



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

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FOR THE YEAR

Ann (1) he
1976-77

**GOVERNMENT OF ORISSA
(CIVIL)**

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REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 1976-77—GOVERNMENT OF ORISSA—CIVIL

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1976-77 together with other points arising from Audit of financial transactions of the Government of Orissa. It also includes:—

- (i) certain points of interest arising from the Finance Accounts for the year 1976-77 ; and
- (ii) comments on Drought Prone Area Programme, Industrial Housing Scheme and Urban Water Supply Scheme.

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

3. The cases mentioned in the present Report are among those which came to notice in the course of test audit of accounts during the year 1976-77 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 1976-77 have also been included, wherever considered necessary.

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

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CHAPTER I

GENERAL

1.1. Summary of transactions

The receipts and expenditure of the Government of Orissa for the year 1976-77 are given below with corresponding figures of the preceding year :—

	1975-76	1976-77
	(In crores of rupees)	
(1) Revenue—		
Revenue raised by the State Government	1,26·53	1,58·80
Receipts from the Government of India	1,50·93	1,67·00
Total—Revenue receipts ..	2,77·46	3,25·80
(2) Revenue expenditure—		
Non-Plan ..	2,42·50	2,60·68
Plan ..	33·68	47·48
Total—Revenue Expenditure ..	2,76·18	3,08·16
Revenue surplus(+)	(+)1·28	(+)17·64
(3) Public Debt—		
(i) Internal Debt of the State Government—		
Receipts ..	80·97	1,91·02
Repayments ..	71·33	1,77·59
Increase(+)	(+)9·64	(+)13·43
(ii) Loans and Advances from the Central Government—		
Receipts ..	51·84	54·77
Repayments ..	30·96	20·55
Increase(+)	(+)20·88	(+)34·22
Total—Public Debt (net) Increase(+)	(+)30·52	(+)47·65
(4) Capital expenditure (net)—		
Non-Plan ..	11·66	5·10
Plan ..	45·21	50·42
Increase(—)	(—)56·87	(—)55·52

(5) Loans and Advances by the State Government (net)—			
Receipts	..	15.40	11.88
Disbursements	..	16.07	39.47
Increase(—)	..	(—)0.67	(—)27.59
(6) Contingency Fund (net)—			
Increase(+)	..	(+)0.32	(+)0.54
(7) Public Account (net)—			
Receipts	..	3,44.69	3,29.82
Disbursements	..	3,30.45	3,14.87
Increase(+)	..	(+)14.24	(+)14.95
Net surplus (+)/deficit(—)	..	(—)11.18	(—)2.33
Opening cash balance	..	(—)4.85	(—)16.03
Closing cash balance	..	(—)16.03	(—)18.36(a)

1.2. Revenue surplus/deficit

(a) *Revenue receipts*—The revenue receipts of the State Government for 1976-77 compared with the budget estimates during the year along with the corresponding figures for 1974-75 and 1975-76 are shown below :—

Year	Budget	Budget plus additional taxation	Actual	Variation between columns (4) and (3)	
				Amount	Percentage
(In crores of rupees)					
(1)	(2)	(3)	(4)	(5)	(6)
1974-75	.. 2,30.07	2,30.07	2,27.37	(—)2.70	1
1975-76	.. 2,68.10	2,68.10	2,77.46	+9.36	3
1976-77	.. 3,11.35	3,11.35(b)	3,25.80	+14.45	5

(a) There was a difference of Rs. 0.04 crore between the figure reflected in the accounts (Rupees minus 18.86 crores) and that intimated by the Reserve Bank of India (Rupees minus 18.82 crores) regarding "Deposits with Reserve Bank" included in the cash balance. Difference to the extent of Rs. 0.10 crore has since been reconciled and adjusted. The remaining difference of Rs. minus 0.06 crore is under reconciliation (February 1978).

(b) Revenue anticipated out of additional taxation measures introduced during the course of the year was not estimated; the actual receipt against these measures was Rs. 4.65 crores.

Compared with the budget *plus* additional taxation, the revenue receipts of the State increased by Rs. 14.45 crores. This was mainly due to more collection from Union Excise Duties (Rs. 3.94 crores), more sale of power generated by Balimela Project from the Orissa State Electricity Board (Rs. 2.43 crores), higher share of Income Tax (Rs. 2.07 crores), more receipts from mineral concessions, fees, rents and royalties (Rs. 1.52 crores) and more receipts of fees and fines of judicial courts (Rs. 1.35 crores).

(b) *Expenditure on revenue account*—The expenditure on revenue account as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provisions along with the corresponding figures for 1974-75 and 1975-76 are shown below:—

Year	Budget	Budget <i>plus</i> supplementary	Actuals	Variations between columns (4) and (3)	
				Amount	Percentage
			(In crores of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
1974-75 ..	2,31.44	2,56.75	2,23.51	-33.24	13
1975-76 ..	2,74.90	3,15.33	2,76.18	-39.15	12
1976-77 ..	3,08.83	3,54.35	3,08.16	-46.19	13

The short fall of Rs. 46.19 crores in 1976-77 was mainly due to non-utilisation of provision made for meeting enhanced salaries of Government employees (Rs. 17.34 crores), non-fixation of pay of some Government employees (Rs. 6.57 crores), release of grants directly to the Project Director, Small Farmers' Development Agency and Marginal Farmers' Agricultural Labourers Project by the Government of India (Rs. 2.57 crores), reduction in Plan allocation (Rs. 2.22 crores), less payment of interest on General Provident Fund than anticipated (Rs. 2.17 crores), less requirement for relief works (Rs. 1.38 crores) and less number of compensation cases (Rs. 1.31 crores).

(c) The year 1976-77 ended with a revenue surplus of Rs. 17.64 crores as against the anticipated revenue surplus of Rs. 2.52 crores. The accumulated revenue deficit of the State at the end of 1976-77 was Rs. 1,37.14 crores. The revenue deficit /surplus as compared to that anticipated at the budget stage for the three-year-period ending 1976-77 together with the accumulated revenue deficit at the end of each financial year is given below:—

Year	Deficit(-)/surplus(+) anticipated in the Budget	Actual revenue deficit(-)/ surplus(+)	Variation during the year more(+)/ less(-)	Accumulated revenue deficit(-) at the end of the year
(1)	(2)	(3)	(4)	(5)
1974-75 ..	-1.37	+3.86	+5.23	-1,56.06
1975-76 ..	-6.80	+1.28	+8.08	-1,54.78
1976-77 ..	+2.52	+17.64	+15.12	-1,37.14

1.3. Revenue receipts

The revenue receipts of the Government for the year 1976-77 (Rs. 3,25·80 crores) registered an increase of 17 per cent (Rs. 48·34 crores) over those for 1975-76 (Rs. 2,77·46 crores). A comparative analysis of the revenue receipts during 1975-76 and 1976-77 together with an analysis of the increase in 1976-77 over 1975-76 is given below:—

	1975-76	1976-77	Increase(+)/decrease(—) during	
			1976-77 over 1975-76	
			Amount	Percentage
(In crores of rupees)				
(1)	(2)	(3)	(4)	(5)
(1) Receipts from Government of India—				
Grants under Article 275(1) of the Constitution	60·11	62·33	+2·22	4
Other grants ..	29·37	39·45	+10·08	34
State's share of divisible Union Taxes	61·45	65·22	+3·77	6
Total (1) ..	1,50·93	1,67·00	+16·07	11
(2) Revenue raised by the State—				
(i) Tax Revenue—				
Taxes on Income and Expenditure	0·08	0·07	—0·01	13
Taxes on Property and Capital transactions	8·44	9·55	+1·11	13
Taxes on commodities and services	59·89	71·20	+11·31	19
(ii) Non-Tax Revenue—				
Interest receipts, Dividends and Profits	18·79	25·62	+6·83	36
Other Non-Tax Revenue ..	39·33	52·36	+13·03	33
Total (2) ..	1,26·53	1,58·80	+32·27	22
Total—Revenue receipts	2,77·46	3,25·80	+48·34	17

More information on the subject will be found in the Report of the Comptroller and Auditor General of India for the year 1976-77, Government of Orissa—Revenue Receipts.

1.4. Expenditure on revenue account

The expenditure on revenue account in 1976-77 (Rs. 3,08.16 crores) increased by 12 per cent (Rs. 31.98 crores) as compared with that of 1975-76 (Rs. 2,76.18 crores).

The increase is analysed below :—

(1)	Actual		Increase over 1975-76	
	1975-76	1976-77	Amount	Percentage
	(2)	(3)	(4)	(5)
	(In crores of rupees)			
(I) 277—Education	58.84	65.09	6.25	11

Increase was mainly due to payment of higher rates of dearness allowance to the teachers of Primary and Secondary schools, more assistance to Universities, introduction of new syllabus and printing of additional text books.

(II) 281—Family Planning	2.83	6.65	3.82	135
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Increase was attributed mainly to more expenditure on petrol, oil and lubricant for increased number of vehicles, increased rate of compensation money for sterilisation, establishment of additional post-partum centres and purchase of equipment.

(III) 249—Interest payments	34.44	38.22	3.78	11
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Increase was mainly due to payment of interest on new open market loans and Central Government loans as well as on increased Provident Fund accumulations owing partly to increased contributions by Government servants on account of a part of additional dearness allowance paid to them being credited to Provident Fund accounts.

(IV) 332—Multipurpose River Projects	8.41	12.16	3.75	45
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Increase was mainly due to more interest charges on capital employed on Hirakud Dam, Balimela Dam and Rengali Multipurpose River Projects.

(V) 333—Irrigation, Navigation, Drainage and Flood Control Projects	10.36	12.36	2.00	19
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Increase was attributed to normal growth of maintenance expenditure on various projects.

(1)	Actual		Increase over 1975-76	
	1975-76 1976-77		Amount Percentage	
	(2)	(3)	(4)	(5)
(In crores of rupees)				
(VI) 314—Community Development	10.14	11.93	1.79	18

Increase was mainly due to increased rates of dearness allowance and more assistance for relief works in drought affected areas.

(VII) 305—Agriculture ..	9.20	10.85	1.65	18
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Increase was mainly due to payment of pay, dearness allowance and travelling allowance at enhanced rates to Government employees due to revision of pay scales.

(VIII) 229—Land Revenue ..	7.87	9.23	1.36	17
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Increase was mainly due to payment of enhanced rates of dearness allowance.

1.5. Capital expenditure

1.5.1. The capital expenditure during three years ending 1976-77 compared with the budget estimates and budget estimates *plus* supplementary provisions is given below :—

Year	Budget	Budget <i>plus</i> Supplemen- tary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1974-75 ..	42.06	53.65	44.93	-8.72	16
1975-76 ..	32.68	45.80	56.87	+11.07	24
1976-77 ..	41.82	58.05	55.52	-2.53	4

1.5.2. An analysis of the capital expenditure during 1976-77 and the progressive total up to that year is given below :—

	Expenditure during 1976-77	Progressive total up to 1976-77
(In crores of rupees)		
<i>Capital expenditure on—</i>		
General Services ..	2.12	22.90
Social and Community Services ..	5.53	46.84
<i>Economic Services—</i>		
(a) General Economic Services ..	4.37	24.08
(b) Agriculture and Allied Services ..	5.16	63.10
(c) Industry and Minerals ..	1.33	43.16
(d) Water and Power Development ..	31.12	3,11.84
(e) Transport and Communications ..	5.89	89.81
Total	55.52	6,01.73

1.5.3. The sources from which the capital expenditure (Rs. 55.52 crores) as above and the net outgo under "Loans and Advances" by the State Government (Rs. 27.59 crores) mentioned in paragraph (1.8) were met during 1976-77 are given below :—

	Amount
(In crores of rupees)	
Net addition to Public Debt ..	47.65
Contingency Fund (net) ..	0.54
Public Account (net) ..	14.95
Revenue Surplus ..	17.64
Decrease in cash balances (+) ..	2.33
Total ..	83.11

1.6. Cash balance and investment of cash balance

(a) The cash balance position of the State Government at the beginning and close of the year 1976-77 was as follows:—

	Opening balance	Closing balance
(In crores of rupees)		
Cash in treasuries ..	1.66	0.50
Deposits with Reserve Bank of India ..	-17.69	-18.86 (a)
	—————	—————
Total	-16.03	-18.36
	—————	—————

(b) The Government had made investments from out of the cash balances and the earmarked funds in securities of the Government of India, other State Governments and statutory bodies. Some details of these investments at the close of the year 1976-77 together with the interest realised on these investments are given below:—

	Investment out of the	
	Cash balance investment account	Sinking Fund investment account
(In crores of rupees)		
(1) Government of India securities ..	0.62	6.39
(2) State Government securities ..	..	4.96
(3) Debentures and bonds of statutory bodies ..	..	3.08
(4) Balances of ex-States which merged with Orissa	0.04	..
	—————	—————
Total	0.66	14.43
	—————	—————
(5) Interest realised ..	0.08	0.77

(a) See footnote (a) at page 2.

1.7. Debt position

1.7.1. *Public Debt*—The total outstanding Public Debt of the State Government at the end of 1976-77 was Rs. 7,39.48 crores. An analysis of the Public Debt compared with the corresponding figures at the end of the two preceding years is given below:—

Public debt as on 31st March

	1975	1976	1977
--	------	------	------

(In crores of rupees)

Long term borrowings—

Loans and Advances from the Government of India	5,39.02	5,59.90	5,94.12
Market Loans ..	87.59	1,02.14	1,08.00
Loans from autonomous bodies ..	29.33	29.54	29.83

Short term borrowings—

Ways and means advances ..	5.38	0.25	7.53
Grand Total	6,61.32	6,91.83	7,39.48

1.7.2. The details of increase of Rs. 47.65 crores in the debt liability of the State Government during 1976-77 are given below:—

	Debt		Net Increase (+) decrease (—)
	Raised	Discharged	

(In crores of rupees)

I—Internal debt of the State Government—

(1) Market Loans bearing interest	15.93	..	+15.93
(2) Market Loans not bearing interest	..	10.06	—10.06
(3) Loans from the Life Insurance Corporation of India	1.75	0.53	+1.22

	Debt		Net Increase (+) decrease (-)
	Raised	Discharged	
(In crores of rupees)			
(4) Loans from the National Agricultural Credit Fund of the Reserve Bank of India	1.72	0.39	+1.33
(5) Loans from the State Bank of India and other Banks	15.75	18.75	-3.00
(6) Ways and means advan- ces from the Reserve Bank of India—			
(a) Ways and means advances	1,09.31	1,02.03	+7.28
(b) Overdrafts ..	45.40	45.40	—
(7) Loans from other Institutions—			
Loans from the National Co-operative Develop- ment Corporation	1.16	0.43	+0.73
Total (I)	1,91.02	1,77.59	13.43

II. *Loans and Advances from the
Central Government —*

(1) Non-Plan Loans ..	10.90	3.23	+7.67
(2) Loans for State Plan Schemes	40.48	3.85	+36.63
(3) Loans for Central Plan Schemes	2.56	0.10	+2.46
(4) Loans for centrally Sponsored Plan Schemes	0.83	0.05	+0.78
(5) Pre—1974 Loans ..	..	13.32	-13.32
Total (II)	54.77	20.55	+34.22
Total—Public Debt ¹	2,45.79	1,98.14	+47.65

1.7.3. *Market Loans*—In August 1976, the Government of Orissa notified a fresh market loan for a total nominal subscription of approximately Rs. 14.00 crores bearing interest at 6 per cent per annum. The issue price of the loan was Rs. 99 for every Rs. 100 of the loan and was repayable at par in August 1986. The total nominal value of the loan raised against the notification was Rs. 16.32 crores, of which issue of scrips for the nominal value of Rs. 0.40 crore was pending with the Bank for want of details from subscribers. Out of the loans raised (Rs. 15.92 crores), Rs. 9.51 crores were subscribed in cash, Rs. 6.25 crores by conversion of 4½ per cent Orissa Government loan 1976 and the remaining amount of Rs. 0.16 crore represented 1 per cent discount credited to 'Market loan' by debit to "Interest payments".

The total market loan outstanding for repayment at the end of 1976-77 was Rs. 1,08.00 crores (loans bearing interest : Rs. 1,06.57 crores and expired loans not bearing interest: Rs. 1.43 crores). Rupees 6.57 crores were paid on account of interest on the loans bearing interest during 1976-77. Besides, Rs. 0.03 crore were paid to the Reserve Bank of India for management of debt.

Rupees 10.06 crores were repaid towards expired open market loans during 1976-77.

1.7.4. *Ways and means advances and overdrafts from the Reserve Bank of India*

(a) Under an agreement with the Reserve Bank of India, the State Government of Orissa has to maintain with the Bank a minimum cash balance of Rs. 60 lakhs on all working days from May 1976 (Rs. 30 lakhs upto 30th April 1976). If the balance falls below this agreed minimum on any day, the Bank allows ordinary and special ways and means advances upto the limits mutually agreed upon between the Bank and the Government. The limits for 1976-77 were Rs. 3.60 crores for ordinary and Rs. 4.40 crores for special ways and means advances upto the 30th April 1976 and Rs. 6.00 crores for each type of advance thereafter.

If even after the maximum advances are given, the cash balance falls below the prescribed minimum, the deficiency is left uncovered ; the deficiency to the extent of the minimum balance is treated as shortfall and the *minus* balance is treated as overdraft. Prior to 3rd May 1976, advances and shortfalls carried interest at one per cent below the Bank rate and overdrafts at the Bank rate. From 3rd May 1976, the advances carry interest at one per cent below the Bank rate for the first 90 days, one per cent above the Bank rate beyond 90 days and upto 180 days and two per

cent above the Bank rate beyond 180 days. The Bank charges interest on the shortfalls in the minimum balance at one per cent below the Bank rate and on overdrafts at the Bank rate upto and including the seventh day and at three per cent above the Bank rate thereafter.

(b) The extent to which the State Government was able to maintain the minimum balance with the Bank during 1976-77 is given below:—

Number of days on which minimum balance was maintained—

(i) without obtaining any advance	..	82
(ii) by taking ordinary and special ways and means advances		225
(iii) by taking overdrafts	..	53

Number of days on which there was shortfall from minimum balance after taking advances but on which overdrafts were not taken

5

(c) *Ways and means advances*—At the end of the previous year i.e., 1975-76, Rs. 0.25 crore were outstanding as ways and means advances. During 1976-77, the State Government obtained ordinary ways and means advances of Rs. 63.36 crores and special ways and means advances of Rs. 45.95 crores from the Reserve Bank of India. Out of the total advances of Rs. 1,09.56 crores, advances to the extent of Rs. 1,02.03 crores were repaid during 1976-77 leaving a balance of Rs. 7.53 crores (this was repaid in April/May 1977). Interest of Rs. 35.80 lakhs (Rs. 0.04 lakh for outstanding advances pertaining to 1975-76 and Rs. 35.76 lakhs for the advances availed of during 1976-77) was paid in 1976-77 on these advances.

(d) *Shortfalls and overdrafts*—During 1976-77, even after availing maximum ways and means advances, the cash balance of the Government was below the prescribed minimum on 5 days. This shortfall was left uncovered. On 53 days the Government had *minus* cash balance with the Reserve Bank of India. Rupees 45.40 crores were obtained on these days as overdrafts which were repaid to the Bank during the year. Interest payable to the Bank on the overdrafts and shortfalls together with the unpaid interest on overdrafts availed of during 1975-76 was Rs. 8.81 lakhs, of which Rs. 5.14 lakhs (Rs. 1.65 lakhs for 1975-76 and Rs. 3.49 lakhs for 1976-77) were paid during the year and the balance of Rs. 3.67 lakhs was paid during 1977-78.

1.7.5. Loans from autonomous bodies

(a) *Loans from the State Bank of India*—The Government is availing cash advance from the State Bank of India for procurement of foodgrains in the State. The outstanding balances of cash credit accommodation of Rs. 7.00 crores from the State Bank of India availed of during 1975-76 by the Government was repaid on 6th April 1976 along with interest amounting to Rs. 1.78 lakhs. Fresh cash credit advances of Rs. 15.75 crores were obtained by the Government during 1976-77 out of which Rs. 11.75 crores were repaid along with interest of Rs. 31.97 lakhs during the year and balance of Rs. 4.00 crores remained outstanding at the end of the year.

(b) *Loans from other autonomous bodies* —The Government also received loans from autonomous bodies for specific purposes. An analysis of the balances of outstanding loans from these bodies at the beginning and at the end of the year 1976-77 together with the transactions and interest paid to these bodies during the year is given below:—

Name of the body	Purpose of loan	Opening balance as on 1st April 1976	Receipts.	Repayments	Closing balance as on 31st March 1977	Interest paid
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In crores of rupees)						
(1) Life Insurance Corporation of India	Social housing scheme.	14.80	1.75	0.53	16.02	1.00
(2) National Agricultural Credit Fund of the Reserve Bank of India	Assistance to the Co-operative sector for promotion of agriculture	3.44(a)	1.72	0.39	4.77	0.10
(3) National Co-operative Development Corporation	Co-operative storages and promotion of co-operatives	4.18(a)	1.16	0.43	4.91	0.30
(4) Khadi and Village Industries Commission	Promotion of Khadi and village industries	0.12	..	..	0.12	..
Total		22.54	4.63	1.35	25.82	1.40

(a) Differs from the closing balance shown in the Report of the Comptroller and Auditor General of India for the year 1975-76—Government of Orissa (Civil) by Rs. 0.01 crore due to rounding.

1.7.6. *Loans and advances from the Central Government*—The borrowing from the Government of India as at the end of 1976-77 (Rs. 5,94.12 crores) constituted 80 per cent of Public Debt of the State Government (Rs. 7,39.48 crores). Interest paid on these borrowings during 1976-77 was Rs. 25.92 crores. The table below shows the transactions, balances at the beginning and at the end of the year and the interest paid in respect of the different categories of loans during the year.

