stated that they did not require the land and demanded the amount paid (Rs 1.06 lakh) the District Collector did not entertain their request, stating that the land be handed over free of encroachment and because SDAT failed to take steps to safeguard the land, this led to encroachment. As of March 2008, the land, which was worth Rs 27 crore as per the present market value, was not utilised for sports development.
2.	Dindigul	Land measuring 4 acres and 1854 sq ft.	For developing play fields	Though the erstwhile sports council took physical possession of land, the title of the land was not transferred. Due to two civil suits filed, SDAT could occupy only a portion of land. The civil suits were dismissed as early as in February 1992 and August 1993. However, a portion of the land was still under encroachment and a path has been laid right through the play field to access a temple. SDAT requested the Government only in September 2004 to alienate the land in the name of SDAT and land was finally alienated in December 2004. Despite the earlier instance of encroachment, SDAT had not initiated any steps to build an infrastructure or to provide a fencing to the land. The land is used for conducting seasonal fairs and festivals by the District Administration. Thus the land, given for the purpose of play fields for sports development has still not been utilised for that purpose.

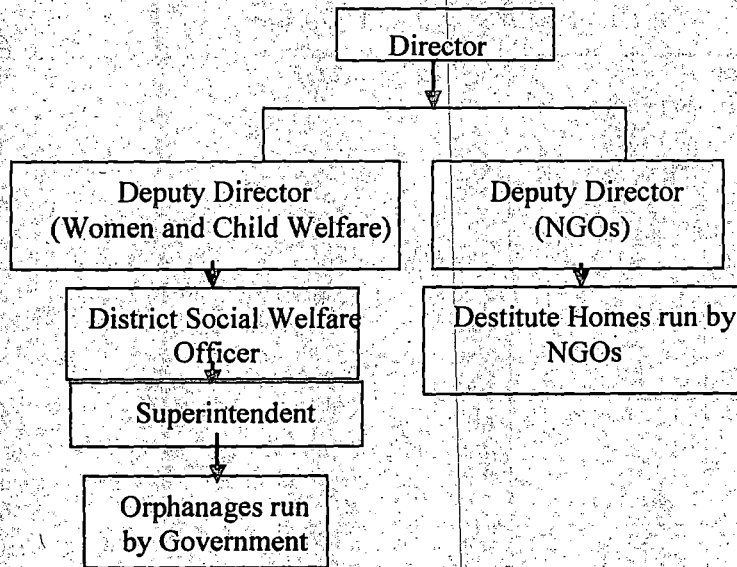
**Appendix 3.12**

**(Reference: Paragraph 3.2.1; Page 78)**

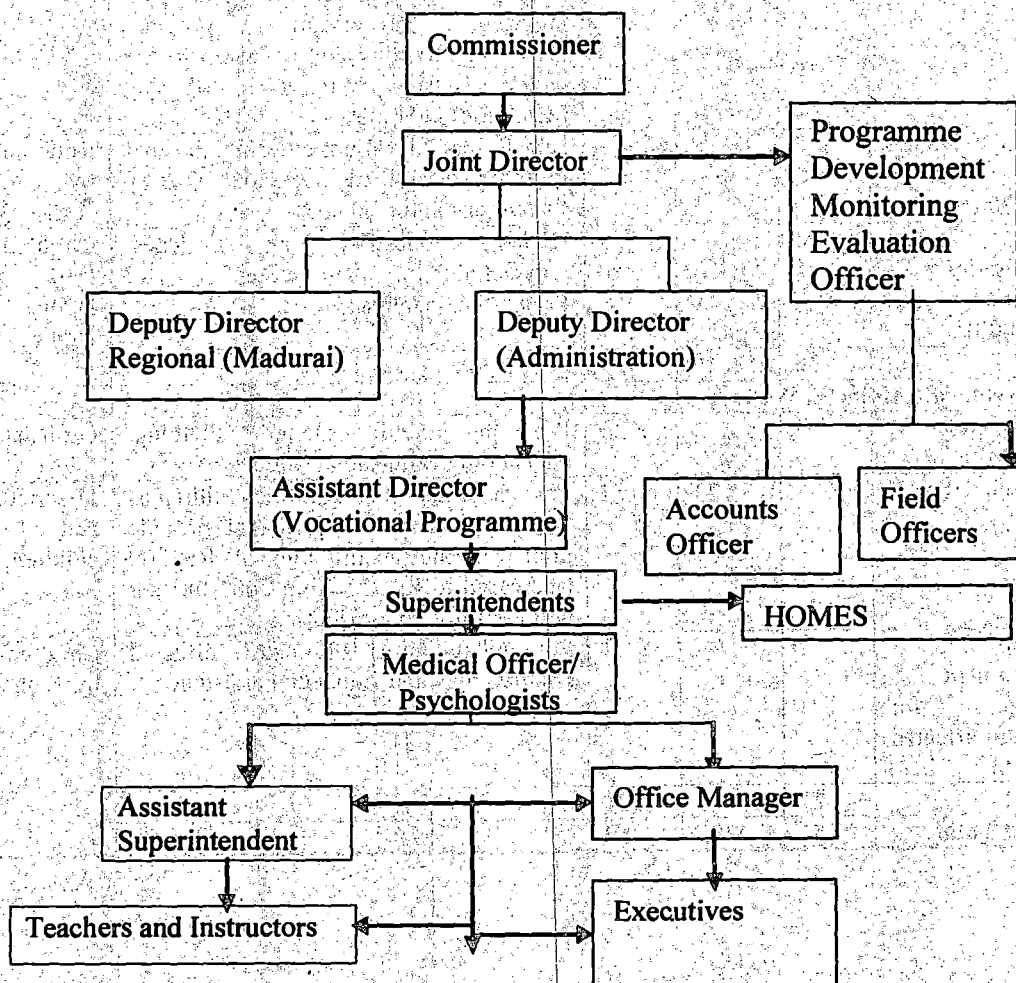
**Various Acts and Rules related to Children**

- Orphanages and Other Charitable Home (Supervision and Control) (OCH) Act 1960
- The Juvenile Justice (Care and Protection of children) Act 2000
- The Juvenile Justice (Care and Protection of children) Rules relating to the JJ Act 2000, notified by GOI in June 2001.
- Rules on JJ Act 2000, notified by State Government in January 2002
- Model rules relating to the amended JJ Act 2006, notified by GOI in October 2007.
- The Juvenile Justice (Care and Protection of children) Amendment Act 2006
- Model Rules for the Juvenile Justice (Care and Protection of Children) Amendment Act 2006.
- Common Acts relating to both Girl child and women

**Appendix 3.13**  
**(Reference: Paragraph 3.2.2; Page: 79)**  
**Organisation Chart of Social Welfare Department**



**Organisation Chart of Social Defence Department**



Appendix 3.14

(Reference: Paragraph 3.2.3.2; Page: 80)

Details of child care institutions functioning under Directorate of Social Defence and Directorate of Social Welfare

Sl. No.	Category of Institutions and the section under which established	Number of Institutions in the State run by			Services provided	Beneficiaries to whom services provided
		Govt	NGOs	Total		
<b>A. Directorate of Social Defence</b>						
1	Observation Homes (Section 8 of JJ Act 2000)	6	2	8	Providing food, shelter and clothing as per the scales prescribed in the Rules. Education and vocational training are also imparted during the period of enquiry.	Children facing enquiry before JJ Boards
2	Reception Units	8	7	15	Providing food, clothing and shelter prescribed in the Rules besides non-formal education during the trial period	Children facing enquiry before the child welfare committees
3	Children Homes (Section 34 of JJ Act 2000)	11	20	31	Education upto X standard is imparted to the children – Vocational training, Carpentry, Weaving, mat weaving, book binding, masonry, Soap making, land, tailoring, powerloom weaving, gardening, welding etc are given to the children during their period of stay (detention) in homes.	Children committed by the Child Welfare Committees
4	Special Homes (Section 9 of JJ Act 2000)	2	-	2	Non-formal education, tailoring and mat weaving during their period of stay (detention) in the homes	Children committed by the Juvenile Justice Boards
5	After care organisations (Section 44 of JJ Act 2000)	3	-	3	Higher education in colleges, polytechnics, para-medical and Professional Courses	Children discharged from Children Homes/Special Homes
<b>Total</b>		<b>30</b>	<b>29</b>	<b>59</b>		
<b>B. Directorate of Social Welfare</b>						
1	Orphanages	25	..	25	Providing food, shelter, clothing, education, health care, etc., free of cost.	Orphan Children
2	Destitute Homes	..	174	174	For rehabilitation of destitute children as normal children. Government provide grants in aid at the rate of Rs 200 (increased to Rs 225 from 2007-08) per child towards food, clothing, etc.	Deserted, neglected and stranded children.
3.	Special Government homes for Tsunami affected children	2	..	2	For rehabilitating Tsunami affected children by way of financial assistance.	Children orphaned by Tsunami disaster
<b>Total</b>		<b>27</b>	<b>174</b>	<b>201</b>		
<b>Grand Total</b>		<b>57</b>	<b>203</b>	<b>260</b>		