Category of loan	Balance as on 1st April 1976	Additions during the year	Re-payments during the year	Balance as on 31st March 1977	Interest paid during 1976-77
(1)	(2)	(3)	(4)	(5)	(6)
	(In crores of rupees)				
I. Non-Plan Loans	17.27	10.90	3.23	24.94	1.05
II. Loans for State Plan Schemes	56.07	40.47	3.85	92.69	2.94
III. Loans for Central Plan Schemes	2.67	2.56	0.10	5.13	0.15
IV. Loans for Centrally sponsored Plan Schemes	1.27	0.84	0.05	2.06	0.06
V. Pre-1974 loans	4,82.62	..	13.32	4,69.30	21.72
Grand Total	5,59.90	54.77	20.55	5,94.12	25.92

1.7.7. *Other debt and obligations*—In addition to the Public Debt, Small Savings, Provident Funds, etc. (comprising mainly balances in the provident fund accounts of Government servants) and accumulated balances at the credit of earmarked and other funds and deposits (to the extent these funds and deposits have not been invested but are merged with the general cash balance of the Government) also constitute liability of the Government. The details of such liabilities are given below:—

Nature of liability	Balance on 1st April 1976	Receipts during the year	Re-payment during the year	Net increase (+)/decrease (—)	Balance on 31st March 1977
(1)	(2)	(3)	(4)	(5)	(6)
	(In crores of rupees)				
(1) Small Savings, Provident Funds, etc.	49.88	18.47	8.79	+9.68	59.56
(2) Interest bearing obligations such as depreciation reserve funds of Government Commercial Undertakings, etc.	4.91	1.00	..	+1.00	5.91
(3) Non-interest bearing obligations such as deposits of local funds, civil deposits and other earmarked funds	58.97	84.46	91.08	—6.62	52.35
Total	1,13.76	1,03.93	99.87	+4.06	1,17.82

1.7.8. *Overall debt position of Government*—The debt of the State Government, comprising Public Debt, Small Savings, Provident Funds, etc., and other liabilities increased by Rs. 51.71 crores from Rs. 8,05.59 crores on 1st April 1976 to Rs. 8,57.30 crores on 31st March 1977. The debt position of the Government at the close of 1976-77 with comparative figures for the preceding two years is given below:—

	Total debt on 31st March		
	1975	1976	1977
	(In crores of rupees)		
Public Debt ..	6,61.32 (a)	6,91.83	7,39.48
Small Savings, Provident Funds, etc.	38.92 (a)	49.88	59.56
Other obligations ..	68.45	63.88	58.26
Total ..	7,68.69	8,05.59	8,57.30

1.7.9. *Interest on Public Debt and other obligations*—The table below shows the net burden on revenue of interest charges on Public Debt and other obligations in 1976-77 as compared with that in the preceding year:—

	1975-76	1976-77
	(In crores of rupees)	
(1) Outstanding Public debt and other obligations	8,05.59	8,57.30
(2) Interest payments on Public debt and other obligations—		
Internal debt ..	6.64	8.91
Small Savings, Provident Funds, etc. ..	3.15	3.38
Loans and advances from Central Government	24.62	25.92
Other obligations ..	0.03	0.01
Total—Interest payments ..	34.44	38.22

(a) Differs by Rs. 0.01 crore from the amount mentioned in the Report of the Comptroller and Auditor-General of India for the year 1975-76—Government of Orissa (Civil) due to rounding.

	1975-76	1976-77
	(In crores of rupees)	
(3) <i>Deduct—</i>		
Interest received on loans and advances given by the State Government and interest realised on investment of cash balances.	1.41	4.94
(4) Net burden of interest charges on revenue ..	33.03	33.28
(5) Percentage of gross interest to total revenue receipts	12	12
(6) Percentage of net interest to total revenue receipts	12	10

In addition, there were book adjustments of interest charges shown as interest receipts by charge to departmental commercial undertakings amounting to Rs. 19.95 crores and other interest receipts (Rs. 0.62 crore). The Government also received during the year Rs. 0.11 crore as dividend on investments in commercial undertakings and co-operative societies. If these are also taken into account, the net burden of interest during 1976-77 would be Rs. 12.60 crores (4 per cent of the revenue).

1.7.10. Arrangements for amortisation of debt

(a) *Arrangement for amortisation*—The arrangements for amortisation of Public Debt during 1976-77 were as follows:—

(i) *Market loans*—The Government dispensed with the practice of appropriating amounts from revenue to sinking fund for repayment of market loans from 1974-75. Appropriation from revenue for depreciation fund had also been discontinued in respect of market loans raised from 1971-72 onwards. Appropriation from revenue for depreciation fund, however, continues in respect of loans raised upto 1970-71 at the rate of 1½ per cent of the total nominal value of the loans raised. Interest realised on investments made out of the balances in these funds is credited to the funds.

(ii) *Loans from Life Insurance Corporation of India*—Lump sum contribution from revenue at the rate decided by the Government is being made to the sinking fund for amortisation of loans received from the Life Insurance Corporation of India.

(iii) *Loans and Advances from the Central Government and other Public debts*—No arrangement has been made for amortisation of these loans. Repayments are made from the public debt account as and when these fall due.

(b) *Sinking funds*—During 1976-77, Rs. 0.64 crore were appropriated from revenue and credited to the sinking funds for amortisation of debt and Rs. 8.26 crores were paid from the sinking funds on account of the loans due for discharge during the year. The balance in these funds at the end of the year was Rs. 29.61 crores. An analysis of the transactions of these funds together with the opening and the closing balances and gross debt outstanding are given below:—

	Balance as on 1st April 1976	Additions during 1976-77		Withdrawals during 1976-77	Closing balance as on 31st March 1977
		Contribution from revenue	Interest from investments, etc.		
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
(1) <i>Sinking fund for internal debt of the State Government</i> —					
(a) Market loans—					
Amortisation ..	30.32	..	0.77	6.95	24.14
Depreciation ..	5.25	0.57	..	1.31	4.51
(b) Loans from the Life Insurance Corporation of India	0.70	0.07	..	..	0.77
(2) <i>Sinking fund for loans and advances from the Government of India</i> —					
Industrial Housing Scheme	0.18	..	0.01	..	0.19
Total	36.45	0.64	0.78	8.26	29.61

Against the total Public Debt of Rs. 7,39.48 crores outstanding as on 31st March 1977, the accumulations in the sinking funds amounted to Rs. 29.61 crores at the end of the year. Out of the total accumulation of Rs. 29.61 crores in the sinking funds, Rs. 14.43 crores were invested by the Government in the securities of the Central and State Governments and in statutory and other bodies. The balance of Rs. 15.18 crores in the sinking funds stands merged with the general cash balance of the State.

1.8. Loans and advances

1.8.1. (a) The actuals of disbursement of loans and advances by the State Government for 1976-77 as compared with the budget estimates and the budget estimates *plus* supplementary provisions along with the corresponding figures for 1974-75 and 1975-76 are shown below:—

Year	Budget	Budget <i>plus</i> Supple- mentary	Actuals	Variation between Columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
(In crores of rupees)						
1974-75	..	9.21	10.06	9.71	-0.35	3
1975-76	..	14.57	21.94	16.07	-5.87	27
1976-77	..	42.52	48.89	39.47	-9.42	19

Out of the loans advanced during the year (Rs. 39.47 crores), Rs. 28.10 crores were for Plan purposes. The bulk of the Plan loans were advanced to the Orissa State Electricity Board for expansion of Talcher Thermal Project (Rs. 24.50 crores) and Rural Electrification Schemes (Rs. 1.83 crores).

(b) The budget and actuals of recoveries of loans and advances for the three years ending 1976-77 are given below:—

Year	Budget	Actuals	Variation	
			Increase (+)/ Decrease (-)	Percentage
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
1974-75	9.00	8.16	-0.84	9
1975-76	12.22	15.40	+3.18	26
1976-77	15.25	11.88	-3.37	22

The recoveries during the year 1976-77 (Rs. 11.88 crores) were mainly from Government servants (Rs. 4.75 crores), co-operative societies (Rs. 2.92 crores) and State undertakings and co-operatives availing short-term loan (Rs. 1.12 crores).

(c) The outstanding balance of loans and advances by the State Government during 1976-77 increased by Rs. 27.59 crores from Rs. 1,33.33 crores on 1st April 1976 to Rs. 1,60.92 crores on 31st March 1977. Loans to the Orissa State Electricity Board (Rs. 1,10.66 crores) constitute the largest single component (69 per cent) of the outstanding balance on 31st March 1977. An analysis of the balances at the end of 1976-77 compared with those of the preceding year together with the increase/decrease in the outstanding balances under broad categories is given below :—

	Outstanding on		Increase (+)/ decrease (—)
	31st March 1976	31st March 1977	
(In crores of rupees)			
(i) Loans for Special and Community Services	23.12	23.60	+0.48
(ii) Loans for Economic Services			
(a) General Economic Services	7.32	7.96	+0.64
(b) Agriculture and Allied Services	0.47	—0.12 (a)	—0.59
(c) Industry and Minerals ..	10.80	10.12	—0.68
(d) Water and Power Development	85.24	1,10.66	+25.42
(e) Transport and Communication	2.10	2.10	..
(iii) Loans to Government servants	3.85	6.16	+2.31
(iv) Loans for Miscellaneous purposes	0.43	0.44	+0.01
Total	.. 1,33.33	1,60.92	—27.59

1.8.2. *Loans and advances of which the detailed accounts are maintained by the Accountant General*—The detailed accounts of loans and advances to Municipalities, Corporations, etc., to Government servants for house building and purchase of motor conveyance and to loanees under “State Aid to Industries Act” are maintained by the Accountant General. The total balance of these loans outstanding on 31st March 1977 was Rs. 5.77 crores.

(a) Minus balance is under reconciliation.

(i) *Recoveries in arrears*—At the end of March 1977, recovery of Rs. 1,63.49 lakhs (principal : Rs. 1,13.12 lakhs and interest : Rs. 50.37 lakhs) was overdue. Of this, Rs. 1,43.99 lakhs (principal : Rs. 94.57 lakhs and interest : Rs. 49.42 lakhs) were overdue for more than three years. The details are given below:—

(1)	Loans and advances outstanding on 31st March 1977 (2)	Amount overdue		Outstanding for more than three years	
		Principal (3)	Interest (4)	Principal (5)	Interest (6)
(In lakhs of rupees)					
<i>Loans for Urban Development—</i>					
Loans to municipalities, corporations, etc.	1,49.85	1,00.23	40.34	83.00	40.15
<i>Loans for village and Small Industries—</i>					
Loans under State aid to Industries Act	24.67	12.89	10.03	11.57	9.27
<i>Loans to Government servants etc.—</i>					
(a) House building advance	3,07.75	..	..	..	..
(b) Advances for purchase of motor conveyances	94.61	..	..	..	..
Total	5,76.88	1,13.12	50.37	94.57	49.42

(ii) *Acceptance of balances*—In order to ascertain whether the balances outstanding in the books of the Audit office under loans and advances represent the position correctly, the balances are communicated at the end of each year to the appropriate authorities for verification and acceptance. Acceptance of such balances of loans as on 31st March 1977 was not received (February 1978) in 1,256 cases (total balance : Rs. 2.53 crores); some of these outstanding acceptances date back to 1966-67.

1.8.3. *Loans and advances of which the detailed accounts are maintained by the departmental officers*—The detailed accounts of all classes of loans and advances except those mentioned in sub-paragraphs 1.8.2 above are maintained by the various departments of the State Government. The total balances of these loans and advances outstanding at the end of March 1977 was Rs. 1,55.15 crores.

(a) According to the financial rules of the Government, the departmental officers are to intimate to Audit by 31st May each year the arrears as on 31st March in recovery of principal and interest of loans and advances, the detailed accounts of which are maintained by them. They are also required to intimate the overdue position each year. Such information for the period ending 31st March 1977 has been received (February 1978) from 6 departments. According to the information received, recovery of Rs. 23.97 crores (principal : Rs. 4.37 crores and interest : Rs. 19.60 crores) was overdue as on 31st March 1977. A brief analysis of the arrears is given below:—

	Amount overdue on 31st March 1977	
	Principal	Interest
	(In crores of rupees)	
(1) Loans for Education, Art and Culture	1.34	..
(2) Loans for Agriculture ..	0.39	0.31
(3) Loans for Community Development	0.78	0.51
(4) Loans for Power Projects ..	..	17.65
(5) Loans for Road and Water Transport Services	1.83	1.11
(6) Miscellaneous loans—		
Orissa Flying Club, Jagannath Temple, Orissa Hindu Religious Endowment Administration Fund and Board of Wakfs Fund	0.03	0.02
Total	4.37	19.60

(b) The departmental officers are also required to reconcile the transactions recorded in their books with those appearing in the books of the Audit Office and to certify at the end of each year that the balances shown as recoverable in their records agree with those shown outstanding in the books of the Audit Office. Acceptance of balances have not been received in ~~1,295~~³⁷ cases for Rs. 13.67 crores (February 1978); some of these relate to 1966-67.

1.9. Investments

(a) During 1976-77, the Government invested Rs. 7,00.51 lakhs in the share capital of statutory corporations (Rs. 5 lakhs), Government companies (Rs. 2,10.38 lakhs), a joint stock company (Rs. 2.83 lakhs) and co-operative institutions (Rs. 4,82.30 lakhs). In addition, Rs. 58.75 lakhs were invested in the debentures of the Orissa State Co-operative Land Development Bank.

(b) The total investments of the Government from the Consolidated Fund as well as from the earmarked funds in the share capital and debentures of statutory corporations / boards, Government companies, joint stock companies and co-operative institutions at the end of 1974-75, 1975-76 and 1976-77 were Rs. 62.37 crores, Rs. 67.60 crores and Rs. 75.19 crores respectively. Dividend and interest received therefrom during 1974-75, 1975-76 and 1976-77 were Rs. 0.24 crore, Rs. 0.47 crore and Rs. 0.50 crore respectively; these formed 0.4 per cent, 0.7 per cent and 0.7 per cent of the total investment of the Government at the end of each of these years. Further details are given in Statement No. 14 of the Finance Accounts 1976-77.

(c) According to the information so far furnished by the Government (February 1978), thirteen companies in which Government invested Rs. 14.84 lakhs have been liquidated to end of March 1977 and nineteen other companies in which Government invested Rs. 41.87 lakhs are under liquidation. Information regarding co-operative institutions liquidated or under liquidation and about realisation or write off of Government investments in those companies and co-operative societies has not been received from the Government (February 1978).

1.10. Guarantees

1.10.1. The Government has given guarantees for payment of loans, etc., raised by statutory corporations, joint-stock companies and co-operative institutions, etc.

The guarantees are in the nature of contingent liabilities on the State revenues. Brief particulars of these guarantees are given below:—

Body on whose behalf guarantee was given	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1977
	(In crores of rupees)	
One statutory corporation and two statutory boards	86.15	86.15
Seventeen Government companies ..	14.48	9.33
Seven joint-stock companies ..	0.06	0.02
One hundred and fourteen co-operative banks and institutions	63.26	54.76
Four improvement trusts, twenty municipalities and seven notified area councils	2.52	2.51
Two private parties ..	0.02	0.01
Total	1,66.49	1,52.78

No law under Articles 293 of the Constitution has been passed by the State Legislature laying down the limits within which the Government may give guarantees on the security of the Consolidated Fund of the State.

1.10.2. The amount guaranteed by the Government on behalf of the statutory corporation and boards include guarantees given under the provisions of various statutes as mentioned below:—

(a) Under section 6 of the State Financial Corporations Act, 1951, the shares of the State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of annual dividend. Similarly, under Section 7 of the Act, the bonds and debentures of the State Financial Corporation are to be guaranteed by the Government as to the repayment of principal and payment of interest. The sums guaranteed on behalf of the Orissa State Financial Corporation by the State Government and outstanding as at the end of March 1977 were as under:—

	Sums guaranteed	Guarantee outstanding
	(In crores of rupees)	
Share capital and dividend ..	1.04	1.04
Bonds, debentures and <i>ad hoc</i> loan ..	5.75	5.75
Total	6.79	6.79

In order to fulfil the guarantee under section 6 of the Act, Government paid Rs. 14.87 lakhs to end of 1976-77. The subventions paid are to be repaid by the Corporation from out of its future profits; no amount has been repaid by the Corporation so far (February 1978).

(b) Under Section 66 of the Electricity Supply Act, 1948, the State Government may guarantee in such manner as it thinks fit the repayment of principal and/or payment of interest of any loan raised by the State Electricity Board. The amount covered by the guarantees given by the State Government on behalf of the Orissa State Electricity Board to end of March 1977 was Rs. 77.43 crores; the Board availed of the entire guaranteed amount as at the end of the year.

(c) Under Section 54 (5) of the Orissa Housing Board Act, 1968, the State Government may guarantee the repayment of the principal and payment of interest at such rate as may be fixed by it. Government guaranteed a loan of Rs. 1.92 crores to the Housing and Urban Development Corporation on behalf of the Board which was availed of in full at the end of the year.

1.10.3. The Government charges from the parties guarantee commission at rates ranging from 0.01 per cent to 1 per cent of the guarantee. On certain guarantees no fee is charged. The outstanding guarantee commission due on 31st March 1977 was Rs. 1,22.90 lakhs from the Orissa State Electricity Board (Rs. 67.14 lakhs), the Industrial Development Corporation of Orissa (Rs. 37.43 lakhs), the Indian Metal and Ferro-Alloy (Rs. 1.29 lakhs), the Orient Spinning Mills (Rs. 1.06 lakhs), the Orissa State Financial Corporation (Rs. 4.70 lakhs), the Orissa Small Industries Corporation (Rs. 1.32 lakhs), the Orissa State Co-operative Marketing Federation (Rs. 1.44 lakhs), Municipalities and Notified area councils (Rs. 3.64 lakhs) and others (Rs. 4.88 lakhs).

1.10.4. The Government constituted a Guarantee Reserve Fund in 1969-70 to meet the liability arising out of the guarantees being invoked. Contributions to the Fund are made from revenue by annual assignments from the Consolidated Fund. Recoveries made from the parties and interest realised on investments made out of the balances in the Fund are to be credited to the Fund. Rupees 10 lakhs were credited to the Fund from the Revenue during 1976-77 and Rs. 2.96 lakhs were paid from the Fund on account of invocation of guarantee in favour of four industrial co-operatives.

The balance at the credit of the Fund as on 31st March 1977 was Rs. 28.16 lakhs; no part of the fund was invested during the year.

Rupees 90.80 lakhs have been paid by the Government from 1968-69 to 1976-77 on behalf of the principal debtors on account of invocation of guarantees. No amount has been recovered so far (February 1978).

1.11. Financial results of Multipurpose River, Irrigation and Power Projects

(a) *Multipurpose River Projects*—The total capital outlay on Multipurpose Projects in the State as on 31st March 1977 was Rs. 1,67.68 crores. This constituted 28 per cent of the Capital investment of the Government. Of these, Hirakud Dam Project with a capital outlay of Rs. 69.32 crores (exclusive of Rs. 26.74 crores representing value of assets transferred to the Orissa State Electricity Board and treated as loan) and Balimela (joint) project with a capital investment of Rs. 40.87 crores on the Dam project (exclusive of Rs. 12 crores transferred to the Government of Andhra Pradesh as its share of expenditure) and Rs. 36.64 crores on the power project were commissioned in 1960-61 and 1973-74 respectively. The Government incurred a loss of Rs. 5.31 crores on the Hirakud Dam Project during 1976-77, after providing interest charges (Rs. 4.20 crores) on the capital and earned a net revenue of Rs. 6.30 crores from the Balimela Power Project during 1976-77 after providing interest charges (Rs. 2.56 crores) on the capital. More details are given in Statement No. 3 of the Finance Account 1976-77.

The following table gives the working results of the Hirakud Dam and Balimela Power Projects for 1976-77 and the preceding two years:—

	1974-75	1975-76	1976-77
	(In crores of rupees)		
Total capital expenditure ..	1,02.73	1,04.84	1,05.96
Net revenue without taking interest charges into account	3.03	7.11	7.75
Interest on capital ..	4.85	3.67	6.76
Net revenue (+)/loss (—) after meeting interest charges	—1.82	+3.44	+0.99

(b) *Irrigation Projects*—The progressive capital outlay on the fourteen irrigation projects (for which capital and revenue accounts are kept) on the 31st March 1977 was Rs. 94.88 crores. The Government sustained a loss of Rs. 7.61 crores during the year 1976-77 after providing interest charges (Rs. 6.45 crores) on the capital.

The following table gives the working results for 1976-77 and the preceding two years:—

	1974-75	1975-76	1976-77
	(In crores of rupees)		
Total Capital expenditure ..	78.94	89.55	94.88
Net revenue without taking into account interest charges	—0.84	—0.82	—1.16

	1974-75	1975-76	1976-77
	(In crores of rupees)		
Interest on capital ..	5.76	5.80	6.45
Net revenue (+)/loss (-) after meeting interest charges	-6.60	-6.62	-7.61

The project-wise details are given in Statement No. 3 of the Finance Accounts, 1976-77.

(c) *Power Projects*—

(i) With the formation of the Orissa State Electricity Board in March 1961, the Government has been transferring all transmission, distribution and generating assets to the Board as and when these are completed. To the end of 1976-77, assets provisionally valued at Rs. 65.50 crores have been transferred to the Board and the amount has been treated as loan to the Board in Government accounts; the value of assets transferred to the Board has not been finally settled so far (February 1978). In addition, the Government has given Rs. 45.16 crores up to 1976-77 as cash loan to the Board for financing power schemes; the cash loan includes Rs. 26.33 crores advanced during 1976-77 for expansion of Talcher Thermal Project (Rs. 24.50 crores) and Rural Electrification Schemes (Rs. 1.83 crores). The Government has also invested Rs. 2.09 crores in the debentures floated by the Board and has guaranteed the loan raised by the Board to the extent of Rs. 77.43 crores. Besides, assistance of Rs. 4.32 crores has been extended to the Board during 1976-77 as subvention for carrying out rural electrification schemes (Rs. 4.17 crores) and as subsidy for power in respect of electricity supplied to power intensive industries (Rs. 0.15 crore).

(ii) The capital invested by the Government of Orissa to end of 1958-59 on the Machkund Hydro-Electric (joint) Scheme undertaken jointly with the Government of Andhra Pradesh was Rs. 4.63 crores. Debits raised by the Government of Andhra Pradesh to the extent of Rs. 65.19 lakhs representing Orissa's share of capital expenditure between 1959-60 and 1976-77 have not been accepted by the Government of Orissa so far (February 1978).

A summary of the financial results of the scheme during 1974-75, 1975-76 and 1976-77 is given below:—

	1974-75	1975-76	1976-77
	(In lakhs of rupees)		
Gross receipts ..	79.38	72.86	1,24.74
Working expenses ..	4.57	55.64	52.25
Interest on capital] ..	17.60	17.60	17.61
Surplus of revenue(+) excess expenditure (-)	+57.21	-0.38	+54.88

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

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

(1)	Grants/Charged appropriations	(2)	Expenditure	Savings(—)/Excess(+)	
				Amount	Percentage
			(3)	(4)	(5)
(In crores of rupees)					
Voted—					
Original ..	4,52.44	5,30.38	4,87.58	—42.80	8
Supplementary	77.94				
Amount transferred to the Contingency Fund under the Orissa Contingency Fund (Amendment) Ordinance 1977					
Supplementary	8.00	8.00	8.00	..	..
Charged—					
Original	1,12.47	2,21.21	2,41.96	+20.75	9
Supplementary	1,08.74				
Total		7,59.59	7,37.54	—22.05	3

The overall saving of Rs. 22.05 crores was the net result of saving of Rs. 60.76 crores in 26 grants/19 charged appropriations (revenue : Rs. 44.87 crores and capital : Rs. 15.89 crores) and excess of Rs. 38.71 crores in 5 grants/2 charged appropriations (revenue : Rs. 2.26 crores and capital : Rs. 36.45 crores).

(b) Further details are given below:—

	Revenue	Capital	Loans and Advances	Transfer of the Contingency Fund	Public Debt	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In crores of rupees)						
Authorised to be spent (grants and charged appropriations)—						
Original ..	3,28.18	1,25.79	42.81	..	68.13	5,64.91
Supplement a r y (September 1976 and March 1977)	53.44	19.16	6.37	..	1,07.71	1,86.68
Amount transferred to the Contingency Fund under the Orissa Contingency Fund (Amend m e n t) Ordinance, 1977						
Supplemen t a r y (March 1977)	..	..	..	8.00	..	8.00
Total	3,81.62	1,44.95	49.18	8.00	1,75.84	7,59.59
Actual expenditure (grants a n d charged approp-riations)	339.02	1,52.91	39.47	8.00	1,98.14	7,37.54
Shortfall (—)/ Excess (+)	—42.60	+7.96	—9.71	..	+22.30	—22.05

2.2. Excess over grants/charged appropriations requiring regularisation

(a) *Excess over grants*—There were excesses of Rs. 2.26 crores in 3 grants in the revenue section and Rs. 14.15 crores in 2 grants in the capital section; these excesses, details of which are given below, require regularisation under Article 205 of the Constitution:—

Revenue Section

Sl. Number and name of grant No.	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)
	Rs.	Rs.	Rs.
(1) 3—A—Expenditure relating to the Excise Department—			
Original ..	73,91,000	95,09,000	78,144
plementary ..	21,18,000		

The excess was under "Purchase of opium, etc." Reasons for the excess have not been intimated (February 1978).

Sl. No.	Number and name of grant	Total grant		Actual expenditure		Excess Rs.
		Rs.	Rs.	Rs.	Rs.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(2)	7—Expenditure relating to the Works Department—					
	Original ..	17,66,69,000	} 26,21,94,000	26,40,69,514	18,75,514	
	Supplementary ..	8,55,25,000				

Reasons for the excess have not been intimated (February 1978).

Excess also occurred under this grant during 1975-76 (Rs. 5,34.55 lakhs), 1974-75 (Rs. 5,62.10 lakhs), 1973-74 (Rs. 7,78.63 lakhs), 1972-73 (Rs. 6,06.41 lakhs) and 1971-72 (Rs. 1,95.26 lakhs).

(3)	13—Expenditure relating to the Urban Development Department—					
	Original ..	6,86,27,000	} 8,55,16,000	10,61,44,822	2,06,28,822	
	Supplementary ..	1,68,89,000				

Reasons for the excess have not been intimated (February 1978).

Excess occurred under this grant during 1975-76 (Rs. 2,34.14 lakhs) and 1974-75 (Rs. 1,41.28 lakhs) also.

Capital Section

(1)	9—Expenditure relating to the Food and Civil Supplies Department—	52,98,51,000	62,98,55,661	10,00,04,661
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The excess was mainly due to adjustment of cash credit accommodation of Rs. 15.75 crores in June 1976 (Rs. 6.00 crores) and March 1977 (Rs. 9.75 crores) obtained from the State Bank of India to finance the expenditure under "Grain Purchase Scheme". Reasons for non-provision of funds have not been intimated (February 1978).

(2)	22—Expenditure relating to the Forest and Animal Husbandry Department—				
	Original ..	12,42,76,000	} 12,76,21,000	16,91,65,404	4,15,44,404
	Supplementary ..	33,45,000			

The excess was mainly due to larger expenditure on "Government trading in Kendu leaves" (Rs. 1,69.40 lakhs), marketing of fish under "Exploitation and marketing of fish" (Rs. 11.87 lakhs) and plantations (Rs. 9.36 lakhs). Reasons for the excess have not been intimated

(February 1978). The excess was partly offset by savings under other heads. Excess of Rs. 3,73'52 lakhs also occurred in 1975-76 in this grant.

(b) *Excess over charged appropriations*—There were excesses of Rs. 22'30 crores in the following 2 charged appropriations in the capital section; these also require regularisation under Article 205 of the Constitution.

Sl. No.	Number and name of appropriation	Total appropriation Rs.	Actual expenditure Rs.	Excess Rs.
(1)	(2)	(3)	(4)	(5)
(1)	Internal Debt of the State Government—			
	<i>Original</i> ..	50,22,22,000	1,55,33,17,000	1,77,59,12,071
	<i>Supplementary</i> ..	1,05,10,95,000		
				22,25,95,071

The excess was mainly due to repayment of more overdrafts (Rs. 17,03'35 lakhs) obtained in March 1977 than anticipated and more repayment of loans to the State Bank of India (Rs. 8,75'46 lakhs) and the Reserve Bank of India (Rs. 8'47 lakhs). The excess was partly offset by savings under other items.

(2)	Loans and advances from the Central Government—			
	<i>Original</i> ..	17,91,11,000	20,51,15,000	20,55,08,189
	<i>Supplementary</i> ..	2,60,04,000		
				3,93,189

The excess was mainly due to write off of certain loans advanced to displaced persons.

2.3. Supplementary grants/charged appropriations

(a) During the year, supplementary provision of Rs. 1,94'68 crores (September 1976 : Rs. 35'16 crores and March 1977 : Rs. 1,59'52 crores) was obtained under 26 grants (Rs. 85'94 crores) and 21 appropriations (Rs. 1,08'74 crores). Of the total supplementary grants, Rs. 53'31 crores were obtained in 26 cases in the revenue section and Rs. 32'63 crores in 11 cases in the capital section. In the charged appropriations, supplementary provision of Rs. 0'13 crore was obtained in 17 cases in the revenue section and of Rs. 1,08'61 crores in 8 cases in the capital section.

(b) The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below:—

(1) Unnecessary supplementary grants

In the following cases the supplementary grants (exceeding Rs. 5 lakhs in each case) of Rs. 6,48'17 lakhs under five grants in the revenue section and Rs. 3,48'84 lakhs under one grant in the capital section were

unnecessary as the expenditure did not come up even to the original provision:—

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In lakhs of rupees)

Revenue section

(1)	5—Expenditure relating to the Finance Department	30,67.25	21.01	7,34.30	23,53.96
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Saving to the extent of Rs. 6,56.81 lakhs was stated to be mainly due to non-fixation of pay of some Government employees in the revised scales. Reasons for the remaining saving have not been intimated (February 1978).

(2)	16—Expenditure relating to the Planning and Co-ordination Department	3,05.71	5.13	87.48	2,23.36
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The shortfall was stated to be mainly due to reduction in Plan allocations (Rs. 2.02 lakhs) and late appointment of staff (Rs. 15.59 lakhs).

(3)	17—Expenditure relating to the Rural Development Department	9,93.21	38.44	8,98.27	1,33.38
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The shortfall was reported to be mainly due to non-finalisation/late finalisation of work-wise allotment (Rs. 59.26 lakhs). Reasons for the remaining saving have not been intimated (February 1978).

(4)	22—Expenditure relating to the Forest and Animal Husbandry Department	13,61.13	1,34.75	13,44.17	1,51.71
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The shortfall was mainly due to less payment of share of net profit on *kendu* leaf trade to local bodies for development works (Rs. 61.52 lakhs) owing to the net profit not being determined consequent on non-finalisation of *pro forma* accounts, non-sanction of funds for execution of the scheme "Development of infra-structure in coastal fishing villages" (Rs. 41.62 lakhs), less expenditure on some schemes (Rs. 22.35 lakhs) and non-receipt of sanction from Government of India for establishment of exotic cattle breeding farm (Rs. 10.66 lakhs).

(5)	23—Expenditure relating to the Agriculture and Co-operation Department—	19,62.13	4,48.84	18,17.03	5,93.94
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The shortfall was due to release by the Government of India of grants directly to the Small Farmer's Development Agency and the Marginal Farmer's Agricultural Labourers Project (Rs. 2,56.55 lakhs), late implementation of some schemes/non-appointment of certain categories of staff (Rs. 53.04 lakhs), re-assessment of requirements (Rs. 25.60 lakhs), less

purchase of seeds (Rs. 23 lakhs), less allotment of funds by Government of India for agricultural marketing and quality control (Rs. 10.98 lakhs) and reduction of expenditure due to late creation of Command Area Development Authority (Rs. 8.42 lakhs). Reasons for the remaining saving have not been intimated (February 1978).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In lakhs of rupees)

Capital Section

(6)	20—Expenditure relating to the Irrigation and Power Department	70,08.43	3,48.84	66,09.90	7,47.37
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The shortfall was stated to be mainly due to non-execution of some schemes on account of reduction in Plan allocations (Rs. 1,66.14 lakhs), post-budget decision of Government not to advance loan to the Orissa State Electricity Board for execution of Plan Schemes (Rs. 5.03 lakhs) and reassessment of requirements (Rs. 1,81.93 lakhs).

(ii) Supplementary grants which proved excessive

In the following cases, among others, the supplementary grants (exceeding Rs. 5 lakhs each) proved excessive. Against the supplementary provision of Rs. 29,58.35 lakhs in the revenue section and Rs. 23,16.75 lakhs in the capital section, Rs. 21,70.93 lakhs and Rs. 16,51.97 lakhs respectively were actually utilised resulting in savings of Rs. 7,87.42 lakhs in the revenue section and Rs. 6,64.78 lakhs in the capital section. The details are given below:—

Revenue section

(1)	3—Expenditure relating to the Revenue Department	16,37.66	2,78.73	17,11.36	2,05.03
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The shortfall was mainly due to less requirement of funds for roads under "Relief Works" (Rs. 1,31.30 lakhs) and reassessment of requirements for food and clothing under "Gratuitous Relief" (Rs. 55.26 lakhs).

(2)	10—Expenditure relating to the Education Department	57,64.88	8,22.34	63,97.48	1,89.74
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The shortfall was mainly due to less assistance to non-Government primary schools and non-Government secondary schools, reasons for which have not been intimated (February 1978).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
					(In lakhs of rupees)
(3)	11—Expenditure relating to the Tribal and Rural Welfare Department	9,16.29	1,86.38	10,32.13	70.54

The shortfall was mainly due to reduction in Plan allocations (Rs. 18.39 lakhs), less number of student boarders (Rs. 4.06 lakhs) and reassessment of requirements (Rs. 1.53 lakhs). Reasons for the remaining saving have not been intimated (February 1978).

(4)	12—Expenditure relating to the Health and Family Welfare Department	19,44.53	7,94.45	25,45.61	193.37
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The saving was mainly due to less number of cases for compensation under "Family Planning" and less expenditure under the scheme for "National Malaria Eradication Programme".

(5)	18—Expenditure relating to the Community Development and Social Welfare Department	9,83.38	5,04.18	14,34.65	52.91
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The saving was mainly due to less payment of grants to State Council for Children's Welfare (Rs. 16.82 lakhs), non-finalisation of certain cases of old age pension for destitutes (Rs. 5.38 lakhs) and vacancies in the cadre of Sub-Assistant Engineers (Rs. 2.85 lakhs).

(6)	20—Expenditure relating to the Irrigation and Power Department	33,97.99	3,72.27	36,94.43	75.83
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Saving was mainly due to less requirement for adjustment of interest in respect of capital outlay on Rengali Multipurpose River Project (Rs. 33.88 lakhs) and non-utilisation of funds for "Fishing harbour and landing facilities" (Rs. 34.20 lakhs); reasons for less requirement/non-utilisation have not been intimated (February 1978).

Capital Section

(7)	5—Expenditure relating to the Finance Department	6,09.71	13,00.01	15,39.06	3,70.66
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The shortfall was stated to be mainly due to reassessment of requirement of loans to State undertakings.

(8)	23—Expenditure relating to the Agriculture and Co-operation Department	8,28.03	10,16.74	15,50.65	294.12
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The saving was due to non-utilisation of funds provided for purchase and distribution of quality seeds to cultivators (Rs. 2,08.00 lakhs) and for construction of Cold storage plants (Rs. 46.40 lakhs), non-release of funds by the National Co-operative Development Corporation (Rs. 24.11 lakhs) and post-budget decision of the Government to invest funds in regional rural banks instead of in the co-operative bodies (Rs. 11.25 lakhs).

(iii) *Inadequate supplementary grants / charged appropriations*

In the following cases, among others, the supplementary grants/charged appropriations (exceeding Rs. 5 lakhs in each case) of Rs. 1,18.29 crores proved inadequate; the final uncovered excess in these cases was Rs. 28.70 crores. Reasons for the excess to the extent received are given in paragraph 2.2.

Sl. No.	Number and name of grant / appropriation	Original grant/ appropriation	Supplementary grant/ appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
<i>Revenue Section—</i>					
(1)	7—Expenditure relating to the works Department	17,66.69	8,55.25	26,40.70	18.76
(2)	13—Expenditure relating to the Urban Development Department	6,86.27	1,68.89	10,61.45	2,06.29
<i>Capital Section—</i>					
(3)	22—Expenditure relating to the Forest and Animal Husbandry Department	12,42.76	33.45	16,91.65	4,15.44
(4)	<i>Internal Debt of the State Government</i>	50,22.22	1,05,10.95	1,77,59.12	22,25.95
(5)	<i>Loans and Advances from Central Government</i>	17,91.11	2,60.04	20,55.08	3.93

2.4. Unutilised provision

(a) Rupees 60.76 crores remained unutilised in 26 grants (revenue : Rs. 43.38 crores and capital: Rs. 15.26 crores) and 19 charged appropriations (revenue : Rs. 1.49 crores and capital : Rs. 0.63 crore). In 11 grants, the savings (more than Rs. 2 lakhs in each case) were more than 10 per cent of the total provision. The details are given in Appendix I.

(b) Some of the major schemes where provision remained substantially/wholly unutilised other than those mentioned in paragraph 2.3 are shown below:—

Sl. No.	Number and name of grant/charged appropriation and head/scheme	Provision	Saving	
			Amount	percentage
(1)	(2)	(3)	(4)	(5)

(In lakhs of rupees)

Revenue Section—

(1)	5—Expenditure relating to the Finance Department—			
	288—Social Security and Welfare—other Social Security and Welfare Programmes—			
	Insurance Schemes—G r o u p Insurance Scheme for Government employees	23.33	23.33	100

Saving was due to post-budget decision of the Government to grant interest-free advances to Government servants under the loan head in the capital section of the grant to enable them to make the deposit under the Group Insurance Scheme.

(2)	7—Expenditure relating to the Works Department—			
	337—Roads and Bridges—			
	District and other Roads—			
	(A) Other District Roads	51.00	51.00	100
	Reasons for the saving have not been intimated (February 1978).			
	(B) Culverts and Village Roads	1,00.00	1,00.00	100

Reasons for the Saving have not ben intimated (February 1978).

(3)	10—Expenditure relating to the Education Department—			
	277—Education—S p e c i a l Education—Sanskrit Education	44.03	23.07	52

Saving was mainly due to non-implementation of the scheme for re-organisation of Sanskrit education and introduction of new syllabus.

(4)	12—Expenditure relating to the Health and Family Welfare Department—			
	282—Public Health, Sanitation and Water Supply—Prevention and control of diseases—			
	Leprosy	65.72	39.34	60

Saving was stated to be due to non-receipt of Central assistance.

Sl. No.	Number and name of grant/charged appropriation and head/scheme	Provision	Saving	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
(5)	20—Expenditure relating to the Irrigation and Power Department—			
	334—Power Projects—Hydro—Electric Schemes—			
	Machkund Hydro-Electric (Joint) Scheme	1,24.33	54.47	44

Reasons for the saving have not been intimated (February 1978).

Capital Section—

(6)	6—Expenditure relating to the Commerce Department—			
	533—Capital outlay on Irrigation, Navigation, Drainage and Flood Control Projects—			
	Navigation in Mahanadi . .	20.00	20.00	100

Saving was stated to be mainly due to non-receipt of Central assistance.

(7)	7—Expenditure relating to the Works Department—			
(a)	477—Capital Outlay on education, Art and Culture—			
	University and other Higher education	53.21	53.21	100

Reasons for the saving have not been intimated (February 1978).

(b)	480—Capital Outlay on Medical—			
	Allopathy—Medical Education—Buildings	14.03	14.03	100

Reasons for the saving have not been intimated (February 1978).

Sl. No.	Number and name of grant/charged appropriation and head/scheme	Provision	Saving	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)

(In lakhs of rupees)

(c) 537—Capital Outlay on Roads and Bridges—State Highways—				
Road Development Programme	1,24.04	1,24.04	100	

Reasons for the saving have not been intimated (February 1978).

(8) 13—Expenditure relating to the Urban Development Department—				
482—Capital Outlay on Public Health, Sanitation and Water Supply—				
Sewerage Schemes	20.00	10.00	50	

Reasons for the saving have not been intimated (February 1978).

(9) 20—Expenditure relating to the Irrigation and Power Department—				
(a) 532—Capital Outlay on Multipurpose River Projects—Ren g a l i M u l t i p u r p o s e Project—				
Power Scheme— Power House	30.00	24.98	83	

Reasons for the saving have not been intimated (February 1978).

(b) 533—Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects—				
Medium Irrigation Projects—				
Saipal Irrigation Project	77.00	40.03	52	

Reasons for the saving have not been intimated (February 1978).

2.5. Advances from the Orissa Contingency Fund

A Contingency Fund of Rs. 2 crores has been placed at the disposal of the Governor of Orissa to enable advances to be made from it for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature.

The corpus of the Fund was increased from Rs. 2 crores to Rs. 10 crores by an Ordinance promulgated in January 1977 in order to meet the situation arising out of drought and flood and also to cover other unforeseen and emergent expenditure. The Ordinance was, however, not subsequently confirmed by an Act of the Legislature and Rs. 8 crores were refunded to the Consolidated Fund during the year. The corpus of the Fund was, thus, again reduced to Rs. 2 crores.

The advances from the Fund can be made only to meet unforeseen expenditure not provided for in the budget, which is of such an emergent character that postponement of it, till the vote of the Legislature is taken, would be undesirable.

An analysis of the sanctions for advances and expenditure against them is given below:—

(i) In 1976-77, one sanction for Rs. 4 lakhs issued in March 1977 was cancelled in April 1977.

(ii) Out of 50 sanctions operated upon, the actual expenditure against two sanctions (Rs. 64 lakhs) was considerably less as indicated below:—

Sl. No.	Date of Sanction	Amount		Difference	
		Sanctioned	Drawn	Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
(1)	16th April 1976 ..	5.00	1.75	3.25	65
(2)	31st January 1977 ..	59.00	36.92	22.08	37

(iii) Out of Rs. 51.66 crores drawn during they year, Rs. 15.19 lakhs were not recouped to the Fund till the close of the year. Besides, Rs. 9.69 lakhs drawn during the year 1975-76 had also remained unrecouped till the close of the year.

2.6. Shortfall/excess in recoveries

Under the system of gross budgeting followed by the Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. During 1976-77, such recoveries were anticipated at Rs. 1,03.60 crores (Revenue: Rs. 19.35 crores ; Capital : Rs. 84.25 crores). Actual recoveries during the year, however, were Rs. 1,36.24 crores (Revenue : Rs. 30.85 crores ; Capital; Rs. 1,05.39 crores).

Some of the important cases of shortfalls/excesses in recoveries are detailed below; reasons therefor have not been intimated (February 1978).

Number and name of grant	Budget Estimates		Actuals		Amount of short-fall/ excess of recoveries over estimates	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
	More (+)/ Less(-)	More (+)/ Less(-)	More (+)/ Less(-)	More (+)/ Less(-)	More (+)/ Less(-)	More (+)/ Less(-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In crores of Rupees)						
3—Expenditure relating to the Revenue Department	3.58	..	1.96	..	(-)1.62	..
5—Expenditure relating to the Finance Department	0.29	..	0.11	8.00	(-)0.18	(+)8.00
7—Expenditure relating to the Works Department	6.47	0.07	14.79	0.14	(+)8.32	(+)0.07
9—Expenditure relating to the Food and Civil Supplies Department	..	62.98	..	65.74	..	(+)2.76
13—Expenditure relating to the Urban Development Department	1.65	..	3.43	..	(+)1.78	..
20—Expenditure relating to the Irrigation and Power Department	1.91	6.20	3.89	8.02	(+)1.98	(+)1.82
22—Expenditure relating to the Forest and Animal Husbandry Department	..	12.01	..	15.65	..	(+)3.64
23—Expenditure relating to the Agriculture and Co-operation Department	..	2.57	1.18	7.47	(+)1.18	(+)4.90

2.7. Non-receipt of explanations for savings/excesses

After the close of the accounts of each financial year, the detailed Appropriation Accounts showing the final grants/ appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain the variations in general and those in important heads in particular.

During 1976-77, explanations for variations were called for from the controlling officers in respect of 3,112 heads (savings: Rs. 53.22 crores; excess: Rs. 71.57 crores). Explanations for variations were received in 534 cases and are awaited (February 1978) in the remaining 2,578 cases (savings: Rs. 51.14 crores; excess : Rs. 47.93 crores) which formed 84 per cent of the number of heads for which variations were required to be explained.

Departments which have not furnished (February 1978) the explanations for variations in a large number of cases are Irrigation and Power (613 heads), Agriculture and Co-operation (560 heads), Works (372 heads), Forest and Animal Husbandry (173 heads), Health and Family Welfare (149 heads), Urban Development (120 heads) and Education (110 heads).

2.8. Drawal of funds in advance of requirements

2.8.1. A requisition for acquisition of land for housing schemes at Bhubaneswar by invoking the emergency provisions of the Land Acquisition Act was sent to the Collector, Puri by the Political and Services Department in March 1965. A sum of Rs. 1.40 lakhs was placed in March 1965 at the disposal of the Collector, Puri, for this purpose in order to avoid lapse of budget provisions. The requisition for land placed by the Political and Services Department was found (April 1965) to be defective by the Collector, Puri as the purpose of acquisition was not correctly stated therein. As the defect had not been rectified, the acquisition proceedings had not yet started (October 1977).

The Government stated (October 1977) that the amount could not be utilised because of procedural requirements and that the Collector, Puri had been instructed in August 1977 to refund the amount (Rs. 1.40 lakhs). Further developments are awaited (February 1978).