## Appendix 3.15

(Reference: Paragraph 3.2.6; Page: 81)

## List of Government run Homes and Orphanages and NGO run homes covered by Audit

Sl. No.	District	Homes/Orphanages run by Government	Controlling Authority	Homes related to DSD/ destitute Homes run by NGOs	Controlling Authority
1.	Madurai	1 Government Orphanage	DSW	1 Balamandiram, Madurai – 14	DSW
		2 Government After Care Organisation	DSD	2 Balar Illam, Madurai – 9	DSW
				3 Balar Illam Destitute Cottage, Madurai – 6.	DSW
				4 Tamil Nadu Sanmuga Seva Sangam, Madurai 625701	DSW
				5 Balar Illam Destitute Cottage, Madurai 625019	DSW
				6 Madurai Sevashram, Madurai 14	DSW
				7 Shakthi Vidiyal Reception Unit	DSD
				8 Madurai Children Aid Society Observation Home	DSD
2.	Cuddalore	3 Government Orphanage	DSW	9 Vallalar Home for Children	DSW
		4 Government Orphanage – Tsunami	DSW	10 Paravatharajakala Poor Students Hostel	DSW
		5 Government Children's Home for Boys @ Villupuram	DSD	11 Annai Velankanni Destitute Home for Children	DSW
		6 Government Observation Home	DSD	12 St Antony's Home for Children	DSW
				13 R. C. Home	DSW
3.	Coimbatore	7 Government Orphanage	DSW	14 Seva Nilayam (housing destitutes and Children Home)	DSW & DSD
				15 Sri Ramakrishna Ashram	DSW
				16 St John Home for Children	DSW

Sl. No.	District		Homes/Orphanages run by Government	Controlling Authority		Homes related to DSD/ destitute Homes run by NGOs	Controlling Authority
3.	Coimbatore				17	St Mary's Home for Children	DSW
					18	Discharged Prisoner's Society Observation Home and Reception Unit for Boys and Girls	DSD
4.	Vellore	8	Government Orphanage	DSW	19	Guild of Service (Seva Samajam)	DSW
		9	Government Children Home and Reception Unit	DSD	20	Dominic Savio Boys Home	DSW
		10	Government After Care Organisation for Girls	DSD	21	St Anne's Home for Children	DSW
		11	Government Special Home	DSD	22	St Maria Teresa Home for Children	DSW
					23	Swamy Sivananda Students Home	DSW
5	Dharmapuri	12	Government Orphanage	DSW	24	Vallalar Balar Illam for Boys and Girls (housing destitutes, Children Home and Reception Unit)	DSW & DSD
		13	Government Children Home	DSD			
6	Nagapattinam	14	Government Orphanage	DSW	25	Kasturiba Gandhi Kanya Gurukulam	DSW
		15	Government Orphanage Tsunami	DSW	26	St Joseph's Home for Children	DSW
					27	St Antony's Home for Children	DSW
					28	St Don Bosco Home for Children	DSW
					29	Our Lady of Health Boys Home	DSW
					30	St Teresa's Home for Children	DSW
					31	Don Bosco Home for Children	DSW
					32	Arivagam Children Home for Mentally and Physically Handicapped	DSD
7	Ramanathapuram	16	Government Orphanage	DSW			

Sl. No.	District		Homes/Orphanages run by Government	Controlling Authority		Homes related to DSD/ destitute Homes run by NGOs	Controlling Authority
8	Chennai	17	Government Orphanage, Waltax Road	DSW	33	Seva Samajam for Girls (housing destitutes and Children Home)	DSW & DSD
		18	Government Orphanage, Perambur	DSW	34	St Anne's Home for Children, Royapuram	DSW
		19	Government Children Home for Boys	DSD	35	Adi Dravida Samuga Sevakar Sangam	DSW
		20	Government Children Home for Girls	DSD	36	Young Women Christian Association of Madras	DSW
		21	Government Observation Home for Boys	DSD	37	Avvai Home destitute Children section	DSW
		22	Government Observation Home for Girls	DSD	38	St Francis Xavier's Home for Children	DSW
		23	Government Special Home for Girls	DSD	39	Stree Seva Mandir	DSW
					40	Bala Mandir Kamaraj Trust (housing destitutes and Children Home)	DSW & DSD
					41	Children's home for Boys and Girls under Madras Society for the protection of Children	DSD
					42	Children Home for Boys and Girls under Seva Samajam	DSD
					43	Children's Home for Boys under Seva Samajam Boys Home	DSD
					44	Children's Home for Boys and Girls under Daya Sadan Children's Town	DSD
					45	Children's Home under Don Bosco Beatitudes	DSD
					46	Children Home under Bala Vihar for Mentally Defective Girls and Boys	DSD

Appendix 3.16

(Reference: Paragraph 3.2.8; Page: 82 and 83)

(A) Number of juvenile crimes during 2002-2006 and rate of juvenile delinquency

Year	Incidence of		Percentage of juvenile crimes to total crimes	Estimated population of the State (In lakh)	Rate of juvenile delinquency (juvenile crime per lakh of population)
	Juvenile crimes (In Number)	Total crimes (In Number)			
2002	543	1,65,374	0.33	621.10	0.87
2003	705	1,57,186	0.45	632.00	1.12
2004	683	1,66,606	0.41	638.00	1.07
2005	644	1,62,360	0.40	644.00	1.00
2006	644	1,48,972	0.43	651.35	0.99

(B) Number of Juvenile apprehended during 2002-2006

Year	Number of juveniles apprehended belonging to the age group			
	7-12 years	12-16 years	16-18 years	Total
2002	3150	2201	217	5568
2003	2292	1653	953	4898
2004	518	1209	646	2373
2005	464	929	755	2148
2006	456	844	674	1974



## Appendix 3.17

(Reference: Paragraph 3.2.8.2; Page: 83)

## Details on sanctioned capacity and actual capacity of children in child care institutions

Sl. No.	Type of Institution	Controlling Authority	Total number in the State	Total capacity	Actual capacity utilised during		
					2005-06	2006-07	2007-08
<b>A Government institutions</b>							
1.	Observation Home	DSD	6	400	161 (40.3)	174 (43.3)	163 (40.8)
2	Special Home	DSD	2	200	74 (37)	63 (31.5)	54 (27)
3.	Children Home	DSD	11	2600	1179 (45.3)	1067 (41)	1139 (43.8)
4	After Care Home	DSD	3	150	66 (44)	89 (59.3)	84 (56)
5	Orphanages	DSW	27	5500	5060 (92)	5189 (94.3)	4811 (87.4)
<b>B Run by NGOs</b>							
1	Observation Home	DSD	2	100	49 (49)	66 (66)	84 (84)
2	Children Home	DSD	20	2470	733 (29.7)	944 (36.6)	998 (40.4)
3	Destitute Home	DSW	174	14477	12477 (86.2)	12480 (86.2)	12839 (88.7)
<b>Total</b>			<b>245</b>	<b>25,897</b>	<b>19,799</b>	<b>20,072</b>	<b>20,172</b>

**Appendix 3.18**

**(Reference: Paragraph 3.2.10.3; Page: 90)**

**Welfare measures for rehabilitation in Government Homes**

- (a) Marriage grant of Rs 3000 to the children for whom marriage is arranged by the department besides Rs 2000 paid towards marriage-day expenses.
- (b) Incentives to the children according to their skills at the rate of Rs 70 and Rs 50 per month per inmate (skilled and semiskilled) and 150 children are benefited every year.
- (c) Implementation of Family Support Scheme, as a deinstitutionalisation effort. Beneficiaries under this programme are identified by a committee and placed back with parents. Financial assistance of Rs 200 per month per inmate is provided to the family and 50 children are benefited under this programme every year.
- (d) Lump sum assistance ranging between Rs 500 and Rs 2000 in the form of tools and equipment is provided to the discharged children of children/Special Homes, trained in various trades.
- (e) Pocket money allowance at the rate of Rs five per month per child
- (f) Job-oriented vocational training courses are offered at one Government After care organisation (Attur), to the discharged children for their future employment.
- (g) Appointment of mentors for children who had no parents or relatives and
- (h) A committee constituted as per the directions of High Court, Madras to trace the parents of each child.