2.8.2. An order for the supply of 4 diesel jeeps with trailers at a cost of Rs. 59,822 each was placed on 19th March 1977 by the Director of Fisheries with a firm 'P', with which a rate contract had been entered into by the Director-General of Supplies and Disposals. A token supplementary grant was obtained on 25th March 1977 for purchase of 4 diesel pick-ups for marketing of fish. An amount of Rs. 2.39 lakhs towards the cost of the 4 jeeps with trailers was drawn by the Director of Fisheries on an abstract contingent bill on 31st March 1977 and a bank draft obtained for the same. The jeeps with trailers are yet (November 1977) to be delivered by the firm and the bank draft continues to be retained by the Director of Fisheries.

CHAPTER III
CIVIL DEPARTMENTS

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.1. Drought Prone Area Programme

3.1.1.1. In order to provide a permanent solution to the problem of frequent droughts in the drought prone areas of Phulbani and Kalahandi districts a centrally sponsored scheme called the Drought Prone Area Programme (D. P. A. P.) was launched in April 1970 in these two districts. The Programme envisaged the taking up of works like minor irrigation projects, soil conservation, afforestation and roads which, apart from mitigating the effects of droughts, were expected to provide employment in rural areas. In November 1973 the scope of the Programme was widened to include activities such as lift irrigation, agriculture, horticulture, animal husbandary, fisheries, soil and water management, etc. The construction of roads, was, however, excluded from the Programme during the Fifth Plan period.

3.1.1.2. *Provision of funds*—The provision of funds made for the D. P. A. P. in the Fourth and Fifth Five Year Plans was Rs. 4,00 lakhs and Rs. 11,00 lakhs, respectively. Provision made and expenditure incurred for different sectors of the Programme up to 1976-77 were as follows:—

(1)	Fourth Five Year Plan provision	Expendi- ture during the Fourth Five Year Plan period	Fifth Five Year Plan provision for 1974—79	Expendi- ture during Fifth Five Year Plan period (up to 1976-77)
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
Minor irrigation	2,40.92	1,90.39	4,13.64	2,83.05
Lift irrigation	..	..	66.52	37.24
Soil conservation	47.41	33.69	1,06.79	24.37
Agriculture	..	..	98.87	36.52
Horticulture	..	..	98.24	..
Afforestation	4.48	3.16	73.61	25.57

	Fourth Five Year Plan provision	Expendi- ture during the Fourth Five Year Plan period	Fifth Five Year Plan provision for 1974—79	Expendi- ture during Fifth Five Year Plan period (up to 1976-77)
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
Cross breeding .. ..	..	..	28·60	..
Animal husbandry .. ..	..	..	69·96	28·16
Fisheries .. ..	..	..	7·53	2·00
Soil and water management. .. ..	..	..	24·13	..
Credit management .. ..	..	..	38·29	29·79
Project management .. ..	..	..	16·00	10·38
Un-allocated provision .. ..	..	..	57·82	..
Roads	1,07·19	1,13·77	..	..
Total	4,00·00	3,41·01	11,00·00	4,77·08

3.1.1.3. *Central assistance*—Central assistance for the Programme which was to be hundred per cent during the Fourth Plan period was stopped in August 1973. In October 1973, the State Government was advised by Government of India that unutilised amounts available out of Central assistance released up to July 1973 could be utilised for completion of irrigation works in progress. During the Fifth Plan period, Central assistance was available at 50 per cent of approved expenditure. Central assistance received for the Programme during the Fourth Plan period and during the Fifth Plan period up to 1976-77 was Rs. 3,11·20 lakhs and Rs. 2,41·98 lakhs respectively.

3.1.1.4. *Agency for execution*—Up to 1973-74, the Programme was implemented directly through the Rural Engineering, Soil Conservation, Forest and Roads and Buildings divisions of the State Government. At the district level, co-ordination was effected by the Collector and at the State level, by the Revenue Department up to March 1971 and thereafter by the Community Development and Panchayati Raj Department.

During the Fifth Plan period, the implementation of the Programme was entrusted to the District Development Agencies which were constituted under the Societies Registration Act, 1860 in each of the districts of Kalahandi (in September 1974) and Phulbani (in October 1974). The Agencies, which had governing bodies consisting of the respective District Collector as Chairman, the Project Director as member-secretary and other district level officers of the various departments of the Government as members, started functioning from November 1974 (Kalahandi) and June 1975 (Phulbani). The actual execution of the different schemes under the Programme, however, continued to be with the district level departmental officers.

Mention of certain aspects of the implementation of the D. P. A. P. was made in Chapter 5 of Part I of the Supplementary Report of the Comptroller and Auditor General of India—Government of Orissa—Civil—for the year 1973-74. Further points noticed in test-check of the records of implementation of the scheme are mentioned in the sub-paragraphs which follow.

3.1.2. Drawal of funds, utilisation and accounting

(1) Pending constitution of D. P. A. P. Agencies and commencement of activities by them, the budget provision for 1974-75 for the Programme was allotted to the district level departmental officers dealing with various activities as was done during the previous Plan period. Rupees 1,19.48 lakhs were drawn during the last quarter of the financial year but no activities were taken up and the amounts were carried over for utilisation during the next year. In 1975-76 also, out of the provision of Rs. 1,63.96 lakhs made for that year, Rs. 1,62.28 lakhs were drawn by the Director of Agriculture and Food production through abstract contingent bills and advanced to the two D. P. A. P. Agencies. Funds for the execution of the Programme were paid to the D. P. A. P. Agencies as grants from 1976-77 onwards. The Agencies, in turn, paid the funds to the district level departmental officers like District Agricultural Officer, Divisional Forest Officer, District Veterinary Officer, etc., for execution of works pertaining to different sectors of the Programme. The district officers were to render accounts for the amounts advanced to the Director of Agriculture and Food Production through the Agencies and the Director in turn was to render detailed contingent bills for drawals up to 1975-76 and utilisation certificates for grants paid from 1976-77 onwards to Audit.

(2) The amounts drawn from the Consolidated Fund for implementation of the Programme, the amounts disbursed to the two Agencies and to the

district level officers during the Fifth Plan period were as follows:—

	1974-75	1975-76	1976-77	Total
	(In lakhs of rupees)			
(1) Total Plan provision ..	1,19.82	1,63.96	2,00.00	4,86.00
(2) Amounts drawn from the Consolidated Fund—				
(a) In abstract contingent bills	6.64	1,60.23	..	1,66.87
(b) In grants-in-aid bills ..	..	..	1,95.32	1,95.32
(c) In fully vouched contingent bills	1,12.84	2.05	..	1,14.89
Total	1,19.48	1,62.28	1,95.32	4,77.08
(3) Funds provided to the two Agencies from out of amounts drawn from the Consolidated Fund ¹	1.41	1,60.23	1,95.32	3,56.96
(4) (a) Funds retained by District Officers	1,18.07	2.05	..	1,20.12
(b) Funds received by District Officers from the two Agencies	1.41	1,02.49	1,34.81	2,38.71
(c) Total funds with the District Officers	1,19.48	1,04.54	1,34.81	3,58.83
(5) Unutilised balance at the end of the year with—				
(a) the two D. P. A. P. Agencies	..	57.74	1,19.22	..
(b) District Officers ..	1,19.48	..	20.44	..

Thus, though the actual implementation of the schemes continued to be with the departmental district level officers as before, the funds for implementation of the schemes were routed through the D. P. A. P. Agencies partly in 1974-75 and 1975-76 and fully from 1976-77 onwards.

(3) According to the budgetary and accounting procedure prescribed (April 1976) by the Government for the D. P. A. P. Agencies the district level officers receiving funds from the D. P. A. P. Agencies were to open Personal Ledger Accounts for accounting the transactions and observe Government rules for handling cash and maintaining accounts. The executing departments had not, however, initiated steps for opening Personal Ledger Accounts. The Rural Engineering Divisions credited the funds received from the Agencies to Public Works Deposits, while the Forest Divisions credited them to the deposit or departmental receipt

heads. Other district level officers retained the amounts as part of their cash balance, in some cases in the form of deposits-at-call with banks or bank drafts. Amounts were advanced to subordinate officials from time to time for utilisation on the Programme; of these advances, large amounts remained outstanding. Out of Rs. 4,77.08 lakhs shown in the accounts as expenditure under the Programme during the three years 1974-75 to 1976-77, Rs. 1,39.66 lakhs were lying unutilised at the end of March 1977 with various officers as shown below:—

	With Agencies	With District Officers	Total
(In lakhs of rupees)			
Current or Savings Bank Accounts with Banks and Post Offices	27.71	..	27.71
Fixed Deposit in banks for 91 days to 6 months	78.00	..	78.00
Deposits-at-call in banks ..	..	1.36	1.36
Bank drafts in favour of suppliers	..	1.46	1.46
Public Works Deposits and deposits of the Forest Department	..	0.45	0.45
Advances with officials ..	..	27.48	27.48
Cash in hand ..	0.02	3.16	3.18
Paid vouchers awaiting adjustment	..	0.02	0.02
Total	1,05.73	33.93	1,39.66

The interest earned upto March 1977 by the two D. P. A. P. Agencies on amounts deposited by them from out of unspent balances amounted to Rs. 2.14 lakhs.

(4) Out of total of Rs. 1,66.87 lakhs drawn on abstract contingent bills upto March 1976, detailed accounts for Rs. 1,02.40 lakhs have been received by the Director of Agriculture and Food Production, of which detailed contingent bills for Rs. 98.50 lakhs only have so far (December 1977) been submitted to Audit. Detailed contingent bills for Rs. 68.37 lakhs are awaited (December 1977). Utilisation certificates for the entire amount of Rs. 1,95.32 lakhs drawn and paid as grants-in-aid to the two Agencies during 1976-77 are awaited (December 1977).

Points noticed in test-check of the records pertaining to different activities are mentioned below:—

3.1.3. Minor Irrigation Projects

(1) Thirty minor irrigation projects (Fourth Plan : 14; Fifth Plan:16) estimated to cost Rs. 5,53.07 lakhs (Fourth Plan : Rs. 3,19.55 lakhs; Fifth Plan: Rs. 2,33.52 lakhs) were taken up under the Programme and an expenditure of Rs. 4,29.82 lakhs (Fourth Plan: Rs. 3,46.97 lakhs; Fifth Plan : Rs. 92.85 lakhs) was incurred upto March 1977.

(2) Details of the projects taken up, abandoned, completed and in progress were as follows:—

(Amounts in lakhs of rupees)

Plan period	Projects taken up		Projects abandoned		Projects completed		Projects in progress	
	Number	Estimated cost	Number	Expenditure	Number	Expenditure	Number	Expenditure
Fourth Plan ..	14	3,19.55	1	1.26	8	1,94.52	5	1,41.19
Fifth Plan ..	19	2,33.52	3	1.93	1	5.12	15	85.80

The *ayacut* proposed and the area actually irrigated in respect of these projects are given below:—

	Projects of	
	Fourth Plan period	Fifth Plan period
(In acres)		
(a) Projects completed		
Ayacut proposed		
<i>Kharrif</i>	..	13,290 210
<i>Rabi</i>	..	4,800 50
Actually irrigated—		
<i>Kharrif</i>	..	12,310 210
<i>Rabi</i>	..	1,975 nil
(b) Projects under construction		
Ayacut proposed—		
<i>Kharrif</i>	..	6,475 9,924
<i>Rabi</i>	..	2,250 4,295

(3) The five incomplete projects taken up during the Fourth Plan period (estimated cost: Rs. 91.87 lakhs) were due for completion by March 1974 and were to irrigate 6,475 acres in *Khari* and 2,350 in *Rabi* in Phulbani District. Up to 1976-77, Rs. 99.00 lakhs were spent on these five projects. The distribution systems of these projects were not completed and they could not provide irrigation so far (December 1977).

(4) The details of the four projects abandoned were as follows:—

Sl. No.	Name of minor irrigation project	Estimated cost		Date of commencement	Date of abandonment	Expenditure incurred
		Original	Revised			
		(In lakhs of rupees)				(In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Fourth Plan</i>						
1.	Karkata	25.00	37.62	Work not commenced	Work stopped in December 1974 and abandoned in August 1975	1.26
<i>Fifth Plan</i>						
2.	Armela reservoir	29.99	38.88	April 1975	August, 1975	0.19
3.	Dilaballi	29.99	42.96	July 1975	January 1976	1.70
4.	Kutalbhata	20.08	..	1975-76	1975-76	0.04
Total						3.19

The Karkata, Armela (reservoir) and Dilaballi minor irrigation projects were dropped on the ground that the revised estimated costs of these projects exceeded the ceiling limit of Rs. 30.00 lakhs fixed by the Government for minor irrigation projects and only minor irrigation projects were to be taken up under the D. P. A. P. Meanwhile, Rs. 1.26 lakhs and Rs. 1.70 lakhs had been spent on the Karkata and Dilaballi projects respectively, on approach roads, temporary sheds and work-charged establishment which became unfruitful due to the abandonment of the projects.

The Armela minor irrigation project with a diversion weir had earlier been taken up under the State Plan outside the D. P. A. P. in March 1967.

The headworks of the project were completed in December 1967 at a cost of Rs. 2.77 lakhs to provide irrigation for 1,869 acres in *Kharif* and 43 acres in *Rabi*. Work on distribution system commenced only in March 1974 ; Rs. 7.67 lakhs were spent upto March 1977 out of the State Plan funds. In March 1974, the department decided to put up a reservoir to provide additional irrigation (*Kharif* : 400 acres ; *Rabi* : 1,200 acres), meeting the expenditure from out of D. P. A. P. funds. Anticipating the addition of the reservoir, the distribution system was enlarged at a cost of Rs. 3.99 lakhs from out of State Plan funds. An estimate for the reservoir scheme was prepared for Rs. 29.99 lakhs in November 1974 and an expenditure of Rs. 0.19 lakh was incurred on approach roads, etc. The project was, however, given up (August 1975) on the ground that on the basis of revised schedule of rates of April 1975, the estimated cost of the project was expected to go up to Rs. 38.88 lakhs. The expenditure of Rs. 3.99 lakhs on enlarging the distribution system and Rs. 0.19 lakh on the approach roads, etc., for the reservoir project has become unfruitful due to the abandonment of the reservoir scheme.

Some points noticed in test-check of the records of execution of the other minor irrigation works are mentioned in the sub-paragraphs which follow.

(i) Construction of headworks of the Balaskumpa minor irrigation project in Phulbani District was entrusted to a contractor 'A' in December 1972. The project envisaged construction of a dam of 53 feet height for irrigating an *ayacut* of 700 acres.

After commencement of work, the Superintending Engineer, Southern Range (R. E. O.) ordered in December 1972 the raising of the height of the dam by five feet to provide additional irrigation to 300 acres. This involved the execution of additional earthwork and the contractor 'A' was asked (March 1974) to execute the additional quantity of earthwork also as a part of his contract. According to the terms of the contract, the contractor was bound to execute the additional quantity at the contract rates. On refusal by the contractor 'A' to execute the additional work at that rate, the Chief Engineer ordered (February 1974) execution of the balance work at the contractor's cost. The earthwork required for raising the dam by five feet more was entrusted to another contractor 'B' in April 1974 at higher rates ; this was completed in June 1974 at a cost of Rs. 3.05 lakhs, the extra expenditure computed with reference to 'A's rates, was Rs. 1.01 lakhs. The final bill of contractor

'A' was, paid in January 1977 and the extra cost of Rs. 1.01 lakhs to Government has not been recovered from the contractor in spite of the specific orders (February 1974) of the Chief Engineer.

The distribution system of the Balaskumpa minor irrigation project consisted of two main canals, one on each side of the project. In April 1976, the Government noticed that there was overlapping in the *ayacuts* of this project and of the Pillasalki medium irrigation project, the investigations for which were carried out during 1971-72 and the work on which was taken up by the Irrigation Department in 1974 and ordered reduction of the *ayacut* area of the Balaskumpa minor irrigation project to 296 acres. By that time, construction of distribution system of the Balaskumpa project had substantially progressed. To limit the *ayacut* area, some part of the distribution system on the execution of which Rs. 1.97 lakhs had been spent was given up. The expenditure of Rs. 3.05 lakhs on raising the height of the dam by 5 feet has also not been fruitful in view of the reduction of the *ayacut* area.

(ii) As per terms of the contract (August 1971) for the construction of headworks of the Kanteswari minor irrigation project in Kalahandi District, the work was to be completed by August 1973 and the contractor was to maintain progress of work proportionate to the time elapsed, i. e., one-fourth work to be completed in one-fourth of the time. The contractor's progress was slow and by April 1972 he had executed only 6,000 cubic metres out of the 50,000 cubic metres of earthwork to be executed. For speeding up the progress, the department took up execution of earthwork in the portion between RD 1,700 and 2,200 departmentally and allowed the contractor to execute work in other reaches. As compared to the rates of the contractor, the departmental execution of earthwork resulted in an extra expenditure of Rs. 1.14 lakhs. Though under the 'risk and cost' clause of the contract, the department could recover the extra expenditure due to the fault of the contractor, no action was initiated by the department.

(iii) The headworks of the Goibandha minor irrigation project in Phulbani District was entrusted to a contractor in December 1971 for completion by December 1973 at a cost of Rs. 6.49 lakhs. By the end of June 1973, the dam had been completed upto 95 feet height on the left flank, upto 88 feet on the right flank and 81 feet in the gap. Following heavy rains on 6th July 1973, a breach of 60 feet occurred in the left flank washing away the down-stream rocktoe and causing extensive damage to the dam. According to a report sent by the Superintending

Engineer, Southern Range (R. E. O.) to the Chief Engineer in July 1973, the damage (estimated cost : Rs. 0.40 lakh) could have been avoided had the work come upto a safe level and the contractor had completed the deep channel closing before the onset of monsoon as required under the terms of the contract. The contractor did not execute any further work thereafter and the contract was rescinded by the Chief Engineer in December 1973 without imposing any penalty. After calling fresh tenders, the work was entrusted (April 1974) to the same contractor, whose tender was the lowest, at higher rates, for Rs. 4.07 lakhs. The work was completed in November 1975. For the items of work left incomplete, extra expenditure based on the rates provided in the first contract was Rs. 0.85 lakh.

(iv) Construction of surplus escape and surplus channel of the Khakalbhaki minor irrigation project in Phulbani district was entrusted to a contractor in February 1972 for Rs. 10.00 lakhs to be completed by October 1973. Work of the value of Rs. 5.38 lakhs only was executed upto June 1977. The contract was rescinded in June 1977 without imposing any penalty for non-completion though the contract provided for the same. The balance work costing Rs. 2.18 lakhs at the rates of the original contract was entrusted to a new contractor at higher rates for Rs. 3.16 lakhs thus resulting in an extra expenditure of Rs. 0.98 lakh to the department. The work is in progress (December 1977).

(v) Construction of headworks of the Khatari minor irrigation project in Phulbani District was entrusted to a contractor in March 1972 for Rs. 11.36 lakhs to be completed by March 1974. As per the construction schedule given to the contractor, the dam was to be raised by end of May 1973 upto reduced level (R. L.) 1,890 but in spite of repeated instructions from the Divisional Officer to expedite progress, the contractor could complete the dam by the end of June 1973 only upto heights varying from R. L. 1,874 to 1,888, the head sluice upto R. L. 1,870 to 1,875 and surplus escape upto R. L. 1,870. Following heavy rains on the night of 7th July 1973, a breach occurred in the left flank of the dam resulting in damage to headworks. The damages were estimated by the Divisional Officer to cost Rs. 0.68 lakh. Repairs costing Rs. 1.06 lakhs were undertaken in March 1974 through the same contractor treating the repair items as additional quantities of contract items. Neither has the cost of damages and their repairs been recovered from the contractor nor any penalty imposed on him though the breach was caused due to his failure to follow the instructions of the department to complete the dam upto R. L. 1,890 by June 1973.

3.1.4. Lift Irrigation

(1) Lift irrigation projects were brought under the Programme in the Fifth Plan period. Upto 1976-77, Rs. 37.24 lakhs were spent on hydrological survey for locating water bearing areas (Rs. 8.77 lakhs), setting up 20 lift irrigation points (Rs. 24.61 lakhs) and subsidy to small and marginal farmers for constructing dug wells (Rs. 3.86 lakhs).

(2) Hydrological survey for locating water bearing areas for putting up dug wells in the Programme area was entrusted to the Lift Irrigation Corporation, a Government Company. The Corporation was advanced Rs. 8.77 lakhs towards cost of establishment and tools and plant for undertaking the survey. Survey was reported (September 1977) to have been completed in the Programme area. The depreciated value of tools and plant is to be paid back by the Corporation on completion of work. No accounts of the advances have been rendered (December 1977) by the Corporation.

(3) According to the arrangements arrived at with the Lift Irrigation Corporation, 20 lift irrigation points were to be put up by the Corporation and half the capital cost on overhead electric lines to be drawn for these points was to be reimbursed to the Corporation from out of the D. P. A. P. funds. The estimated cost of the twenty lift irrigation points (including distribution systems) was Rs. 18.22 lakhs (8 in Kalahandi : Rs. 5.15 lakhs ; 12 in Phulbani : Rs. 13.07 lakhs) and these were expected to irrigate 975 acres both in *Kharif* and *Rabi*. The D. P. A. P. Agencies released to the Corporation Rs. 4.62 lakhs (Kalahandi : Rs. 2.60 lakhs ; Phulbani : Rs. 2.02 lakhs) upto 1976-77 for setting up the lift Irrigation points and Rs. 6.50 lakhs for drawing the overhead electric lines. Eight lift irrigation points were set up by 1976-77. Actual irrigation provided in 1976-77 was reported as 259 acres in *Kharif* and 251 acres in *Rabi*. Low utilisation of Irrigation potential was attributed to non-execution of distribution systems of some points (number not specified) by the Corporation and of field channels by the beneficiaries and relatively higher rates charged by the Corporation for water supplies by it as compared with the rates charged by Minor Irrigation projects.

(4) A provision of Rs. 43.25 lakhs was made in the Programme for payment of subsidy to small and marginal farmers for construction of 3,300 dug wells (Phulbani : 1,000 ; Kalahandi : 2,300). The subsidy, which was to range from one-fourth to one-third of the cost of wells was to be paid to the farmers to be identified by the Agencies.

In Kalahandi District, the Co-operative Central Bank, Bhawani-patna, financing loans for dug wells to farmers, was paid Rs. 3.12 lakhs in July 1976 (Rs. 1.62 lakhs) and March 1977 (Rs. 1.50 lakhs) as advance subsidy towards 825 wells to be dug by 1976-77. The bank has so far (December 1977) submitted details to the D. P. A. P. authorities for Rs. 1.44 lakhs disbursed as subsidy to 225 beneficiaries. Out of these, only 167 dug wells were completed and 58 were in progress.

In Phulbani District, 1,000 dug wells were programmed to be put up during the Fifth Plan period. Subsidy of Rs. 0.74 lakh was paid by the Agency through financial institutions for 99 dug wells completed upto 1976-77.