**Appendix 3.19**  
**(Reference: Paragraph 3.2.10.4; Page: 91)**  
**High Court directives to State Government**

Sl. No.	High Court Directive	Government reply
1.	Revamp Academic and Vocational Programmes	
(i)	Educational wing of DSD needs strengthening.	(i) Out of 83 vacant posts of teachers, 47 posts have been filled up.
(ii)	ABL methods to be introduced.	(ii) Motivation of teachers/children capacity building will be done each year.
(iii)	Teachers need to be trained on these techniques.	(iii) New modern vocational trades such as Electrical Plumbing, Motor rewinding, Fabric painting, Pot paintings, Artificial flower making, way modeling, kitchen garden, vermiculture, cell phone repairing have been identified and will be introduced through NGO's at a cost of Rs 14 lakh in 2008-09..
(iv)	Vocational teachers to be appointed.	(iv) Training Programmes would be introduced within 3 months in all the child care institutions in the State and within 1 month in the City of Chennai.
(v)	Trades with "Rehabilitation potential" should be identified.	No reply furnished.
(vi)	After care of the children by arranging bank loans based on their educational/ vocational training skills.	No reply furnished.
(vii)	Yoga, Medication, remedial physiotherapy and other forms of exercise to be provided.	A proposal to provide Rs 5 lakh for introducing yoga, meditation and other forms of exercise through NGOs is pending with Government.
2.	Match buildings in needs and function of Institutions.	
(i)	Allotment of buildings for different types of institutions should be reconsidered.	(i) Minor repairs will be done from the budget provided for maintenance of buildings each year.
(ii)	Evolve a common building design for institutions with more play areas.	(ii) New structures will be made based on priority under part II schemes. A proposal to provide Rs 28,000 per home for land scapping 21 homes and to enhance the aesthetic value of the homes so as to set up child friendly homes was approved by Government in principle. Necessary sanction will be issued by Government during 2009-09.
		(iii) Common building design would be evolved in consultation with PWD.
3.	Fine tuning the probation officers (POs)	
(i)	The number of POs are grossly inadequate considering the large number of cases and other responsibilities assigned for them.	(i) A proposal to appoint 12 additional POs was accepted by Government.
(ii)	Voluntary POs may be introduced to assist the system by framing necessary rules.	(ii) In future, child welfare officers will be nominated as per designation.
(iii)	Child Protection services to be created, they will be trained, oriented and inducted to provide counselling and psycho-logical services.	No reply furnished.
(iv)	Powers of the POs may be delegated to these officers.	No reply furnished.
(v)	Using prison POs in JJ system may be done away with.	Orders have been issued by the Department.

Sl. No.	High Court Directive	Government reply
	(vi) The State Government is directed to appoint atleast one POs in each district within 6 months.	Same as reply to 3 (i)
4.	<b>Role of Police</b>	
	(i) The system of designating police officers by name at the police station may be done away with.	(i) Special Juvenile Police Unit will be strengthened in stages in co-ordination with the Police Department.
	(ii) They may be deputed to this work by designation so that the station does not suffer due to transfer.	(ii) Training programme for the police officers will be introduced within 6 months. Director General of Police was addressed in October 2007 to conduct training programmes.
	(iii) Juvenile Aid Police Unit must be made operational and provided with good officers.	Director General of Police was addressed in October 2007.
5.	<b>Tracing parents</b>	
	(i) In respect of children whose parentage is not known, it is suggested that committee of professionals be formed to reopen all the old cases.	(i) Committee of professionals were be formed and the case files were reviewed. Out of 139 cases, 54 addresses were so far traced (May 2008).
	(ii) Review of case files to explore the possibilities of their tracing their families.	(ii)
	(iii) Children who practically have nobody should be considered for adoption/ foster care if they are in the suitable age for other childrens "mentor system" may be adopted in arrangement with NGOs.	(iii) "Mentor programme" being implemented in one of the city institutions. This would be extended to other institutions also.
6.	<b>Enhancing grants</b>	
	Steps may be taken to increase the grants sanctioned to NGOs for the maintenance of children after arriving a rational formula.	The present maintenance grant to NGOs has been increased from the Rs 225/- to Rs 450/- per child per month.
7.	<b>Differently abled children</b>	
	(i) Mental age of the children are far below the chronological age in respect of differently abled children. As such discharging these children at 18 years is not in the interest of such children.	(i) Government addressed in October 2007 for formulating of suitable policy for giving continued institutional care to such children beyond 18 years of age.
	(ii) A policy should be evolved to provide continuous institutional care for Mentally Retarded children even after 18 years of age.	(ii) A separate scheme in respect of disabled children in child care institutions will be prepared and filed by committees, for disabled within 3 months.
	(iii) For co-ordination, newer institutions should be planned for the other zones. NGOs willing to start homes for the care of such children may be encouraged.	(iii) It is planned for having newer institutions in other zones.
8.	<b>Appoint professionals</b>	
	(i) Adequate number of counsellors, psychologists, social workers and criminologists are needed for the institutions and child care activities.	(i) Resource centers were proposed to be established in all districts at a cost of Rs 13.84 lakh.

Sl. No.	High Court Directive	Government reply
	(ii) A resource team consisting of psychologists, psychiatrists, social workers, medical specialists available locally in universities/ colleges etc., can be identified and brought into the JJ system.	(ii) The Government accepted outsourcing of medical officers on payment per visit basis.
	(iii) Strengthen Juvenile Guidance Bureau This would serve as a hub of strategic intervention for juvenile in conflict with law. Develop a system of voluntary counsellors.	(iii) Resource centers were proposed to be established in all districts at a cost of Rs 13.84 lakh.
	(iv) Develop a system of voluntary counsellors Selected volunteers shall be oriented through a training module which has to be developed.	(iv) Resource centers were proposed to be established in all districts at a cost of Rs 13.84 lakh.
9.	Juvenile Justice Board	
	(i) The appointment of social worker members should be among those who have aptitude and experience.	(i) The suggestions will be taken up in 2008, when the JJB's terms expire.
	(ii) Separate magistrate may be appointed instead of deputing the regular judicial magistrate.	(ii) Government will take a decision for appointment of Special Magistrate for JJBs within 3 months.
	(iii) Boards with more number of cases shall be identified and the Government may appoint magistrates for these Boards.	(iii) Necessary reports sent to Government in March 2008 by the CSD.
	(iv) Standing counsel may be appointed for JJBs based on the needs.	No reply furnished by Government yet (May 2008)
	(v) JJBs should be provided with necessary staff and infrastructure.	Proposal sent to Government in March 2008, for appointment of steno/typist and one clerk to each JJBs.
	(vi) An APP may be specially appointed for the Board exclusively.	No reply furnished by Government yet (May 2008)
	(vii) Provide typewriters/ computers and Xerox machines to all Boards with supporting staff.	No reply furnished by Government yet (May 2008)
10.	Improve competency of the staff	
	(i) JJB and CWC members and chairpersons may be given re-orientation programme on the related topics.	35 staff members were given training in September and December 2007. Rs 5 lakh would be provided for the training in 2008-09 as agreed by Government.
	(ii) More <i>in situ</i> training should be given to the service delivery staff in NGO run homes/Government homes.	
	(iii) As per Rule 127, training Academy may be created with professional trainers at Chennai.	Training and orientation programme would be introduced in the department within 3 months.

Sl. No.	High Court Directive	Government reply
11.	Provide adequate budget	
	Appropriate Budget atleast 3 times the present amount may be provided for white washing, electrical repairs, equipment, maintenance, replacement, etc., for buildings.	Government has released a sum of Rs.25 lakh towards maintenance works for the year 2007-08.
12.	Ensure Minimum standards	
(i)	Clothes, bedding, toilets, other facilities should be adequately made in Children Homes.	(i) Bedding materials will be provided adequately. Government addressed in September 2007/ December 2007 for provision of Rs 10 lakh for clothing and bedding material.
(ii)	Periodical medical check ups and medical screening may be conducted.	(ii) Periodical health check up, medical screening will be arranged.
(iii)	Framing of the rules for the amended Act may be done.	(iii) In progress.