3.1.5 Soil Conservation

3.1.5.1. Soil conservation measures contemplated under the Programme during the Fourth Plan period comprised *nullah* bunding, land levelling, sisal plantation and coffee plantation while during the Fifth Plan period, soil and land capability survey, land reclamation, Jholla land development, land shaping and land development, water harvesting structures, tree plantation and pasture development were also included, keeping the stress on the development of the areas as a whole.

The expenditure on the various works taken up during the Fourth Plan period as compared to sanctioned outlays and progress of the works were as follows:—

Items of works	Sanctioned		Works taken up		Works completed during the Fourth Five Year Plan period
	Units	Outlay (In lakhs of rupees)	Units	Expenditure (In lakhs of rupees)	
(1)	(2)	(3)	(4)	(5)	(6)
<i>Nullah</i> bunding (number)	226	17.20	203	19.90	122
Land levelling (in acres)	2,594	7.50	2,456	5.87	1,475
Sisal plantation (in acres)	645	4.27	265	4.27	645
Coffee plantation (in acres)	460	2.77	252	2.88	252

3.1.5.2. The allotment of funds, expenditure and the progress of works during the years 1974-75 to 1976-77 were as follows :—

Works (1)	Programme allocation (2)	Expendi- ture (3)	Progress of work	
			Anticipated (4)	Actually executed (5)
		(In lakhs of rupees)		
(1) Land reclamation (in acres).	4.50	0.58	733	150 acres completed 72 acres in progress
(2) Land levelling (in acres).	3.94	nil	776	nil
(3) Gully control (units).	4.40	0.18	22	9 in progress
(4) Tree plantation (in acres).	9.18	1.93	913	390
(5) Soil and land capa- bility survey (in lakhs of acres).	10.05	0.37	8.00	0.44
(6) Water harvesting structures (units).	4.40	0.49	12	4 completed
(7) Jholla land deve- lopment (in acres).	1.88	1.13	10	1 in progress 6 in progress
(8) Field bunding (in acres).	0.96	nil	250	nil
(9) Pasture develop- ment (in acres).	0.30	nil	108	nil
(10) Completion of nulla bunding works taken up during Fourth Plan (units)	6.70	4.46	15	11 completed
Total	46.31	9.14		

3.1.5.3. Points noticed in test-check of records of execution of soil conservation works are mentioned below:—

(i) Ten works in Kalahandi district were reported as completed in February 1973 at a cost of Rs. 1.43 lakhs. The Soil Conservation Officer after his inspection in September 1974 reported that the bunds had breached and the head, extension and wing walls of the projects had collapsed causing damages to cultivators' fields.

(ii) Sisal plants are expected to come of age in two years and fibre can be extracted from the third year of plantation. In Kalahandi District, the yield of sisal fibre from the 170 acres of plantation was anticipated to be 491.5 quintals per annum from 1975-76. The yield extracted was 25.96 quintals during 1975-76 and 14.20 quintals only in 1976-77. Information in respect of plantation on 95 acres in Phulbani District was not available with the Soil Conservation Officer.

(iii) Of the sisal plantations taken up in Phulbani District, 52 acres were outside the Programme area. The Soil Conservation Officer, Kalahandi advanced Rs. 0.36 lakh to the Assistant Engineer of Soil Conservation Organisation at Khariar during March—May 1971 for land reclamation and plantation of sisal over 469 acres. Accounts have been rendered (September 1977) by the latter only for Rs. 0.02 lakh. According to inspection notes (June 1971) of the Soil Conservation Officer, Kalahandi, jungle clearance of 450 acres and reclamation of 250 acres had been done. No sisal plantation was done in the areas cleared and reclaimed but agricultural crops were reported as grown by the department fetching a revenue of Rs. 0.01 lakh during 1971-72. The records connected with the plantation work were reported by the Soil Conservation Officer to have been seized by the Vigilance organisation.

(iv) In Phulbani District, nursery beds for 150 acres of coffee plantation were raised by July 1973 at a cost of Rs. 0.14 lakh but only 17 acres of coffee plantations were raised by utilising 30 per cent of the seedlings.

(v) The entire coffee plantations of 252 acres raised in Kalahandi and Phulbani Districts were reported to have perished for want of maintenance. According to (September 1977) the Soil Conservation Officer, the area which was in hilly region was abandoned and was not utilised for any other purpose. The Government stated (September 1977) that the seedlings did not survive because of non-maintenance due to non-provision of funds.

(vi) For the coffee plantation in Kalahandi District, 96.50 tonnes of fertilisers were purchased during 1972-73 at a cost of Rs. 0.64 lakh. Only 15.10 tonnes (value : Rs. 0.07 lakh) were utilised upto March 1974. According to (November 1976) the Soil Conservation Officer, the condition of the balance fertiliser (value : Rs. 0.57 lakh) had badly deteriorated. The Government stated (September 1977) that the deterioration was due to storage of fertilisers in non-damp proof and temporary godowns. The cost of watch and ward of the unutilised fertilisers to end of March 1977 was Rs. 0.14 lakh.

(vii) Two crawler tractors procured in Kalahandi District in May 1972 at a cost of Rs. 0.77 lakh for soil conservation works under the Programme were not used for the Programme at all. One of them put to use from July 1973 outside the Programme area was received back in December 1974 in a non-working condition and is lying idle reportedly for want of repairs. The other tractor was transferred to Machkund in March 1974 outside the Programme area.

3.1.6. *Agriculture*

(1) To the end of 1976-77, Rs. 46.00 lakhs were sanctioned for agricultural schemes like demonstration, popularisation of new varieties of seeds, sprinkler irrigation and foliar feeding, soil testing, etc.; against this, Rs. 36.52 lakhs were drawn by the drawing officers of the Agriculture Department and paid to the D. P. A. P. Agencies. The Agencies in turn paid Rs. 23.50 lakhs to the District Agricultural Officers, out of which Rs. 19.63 lakhs were spent upto March 1977.

(2) The following points were noticed in test-check:—

(i) A sprinkler irrigation set was installed in the Agricultural Farm at Phulbani in December 1975 at a cost of Rs. 0.50 lakh. Due to mechanical trouble, the machine could not be operated till October 1976. The set was utilised during October 1976 to March 1977 to irrigate 21 acres. According to (September 1977) the District Agricultural Officer, the machine could not be used in summer months due to drying up of the source. Proposal for construction of a cross bund at an estimated cost of Rs. 0.70 lakh to provide irrigation throughout the year is awaiting sanction (December 1977).

(ii) Audio-visual equipment was acquired at a cost of Rs. 0.20 lakh in March 1975 for training cultivators in rural areas. The equipment remained unutilised reportedly for want of power generating equipment and projector operator. The equipment also developed (May 1975) mechanical troubles which have not been attended to.

Agricultural implements (value : Rs. 0.17 lakh) acquired between September 1975 and May 1976 for conducting demonstration was also lying (December 1977) in stores unutilised.

(iii) Inputs like fertilisers, seeds and pesticides were procured for supply to cultivators as shown below :—

District	1974-75	1975-76	1976-77	Total
	(In lakhs of rupees)			
Kalahandi ..	0.50	2.70	3.78	6.98
Phulbani ..	..	4.24	1.70	5.94
	0.50	6.94	5.48	12.92

Stores and stock accounts were not maintained for these stores as required under the rules of the Programme. Physical verification of balance of stores as required under the rules has also not been conducted so far (December 1977) except in the District Agriculture Office, Khariar where physical verification conducted in January 1976 showed shortages valued at Rs. 0.25 lakh. Information about action taken to reconcile the shortages is awaited (February 1978).

3.1.7. Afforestation

(1) Against proposed outlay of Rs. 4.48 lakh for coverage of 1,800 acres, plantation in 1,560 acres was undertaken during the Fourth Plan period (1969—74) under the Programme at a cost of Rs. 3.16 lakhs.

(2) In Phulbani Forest Division, plantation was undertaken in 1,140 acres at an expenditure of Rs. 1.20 lakhs met from the funds of the D. P. A. P. during 1972-73 and 1973-74. Funds asked for (September 1973) by the Divisional Forest Officer, Phulbani from the Collector, Phulbani for post-planting operations to prevent high mortality were not allotted. The Government stated (September 1977) that post-planting operations of plantations set up under D. P. A. P. during the Fourth Plan period were not taken up for want of funds.

(3) The provision for afforestation during the Fifth Plan period (1974—79) was Rs. 73.61 lakhs. An expenditure of Rs. 24.09 lakhs was incurred during the first three years of the Plan upto 1976-77 against Rs. 42.70 lakhs programmed to be spent. The Plan provision, the programme for the first three years of the Plan and the progress were as follows:—

	Fifth Plan provisions	Programme for 1974-77	Progress upto 1976-77
	(In hectares)		
Social forestry including plantation of teak and bamboo in catchment areas of minor irrigation projects executed under the Programme	2,137	2,137	674
Plantation of economic species	2,005	1,365	934
Rehabilitation of degraded forest area	4,152	2,152	1,652
Plantation of medicinal herbs ..	9	5	2

The Divisional Forest Officers implementing the Programme attributed the slow progress to want of staff for the extra load of work in respect of the Programme.

(4) In respect of 3 Forest Divisions for which relevant information was available, the casualty position was as shown below:—

Name of Forest Division and nature of plantation	Year of plantation	Cost of plantation (In lakhs of rupees)	Planted	Casualty	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1. Baliguda Forest Division					
Cashew (in acres) ..	1975	1.52	515	205	Damage reported to be due to frost.
2. Khariar Forest Division (Sinapalli block)					
(i) Fruit bearing trees (number)	June—September 1975	0.40	12,100	2,839	Late planting and scarcity of water.
(ii) Fruit bearing trees (number)	June—August 1976	0.55	21,740	6,440	Scar city of water.
(iii) Teak (number) ..	Ditto	0.32	1,14,247	48,282	Scar city of water.
3. Bhawanipatna Forest Division					
Teak, bamboo and fruit bearing trees	1975-76	0.60	83,793	56,234	Heavy mortality attributed to drought and poor site conditions.

3.1.8. Animal Husbandry

(1) The animal husbandry schemes approved for implementation under the Programme during the Fifth Plan period were mainly (i) the setting up of artificial insemination and natural breeding centres, (ii) payment of subsidy to farmers for maintaining cross-bred cattle, (iii) fodder and pasture development, (iv) formation of milk producers' cooperative societies and (v) development of poultry, goat and sheep farming.

Upto 1976-77, Rs. 28.16 lakhs were drawn for the animal husbandry schemes and paid to the D. P. A. P. Agencies. The Agencies in turn paid Rs. 16.49 lakhs to the district officers for execution of works under the Programme. The district officers advanced Rs. 7.97 lakhs to subordinate officials (Rs. 2.90 lakhs) and the Rural Engineering Organisation for building works (Rs. 5.07 lakhs) and spent Rs. 5.42 lakhs on various schemes.

(2) Points noticed in the implementation of the scheme are mentioned below:—

Under cattle development programme, 2 semen collection centres and 55 sub-centres were proposed to be set up at a cost of Rs. 10.96 lakhs. The buildings for the centres/sub-centres, work on which commenced in February 1975 were (September 1977) in various stages of construction, the expenditure upto 1976-77 being Rs. 2.16 lakhs. Meanwhile, 38 Jersey bulls, 22 Jersey calves and 4 Murrah buffalo bulls were purchased at a cost of Rs. 1.26 lakhs and two semen collection centres and 52 sub-centres set up during 1976-77. Semen collected at the centres was 23,870 cubic centimetres of which only 4,571 cubic centimetres were utilised. The low utilisation was attributed to backwardness of the areas and less interest shown by farmers in bringing their cows to the centres/sub-centres. Against 8,500 cows proposed to be covered up to March 1977 by artificial insemination, only 3,256 were covered and 1,588 (48 per cent of those covered) cases were followed up where positive results were found.

The Programme contemplated setting up of 49 additional centres for natural service at a cost of Rs. 1.25 lakhs. By end of 1976-77, 30 centres were established. A total of 20 crossbred bulls and 22 bull calves were procured between August 1975 and February 1977 at a cost of Rs. 0.62 lakh for natural service. Of these, 5 bull calves died between March and June 1977. During 1976-77, 1,093 services were done, the average number of services per bull being 41.

(3) For demonstration of economic cultivation of fodder, Rs. 1.01 lakhs were spent during 1975-76 and 1976-77 for cultivation on 70 acres. The average cost of cultivation was Rs. 1,440 per acre against Rs. 600 per acre envisaged in the Project report. In Phulbani District (statistics for Kalahandi were not available), only 15 quintals of green fodder were obtained in cultivation against 400 quintals expected as per the Project report.

For fodder cultivation, a tractor was purchased by the district level officer in June 1976 for Rs. 0.61 lakh although as per guidelines of the Government of India for the Programme the purchase of tractor was not necessary as land in the area was to be developed on traditional methods. The tractor has not been utilised so far (December 1977). The District Veterinary Officer stated (September 1977) that the tractor would be utilised elsewhere.

(4) Rupees 1.41 lakhs were spent on poultry development during 1976-77 mainly for construction of a chick rearing centre at Phulbani

through the Rural Engineering Division and on acquisition of birds. The poultry units had, however, not started functioning and the up-gradation work had not commenced (December 1977).

(5) No work under other items of animal husbandry schemes has been undertaken so far (December 1977).

3.1.9. Credit management

(1) Provision for grant of short term loans to agriculturists for raising crops and for development was envisaged under the Programme during the Fifth Plan period. An expenditure of Rs. 14.83 lakhs has been incurred on providing credit (Kalahandi: Rs. 5.59 lakhs, Phulbani: Rs. 9.24 lakhs) upto 1976-77.

(2) The following points were noticed in test-check:—

(a) The Programme contemplated identification by the D. P. A. P. Agencies of small and marginal farmers who were to be given assistance under the scheme. Test-check showed that though the identification of the individual small and marginal farmers had been completed by the Agencies in 1975-76, the beneficiaries under various schemes for agriculture, soil conservation, credit subsidies, etc., implemented by departmental officers were not selected from among the farmers identified by the D. P. A. P. Agencies.

(b) In Kalahandi district, the Project report assessed the total credit needs of the Programme area as Rs. 4,47.04 lakhs and envisaged the strengthening of infrastructure of co-operative banks and societies in the area. Against the anticipated expenditure of Rs. 17.75 lakhs upto 1976-77 for strengthening the co-operative banks and societies, Rs. 5.59 lakhs were spent to end of 1976-77 on cover for non-overdue loans to the Central Co-operative Bank, Bhawanipatna (Rs. 1.22 lakhs), risk fund contribution (Rs. 1.75 lakhs), share capital loan for enrolment of new members (Rs. 1.91 lakhs) and subsidy for construction of godowns (Rs. 0.71 lakh). Credit provided by the co-operative banks and societies upto 1976-77 was Rs. 58.14 lakhs against Rs. 1,81.95 lakhs envisaged in the Programme.

The lag in credit provided was attributed (September 1977) by the Project Director to :

- (i) non-implementation or delayed execution of schemes in the animal husbandry, horticulture, etc., sectors,
- (ii) non-involvement of banks to the anticipated extent and

(iii) poor recovery of loans already advanced.

According to (July 1977) the Assistant Registrar of Co-operative Societies, Khariar, recovery of overdue loans was 24 per cent and 34 per cent respectively in 1975-76 and 1976-77.

3.1.10. Road development

Improvement to 7 roads (total estimated cost: Rs. 1,07.19 lakhs ; length : 291 kilometres) was taken up under the D. P. A. P. during the Fourth Plan period. The amount spent upto 1973-74 from out of D. P. A. P. funds under the activity was Rs. 1,13.77 lakhs. Of this, only Rs.99.46 lakhs had been allocated to the account of the works ; the remaining sum of Rs. 14.31 lakhs representing common expenditure has not been allocated so far (January 1978). While the works were in progress, road development activity was withdrawn from the Programme from 1974-75. Upto March 1977, a further sum of Rs. 15.09 lakhs was spent from the State Plan (outside the D. P. A. P.) but only 2 of the roads (road length: 101 kilometres) have been completed. Particulars of roads taken up for construction and the progress upto March 1977 are given in Appendix II. According to (September 1977) the Department, a further sum of Rs. 55.37 lakhs would be needed to complete the remaining 5 roads.

Points noticed in test-check of records of road works are mentioned below :—

(a) *Manamunda-Kantamal-Ghantapara road*—The estimate prepared in March 1971 provided for construction of a bridge over a stream at a cost of Rs. 5 lakhs. As no funds were allotted for the bridge, it was excluded from the revised estimate prepared in January 1975. Road metal valued Rs. 0.81 lakh collected through a contractor by March 1976 were lying unused upto September 1977.

(b) *Tumnibandh-Belghar-Jirapani road*—Work on the road (32 kilometres long) was commenced in a portion of 14 kilometres pending sanction to the estimate of Rs. 19.45 lakhs prepared in March 1971.

The expenditure incurred on the work upto November 1975 was Rs. 11.49 lakhs. However, only 2 miles of the road had been completed. In 5 miles of ghat section of the road, on which Rs. 5.34 lakhs had been spent, the road formation was not complete. The contractor entrusted with the work, had constructed some retaining walls and guard walls by using soling stone collected by the department and lying on the roadside ; these walls were not of immediate necessity and were taken up contrary to the instructions of the Divisional Officer. Claims amounting to Rs. 8.56 lakhs for

items of work executed by the contractor on his own are pending (January 1978) before arbitrator since March 1976. A revised estimate for Rs. 21·82 lakhs prepared in November 1974 for the 14 kilometres was returned by the Chief Engineer with directions to limit the estimates to expenditure already incurred as there was no prospect of availability of further funds. Further developments are awaited (February 1978).

(c) *Junagarh-Dasigaon-Kalampur road*—The estimate of Rs. 25·00 lakhs for the work commenced in March 1971 contemplated construction of two high level bridges over Kulajura and Lallitjura nullahs. The expenditure on the work upto March 1976 was Rs. 27·19 lakhs. Revised estimate for the work was prepared in March 1976 (including estimated cost of the incomplete portions of the work) for Rs. 31·86 lakhs. The Chief Engineer, however, ordered (March 1976) the recasting of the estimate so as to limit it within 10 per cent excess over the original estimates (upto which he was competent) by excluding the high level bridge over Kulajura nullah. Further developments are awaited (February 1978).

(d) *Dharamgarh-Golamunda-Sinapalli road*—The work was commenced in April 1971 by dividing it into two reaches (0 to 24 kilometres and 25 to 43·2 kilometres). Expenditure upto 1976-77 on the two reaches was Rs. 13·91 lakhs (0 to 24 kilometres:Rs. 2·79 lakhs ; 25 to 43·2 kilometres: Rs. 11·12 lakhs).

The expenditure on the first reach (0 to 24 kilometres) included Rs. 0·49 lakh on collection of road metal which remains (December 1977) unutilised. Completion of work on this reach is now estimated to cost Rs. 8·92 lakhs at the revised schedule of rates of April 1975.

3.2. Community nursery for paddy

As a part of the Central sector scheme of Minikit Rice Programme, the Government of India approved (May 1975) the establishment of community nurseries for paddy in an area of 500 acres in the State at a cost of Rs. 2 lakhs. Under the scheme financial assistance at Rs. 400 per acre was to be paid for meeting the full cost of seed and other inputs. Seedlings raised in one acre of nursery were to suffice for transplantation in about 15 acres. The nurseries were to be raised preferably in Government farms and the seedlings were to be supplied to farmers at a reasonable price after taking into consideration the expenditure on field preparation, labour, irrigation, etc. The State Government was to organise training for farmers and extension workers in selected areas to popularise the timely sowing of paddy.

During 1975-76, nurseries were raised over a total area of 277 acres in different Government farms at a total cost of Rs. 1.03 lakhs. According to the prescribed pattern, the seedlings raised would have sufficed for transplantation in 4,155 acres. Seedlings required for transplantation in 376 acres were sold to 1,130 farmers. The sale proceeds realised were Rs. 0.30 lakh. On enquiry in audit regarding the shortfall in achievement by 91 per cent, the Joint Director of Agriculture (Farms), Orissa stated (April 1977) that there was no demand from cultivators in most of the areas and the unsold seedlings were destroyed as they became old and unfit for transplanting. The cost of seedlings destroyed on the basis of sale price fixed worked out to Rs. 3.02 lakhs.

The Government stated (January 1978) that since most of the farms were situated at far away places only a few neighbouring cultivators could take the seedlings from the farms and the demand from cultivators was less in spite of steps taken to popularise the scheme.

LABOUR, EMPLOYMENT AND HOUSING DEPARTMENT

3.3. Industrial Housing Scheme

3.3.1. *General*—The “Subsidised Industrial Housing Scheme” for construction of tenements for industrial workers through approved agencies was implemented in the State from September 1952. Ceiling on the cost of tenements were fixed by the Government of India from time to time and Central assistance by way of loans and subsidy was given at scales mentioned below:—

Approved Agency	Assistance	
	Loan	Subsidy
State Government / State Housing Board / Local bodies	50 per cent of the cost of the project or ceiling cost prescribed, whichever is lower.	50 per cent of the cost or ceiling cost prescribed, whichever is lower.
Registered co-operative societies of eligible workers	65 per cent of the cost of the project or ceiling cost prescribed, whichever is lower.	25 per cent of the cost or ceiling cost prescribed, whichever is lower.
Employers	50 per cent of the cost of the project or ceiling cost prescribed, whichever is lower.	25 per cent of the cost or ceiling cost prescribed, whichever is lower.

Assistance envisaged under the scheme was provided by the Government of India upto 1968-69, whereafter the scheme was continued as a State Plan Scheme.

The Labour, Employment and Housing Department was in charge of implementation of the scheme. Construction of tenements in the State sector was, however, got done by the Works Department and by employers themselves in the private sector. The other approved agencies *viz.*, Local Bodies, State Housing Board and Co-operatives were not entrusted with execution of the scheme.

3.3.2. *Financial outlay*—The total expenditure on the implementation of the scheme upto the year 1976-77 was Rs. 1,38.49 lakhs. The Plan-wise details of expenditure and the assistance provided were as follows:—

Five Year period	Plan	Expenditure			Assistance			
		State sector	Private sector	Total	Loan	Subsidy		
(In lakhs of rupees)								
(1)		(2)	(3)	(4)	(5)	(6)		
First Plan	..	6.08	..	6.08	41.67	50.41		
Second Plan	..	30.93	1.17	32.10				
Third Plan		27.47	24.17	51.64			(Central Assistance)	
Annual Plans to 1968-69	1966-67	3.16	8.52	11.68				
Fourth Plan		5.60	16.70	22.30				
Fifth Plan (upto 1976-77)	..	3.47	11.22	14.69	18.56	9.28		
					(Assistance from State Plan allocation)			
Total		<u>76.71</u>	<u>61.78</u>	<u>1,38.49</u>				

Records relating to implementation of the scheme in the Labour, Employment and Housing Department and in the office of the Labour Commissioner were test-checked in audit in June-August 1977 and points noticed are mentioned in the paragraphs that follow.