## Appendix 3.20

(Reference: Paragraph 3.2.12.1; Page: 94)

## Number of children run away from various homes

Sl. No.	Home	Number of escapes	Number retrieved	Balance not traced as on date
1.	Vallalar Illam, Dharmapuri (NGO)	6	5	1
2.	Government Children Home, Panchampalli, Dharmapuri	32	20	12
3.	Government Children Home, Ranipet, Vellore	36	24	12
4.	Reception Unit, Ranipet	29	8	21
5.	Government Children Home, Villupuram	30	11	19
6.	Arivagam, Mayiladuthurai (NGO home for special need children)	125	58	67
7.	Government Children Home, Karaikudi	2	0	2
8.	Government Children Home, Chengalpattu	50	22	28
9.	Government Children Home, Thanjavur	48	20	28
10.	Government Children Home, Mallipudhur	31	13	18
11.	Reception Unit, Villupuram	10	0	10
12.	Government Children Home, Royapuram, Chennai	132	66	66
13.	Government Children Home (Girls), Chennai	25	14	11
14.	Seva Samajam Girls Home, Chennai - 21	7	6	1
15.	Government Observation Home, Tirunelveli	14	12	2
16.	Government Observation Home, Salem	4	3	1
17.	Government Observation Home, Madurai	11	0	11
	<b>Total</b>	<b>592</b>	<b>282</b>	<b>310</b>

Appendix 3.21

(Reference: Paragraph 3.2.13.6; Page: 100)

Differential treatment met by children

Sl. No.	Children Homes run under Social Defence	Orphanages and Homes run by voluntary institutions under Social Welfare Department
1.	Admission criteria	
	(i) Children in the age group of 0 to 5 included	(i) In Government orphanages children above 5 years alone admitted.
	(ii) Boys above 10 years of age admitted.	(ii) Boys above 10 years of age not admitted. They are discharged after getting 10 years old.
	(iii) Scrutiny of papers by CWCs and orders obtained before admission of child.	(iii) No such scrutiny. Admission is made by District Social Welfare officer (DSWO) on the strength of certificates issued by VAO, Tahsildar, etc. No review is made at higher levels.
2.	Uniforms	
	4 sets/Dress of uniforms per year are supplied to the children. Inner garments as per scale supplied (two).	Only 2 sets of uniforms are supplied to each child per year. No other dress is supplied (As per the minimum standards approved in G.O dt 31.5.2004).
3.	Medical Benefits	
	No such benefit given.	Rs 25/- per annum per child is granted towards cost of medicines (to Children Homes run by Government as well as NGO's) from 2007-08.
4.	Education allowance	
	Education allowance @ Rs 200/- per month is allowed in respect of each child who is discharged from middle of the academic year to continue studies in the school from June 1999.	No such orders for orphanages run under Directorate of Social Welfare



## Appendix 3.22

(Reference: Paragraph 3.3.6 ;Page: 113)

## Number of road accidents in Chennai Metropolitan Area

Sl No	Year	Number of vehicles	Number of accidents	Fatal accidents		Non-fatal accidents		Non injury Accidents
				Number	Number of persons killed	Grievous injuries Accidents	Minor injuries Accidents	
1	2003	14,64,335	4202	509	567	217	3274	202
2	2004	15,74,444	4873(16)	560(10)	605	246	3750	317
3	2005	17,15,673	4896(0.5)	550	1190	435	3712	199
4	2006	18,83,286	5817(18.8)	1082(96.7)	1136	112	4336	287
5	2007	21,85,723	6892(18.5)	1125(4)	1161	178	5147	442

(figures in brackets show growth rate)

Appendix 3.23

(Reference: Paragraph 3.3.6; Page: 113)

A. Analysis of road accidents – Types of roads-wise

Types of Roads	Fatal		Grievous injury		Minor injury		Non injury	Total number of accidents
	No. of accidents	No. of persons killed	No. of accidents	No. of persons injured	No. of accidents	No. of persons injured	No. of accidents	
National Highways	301	313	49	53	1379	1762	144	1873
State Highways	0	0	0	0	0	0	0	0
Other District Roads	824	848	129	144	3768	4508	298	5019
Other village roads	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1125</b>	<b>1161</b>	<b>178</b>	<b>197</b>	<b>5147</b>	<b>6270</b>	<b>442</b>	<b>6892</b>

B. Analysis of road accidents – Types of vehicles-wise

Types of Vehicles	Fatal		Grievous injury		Minor injury		Non injury	Total number of accidents	Percentage with respect to Total number of accidents
	No. of accidents	No. of persons killed	No. of accidents	No. of persons injured	No. of accidents	No. of persons injured	No. of accidents		
Bus-Government	152	156	9	9	338	405	27	526	8
Bus-Private	39	41	2	2	95	111	10	146	2
Truck/Lorry	263	275	17	24	567	708	154	1001	14
Car/Jeep/Taxi/Tempo	211	219	68	71	1578	1969	181	2038	30
Two wheelers	237	238	59	64	1642	1887	14	1952	28
Three wheelers	53	54	19	22	740	962	23	835	12
Others	170	178	4	5	187	228	33	394	6
<b>Total</b>	<b>1125</b>	<b>1161</b>	<b>178</b>	<b>197</b>	<b>5147</b>	<b>6270</b>	<b>442</b>	<b>6892</b>	

**Appendix 3.24**

(Reference: Paragraph 3.3.7.2; Page: 114)

**Allocation and expenditure under traffic component of CMDP during 2003-04 to 2007-08**

(Rupees in crore)

Sl No	Nature of projects	2003-04		2004-05		2005-06		2006-07		2007-08	
		Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure
1	For Rail projects	165.00	260.47	121.30	120.61	84.00	61.15	41.79	40.85	85.30	27.77@
2	For Airport projects	NIL	NIL	NIL	NIL	100.00	NIL	100.00	NIL	100.00	NIL
3	For Road projects										
(a)	By Highways Department	*	*	410.11	27.90	463.50	64.62	650.27	88.50	350.00	120.29
(b)	By Chennai Corporation	*	*	118.00	83.37	127.70	88.16	105.00	73.14	175.00	127.11
(c)	By Traffic Police	*	*	10.00	NIL	17.00	NIL	23.00	NIL	17.00	--
(d)	By others	*	*	20.32	5.40	144.03	26.70	58.20	37.64	67.01	67.83
	<b>Total Road projects</b>	<b>241.14</b>	<b>151.69 (63)</b>	<b>558.43</b>	<b>116.67 (21)</b>	<b>752.23</b>	<b>179.48 (24)</b>	<b>836.47</b>	<b>199.28 (24)</b>	<b>609.01</b>	<b>315.23 (52)</b>
	<b>Total for Traffic component under CMDP</b>	<b>406.14</b>	<b>412.16(101)</b>	<b>679.73</b>	<b>237.28 (35)</b>	<b>936.23</b>	<b>240.63 (26)</b>	<b>978.26</b>	<b>240.13 (25)</b>	<b>794.31</b>	<b>343.00 (43)</b>

\* Break up details not available

@ upto December 2007 only (Details upto March 2008 not available)

(figures in brackets indicate the percentage of utilisation as against allocation)

**Abstract for 2003-04 to 2007-08**

**Total allocation : Rs 3794.67 crore**

**Total expenditure: Rs 1473.20 crore (39 per cent)**

**Appendix 3.25**

**(Reference: Paragraph 3.3.9; Page: 117)**

**Details of works taken up under various projects for traffic improvement and road safety**

Name of the Project	Department	Category of works	Number of works							
			Considered	Completed	In Progress	At Preliminary stage	Yet to be commenced	Retender called for	Dropped	Transferred to other projects
CMDP	Highways	Road works + Infrastructure works	305	178	59	35	Nil	Nil	22	11
		Land Acquisition	6	Nil	6	Nil	Nil	Nil	Nil	Nil
	Chennai corporation	Infrastructure	17	1	2	Nil	10	2	2	Nil
	<b>Total</b>		<b>328</b>	<b>179</b>	<b>67</b>	<b>35</b>	<b>10</b>	<b>2</b>	<b>24</b>	<b>11</b>
TNUDP III	Highways	Road works	13	Nil	Nil	13	Nil	Nil	Nil	Nil
		Infrastructure	16	Nil	Nil	16	Nil	Nil	Nil	Nil
	<b>Total</b>		<b>29</b>	<b>Nil</b>	<b>Nil</b>	<b>29</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total</b>			<b>357</b>	<b>179</b>	<b>67</b>	<b>64</b>	<b>10</b>	<b>2</b>	<b>24</b>	<b>11</b>

**Abstract**

- (i) Works in Progress 67 (19 per cent of 357 works)
- (ii) Works not taken up 76 (64, 10 and 2) (21 per cent of 357 works)
- (iii) Works dropped /transferred not sanctioned by Government 35(24 and 11) (10 per cent of 357 works)

## Appendix 3.26

(Reference: Paragraph 3.3.9.2; Page: 118)

## Works dropped under CMDP (Highways Department)

		(Rupees in crore)
Sl. No.	Name of the work	Administrative Sanction
	<b>PLAN 2003-04</b>	
1	Widening the road at Saidapet in GST road by shifting of Transformers	0.08
2	Widening the road at Km 3/4 - 3/5 of Inner ring road (near Ashok Pillar)	0.07
3	Providing Bus bay on Sardar Patel road at Gandhi Nagar park	0.34
4	Widening the Medavakkam Tank Road	1.41
5	Improvements to the Kalliamman Koil Street Junction at Arcot road near Virugambakkam	0.33
6	Providing compound wall and foot path in Santhome Bye pass road km 0/0 - 2/5	1.00
7	Widening the Bharathidasan Road Junction	0.05
8	Providing Bus bay at Km 1/1 - 1/2 (RS) in EVR Salai (Near Victoria Hall)	0.08
9	Providing Bus bay at Poonamallee High Road at KMC Entrance	0.06
10	Providing Bus bay on Sardar Patel Road at CLRI	0.47
11	Widening Greenways road and Santhome road (South Beach Road Km 7/5 - 9/3)	1.94
12	Widening the Flag staff road	2.00
	<b>PLAN 2004-05</b>	
13	Widening to six lane and strengthening of GWT road	20.00
14	Widening and strengthening of Marmalong bridge - Irumpuliyur road	11.00
15	Widening and strengthening Thiruvortiyur - Ponneri - Panchatty road	23.40
16	Widening Taramani link road	6.00
17	Widening and strengthening of Poonamallee - Patabiram road	7.50
18	Widening to six lane of Sardar Patel Road	6.00
19	Widening to two lane of CKS road to Kolapakkam road	2.00
20	Widening to two lane of MP road to Manapakkam road	2.00
21	Widening to two lane of Mangadu pattu - Mugalivakkam road	2.50
	<b>PLAN 2005-06</b>	
22	Providing hard shoulders and strengthening Vandalur - Walajabad road	20.00
	<b>TOTAL</b>	<b>108.23</b>

Appendix 3.27

(Reference: Paragraph 3.3.9.2; Page: 118)

Works transferred to be taken up under other schemes (Highways Department)

		(Rupees in crore)
Sl. No.	Name of the Scheme	Administrative Sanction
	<b>Plan 2004-05</b>	
1	Construction of over bridge in Maraimalai Adigal Bridge – Irubuliyur road and Pallavaram – Thoraipakkam road Junction	12.00
	<b>Plan 2005-06</b>	
2	Providing grade separator at the intersection of Inner Ring Road-Anna Nagar II Avenue and Tirumangalam-Mogappair Road	30.00
3	Providing a grade separator at Moolakkadai Junction at Km 8/6 of GNT road	25.00
4	Providing a grade separator at the intersection of Kodambakkam – Sriperampudur road and Mount Poonamallee Road at Porur	15.00
5	Providing a grade separator at the intersection of Anna Salai with Sardar Pater Road at Halda Junction	22.00
6	Providing a grade separator along Inner Ring Road at the junction of Arcot Road near Vadapalani	30.00
7	Providing Road over bridge at Vyasarpadi under pass in GNT road	50.00
8	Widening the bridge at Sardar Patel road across Buckingham canal near cancer institute	1.00
9	Providing additional two lane carriageway bridge to the Thiru Vi.Ka Bridge across Adyar river	9.00
10	Providing a bridge across Ennore creek to connect Ennore Express way with North Chennai Thermal Power station	20.00
11	Providing a high level bridge across coovum river at the road connecting GWT road at Km 11/2 and Mogappair	5.00
	<b>TOTAL</b>	<b>219.00</b>

## Appendix 3.28

(Reference: Paragraph 3.3.9.3; Page: 119)

## Details of land acquisition cases

(Rupees in lakh)

Sl.No.	Year	Name of work	Amount
<b>Thiruvallur (H) Division</b>			
1	2004-05	Forming Eastern Bye-pass road	100.00
2	2005-06	Widening and strengthening of East Coast Road Km 11/8 – 23/2.	1000.00
<b>Chennai Roads (H) Division</b>			
3	2005-06	Land acquisition for widening of South Beach Road Km 10/4 – 13/4	440.00
4		Widening the College Road Km 0/0 – 0/6 (from Valluvarkottam High Road junction to Haddows Road)	600.00
5		Widening the NSK salai (Arcot Road) from Trustpuram city limit Km 8/1 – 11/4	2000.00
6		Widening the Medavakkam Tank Road from Kelleys junction to Ayyanavaram Road junction	1000.00
		<b>Total</b>	<b>5140.00 or 51.40 crore</b>

Appendix 3.29

(Reference: Paragraph 3.3.9.3; Page: 119)

Present stage of works of grade separators not yet taken up for execution under CMDP

Sl.No	Name of the work	Year of sanction	Administrative sanction (Rupees in crore)	Present position
1	Providing grade separator at the intersection of NSK road (Arcot road) and Inner Ring Road, Vadapalani.	2005-06	30.00	As decided in the Steering Committee, the grade separator is proposed to be executed along with Metro Rail Project by Chennai Metro Rail Company and necessary proposal sent to Government in October 2007, was pending with Government.
2	Providing grade separator at the intersection of Anna Salai with Sardar Patel Road at Halda junction.	2005-06	22.00	As decided in the Steering Committee, the grade separator is proposed to be executed along with Metro Rail Project by Chennai Metro Rail Company and necessary proposal sent to Government in October 2007 was pending with Government.
3	Providing grade separator at the intersection of Anna nagar II avenue and Mogappair road with Inner Ring Road at Thirumangalam.	2005-06	30.00	As decided in the Steering Committee, the grade separator is proposed to be executed along with Metro Rail Project by Chennai Metro Rail Company and necessary proposal sent to Government in October 2007 was pending with Government.
4	Providing grade separator at the intersection of Kodambakkam, Sriperumbudur road and Mount-Poonamallee road at Porur.	2004-05	15.00	Revised administrative sanction proposal for Rs 80 crore was prepared and sent for approval. The design was under scrutiny by a consultant. For land acquisition, the proposal is under scrutiny by the Special Deputy Collector, Poonamallee.
5	Construction of grade separator at Moolakkadai junction at km 8/6 of GNT road.	2005-06	25.00	As decided in the Steering Committee, three options of alignment for construction of grade separators were forwarded and Government's approval for the same is awaited (May 2008).
	<b>Total</b>		<b>122.00</b>	



## Appendix 3.30

(Reference: Paragraph 3.3.9.3; Page: 119)

## Details of bridge works pending under CMDP

Sl.No	Name of the bridge work	Year	Estimated cost	Present position
			(Rupees in lakh)	
<b>(A) Chennai Division (H)</b>				
1	Widening the bridge across river Cooum in Periyar EVR salai at km 6/6 GWT road.	2005-06	300.00	Tender (4th call) invited on 27 May 2008.
2	Widening the bridge at km 8/6 of Anna salai (near Jonnes road junction).	2005-06	50.00	Tender (17 <sup>th</sup> call) invited in 27 May 2008.
3	Construction of two lane bridge adjacent to the existing Thiru Vi. Ka bridge at Chennai (Adyar).	2005-06	900.00	Alignment on downstream side of old arch bridge was approved in March 2008. Design and estimates are under scrutiny of a consultant. Proposal for land acquisition is under preparation.
<b>(B) Thiruvallur Division (H)</b>				
4	Reconstruction of bridge at km 4/6 of Thirumazhisai Sathyavedu road	2004-05	120.00	Tender invited in 27 May 2008.
5	Reconstruction of collapsed bridge at km 17/2 at GNT road	2005-06	300.00	Tender invited in 27 May 2008
6	River bridge across Cooum river at road connecting GWT road at km 11/2 at Moggappair	2004-05	2050.00	Preparation of Draft Project Report is under progress by the consultant. Revised Administrative Sanction proposal for Rs 20.50 crore was prepared and sent to Government for approval.
7	Bridge across Ennore Creek connecting Ennore Expressway road with North Chennai Thermal Power Station	2004-05	2000.00	The PWD authorities gave concurrence to take the alignment at a distance of 100 m away from Buckingham canal. Since the width of the land was not sufficient for the coming Inland waterway transport work (IWT), the revised alignment proposal, as per PWD requirement prepared and sent for approval.