3.3.3. *Targets and achievement*—Construction of tenements under the scheme was undertaken on the basis of Projects cleared by the Government (and also by the Government of India upto 1968-69) from time to time. The records did not indicate any regular and systematic surveys having been conducted to assess the requirements for tenements for industrial workers, the wage levels of workers, etc., before fixing targets for construction of tenements.

The number of tenements programmed to be constructed and of those actually constructed during the different Plan periods was as indicated below:—

Plan Period	Number of tenements		
	Targeted	Constructed	Percentage
First Plan .. ..	..	160	..
Second Plan	956	882	92.3
Third Plan	1,665	1,121	67.3
Annual Plans (1967-68 and 1968-69)	160	100	62.5
Fourth Plan	676	571	84.4
Fifth Plan (upto 1976-77)	337	130	38.5

The number of tenements constructed by the State Government and by the private employers was as shown below:—

Agency	Number of tenements constructed	Number of tenements under construction	Total
State Government	1,270	..	1,270
Private employers	1,694	50	1,744
Total	2,964	50	3,014

3.3.4. Tenements constructed by the State Government—

(1) *Execution*—To end of 1976-77, construction of 1,270 tenements was undertaken by the State Government in 17 centres against 21 projects sanctioned from time to time and the expenditure incurred thereon upto 1976-77 was Rs. 76.71 lakhs. Project-wise expenditure is not available with the department. But from the revised administrative approval accorded by the Government, it was noticed that in respect of 10 projects which were completed prior to 1968-69 the cost of approved project was in excess of the

ceiling limits prescribed by the Government of India by Rs. 5.91 lakhs (on 482 tenements), the excess cost being met by the Government from their own sources.

Instances where the cost was in excess of the prescribed ceiling limit by more than 30 per cent are mentioned below:—

Centre	Number and approved type of tenements	Ceiling cost	Expenditure	Excess over ceiling cost	Percentage of excess
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
Rajabagicha (Cuttack)	160-IR/SS	4.32	7.49	3.17	73.37
Hirakud (Sambalpur)	54-2R/SS	2.89	3.94	1.05	36.33
Modipada (Sambalpur)	50-2R/SS	1.35	1.86	0.51	37.77
Joda (Keonjhar)	12-2R/SS	0.51	0.96	0.45	88.23

Points noticed in test-check of records of some selected projects executed by the State Government are mentioned in the sub-paragraphs which follow.

(i) *Brajarajnaragar tenements*—Construction of 10 industrial tenements at Brajarajnaragar estimated to cost Rs. 77,730 was completed in June 1972 but electrical fittings and water supply installations were not completed. The tenements were taken over by the Labour Department only in June 1976 after completion of incomplete items. The condition of the tenements taken over was reported to be very bad and fittings including doors and windows were reported to be missing. Proposals to supply water for the tenements from a nearby river were later found not feasible. The Government sanctioned Rs. 24,300 for construction of two tube-wells in April 1975 and work thereon is yet to begin (January 1978). The tenements still (January 1978) remain vacant.

The expenditure upto September 1977 on these tenements amounted to Rs. 1.47 lakhs.

The rent forgone upto October 1977 due to the tenements remaining vacant from October 1972 onwards worked out to Rs. 0.15 lakh approximately.

(ii) *Hirakud tenements*—Construction of 54 tenements at Hirakud was completed in April 1967 and the tenements were taken over by the Department in March 1970. The delay in taking over was stated to be due to

non-completion of electrical and water supply fittings ; these were completed only in November 1974. Of these, 36 tenements were allotted from October 1968 and as all the amenities were not provided, rent at Rs. 8 per month was charged upto 30th November 1974 against the prescribed rate of Rs. 14.50 per month. The remaining 18 tenements were allotted only from 1st April 1975. Rent forgone in respect of the 18 tenements for the periods they remained unoccupied worked out to Rs. 0.12 lakh.

(iii) *Rourkela tenements*—In the Rourkela zone, 216 tenements constructed between June 1960 and August 1963 were taken over by the Department after delays ranging from 4 to 16 months. The reasons for delay in taking over were not on record. The revenue forgone due to delay in taking over and in allotment to beneficiaries amounted to Rs. 0.40 lakh.

(2) *Utilisation of tenements* —Under the Orissa State Industrial Housing Act, 1966 and the regulations issued thereunder, the Labour Commissioner is the authority competent to allot tenements. Vacancies are reported by the Zonal Labour Officers to the Labour Commissioner, who notifies the same and calls for applications for allotment and issues allotment orders on the recommendation of the Zonal Labour Officers. Of the 1,270 tenements constructed in the State sector, 791 only were occupied by eligible workers as on 31st March 1977 ; the number of tenements vacant and occupied by ineligible persons was 121 and 358 respectively. A test-check of records for six months during 1976-77 revealed that on an average 118 tenements remained vacant and the annual loss of rent thereon amounted to Rs. 0.21 lakh. It was also noticed that parties other than eligible workers were in occupation of tenements in centres like Cuttack (36.72 per cent), Rajgangpur (31.82 per cent), Rourkela (12.04 per cent) and Modipada (52 per cent) where the density of industrial labour is relatively higher.

Following points about utilisation of the tenements were also noticed in audit:

- (i) In Rajabagicha labour colony at Cuttack, four persons occupied two tenements each for periods ranging from 15 to 20 years.
- (ii) Seven tenements at Modipada were under unauthorised occupation for periods ranging from 4 to 16 years.
- (iii) In Rourkela, 24 tenements were occupied by the Police Department from 1964. Eighteen of them were vacated in 1976 but the others continue to be under the occupation of personnel of the Police Department. Two more tenements were taken possession of by the Police Department in April 1976.

- (iv) Three tenements in Rajagangpur were used (from September 1970) for the Multipurpose Labour Welfare Centre, two for one year and the third till August 1974.
- (v) Two tenements in Hirakud are under occupation by the Multipurpose Labour Welfare Centre since January 1973 and December 1975 respectively.

(3) (a) *Demand and collection of rents*—No procedure has been prescribed in the rules of the scheme or separately for watching the realisation of rent for the tenements. There was no system of raising demands against the occupants. In Cuttack zone, the occupants were paying rent direct into the treasury upto June 1969. Thereafter, the officials of the Zonal Labour Office started collecting rent in cash and remitting it into the treasury. At Rourkela, collection in cash started from December 1975; the Zonal Office has no records of rent paid by occupants prior to December 1975. In the Sambalpur Zone, rent was collected in cash only between September 1974 and August 1975, beyond which month the occupants have been depositing rent directly into the treasury.

A test-check of the cash book in Cuttack/Sambalpur Zonal Offices showed that no account of receipt books in use was kept by the various zones, that locally printed receipt books were used in Sambalpur zone and that manuscript receipts were used in Cuttack zone in 4 cases (Rs. 684) during 1975-76.

(b) *Arrears in collection of rent*—According to the monthly returns submitted by the Zonal Labour Officers to the Labour Commissioner showing occupation particulars and rents due, collected and in arrears, the arrears of rent outstanding at the end of March 1977 were Rs. 10.67 lakhs; this constituted rent dues for over 56 months for all the 1,270 tenements in the State. The yearwise analysis of the outstanding amounts was not available with the Department.

In the Sambalpur zone where the outstanding rent at the end of 1974-75 was Rs. 40,248, 3 certificate cases were filed for recovery of Rs. 1,631 only. There has been no recovery so far (December 1977) in respect of these cases. Certificate cases proposed in 17 other cases during the year 1975-76 were not admitted by the Certificate Officer for want of property particulars of the parties concerned; these cases were not pursued.

In the Cuttack zone (having 670 out of 1,270 tenements in the State), the arrears due for realisation at the end of 1976-77 amounted to Rs. 5.72 lakhs ; this constituted more than 50 per cent of the total arrears due in respect of all the tenements in the State. Certificate cases have been filed in no case in this zone.

3.3.5. Construction of tenements by private employers

(1) *Execution*—Before release of assistance, the employer was to execute an agreement stipulating *inter alia* the following terms and conditions governing assistance:—

- (i) The land and the tenements to be constructed were to be mortgaged to the Government as security for the loan.
- (ii) Loan was payable to the employer in two equal instalments, one after the construction reached at least the plinth level and the second after the construction reached the roof level.
- (iii) Subsidy was payable in two equal instalments, one after the construction of all the tenements was completed and the second after the audited accounts of the projects were submitted.

(2) *Premature drawal of funds*—Financial rules prohibit drawal of funds unless the money is required for immediate disbursement. In a number of cases, money was drawn (mostly in March) in advance of requirement. Instances where the disbursements were actually made long after the drawals during the last three years are indicated below:—

Month of drawal from the treasury	Amount drawn (Rupees)	Month of disbursement
(1)	(2)	(3)
March 1974 ..	80,250	December 1974
March 1974 ..	57,000	February 1975
March 1975 ..	1,00,600	April 1976
March 1977 ..	40,125	Not disbursed so far (November 1977)
March 1977 ..	80,250	Not disbursed so far (November 1977)
March 1977 ..	1,07,000	Not disbursed so far (December 1977)
March 1977 ..	2,12,750	Not disbursed so far (December 1977)

(3) *Insurance* —During the period of construction and till the full amount of loan and interest thereon is repaid, the employers are required, under the terms of the agreement, to insure the tenements against loss due to fire and other natural calamities. The insurance premia receipts were also to be submitted regularly to the Government. In 12 cases where loans aggregating Rs. 18·17 lakhs were disbursed, there was no information with the department to show that insurance premia were paid after disbursement of the loans.

(4) *Interest rates* —(a) The rules of the scheme prescribed by the Government of India contemplate two rates of interest to be charged on loans, a normal rate for repayments made in time and a penal rate for delayed repayments ; the difference between the two was to be not less than $2\frac{1}{2}$ per cent. The difference of interest was less than $2\frac{1}{2}$ per cent during 1963-64 and from 1968-69 onwards. During 1973-74, the difference was only 0·75 per cent.

(b) During 1964-65 and 1965-66, the State Government charged employers 5 per cent interest only in three cases (amount of loan disbursed Rs. 8·28 lakhs) although the interest rate charged by the Government of India for loans advanced under the scheme to the State Government was 5·25 per cent. Fixing the rate of interest at a rate lesser than the rate paid to the Government of India and without taking into account the usual administrative expenses of 1 per cent (adopted in the immediately preceding and succeeding years) resulted in a loss of Rs. 1·29 lakhs to the Government.

(c) It was also noticed that non-imposition of penal rates of interest in case of delayed repayments in 5 cases (loans paid : Rs. 11·81 lakhs) resulted in short realisation amounting to Rs. 3·56 lakhs.

(5) *Watching the fulfilment of contract conditions* —The agreements executed by the employers stipulate that the tenements should be maintained well and should be allotted to eligible workers at rates stipulated therein. Breach of these conditions entitled the Government to recover the entire loan outstanding at the time of such breach and subsidy paid to the employer with interest at penal rates.

No records were kept by the Labour Commissioner or the Zonal Officers to watch the fulfilment of the prescribed conditions by the employers to whom assistance was given. The Zonal Labour Officer, Rourkela stated (September 1977) that ensuring proper maintenance

of the tenements by the private employer did not come within his jurisdiction. The Labour Commissioner stated (October 1977) that action was being taken to ascertain cases where ineligible persons occupied tenements.

(6) A test-check of the records of four projects revealed that there were considerable delays in completion of tenements as shown below :—

Location of the project	Number of tenements	Assistance paid		Due date for completion as per agreement	Date of completion
		Loans (In lakhs)	Subsidy (of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
(1) Jaykaypur ..	426	8.62	4.31	March 1963	December 1967
(2) Bhubaneswar	88	0.85	0.42	March 1965	March 1966
(3) Cuttack ..	19	0.40	..	October 1960	Not completed
(4) Lathikata ..	50	0.94	0.47	December 1964	December 1972

In the case of the Cuttack tenements, after disbursing between April 1960 and August 1961 the entire loan of Rs. 0.40 lakh, it was noticed in August 1963 that the employer had abandoned the construction of tenements whereupon the Government decided to recover the entire loan with penal interest under the terms of the agreement. The Government also decided in June 1967 to institute legal proceedings but on a representation from the employer in April 1968 followed by repayment of loan in February 1970, the Government waived (March 1970) recovery of penal interest. Apart from the fact that no tenements have come up with the assistance provided under the scheme, the amounts forgone by the Government by way of waiver of penal rates of interest worked out to Rs. 0.11 lakh.

In the case of the Jaykaypur tenements, it was seen that the employer was paid Rs. 0.29 lakh (loan : Rs. 0.19 lakh and subsidy : Rs. 0.10 lakhs) over and above the assistance as per the approved project on the basis of enhanced ceiling cost introduced from April 1974 (more than one year after the stipulated date for completion).

The Labour Commissioner reported to the Government in April 1967 that the employer had allotted some of the completed tenements (Jaykaypur) to ineligible persons and had been collecting rent at rates higher than those admissible. No action appears to have been taken in the matter (January 1978).

Other points noticed in test-check of the records of the 4 projects are mentioned below:—

(i) The employers have not got the tenements insured as required under the terms of the agreement in respect of the Jaykaypur tenements beyond June 1968, Bhubaneswar tenements from beyond April 1967 and in the case of the Lathikata tenements right from the beginning.

(ii) In the case of the Jaykaypur tenements, the employer was to have commenced repayment of loan at the rate of Rs. 0.56 lakh per annum from April 1969. Repayment, however, commenced from September 1970 and, that too, at a lower rate of Rs. 0.48 lakh annually. The amount overdue upto August 1977 was Rs. 0.69 lakh.

(iii) In the case of the Bhubaneswar tenements, the employer was to have commenced repayment of annual instalments of loans at Rs. 3,388 from April 1968. Following non-repayment of loan by the employer, the Government ordered in September 1970 the sale of the tenements by auction. No action was taken till October 1976, when an auction notice was issued but there was no response. According to an estimation of the Executive Engineer, Rural Housing Cell made in March 1977, the value of the tenements was Rs. 1.73 lakhs. The amount realisable from the employer including penal interest as at the end of March 1977 was reported by the Labour Commissioner as Rs. 2.09 lakhs. No recovery has been effected so far (February 1978) from the employer.

(iv) In the case of the tenements at Lathikata, repayment of principal and interest started in March 1973 after a delay of 7 years. However, no action was taken to recover the penal interest as per terms of the agreement entered into with the employer. Interest short realised upto September 1977 amounted to Rs. 0.16 lakh.

(6) *Utilisation of tenements* —The allotment of tenements constructed by private employers is made by a committee consisting of representatives of the employer and of eligible workers with the Zonal Labour Officer functioning as the Chairman. The rules of the Scheme did not provide for submission of any report on utilisation of tenements by the employers. The department had no information about the extent and nature of utilisation of the tenements for the purposes intended.

(7) *Recoveries of loans*—Loan ledgers were maintained by the Labour Commissioner but demands for repayment of loans and interests were not being issued by him to the employers. According to the ledgers maintained by the Labour Commissioner, the principal overdue for repayment by four loanees at the end of 1976-77 amounted to Rs. 1.20 lakhs. The loan ledgers did not show any action taken for recovery of the overdue amounts.

The matter was reported to the Government in September 1977 their reply is awaited (February 1978).

3.4. Loans to individuals in Low and Middle Income Groups for construction of houses.

3.4.1. With a view to assisting persons in the low and middle income groups to construct houses of their own, two schemes namely, Low Income Group Housing Scheme (L. I. G. H.) and Middle Income Group Housing Scheme (M. I. G. H.) were introduced in the State in 1955-56 and 1958-59 respectively. The extent of assistance provided under the schemes was as follows:—

Income group	Annual Income	Loan assistance
Low Income group ..	Not exceeding Rs. 6,000 upto August 1968 and thereafter Rs. 7,200	Rs. 8,000 upto January 1965
		Rs. 10,000 from February 1965 to July 1968
		Rs. 12,500 from August 1968 to September 1975
		Rs. 14,500 from October 1975 onwards
Middle income group ..	Between Rs. 7,200 and Rs. 18,000	Rs. 27,500

Under the Scheme, assistance is provided either direct to eligible individuals or to the Orissa State Housing Board/Orissa State Co-operative Housing Corporation Limited for construction of buildings and sale to eligible individuals. The rules of the Schemes also prescribe

(i) disbursement of the loan assistance in two/three instalments, (ii) completion of houses in case of L. I. G. H. by the end of the financial year in which the loan is sanctioned and in case of M. I. G. H., within 18 months of disbursement of the first instalment of the loan and (iii) repayment of loan in 25 annual instalments.

3.4.2. Loans totalling Rs. 6,05.54 lakhs for construction of houses were disbursed under the two schemes upto the end of 1976-77 as detailed below :—

Agency	L. I. G. H.		M. I. G. H.	
	Amount of loan disbursed (In lakhs of rupees)	Number of houses to be constructed	Amount of loan disbursed (In lakhs of rupees)	Number of houses to be constructed
(1)	(2)	(3)	(4)	(5)
Individuals ..	1,58.77	2,465	1,65.94	1,086
Orissa State Housing Board ..	60.00	222	90.00	316
Orissa State Co-operative Housing Corporation Limited	69.97	1,005	60.86	437
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Total	2,88.74	3,692	3,16.80	1,839
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In the case of L. I. G. H., the loans were paid out of loans received from the Government of India upto 1968-69 and from the Life Insurance Corporation of India (L. I. C.) thereafter while in respect of M. I. G. H., the required funds were borrowed from L. I. C. throughout. The loans were drawn and disbursed to (a) private individuals by the Director of Estates at Bhubaneswar and by the Collectors in the districts, (b) the Orissa State Housing Board by the Labour Commissioner, Orissa and (c) the Orissa State Co-operative Housing Corporation by the Registrar of Co-operative Societies, Orissa.

3.4.3. According to the annual returns received by the Government from the sanctioning authorities, only 4,020 houses (against 5,531 houses for which loans were provided) had been constructed by the end of 1976-77 as detailed below:—

Agency	Low Income Group		Middle Income Group	
	Number of houses		Number of houses	
	For which loans were provided	Constructed	For which loans were provided	Constructed
Individuals ..	2,465	1,587	1,086	694
Orissa State Housing Board	222	222	316	315
Orissa State Co-operative Housing Corporation, Limited	1,005	825	437	377
Total	3,692	2,634	1,839	1,386

3.4.4. Points noticed in test-check of the records relating to loans sanctioned to individuals in 319 cases relating to L. I. G. H. and 105 cases relating to M. I. G. H. in the districts of Balasore, Cuttack and Puri are mentioned below:—

(i) The houses under L. I. G. H. were to be constructed by the loanees within the financial year in which loans were sanctioned and under M. I. G. H. within 18 months of disbursement of the first instalment of the loan. The amount of loans disbursed (upto March 1976 under L. I. G. H. and upto March 1975 under M. I. G. H.) and the houses constructed by March 1977 in the three districts were as follows:—

Particulars	Districts			Total
	Balasore	Cuttack	Puri	
(1)	(2)	(3)	(4)	(5)
<i>(a) L. I. G. H.—</i>				
Loans disbursed upto March 1976 (In lakhs of rupees)	16.06	20.90	28.41	65.37
Houses to be constructed (numbers)	275	344	495	1,114
Houses actually constructed upto March 1977 (numbers)	198	299	133	630
Percentage ..	72	87	27	57
<i>(b) M. I. G. H.—</i>				
Loans disbursed upto March 1975 (In lakhs of rupees)	8.91	39.20	24.11	72.22
Houses to be constructed (numbers)	77	305	196	578
Houses actually constructed upto March 1977 (numbers)	51	251	132	434
Percentage ..	66	82	67	75

(ii) In 169 cases where first instalments of loans totalling Rs. 4.01 lakhs were disbursed upto 1974-75 (L. I. G. H. : Rs. 2.63 lakhs for 128 cases ; M. I. G. H. : Rs. 1.38 lakhs for 41 cases) towards the first instalment of loans, further instalments have not been drawn by the loanees. In these cases, the loanees under the L. I. G. H. have not actually taken up construction while there is no information as to whether the loanees under M. I. G. H. had actually taken up construction of houses. According to the terms of agreement, the amount of loan not utilised is recoverable with penal interest in one instalment. No action had, however, been taken by the department to review the cases and recover the unutilised loan.

(iii) There were defaults in repayment of loan by parties in 339 cases (L. I. G. H. : 257 ; M. I. G. H. : 82) out of the 424 cases test-checked. Of these, repayment had not commenced in 287 cases where the overdue recoveries amounted to Rs. 23.64 lakhs (principal : Rs. 15.36 lakhs and interest : Rs. 8.28 lakhs).

(iv) In 30 cases (L. I. G. H. : 11 and M. I. G. H. : 19) where the loanees had defaulted in repayment of loans earlier disbursed to them, further instalments of loans totalling Rs. 1.16 lakhs (L. I. G. H. : Rs. 0.33 lakh and M. I. G. H. : Rs. 0.83 lakh) were paid on representation from the parties to the effect that the loans issued earlier were not adequate to complete the houses.

3.4.5. According to the annual returns for the year 1976-77 received by the Government from different drawing and disbursing officers, the total amount overdue for recovery at the end of 1976-77 was Rs. 60.92 lakhs as detailed below:—

	L. I. G. H. Scheme	M. I. G. H. Scheme	Total
	(In lakhs of rupees)		
Principal	13.83	12.54	26.37
Interest	17.72	16.83	34.55
	31.55	29.37	60.92
Total			

The returns did not, however, show the action taken to effect the recoveries.

In none of the districts where records were test-checked, was any systematic review of cases involving breach of conditions of agreements executed by the parties undertaken. Action to work out correctly the outstanding dues and to recover them, if necessary, by instituting cases under the Public Demand and Recovery Act, has also not been taken except in a few cases.

In respect of loans under L. I. G. H. scheme certificate cases were instituted for recovery of Rs. 12.85 lakhs in 144 cases upto 1965-66. The

recoveries made upto September 1977 in these cases totalled Rs. 0.89 lakh only (0.07 per cent) as shown below:—

District	Number of cases instituted	Amount involved	Amount realised upto September 1977	Percentage of realisation
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
Balasore ..	40	3.98	0.70	18
Puri ..	95	8.06	Nil	Nil
Cuttack ..	9	0.81	0.19	23
Total	144	12.85	0.89	7

No certificate cases have been instituted after 1965-66.

In respect of M. I. G. H. scheme, certificate cases had been instituted in 133 cases upto 1969-70 as detailed below:—

District	Number of cases instituted	Amount involved (In lakhs of rupees)
Balasore ..	5	0.97
Cuttack ..	49	10.69
Puri ..	79	10.95
Total ..	133	22.61

In these cases, the records did not indicate the progress of recovery. No further certificate cases have been instituted after 1969-70.

3.4.6. *Delay in crediting cheques*—As per the terms of the agreement entered into with the L. I. C., interest on loans received from it is payable by Government from the dates of issue of cheques by the L. I. C., the cheques being post-dated by 10 days to allow time for their being credited to the Government account. Delays beyond 10 days were noticed in

crediting of cheques to Government account in respect of loans received from L. I. C. for L. I. G. H. during 1971-72 to 1975-76. The interest paid to L. I. C. for such periods of delay was Rs. 1.48 lakhs, as shown below:—

Year	Amount of loan (In lakhs of rupees)	Interest rate per cent	Date of cheque	Date of credit	Amount of interest paid to L. I. C. (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)
1971-72 ..	1,10.00	6.75	20-3-1972	29-3-1972	0.18
1972-73 ..	1,10.00	6.75	15-1-1973	5-3-1973	1.03
1974-75 ..	1,09.00	7.25	28-2-1975	10-3-1975	0.24
1975-76 ..	1,25.00	7.50	9-2-1976	10-2-1976	0.03
					1.48

The matter was reported to the Government in September 1977 ; their reply is awaited (February 1978).

FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT

3.5. Ice-cum-cold storage plants

In order to provide facilities to fishermen for preserving their fish catch before marketing, the Government set up in Puri district two ice-cum-cold storage plants at Balugaon in 1960 and Laxmisagar in 1966, the total investments being Rs. 1.66 lakhs and Rs. 2.47 lakhs respectively.

Points noticed in test-check (November 1976 and September 1977) of the records in respect of the working of the two plants are mentioned in the sub-paragraphs which follow.

3.5.1. Ice-cum-cold storage plant, Balugaon

The plant which was commissioned in November 1960 stopped functioning from June 1974 due to break-down of the compressor. The purchase of a new compressor at a cost of Rs. 0.56 lakh was sanctioned by the Government in March 1975. Order for the supply of the compressor was placed in August 1975 and after its receipt in December 1975, the

plant was recommissioned in March 1976. The plant thus remained out of commission for 20 months pending replacement of the compressor. The staff engaged for the plant remained idle from July 1974 to February 1976 ; the expenditure on the staff during the period amounted to Rs. 0.51 lakhs.

3.5.2. Ice-cum-cold storage plant, Laxmisagar

(a) The plant at Laxmisagar was commissioned in December 1966. Out of 124 months since commissioning the plant remained out of commission for 51 months (November 1968 to February 1970, February 1972 to October 1972, December 1973 and January 1974 and March 1974 to February 1976) mainly due to break-down of the compressor

Expenditure on the staff which remained idle during the shut-down periods amounted to Rs. 0.70 lakh.

Due to the plant remaining unoperated for long periods, fittings, equipment and a major portion of pipeline got rusted, for the replacement of which Rs. 0.30 lakh were spent and the plant was brought into operation again from March 1976.

(b) Against 2,196 days available for operation between December 1966 and March 1977 excluding the shut-down periods, the plant worked only for 1,340 days. Even for the days it worked, the total production was 1,847 tonnes only against the production capacity of 2,680 tonnes of ice (two tonnes per day,) i. e., 69 per cent of the production capacity. Under-utilisation of capacity was attributed (April 1974) to absence of demand. The low production increased the working loss.

(c) The plant had a storage capacity of 5 tonnes per day. The storage facility actually availed of in the plant during the years from 1967-68 to 1972-73 was as follows:—

Year	Total quantity stored
	(In tonnes)
1967-68	.. 19.65
1968-69	.. 48.85
1969-70	.. 0.60
1970-71	.. 0.95
1971-72	.. 3.66
1972-73	.. 0.36

The low utilisation was attributed (September 1977) by the department to fishermen not coming forward to use the facility due to the ready market they had for fish. There had been no storage in the plant from 1973-74 onwards on account of the failure of the compressor, which had not been repaired or replaced upto the time of audit in September 1977.

(b) The following table gives the receipts and expenditure of the plant for the five years ending 1976-77:—

Year	Receipts	Expenditure	Excess of expenditure over receipts
(1)	(2)	(3)	(4)
(In lakhs of rupees)			
1972-73 ..	0.11	0.29	0.18
1973-74 ..	0.09	0.41	0.32
1974-75 ..	Nil	0.36	0.36
1975-76 ..	0.06	0.71	0.65
1976-77 ..	0.42	0.42	Nil
	0.68	2.19	1.51

The cumulative deficit from the date of commissioning of the plant upto March 1977 amounted to Rs. 2.15 lakhs.

The matter was reported to the Government in December 1976 and again in January 1978 ; their reply is awaited (February 1978).

3.6. Uneconomic working of estuarine fish farms

Three fish farms were set up (1959—1965) by the department under the "Estuarine Fisheries Programme" in tanks/ponds formed by back-waters of the sea near river mouths at Khiragachhamadeli (in Cuttack District), Sonapur and Keshpur (both in Ganjam district). Points noticed in test-check (May-June 1977) of records pertaining to the working of the three farms are mentioned in the sub-paragraphs which follow.

3.6.1. *Khiragachhamadeli farm*—The farm covering an area of 43.63 acres and comprising 22 tanks (area : 10 acres) was set up prior to 1963-64.

Complete statistics about the working of the farm during the period prior to 1966-67 were not available with the Assistant Director of Fisheries, Cuttack. During 1966-67 to 1969-70, the expenditure on maintenance of the farm amounted to Rs. 0.42 lakh, while the sale proceeds of fish (444 kilograms) and fry (0.81 lakh) during the period amounted to Rs. 0.62 lakh. The farm was leased out to private parties for premiums of Rs. 2,580 during 1970-71 and Rs. 200 during 1971-72. However, the departmental staff for the farm continued to be entertained and Rs. 0.47 lakh were spent on the staff during these two years. In 1972-73, the farm was not leased out with a view to taking up culture of mullet. The culture of mullet was, however, not undertaken as the tanks were found dry and unfit for pisciculture. There was no receipt from the farm and no development work was done on the tanks. The expenditure incurred on staff of the farm which remained idle during the years 1972-73 to 1975-76 amounted to Rs. 1.17 lakhs.

3.6.2. *Sonapur farm*—The Sonapur fish farm set up in 1959-60 by reclaiming land under brackish water of Chilika lake over an area of 25 acres was expected to produce 25 tonnes of fish annually. The total fish production upto 1970-71 was, however, one tonne only. There was no production during any of the years between 1971-72 and 1975-76. According to the Assistant Director of Fisheries (May 1977), “the farm had been totally neglected since July 1968 and was in a dilapidated condition”. The farm was finally closed down in April 1976. The expenditure on staff of the farm who remained idle from 1971-72 to 1975-76 amounted to Rs. 0.57 lakh.

3.6.3. *Keshpur farm*—The Keshpur fish farm was set up by 1965-66 at a cost of Rs. 1.90 lakhs by reclaiming an area of 34 acres of the fore-shore of Chilika lake (near Khallikote Railway Station) and was expected to produce 34 tonnes of fish annually. The total fish production between 1966-67 and 1972-73 was 4 tonnes only.

The department carried out remodelling and expansion of the farm between January and March 1973 at a cost of Rs. 0.79 lakh with a view to achieving a production of 32 tonnes annually. However, the fish catch which was about 2 tonnes during 1972-73 dwindled in the subsequent years to 0.9 tonne in 1973-74, 0.1 tonne in 1974-75 and to 47 kilograms only in 1975-76 and the farm was finally closed down in March 1976.

Apart from the capital expenditure of Rs. 2.96 lakhs incurred on setting up the farm, the cost of maintenance for the period it functioned was Rs. 1.96 lakhs while the sale proceeds of fish were Rs. 0.16 lakh only.

The matter was reported to the Government in November 1976 and in December 1977; their reply is awaited (February 1978).

3.7. Purse-seining in Balasore coast—

A scheme for purse-seining in Balasore coast which was reported to have high pelagic fisheries belt comprising *hilsa*, pomfret and mackerels was approved by the Planning Commission in August 1973 for implementation at an estimated outlay of Rs. 7 lakhs during the Fifth Plan period. The scheme envisaged operation of purse-seining nets and equipment received under the Indo-Norwegian Aid Programme.

The catch of fish was expected to be 100 tons annually yielding a total income of Rs. 6 lakhs.

The expenditure incurred under the scheme during the year 1974-75 to 1976-77 was Rs. 7.07 lakhs on (i) customs duty on equipment received under the Indo-Norwegian Aid Programme (Rs. 5.12 lakhs), (ii) repairs to two old departmental fishing boats (Rs. 1.03 lakhs) and (iii) tools and plant, maintenance charges, etc. (Rs. 0.92 lakh).

There was, however, no expenditure on account of establishment charges although the scheme envisaged entertainment of a Superintendent, 2 engine drivers, 6 master fishermen, a clerk and a peon from 1975-76. It was reported that staff employed under other schemes being implemented by the State was utilised for the scheme.

Points noticed in test-check (May—June 1977) of records pertaining to implementation of the scheme are mentioned below:—

(a) As against the annual target of 100 tonnes of fish catch contemplated under the scheme, the catch during 1975-76 and 1976-77 was 0.47 tonne and 0.21 tonne respectively, sale proceeds of which was Rs. 0.03 lakh. The shortfall was attributed (May 1977) by the department to poor collection and delay in repair of boats.

(b) According to a report (June 1976) of the Assistant Director of Fisheries, Cuttack wobbling nets (value not known) received under the Indo-Norwegian Aid Programme after payment of Rs. 1.12 lakhs towards customs duty were designed for operation of sardines and mackerel and were unsuitable for catch of other fish such as *hilsa*, prawn, pomfret, etc.

(c) Two fishing boats which the department had acquired prior to 1966 and which had outlived their estimated lives of 10 years were got repaired at a cost of Rs. 1.03 lakhs met out of the funds provided for

the scheme. In the progress report submitted by the Assistant Director of Fisheries, Cuttack to the Director of Fisheries in May 1977, it was mentioned that the two boats did not conform to the "specific design required for purse-seining operations" and being "pretty old boats" were "giving lots of trouble while in operation".

(d) Two plate freezers (value: Rs. 1.75 lakhs) which were received under the Indo-Norwegian Aid Programme and on which Rs. 3.15 lakhs were spent in the form of customs duty and incidental charges were lying unused (June 1977) since the date of receipt in July 1974. According to a report sent by the Director of Fisheries to Government in June 1977, the plate freezers did not at the time of their receipt have compressor and many spare parts and the cost of their acquisition and installation was estimated at Rs. 4.5 lakhs and Rs. 14.35 lakhs respectively. Decision of the Government regarding utilisation of the plate freezers is awaited (February 1978).

The matter was reported to the Government in September 1977; their reply is awaited (February 1978).

3.8. Loss of gill nets

Two trawlers (with trawler nets) which were being operated at Paradeep were transferred to Chandipur (near Balasore) in August 1975 for taking up fishing operations there. The two trawlers were put to operation at Balasore upto November 1975 after being fitted with gill and wobbling nets purchased (between June 1975 and October 1975) at a cost of Rs. 0.37 lakh.

The trawlers were returned to Paradeep in November 1975 for further operations there but without the gill nets, which were retained at the stores at Chandipur. In June 1976, gill nets were purchased afresh at a cost of Rs. 0.42 lakh as the nets earlier retained at Chandipur were found to be missing from stores. According to (May 1977) the Assistant Director of Fisheries, Balasore, the matter is under investigation by the department as well as by Police authorities. Further developments are awaited (February 1978).

The gill nets purchased in June 1976 (value: Rs. 0.42 lakh) in replacement of those lost from the stores at Chandipur had not been put to any use as the trawlers are reported (December 1977) to have been operating at Paradeep with trawler nets.

The matter was reported to the Government in October 1977; reply is awaited (February 1978).

TRIBAL AND RURAL WELFARE DEPARTMENT

3.9. Resettlement of landless Adibasis (Tribals) in Malkangiri Zone

Under the arrangements with the Dandakaranya Development Authority, the Authority releases 25 per cent of the area reclaimed to the State Government for rehabilitating tribal people. The Authority released 17,651 acres of reclaimed land upto May 1976 for the purpose.

Points noticed in test-check (May 1977) of the records relating to implementation of resettlement programme of tribal people in the Malkangiri Zone (Koraput District) which has been in progress since August 1964 under the supervision of the Collector, Koraput are mentioned below:—

(i) Amounts totalling Rs. 44.05 lakhs were drawn from the treasury during 1964-65 to 1973-74 for implementation of the programme. Out of this, Rs. 16.92 lakhs (39 per cent of the drawals) were, however, refunded from time to time as unspent balances.

(ii) According to the records of the Rehabilitation Officer, 1,282 tribal families were brought into the Zone for rehabilitation in 32 colonies. Although 1,282 hutments were sanctioned upto March 1973 for construction (estimated cost: Rs. 6.48 lakhs), only 864 hutments had been completed (cost: Rs. 6.48 lakhs). The remaining 418 hutments on which Rs. 2.96 lakhs had been spent (including advances to executants of Rs. 1.86 lakhs) are lying incomplete since 1973-74.

(iii) Common amenities undertaken upto 1972-73 for the settlement colonies under the programme were also lying incomplete as detailed below:—

Particulars of amenity	Number of works undertaken	Estimated cost (In lakhs of rupees)	Number of works completed	Cost of completed works (In lakhs of rupees)	Expenditure on incomplete works
(1)	(2)	(3)	(4)	(5)	(6)
Drinking water wells ..	46	1.38	32	0.96	0.70
Tanks ..	14	1.22	5	0.30	0.93
School buildings including community centres.	30	2.81	19	1.78	0.79

The expenditure on incomplete works included advances totalling Rs. 1.63 lakhs lying with executants. It was reported (August 1976) by the Additional District Magistrate that the executants were given advances disproportionate to value of works executed and had left without leaving behind their addresses. The Collector, Koraput also reported to the

Government in August 1976 the need for allotment of additional funds for completion of works in view of the rise in costs. Further developments are awaited (February 1978).

(iv) The programme is almost at a standstill from 1973-74 due to non-allotment of funds. But the full complement of staff under the Rehabilitation Officer continues to be entertained. The expenditure on the establishment of the Rehabilitation Officer between 1974-75 to 1976-77 amounted to Rs. 2.34 lakhs.

(v) According to (May 1977) the Rehabilitation Officer, 85 families (assistance given: Rs. 56 lakhs) out of 1,282 families had deserted the colonies.

The matter was reported to the Government in October 1977; their reply is awaited (February 1978).

3.10. Pre-matric scholarships to scheduled castes and scheduled tribes students

Students belonging to scheduled castes and scheduled tribes studying in recognised schools are eligible to get pre-matric scholarships ranging from Rs. 300 to Rs. 380 per annum if they stayed in recognised hostels and Rs. 50 to Rs. 70 per annum in the case of day scholars. Test-check (November 1976) of records of payments of scholarships in the District Welfare Office, Balasore and in the Sub-divisional offices at Nilgiri and Bhadrak disclosed the following:—

(a) The District Welfare Officer, Balasore reported (September 1975) to the District Collector that the Headmaster, Banipith Middle English School, Alabinda had recommended higher rate of scholarship to day scholars even though no hostel facilities were available and had misappropriated scholarship amounts totalling Rs. 0.21 lakh in collusion with the Junior Welfare Extension Officer. Further developments are awaited (February 1978).

(b) Following complaints of malpractices in disbursement of scholarships, the Sub-divisional Officer, Bhadrak after investigations conducted between October 1975 and July 1976 reported that in 12 schools Rs. 1.75 lakhs were shown as paid to 591 students between 1973-74 and 1975-76 at the higher rates admissible for stay in recognised hostels although no recognised hostels were attached to the schools. The amount payable in these cases at the rates admissible for day scholars worked out to Rs. 0.35 lakh only. The overpayment on this account amounted to Rs. 1.40 lakhs. Further developments are awaited (February 1978).

The matter was reported to the Government in May 1977; their reply is awaited (February 1978).

3.11. Cash advances for petty works

In the District Welfare Office, Balasore, cash advances were being made to non-technical personnel such as Welfare Extension Officers, school teachers, sevaks and others entrusted with execution of small works such as construction and repair of sevashrams and hostels, digging of wells, repairs to tube-wells, etc. A test-check (December 1976) of the records of the District Welfare Office, Balasore showed that advances to the tune of Rs. 1.04 lakhs were awaiting (November 1977) adjustment for 2 to 5 years as detailed below:—

Year in which advance was paid	Advances lying unadjusted with				Total
	Welfare Extension Officers	Sevaks	Teachers and Secretaries of schools	Others	
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
1971-72 ..	..	0.10	0.15	..	0.25
1972-73 ..	..	0.02	0.15	..	0.17
1973-74 ..	0.13	0.13	0.11	0.14	0.51
1974-75 ..	0.01	0.04	0.01	0.05	0.11
	0.14	0.29	0.42	0.19	1.04

It was seen that in two cases the advances were paid even prior to preparation of the estimates and the works were still to be taken up (January 1978).

The matter was reported to the Government in May 1977; their reply is awaited (February 1978).

3.12. Repairs to a jeep

A jeep purchased at a cost of Rs. 0.20 lakh in February 1967 for the Tribal and Harijan Research-cum-Training Institute at Bhubaneswar was sent for repairs in August 1974 and was lying (February 1978) with the repairing firm. Sanction was accorded by the Government on 19th March 1976 for purchase of an Ambassador staff car in replacement of the jeep which was mentioned in the sanction order as condemned. The car was purchased in March 1976 for Rs. 0.34 lakh.

Test-check of the records of the Institute conducted (April—July 1977) revealed the following:—

(i) Services of the driver of the jeep were stated (August 1977) by the Director of the Institute to have been utilised for keeping watch over the vehicle in the private garage except for the period between November 1975 to August 1976 when he was engaged to drive another jeep of the department.

(ii) The jeep had done 0.68 lakh kilometres on road against the minimum run of 1.92 lakh kilometres for 10 years prescribed (January 1973) by the Government. The vehicle was thus not due for condemnation by March 1976. The Government stated (November 1977) that the jeep was taken as condemned through oversight.

The advice of the Motor Vehicle Inspector, Bhubaneswar was sought as required under the rules about the fitness of the vehicles for condemnation. After inspection of the jeep he observed that the vehicle had been lying in the private garage for over two years since August 1974 "uncared" and suggested (September 1976) its repair at an estimated cost of Rs. 0.08 lakh as it had not covered its life span and was not due for condemnation.

(iii) Despite the advice of the Motor Vehicle Inspector the vehicle continues (November 1977) to be with the private repairer. The Director of the Institute reported (September 1976) to the Government that the private repairer had unauthorisedly removed the engine of the vehicle to another workshop and was demanding payment of Rs. 2,420 including garage rent of Rs. 800 for releasing the vehicle. Further developments are awaited (February 1978).

(iv) Prior to sending the vehicle for repairs in August 1974, an amount of Rs. 3,673 was spent on repairs in February 1974 without obtaining sanction of the Government, as required under the rules, for the expenditure which was in excess of the ceiling fixed for the purpose by Rs. 2,213. The repair work was also not got certified by the Motor Vehicle Inspector as required under the rules.

The Government stated (November 1977) that there had admittedly been irregularities in undertaking repairs to the jeep and that the matter was under investigation of the Vigilance authorities.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.13. Delay in utilisation of Cobalt/X-ray units acquired for hospitals

(a) A Cobalt 60 therapy unit (Value : Rs. 1.98 lakhs) which was purchased for the S. C. B. Medical College Hospital, Cuttack but was transferred to the V. S. S. Medical College Hospital, Burla is lying (October 1977) uninstalled since its receipt in July 1976 for want of completion of the building where it is to be installed. The Government attributed (October 1977) the delay in installation to the care that had to be taken to avoid radiation hazards.

(b) An X-ray unit purchased at a cost of Rs. 0.32 lakh for the Sub-divisional hospital at Banki (Cuttack District) was lying uninstalled (January 1978) since its receipt in January 1975.

The Government stated (January 1978) that the X-ray machine had not yet been installed due to want of accommodation and delay in construction of the Sub-divisional hospital building and that arrangements were under way for its construction on a priority basis.

(c) The Director of Health Services, Orissa invited tenders in January 1976 for supply of X-ray machines. The following quotations were received for 50 M A machines:—

Serial No.	Firm	Rate quoted per unit		
		Cost including Central sales tax	Installation charges	Total
		(In rupees)		
1	I. R.	34,736	3,340	38,076
2	R. H.	37,544	2,888	40,432
3	I. G.	44,980	5,190	50,170
4	S. I.	48,360	5,580	53,940
5	E.	52,000	6,000	58,000

The Director of Health Services placed orders (March 1976) on the firm 'S. I.' for supply of two units to the Government Hospital, Rourkela (Sundargarh District) and Sub-divisional Hospital, Gunupur (Koraput District) though its tender was the fourth lowest on grounds of reliability and standard product of the firm. The Department had, however, purchased

six X-ray units of the same capacity from firm 'R. H.' (its rate of Rs. 40,432 per unit was the second lowest) between January and March 1975 on the recommendation (December 1974) of the Professor of Radiology of the S. C. B. Medical College, Cuttack as being of standard quality and the performance of five of these (one not installed) was also reported (July 1977) to be good. The extra cost of purchase of the two X-ray units from firm 'S. I.' as compared to the offer of firm 'R. H.' amounted to Rs. 0.22 lakh (excluding installation charges).

The X-ray machines received at Rourkela in April 1976 and at Gunupur in May 1976 have not been installed so far (January 1978). The firm had been paid Rs. 0.44 lakh in May 1976 towards 90 per cent value of the machine received at Rourkela and Rs. 0.48 lakh in November 1976 towards full value of the machine received at Gunupur. The maximum guarantee period of 15 months from the date of despatch (March 1976) expired in June 1977.

The Government stated (January 1978) that the X-ray machine at Rourkela could not be installed for want of power line while that at Gunupur remained uninstalled due to delay in construction of the X-ray block. The hospitals at Banki, Rourkela and Gunupur remained (January 1978) without the facility of the X-ray unit even after lapse of 22 to 38 months from the date of receipt of the machines.