Abstract	2004-05	2005-06
Chennai division (H)	-	1250.00(3)
Thiruvallur division (H)	4170 (3)	300.00 (1)
<b>Total</b>	<b>4170 (3)</b>	<b>1550.00 (4)</b>
<b>Grand Total</b>	<b>5720 lakh (7 works) or 57.20 Crore</b>	

Appendix 3.31

(Reference: Paragraph 3.3.9.4; Page: 120)

Position of works taken up by Chennai Corporation as on 31 March 2008

Year	Sl. No	Name of the work	Estimate cost (Rs in crore)	Present position
2006-07	1	Fly over at the junction of North Usman Road and Kodambakkam Road	9.72	Completed in March 2008 and Rs 5.83 crore paid upto March 2008
	2	Fly over at Perambur	45.67	A flyover was sanctioned earlier in 1999 at an estimated cost of Rs 21 crore. During execution, one of the columns constructed did not bear the load capacity and sank due to poor soil condition. When construction was decided to be resumed, the Corporation effected changes in the design based on the reports prepared by IIT, Chennai. The estimate was revised based on this design to Rs 45.67 crore and the work was proposed to be implemented during 2006-07. As of March 2008, re-tender was called for.
	3	Fly over at the junction of Chamiers Road Turn bulls road	14.72	The work was sanctioned in December 2006 and the work order issued in February 2007. However even as March 2008, the works could not be commenced, as the Chennai Metropolitan Water Supply and Sewage Board (CMWSS Board) could not finalise the contract for diversion and relaying of sewer and water lines. As reported by CMWSS Board, the revised designs are being prepared for the relaying work and the work would commence shortly.
	4	Fly over at the junction of GN Chetty road and Thirumalai Pillai road	16.50	Piling works were in progress.
	5	Fly over at the junction of Usman Road and Doraisamy Road	19.80	Pier and pier cap works were in progress.
	6	Korukkupet RUB	4.94	Railways had submitted a revised plan and tender for the work is to be called for.
	7	Kathivakkam ROB	12.20	The work was earlier sanctioned for Rs 10.80 crore during 2006-07. Since the lowest tender was over 102.41 per cent above the estimate and the tenderer refused to reduce the rate, the tender was rejected. The estimate was revised to 12.20 crore and sanctioned during 2007-08. The work order was issued and the work is to be commenced.

Year	Sl. No	Name of the work	Estimate cost (Rs in crore)	Present position
	8	Rangarajapuram ROB	15.74	Work order issued and work is to be commenced.
	9	Villivakkam RUB	13.39	The work was earlier sanctioned during 2006-07. Of the two tenders received, the lowest tender was 35 per cent higher than the estimate. When approval was sought, certain queries were raised and before replying to the queries, the validity of tender expired and Tender Committee rejected the tenders. Revised estimate was prepared during 2007-08 and the work was awarded. The work is to be commenced.
	10	Royapuram RUB	10.55	The work was originally sanctioned in 1998-99. However tenders were called for only in August 2006. As the lowest tender was more than 45 per cent than the estimate, tender committee reject the tender, when negotiation to reduce the rates failed. The estimate was revised during 2007-08. The work order was issued and the work is to be commenced.
2007-08	1	Grade separator work at Mint junction	20.00	Designs for the work are yet to be submitted as of March 2008.
	2	Grade separator work at Ganesapuram	12.00	-do-
	3	Grade separator work at Luz junction	10.00	Department found that the grade separator at this place was not possible. Traffic improvement drawing is to be submitted.
	4	Grade separator work at Basin Bridge	20.00	-do-
	5	Bridge across Cooum river connecting Anderson bridge to Ethiraj salai	4.00	Drawings for the estimate are yet to be submitted.
	6	High level bridge at Alandur	6.03	Work order issued and the works to be commenced.
	7	Jones Road RUB	4.32	-do-

Appendix 3.32

(Reference: Paragraph 3.3.9.5; Page: 120)

Component-wise break-up details of works under Tamil Nadu Urban Development Programme III

Sl.No.	Category of works	Number of works Proposed as per updated procurement plan	Remarks
1	Road works	13	Out of 23 works initially proposed, 10 works were dropped in the updated procurement plan. The detailed project reports (DPR) were prepared for all the 13 works, and were being reviewed by World Bank. Concurrence has been indicated for three DPRs by World Bank. Besides, appraising the Environmental and Social Safeguard Framework (ESF) followed by Rehabilitation Action Plan (RAP), administrative sanction has been accorded for five road works.
2.	ROBs/RUBs	6	Construction of ROBs/RUBs to replace six road-rail crossings. DPR is under preparation in 6 works.
3.	Grade Separators	3	3 number of Grade Separators are proposed in the following places (i) Blackers Road Junction, Dams Road and Thiruvika road (General Patters Road) Junction and Binny road and Pattullos Road Junction. (ii) Eldams Road and Theagaraya road intersector Cenatoph road junction, Venkatanarayana road and Chamiers road intersection and CIT First main road junction. (iii) Nelson Manickam road junction and Anna Nagar IV Avenue junction. The consultancy on the preparation of DPRs for all the three grade separators have since been awarded and the preparation of DPRs is under progress.
4.	Pedestrian Sub-way	3	Proposed to construct 3 pedestrians subways at the following locations Anna Salai at FVS Anna Salai at Theagraya Road Junction Periyar Salai at Evening Bazaar Junction. Preparation of DPR for all the three pedestrian subways are under progress.

Sl.No.	Category of works	Number of works Proposed as per updated procurement plan	Remarks
5.	Traffic Management	--	Traffic management and enforcement sub-component comprising procurement of tow-away vans, vehicles with speed dome cameras, vehicles for emission analyser, mobile traffic education vans, speed dome cameras, radar guns with (out) cameras, breath analysers, with printers, gas emission analysers (for both petrol and diesel vehicles) computers (laptops to accompany vehicle fitted with speed dome camera for mobile surveillance, one accident analysis software, computers (high performance) for accident analysis LCD projection facility for mobile traffic education propaganda vans, traffic signs, walkie-talkies, pelican traffic signals and CCTV. It also includes construction of a traffic education centre will be implemented by CCTP. The technical specification for procurement of these equipment has already been cleared by the World Bank and the State Level project Sanctioning Committee has approved the component. State Government accorded administration sanction for the proposal on 25 September 2006. CCTP has procured equipment worth only Rs 81 lakh as of date..
6.	Consultancy studies	--	As per the agreed project covenants with World Bank, all sub-projects to be implemented are required to be presented in the form of DPRs, through consultants, to justify the social economic viability. In addition to the sub-projects to be implemented, an eighteen month comprehensive Transportation study (CTS) for CMA at a cost of Rs 1.62 crore has been commissioned by CMDA through consultants in October 2007. The study is being guided by a steering committee chaired by VC, CMDA and a technical committee chaired by CP, CMDA. With the approval of inception report, the consultants had commissioned all the field studies. The data collected through various surveys/studies are currently being analysed.
7.	Project Management Unit	--	The PMU was set up within CMDA with Member Secretary as Project Director. The PMO is operational with a Senior Planner, a Senior Financial Analyst and a Superintendent Engineer since May 2005. One post of Assistant Commissioner of Police (Traffic) with two number of supporting staff from Traffic Management not filled up since the same function is being attended to with the regular strength of CCTP.

Appendix 3.33

(Reference: Paragraph 3.3.10; Page: 121)

List of 46 locations identified for implementing simple traffic management scheme in Chennai Metropolitan Area

Sl.No	Road Location	Department executing the work	Department owning the work
1	Gandhi-Irwin Road near Udipi House point	Chennai Corporation	Railways
2	Spur tank Road-Egmore High Road Junction	Chennai Corporation	Chennai Corporation
3	Spur tank road-Mcnichols Road	Chennai Corporation	Chennai Corporation
4	College Road-DPI, WCC, Metr.lands	Chennai Corporation	DPI, Collegiate Education, Metrology
5	Millers Road- Law College Hostel	Chennai Corporation	Public Works Department/ Education Law Department
6	Ayynavaram-Raju Road and Medavakkam Tank Road junction	Chennai Corporation	Public Works Department, Health Metrowater
7	Paper Mills Road-Sarjad Usain(p) Park	Chennai Corporation	Chennai Corporation
8	Medavakkam Tank Road-within ESI Hospital	Highways	Health Department
9	Medavakkam Tank Road- ESI Hospital staff quarters	Highways	Health Department
10	Anna Salai-Government Estate – Anna Statue – Opposite	Highways	Revenue
11	Anna Salai – Gemini Parson Complex	Highways	OSR Land private
12	Anna Salai-DMS Compound	Highways	Healthand Family Welfare
13	Anna Salai – Bharati Dasan Salai – SIET Junction	Highways	Prison Department/Highways
14	Anna Salai-Cenotoph Road Junction	Highways	Highways
15	Anna Salai-Karumuthu Centre	Highways	Prison Department/Highways
16	Anna Salai – YMCA Golf Ground	Highways	Private
17	Anna Salai – CIT Nagar 4 <sup>th</sup> Main Road Junction	Chennai Corporation	Chennai Corporation
18	Anna Salai – Jones Road Junction	Highways	Highways
19	Anna Salai – Saidapet EB office (Bazar Road)	Highways	TNEB
20	Anna Salai – Guindy Bridge (under) near Madras Race Club	Chennai Corporation	Chennai Corporation
21	Elankaliamman Koil – Anna Salai	Highways	Teachers Training, Higher Education
22	Guindy Little Mount point to Guindy over Bridge in Anna Salai	Highways	Highways
23	Anna Salai-Kathipara junction	Highways	Highways
24	Inner Ring Road near Ashok Pillar	Highways	Postal
25	IRR near Koyambedu Chennai Mofussil Bus Terminal	Highways	Highways
26	Poonamalle High Road – Koyambedu	Highways	Highways
27	GWT Road 0.5 km-0.8k.m	Highways	Highways
28	GWT Road-Victoria Hall	Highways	Corporation
29	GWT Road- Near KMC Hospital both sides	Highways	MAWS
30	GWT Road-Anna Arch-Indian Medicine Hospital	Highways	Health and Family Welfare
31	GWT – Vaishnava College	Highways	Indian Medicine
32	Anna Nagar First Avenue-Chinthamani	Highways	Highways
33	Arcot Road-Virugambakkam-Valsaravakkam	Highways	Highways
34	Arcot Road-Kaliamman Koil	Highways	Revenue
35	Arcot Road-Corporation Zonal office	Highways	Chennai Corporation
36	Moolakkadai Junction-Madhavaram High Road	Highways	Highways
37	Thiruvottiyur high Road near IDH	Chennai Corporation	Chennai Corporation
38	Thiruvottiyur High Roas RSM Street	Chennai Corporation	Chennai Corporation

SI No	Road Location	Department executing the work	Department owning the work
39	Ibrahim Sahib Street (p)	Chennai Corporation	Higher Education
40	Prakasam Salai	Chennai Corporation	Higher Education
41	Rajaji Salai Indian Bank to Royapuram	Highways	Highways
42	M S Koil Street	Highways	Highways
43	R K Mutt Road-Greenways Road	Chennai Corporation	Chennai Corporation
44	Sardar Patel Road-Gandhi Nagar	Highways	Chennai Corporation
45	Sardar Patel Road-CLRI	Highways	CLRI
46	Sardar Patel Road Anna University – Kamaraj Mandram	Highways	Public Works Department/ Higher Education/ Anna University.

Appendix 3.34

(Reference: Paragraph 3.3.11.5; Page: 124)

Pedestrian facilities in order of priority

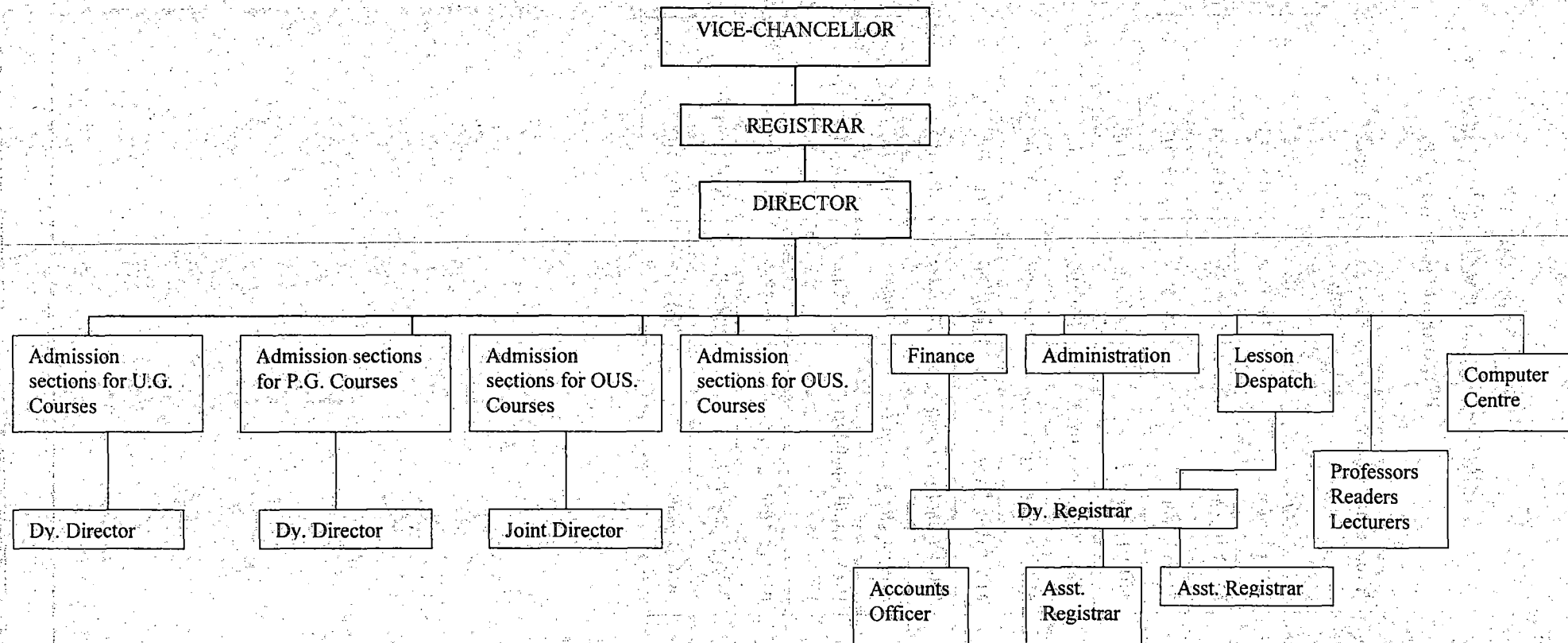
Sl.No.	Pedestrian facilities in order of priority	Work taken up and completed
1.	Pedestrian Subway on Kamaraj Salai near Queen Mary's College	Yes
2.	Pedestrian Subway on Nageswara Rao Road, near Panagal Park	
3.	Pedestrian Subway at Evening Bazaar road	
4.	Pedestrian Subway at Usman Road – Doraiswamy Road intersection	
5.	Pedestrian Subway at Pallavaram	Yes
6.	Pedestrian Subway on EVR Periyar Salai near Anna Arch	
7.	Pedestrian Subway across NSK Salai near Meenakshi College	
8.	Pedestrian Subway at Tambaram	Yes
9.	Pedestrian Subway across Rattan Bazaar Road and Evening Bazaar road	
10.	Pedestrian Subway on Kamarajar Salai near Ezhilagam	Yes
11.	Pedestrian Subway on Anna Salai near Tarapore Towers	
12.	Pedestrian Subway on Anna Salai near TVS	
13.	Pedestrian Subway on Anna salai near SIET College Bus stop	
14.	Pedestrian Subway on EVR Periyar Salai near Taylors Road intersection	
15.	Pedestrian Subway on Anna Salai near Periyar Building	
16.	Pedestrian Subway on Anna Salai near Tod Hunter Nagar	
17.	Pedestrian Subway at Kuralagam junction	
18.	Pedestrian Subway at Mint junction	
19.	Pedestrian Subway at Raja Annamalai Mandram	
20.	Pedestrian Subway at Luz intersection	



Appendix 3.35

(Reference: Paragraph 3.5.1; Page: 143)

Organisation Chart of Institute of Distance Education of University of Madras



**Appendix 3.36**

**(Reference: Paragraph 3.5.3.3; Page: 145)**

**Printing of study material**

Sl. No.	Name of the Course	Year of study	Book code No.	Date on which printing order was given
1.	MBA II year	2007	PBA 214	31.10.2007
2.	MBA II year	2007	PBA 209	28.09.2007
3.	MBA I year	2006	PBA 103	17.10.2006
4.	MBA I year	2006	PBA 105	09.10.2006
5.	MSC Psychology I year	2005-06	PPY 105	24.01.2006
6.	MSC Psychology II year	2006-07	PPY 204,204A	02.04.2007
7.	MA Tamil I year	2005-06	PTL 103	10.02.2006
8.	BSc Psychology I year	2006-07	UPY 102 (TM)	09.01.2007
9.	BSc Psychology I year	2006-07	UPY 103 (TM)	19.02.2007
10.	BCA (Tamil Medium) I year	2005-06	UCA 102 (TM)	17.04.2006
11.	BCA I Year	2005-06	UCA 102	01.03.2006
12.	BCA II year (TM)	2006-07	UCA 201 (TM)	07.05.2007
13.	BCA II year	2006-07	UCA 202	02.03.2007

## Appendix 3.37

(Reference: Paragraph 3.5.3.3; Page: 145)

## Details of text books issued belatedly

Sl. No.	Name of the course	Subject	Batch	Issue of books	
				No. of papers	Issued during
<b>Calendar year courses</b>					
1	MSc. 1 year	Zoology	2006	3	September 2006
2	MSc. 1 year	Physics	2006	3	July 2006
3	MSc. 1 year	Botany	2006	1	July 2006
4	MSc. 1 year	Chemistry	2007	2	July 2007
5	MSc. 1 year	Zoology	2007	1	December 2007
6	MSc. 1 year	Physics	2007	7*	April & December 2007
7	MSc. 1 year	Botany	2007	8@	May & January 2008
<b>Academic year courses</b>					
8	MSc. 1 year	Geography	2006-07	1	March 2007
9	MSc. II year	Geography	2007-08	5	January & February 2008

\* 46 per cent of the books were supplied in December 2007

@ 47 per cent of the books were supplied in January 2008

**Appendix 3.38**

**(Reference: Paragraph 3.5.3.5; Page: 146)**

**List of Study centres**

<b>Sl.No.</b>	<b>Name of the Study Centres with code No.</b>
1.	National College of Education and Management, Mumbai (351)
2.	Vivekanand Institute of Computer Education, Delhi (382)
3.	Dr. Ambedkar College of Commerce and Economics, Mumbai (353)
4.	SSR college of Science and Commerce, Bangalore (321)
5.	The Vidyaniketan [English Medium] High School, Nellore (306)
6.	Mount Carmel school, Chandigar Punjab (401)
7.	Mohammedbhai Alimohammedbhai Memon Higher Secondary School, Bardoli (391)

**Appendix 3.39**  
**(Reference: Paragraph 3.5.3.7; Page: 147)**  
**Decrease in enrolment of students**

S.No	Name of the course	No. of students admitted				
		2003-04	2004-05	2005-06	2006-07	2007-08
1.	M.Com	3,959	4,359	3,472	2,723	2,043
2.	M.A (English)	995	860	928	1,087	545
3.	M.A (Tamil)	1,189	1,059	1,158	725	606
4.	M.A (Urdu)	48	56	49	53	10
5.	M.A (Historical Studies)	1,017	690	717	653	483
6.	M.A (Economics)	747	709	656	584	409
7.	M.A (Public Administration)	1,212	955	765	762	453
8.	M.A (Political Science)	86	77	81	93	50
9.	M.A (Human Rights)	123	68	113	122	104
11.	M.Sc (Mathematics)	1,211	992	830	659	379
12.	M.Sc (Geography)	283	266	310	239	90
13.	B.A (Vaishnavism)	61	14	36	44	20
14.	B.Sc (Geography)	140	123	187	143	97
15.	B.A (Tamil)	830	965	769	785	519
16.	B.A (Historical Studies)	1,129	993	938	955	655
17.	B.A (Public Administration)	565	668	763	872	541
18.	B.A (Urdu)	40	50	11	87	11
19.	B.Lit	1,253	1,309	1,030	1,320	697
20.	B.Com	5,884	5,417	4,350	4,672	3,463
21.	M.Sc (Psychology)	1,910	1,405	1,646	1,673	718
22.	B.Com(Co-operation)	100	78	67	71	39
23.	B.Music	99	94	103	136	79
	<b>Total</b>	<b>22,881</b>	<b>21,207</b>	<b>18,979</b>	<b>18,458</b>	<b>12,011</b>

Appendix 4.1

(Reference: Paragraph 4.3.2; Page: 156)

Sanction and release details of GOI grants

Sl.No.	GOI Assistance (Rs in crore)	Month of Sanction of GOI	Month of release by GOI	Month of Deposit in State Government account/Month of transfer to TNMSC	Purpose of assistance	Month of issue of sanction order by State Government
1.	2.88	March 2005	June 2005	July 2005/February 2006	Purchase of Linear Accelerator	November 2005
2.	5.00	September 2005	October 2005	December 2005/ November 2006	Purchase of various equipment and a Linear Accelerator consequent to the recognition of GAAMCH as Regional Cancer Centre in August 2005.	February 2007 (for building) TNMSC placed orders for equipment in February 2007.

## Appendix 4.2

(Reference: Paragraph 4.4.2; Page: 160)

## Year-wise position of the outstanding Inspection Reports and Audit Paragraphs

Year	Inspection Reports	Audit Paragraphs
2001-02	2	2
2003-04	4	4
2004-05	329	664
2005-06	484	1119
2006-07	829	2374
2007-08	766	3146
<b>Total</b>	<b>2414</b>	<b>7309</b>

Appendix 4.3

(Reference: Paragraph 4.4.2; Page: 160)

Statement showing number of Inspection Reports for which first reply not received

Sl No	Department	Inspection Reports	Audit Paragraphs
1.	Health and Family Welfare	52	225
2.	Judicial	72	149
3.	Industries	19	54
4.	Fisheries & Animal Husbandry	26	114
5.	Home	5	18
6.	Public	2	15
7.	Commercial Taxes	2	7
8.	Town and Country Planning	10	31
9.	Information and Public Relations	5	14
10.	Internal Audit	7	12
11.	Tourism	8	20
12.	Registration	2	13
13.	Finance	1	2
14.	HADP	1	5
15.	Transport	5	12
16.	Statistics	2	3
17.	Youth and Sports Development	4	9
18.	Public Works	1	2
19.	Tamil Development and Religious Endowment	9	25
20.	Law	1	7
21.	Administrative Reforms	1	1
22.	Handloom, Handicraft, Textiles and Khadi	1	5
23.	Education	83	400
24.	Revenue	26	183
25.	Employment & Training	7	13
26.	Agriculture	32	100
27.	Co-operation	11	26
28.	Social Welfare	46	129
29.	Social Defence	1	5
30.	Rural Development	1	19
31.	Municipal Administration and Water supply	2	17
32.	Environment and Forest	10	45
	<b>Total</b>	<b>455</b>	<b>1680</b>



## Appendix 4.4

(Reference: Paragraph 4.4.2; Page: 161)

## Serious irregularities pending settlement as of March 2008

## I Environment and Forest Department

(Rupees in lakh)

Sl. No.	Nature of irregularity	No. of paras	Amount
1	Irregular expenditure to be recovered	4	9.04
2	Expenditure to be ratified by Government/PCCF/COF	13	331.46
3	Recovery of salary/Over payment	12	1.07
4	Recovery from the contractors	5	1.95
5	Miscellaneous recoveries/objections	13	627.05
	<b>Total</b>	<b>47</b>	<b>970.57</b>

## II. Municipal Administration and Water Supply Department

(Rupees in lakh)

Sl. No.	Nature of irregularity	No. of paras	Amount
1	Unutilised scheme funds kept in SB account	1	261.00
2	Funds kept idle (Health fund)	1	20.00
3	Pendency in collection of Revenue	1	28,372.00
	<b>Total</b>	<b>3</b>	<b>28,653.00</b>

## III. Rural Development and Panchayat Raj Department

(Rupees in lakh)

Sl. No.	Nature of irregularity	No. of paras	Amount
1	Government Of India funds kept in Savings Bank Account	4	796.00
2	Drawal of funds far in advance	1	3,244.00
3	Unspent balance not remitted to Government Account	2	1,158.00
	<b>Total</b>	<b>7</b>	<b>5,198.00</b>

## ABSTRACT

(Rupees in lakhs)

Name of the Department	No. of paras	Amount involved
Environment and Forest	47	970.57
Municipal Administration and Water Supply	3	28,653.00
Rural Development and Panchayat Raj	7	5,198.00
<b>Total</b>	<b>57</b>	<b>34,821.57</b>

N.T.P. SUPPLIED BY THE DEPARTMENT  
PRINTED AT GOVERNMENT CENTRAL PRESS, CHENNAI-600 079.