3.14. Loss due to delay in claims for shortages

Certain consignments of medicines for the relief of people of flood affected areas despatched by the Medical Stores Depots at Madras and Calcutta by rail were received by the Director of Health Services at Bhubaneswar between 4th and 29th September 1975. The total value of the consignments of medicines supplied by the Depots as indicated in their issue vouchers was Rs. 17.32 lakhs (Madras : Rs. 2.12 lakhs, Calcutta : Rs. 15.20 lakhs). Physical verification (September to November 1975) by the Directorate of Health Services of stores received, however, showed shortages valued at Rs. 0.70 lakh (Rs. 0.09 lakh against supplies from Madras and Rs. 0.61 lakh against supplies from Calcutta). Bills for amounts totalling Rs. 17.27 lakhs preferred by the Depots were paid by book adjustment in March 1976 and bills for the balance are pending (December 1977) with the Directorate for verification.

Reports on shortages noticed in physical verification were, however, sent to the Depots only in May 1976 although under the rules, the loss or damage was required to be reported within three months from the date of despatch notice.

The Medical Stores Depot, Madras rejected (August 1976) claims for shortages (Rs. 0.09 lakh) reported in May 1976 on grounds of delay in reporting.

There has been no response from the Medical Stores Depot, Calcutta so far (December 1977) in respect of shortages (value : Rs. 0.61 lakh) referred to it. The matter has not been pursued with the Depot by the Directorate since May 1976.

The Director stated (August 1977) that report on investigation conducted by the Government was awaited, on receipt of which action against persons responsible for the loss would be taken. Further developments are awaited (February 1978).

The matter was reported to the Government in September 1977; their reply is awaited (February 1978).

3.15. Payment of tax on holdings for hospital buildings

As per provisions of the Orissa Municipal Act, 1950 tax on holdings shall not be levied in respect of any building which is used for the purpose of any educational, medical, public health or cultural institution.

Test-check of records of the Medical College Hospital, Berhampur, and Headquarters Hospital at Puri and Baripada disclosed that payments on account of holding tax totalling Rs. 1.41 lakhs had been made to Municipalities in respect of buildings used for medical purposes, which were exempt under the Act from holding tax. Details were as follows:—

Sl. No.	Buildings	Period for which holding tax paid	Amount of tax paid (In lakhs of rupees)
1	Indoor building of Medical College Hospital, Berhampur	April 1970 to March 1974	1.05
2	Headquarters Hospital building, Puri	1970-71 to 1976-77 ..	0.16
3	Headquarters Hospital building, Baripada	1971-72 to 1976-77 ..	0.20

Besides, a claim of Rs. 0.10 lakh pertaining to the period from April 1974 to March 1976 in respect of the indoor building of the Medical College Hospital, Berhampur is pending with the College authorities.

The matter was reported to the Government in August 1977; their reply is awaited (February 1978).

INDUSTRIES DEPARTMENT

3.16. Idle expenditure on spinning and weaving equipment

The assets of a spinning and weaving mill of Rairangpur, which went into liquidation and for which offers upto Rs. 0.60 lakh had been received from private parties were purchased (November 1966) in auction sale by the Director of Industries for Rs. 2.32 lakhs after obtaining approval of the Government for the bid. Pending the setting up of a spinning mill where these could be utilised, the assets purchased were kept in the custody of the Orissa Agro and Small Industries Corporation upto September 1972 (charges paid : Rs. 0.91 lakh) and thereafter of the District Industries Officer (expenditure on watch and ward upto March 1977 : Rs. 0.16 lakh).

A proposal sent (July 1976) by the Director of Industries to consider the offer of a private party to purchase the assets at Rs. 2.71 lakhs was awaiting (October 1977) the decision of the Government. The assets are lying unutilised since their purchase in November 1966.

The matter was reported to the Government in October 1977; reply is awaited (February 1978).

COMMUNITY DEVELOPMENT AND SOCIAL WELFARE
DEPARTMENT**3.17. Avoidable storage charges**

The construction of a godown for storage of milk powder at Balasore at an estimated cost of Rs. 0.67 lakh was taken up by the Department under the CARE feeding programme and was entrusted to the Rural Engineering Organisation in May 1967 for execution. The work commenced by the Rural Engineering Division, Balasore in October 1967 was reported as completed by May 1971 except for electrification and fixation of racks; the expenditure incurred on the portion of work done was Rs. 0.48 lakh.

After a review in May 1971 by the Revenue Divisional Commissioner of the progress of work, the Government ordered (May 1971) that the godown should be taken over by the Collector, Balasore and used for storage of CARE foodstuff. The godown, which was taken over by the Collector in July 1971, has not been put to any use so far (February 1978) either for storage of foodstuff or otherwise. According to the Collector, Balasore (June 1977), the storage godown could not be utilised pending completion of the (i) approach road to the godown site, (ii) fixation of collapsible gate, (iii) jungle clearance and (iv) electrification.

The delay in the completion of these items which were estimated to cost Rs. 0.10 lakh was attributed (September 1977) by the Chief Engineer, Rural Engineering Organisation to delay in assessment and allocation of funds for the purpose. The Collector, Balasore stated (June 1977) that the collapsible gate had since been fitted and that steps had been taken to prepare detailed estimates for special repairs of the godown which are reported to be necessary due to non-maintenance of the completed portion and for construction of approach road. Further developments are awaited (February 1978).

Meanwhile, Rs. 1.62 lakhs were spent on alternate arrangements made by the department for storage of CARE foodstuff between 1971-72 to 1976-77.

The matter was reported to the Government in June 1977; their reply is awaited (February 1978).

3.18. Extra expenditure on transportation for feeding programmes

3.18.1. According to the orders (March 1968) of the Government for transportation of food articles to different stations for supply under various feeding programmes of the Government *viz.*, CARE feeding programme, Food for Works Programme, etc. the District Collectors were to appoint agents for one year at a time commencing from April every year. In Kalahandi District a contract for transportation valid for 3 years from 1971-72 to 1973-74 was, after inviting tenders, entered into (February 1971) with 'A'. The contract contained a provision for termination of the contract before its expiry, after one month's notice by either party or after completion of each year subject to renewal thereafter on mutual agreement between the parties.

3.18.2. In August 1971 the Government prescribed maximum standard rates for transportation of food articles and further instructed in November 1971 that in cases where agreements had already been drawn up for 1971-72, the standard rates were to be enforced from 1972-73 but no agreements were to be entered into in advance in 1972-73 or succeeding year. Although the rates of transport contractor 'A' were higher than standard rates prescribed for adoption by the Government, no action was taken by the department to terminate the contract at the close of the first year of operation by resorting to the enabling provisions of the agreement. The agent was allowed to carry on the transport operation in the year 1972-73 also at the higher rates without prior approval of the Government.

3.18.3. In September 1972 the Collector reported to the Government that the order (November 1971) of the Government could not be acted upon due to the copy of the orders being misplaced in his office till June 1972 and that the Government Pleader had advised that the contract could be terminated in the middle of the year only with the mutual consent of both the parties. He sought the approval of the Government for continuation of the contract upto the end of the year 1972-73. Approval of the Government for continued operation of the contract upto March 1973 was communicated to the Collector in October 1972. Although there was no request from the Collector for continued operation of the agreement beyond March 1973, the Government conveyed orders in February 1973 for continuance of the agreement with 'A' for the year 1973-74 as well with the direction that such irregularity would not be entertained beyond 1973-74.

3.18.4. Compared to the rates fixed by the Government in August 1971, the extra cost on transportation during 1972-73 and 1973-74 at higher rates of the contract worked out to Rs. 2'04 lakhs.

3.18.5. For the year 1974-75 a contract was entered into with the same contractor 'A' after calling for tenders and after obtaining approval of the Government for the rates as they were higher than the standard rates fixed by the Government. For the operations during the year 1975-76 also, the Collector without calling for tenders and ascertaining the workable rates, proposed the continuance of the 1974-75 agreement of 'A' for 1975-76 also on the ground that invitation of tenders afresh might not be beneficial to the Government. The Government approved the proposal subject to the condition that the value of the contract was not to exceed Rs. 2 lakhs. The payments made to 'A' for 1975-76 amounted to Rs. 6'31 lakhs; approval of the Government for the excess has not been obtained.

The matter was reported to the Government in June 1977, their reply is awaited (February 1978).

COMMERCE AND TRANSPORT DEPARTMENT

3.19. Aviation Training Institute, Bhubaneswar

The Aviation Training Institute was taken over by the Government from the Orissa Flying Club, Bhubaneswar along with its assets and staff with effect from 1st November 1974. According to the Government orders, the value of the assets taken over from the Club was to be assessed by a Committee consisting of representatives of the Director General, Civil Aviation, the Orissa Flying Club and the State Government and payments were to be made after taking into account the loans outstanding to the Government and other liabilities of the Club, which the State Government might agree to clear.

The assets taken over in November 1974 in pursuance of the decision comprised two aircrafts, the Club building, two hostel buildings and other precision instruments, spares, furniture and equipment, etc. As stated by the Aviation Officer (July 1977), the value of these assets was Rs. 2.62 lakhs approximately and the liabilities of the Club amounted to Rs. 0.35 lakhs besides the Government loan of Rs. 0.55 lakh due for recovery. Besides, interest amounting to Rs. 0.18 lakh was also payable. Final orders of Government for the monetary settlement consequent on the transfer is still awaited (February 1978).

After take-over by the Department, flight training was imparted from December 1974 to May 1976 to 79 trainees for 1,024 hours. The training was, however, suspended from June 1976 consequent on the resignation of the Chief Flying Instructor and has not been resumed so far (December 1977). The aircrafts have, thus, been lying idle since June 1976 (except for occasional trial runs). The expenditure on the staff for the period from June 1976 to October 1977 was Rs. 4.03 lakhs.

The matter was reported to the Government in August 1977; their reply is awaited (February 1978).

POLITICAL AND SERVICES DEPARTMENT

3.20. Waiver of premium

Mention was made in paragraph 3.5.4. of the Report of the Comptroller and Auditor General of India for the year 1973-74 (Civil) regarding the low rates of premium fixed for lease of Government land in the New Capital of Orissa.

According to the rules framed (November 1973) by the Government, allotment of plots in the New Capital on lease was to be made by draw of lottery, the premium payable being at the following rates:—

Category of plot	Premium per acre applicable to	
	Economically weaker group	Others
	(In rupees)	
Residential	25,000	50,000
Shop	35,000	60,000
Shop-cum-residential	50,000	75,000

Corner plots and those adjoining main roads were to be charged 10 per cent extra over the premium applicable for all categories.

A lottery was drawn on 20th January 1974 by a Board constituted by the Government from out of applications received. Test-check (August 1976) of the records showed that five days after the draw, i. e. on 25th January 1974 the Lottery Board recommended to the Government not to charge the extra 10 per cent for corner plots in Nayapali area on the grounds that land was undulating and undeveloped and the rates of premium had already been revised. No representation was on record from any of the parties seeking reduction in the rates of premium fixed as per the rules. The recommendation was accepted by the Government on 1st February 1974. According to the rules, development of the land was to be made at the Government's cost.

The loss to the Government as a result of the waiver of the charge of 10 per cent extra prescribed in the rules for corner plots and those adjoining main roads amounted to Rs. 0.93 lakh.

The Government stated (November 1977) that the acceptance of recommendation of the Lottery Board amounted to modification in the lease principles.

3.21. Outstanding motor car advances

Under the Orissa Ministers Salaries and Allowances Act, 1952 and the rules framed thereunder, repayable advances may be paid to Ministers for purchase of motor car and when a Minister to whom advance has been paid ceases to hold office before the advance is fully repaid, the outstanding balance together with the interest thereon shall be payable to the State Government immediately thereafter in one instalment. Similar provisions exist in the Acts governing the salaries and allowances of Deputy Ministers, the Speaker, the Deputy Speaker and the Government Chief Whip. The borrower is required to execute an agreement before drawal of the amount and also to hypothecate the vehicle after its purchase in favour of the Government.

Amounts totalling Rs. 3.90 lakhs were outstanding (November 1977) to be recovered towards principal (Rs. 3.79 lakhs) and interest (Rs. 0.11 lakh) of motor car advances from persons who ceased to hold the offices of Ministers (Rs. 1.30 lakhs), Deputy Ministers (Rs. 2.15 lakhs), Speaker

(Rs. 0.12 lakh), Deputy Speaker (Rs. 0.16 lakh) and Government Chief Whip (Rs. 0.17 lakh) as detailed below:—

Year in which ceased to hold office and payment was due	Amount outstanding (In lakhs of rupees)
1966-67	.. 0.05
1969-70	.. 0.11
1970-71	.. 0.50
1972-73	.. 3.13
1973-74	.. 0.11
	3.90

The matter was brought to the notice of the Government from time to time and again in December 1976 and January 1978; their reply is awaited (February 1978).

GENERAL

3.22. Misappropriations, losses, etc.

Cases of misappropriations, losses, etc., of Government money reported to Audit upto the end of March 1977 and on which final action was pending at the end of September 1977 were as follows:—

	Number	Amount (In lakhs of rupees)
Cases outstanding at the end of September 1976	1,106	1,19.09
Cases reported during April 1976 to March 1977	192	36.22
Cases disposed of till September 1977	123	12.65
Cases outstanding at the end of September 1977	1,175	1,42.66

Departmentwise analysis of outstanding cases are given in Appendix-III. The periods for which these are pending finalisation is given below:—

	Number of cases	Amount (In lakhs of rupees)
(i) Over five years (1948-49 to 1971-72)	571	68.92
(ii) Between three years and five years (1972-73 to 1973-74)	180	12.02
(iii) Upto three years (1974-75 to 1976-77)	424	61.72
Total	1,175	1,42.66

The reasons for which the cases were outstanding are:—

	Number	Amount (In lakhs of rupees)
(i) Awaiting departmental and criminal investigation	316	46.97
(ii) Departmental action having been started, not finalised	492	44.18
(iii) Departmental proceedings having been finalised, recovery is in progress	161	8.35
(iv) Criminal proceedings having been finalised, execution/certificate cases for recovery of the amount are pending	68	15.92
(v) Awaiting orders for recovery or write off	68	16.41
(vi) Pending in courts of law	70	10.83
Total	1,175	1,42.66

CHAPTER IV
WORKS EXPENDITURE
URBAN DEVELOPMENT DEPARTMENT

4.1. Urban Water Supply Schemes*4.1.1. General*

According to the 1971 census, out of the total population of 21·94 million in the State, 1·89 million people resided in urban areas spread over 90 towns. The responsibility for supply of water in towns is that of the Municipalities (26) and Notified Area Councils (64).

The Public Health Engineering Organisation of the State Government has been executing water supply schemes on behalf of the local bodies. The schemes are, on completion, transferred to local bodies for operation and maintenance. Thirty-eight urban water supply schemes (including augmentation of 5 existing schemes) have been undertaken in 36 towns during the various Plan periods, the details of which are given below:—

Five Year Plan periods	Number of schemes undertaken	Estimated cost	Expenditure	Number of schemes completed upto March 1977
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
First Plan (including one taken up prior to the 1st Plan)	4	1,22·53	53·98	4
Second Plan ..	11	5,06·19	80·73	4
Third Plan ..	9	3,03·39	1,33·72	3
Annual Plans (1966-67 to 1968-69)	9	1,61·93	1,28·46	4
Fourth Plan ..	4	5,84·15	3,11·56	1
Fifth Plan (upto March 1977)	1	9·63	2,45·51	..
Total	38	16,87·82	9,53·96	16

More details of the schemes are given in Appendix IV.

As at the end of March 1977, drinking water was being supplied by the 16 completed and 22 partly executed schemes. A test-check of the records pertaining to the execution of the water supply schemes was conducted in August 1976 and September 1977 and the results of the test-check are brought out in the paragraphs which follow.

4.1.2. Financial assistance

(a) *Pattern of assistance* was changed by Government

(i) *Pattern 'A'* : From 1969, the scheme was initially financed by Government. One-third of the cost was to be met by the local body and the balance treated as grant.

(ii) *Pattern 'B'* : In 1969, Government decided that one-third of the cost of the scheme to be paid as subsidy, one-third as loan and the balance to be contributed by the local body.

(iii) In August 1966, the scheme was restored and continued till April 1969.

Repayment of loan was to be made by the local bodies under patterns 'A' and 'B' after the schemes were handed over to the local bodies after completion and after specific sanctions were issued by the Government for conversion of part of the expenditure into loan.

(iv) *Pattern 'C'* : In April 1969, Government decided to finance water supply schemes to the extent of one-third of the cost by giving grants and the balance was to be deposited by the urban local bodies concerned after obtaining loans from the Life Insurance Corporation of India (L. I. C.) against guarantees given by the Government for repayment of the loan and payment of interest.

Of the 38 urban water supply schemes undertaken upto 1976-77, 18 schemes estimated to cost Rs. 4,68.75 lakhs were sanctioned exclusively under pattern 'A', one scheme estimated to cost Rs. 2.23 lakhs was sanctioned under pattern 'B', 5 schemes estimated to cost Rs. 6,30.56 lakhs were sanctioned exclusively under pattern 'C' and 13 other schemes estimated to cost Rs. 5,62.85 lakhs were initially sanctioned under pattern 'A' but assistance given from April 1969 onwards was as per pattern 'C'. In the case of water supply scheme at Burla, the estimates have not been sanctioned and the pattern of assistance has not been determined (January 1978).

(b) *Loans given by L. I. C.*—For the 19 water supply schemes (including 13 revised schemes) estimated to cost Rs. 7,22.64 lakhs sanctioned from 1969-70 to 1976-77, funds to the extent of Rs. 4,81.75 lakhs were to be provided by the local bodies by securing loans from the L. I. C. For 18 schemes taken up during the same period, requirement of loans

financing and assistance was as under:—

penditure on the scheme at the completion of the scheme, the local body and the

Government decided that one-third of the cost to be paid as subsidy, one-third to be contributed by the local

restored and continued

patterns 'A' and 'B' after

the schemes were handed over to the local bodies after completion and after specific sanctions were issued by the Government for conversion

of part of the expenditure into loan.

In April 1969, Government decided to finance water supply schemes to the extent of one-third of the cost by giving grants and the balance was to be deposited by the urban local bodies concerned after obtaining loans from the Life Insurance Corporation of India (L. I. C.) against guarantees given by the Government for repayment of the loan and payment of interest.

Of the 38 urban water supply schemes undertaken upto 1976-77, 18 schemes estimated to cost Rs. 4,68.75 lakhs were sanctioned exclusively under pattern 'A', one scheme estimated to cost Rs. 2.23 lakhs was sanctioned under pattern 'B', 5 schemes estimated to cost Rs. 6,30.56 lakhs were sanctioned exclusively under pattern 'C' and 13 other schemes estimated to cost Rs. 5,62.85 lakhs were initially sanctioned under pattern 'A' but assistance given from April 1969 onwards was as per pattern 'C'. In the case of water supply scheme at Burla, the estimates have not been sanctioned and the pattern of assistance has not been determined (January 1978).

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4.1.2. Financial assistance

(a) *Pattern of assistance*—The pattern of financing and assistance was changed by Government from time to time as under:—

(i) *Pattern 'A'* : From 1955 the entire expenditure on the scheme was initially financed by Government and after completion of the scheme, one-third of the cost was sanctioned as loan to the local body and the balance treated as grant.

(ii) *Pattern 'B'* : In February 1964, the Government decided that one-third of the cost of the schemes would be paid as subsidy, one-third as loan and the balance one-third was to be contributed by the local body.

(iii) In August 1966, the earlier pattern 'A' was restored and continued till April 1969.

Repayment of loan was to start under both patterns 'A' and 'B' after the schemes were handed over to the local bodies after completion and after specific sanctions were issued by the Government for conversion of part of the expenditure into loan.

(iv) *Pattern 'C'* : In April 1969, Government decided to finance water supply schemes to the extent of one-third of the cost by giving grants and the balance was to be deposited by the urban local bodies concerned after obtaining loans from the Life Insurance Corporation of India (L. I. C.) against guarantees given by the Government for repayment of the loan and payment of interest.

Of the 38 urban water supply schemes undertaken upto 1976-77, 13 schemes estimated to cost Rs. 4,68.75 lakhs were sanctioned exclusively under pattern 'A', one scheme estimated to cost Rs. 2.23 lakhs was sanctioned under pattern 'B', 5 schemes estimated to cost Rs. 6,30.56 lakhs were sanctioned exclusively under pattern 'C' and 13 other schemes estimated to cost Rs. 5,62.85 lakhs were initially sanctioned under pattern 'A' but assistance given from April 1969 onwards was as per pattern 'C'. In the case of water supply scheme at Burla, the estimates have not been sanctioned and the pattern of assistance has not been determined (January 1978).

(b) *Loans given by L. I. C.*—For the 19 water supply schemes (including 13 revised schemes) estimated to cost Rs. 7,22.64 lakhs sanctioned from 1969-70 to 1976-77, funds to the extent of Rs. 4,81.75 lakhs were to be provided by the local bodies by securing loans from the L. I. C. For 18 schemes taken up during the same period, requirement of loans

from the L. I. C. was Rs. 4,77.75 lakhs. The Government forwarded to the L. I. C. applications of local bodies for loans amounting to Rs. 4,50.36 lakhs for the 18 schemes and the L. I. C. sanctioned and released loans aggregating Rs. 1,70.21 lakhs to 13 local bodies for their water supply schemes.

The year-wise details of the loans sanctioned and released by the L. I. C. are given below:—

Year	Loans applied for by the local bodies	Loans sanctioned and released by the L. I. C.
(In lakhs of rupees)		
1969-70	36.62	43.22
1970-71	12.66	3.33
1971-72	7.34	12.66
1972-73	15.03	..
1974-75	52.19	..
1975-76	1,06.15	61.00
1976-77	2,20.37	50.00
Total	4,50.36	1,70.21

Of the loans aggregating Rs. 1,70.21 lakhs released by L. I. C., the amounts deposited by the local bodies with the Public Health Divisions for execution of schemes aggregated Rs. 1,00.24 lakhs. Amounts aggregating Rs. 69.97 lakhs out of loans received from the L. I. C. were not deposited by 13 local bodies to which loans had been released in 1969-70 (4 bodies: Rs. 20.48 lakhs), 1970-71 (1 body: Rs. 3.33 lakhs), 1975-76 (4 bodies: Rs. 11.16 lakhs) and 1976-77 (4 bodies: Rs. 35.00 lakhs).

(a) The Government charges a commission of one per cent for the guarantee given by them for the loans raised by local bodies for water supply schemes. The guarantee commission overdue for recovery from the beneficiary bodies amounted to Rs. 2.15 lakhs as at the end of March 1977.

4.1.3. Execution of schemes—

I. Physical progress—(a) Of the 38 water supply schemes undertaken up to March 1977, 16 water supply schemes only were reported as completed by March 1977.

Of the 22 schemes in progress (March 1977), seven had been taken up during the Second Plan, six in the Third Plan, five in the three Annual Plans and three in the Fourth Plan periods. The present stage of progress of these projects is given in Appendix IV.

(b) The estimates in respect of 21 schemes did not indicate the period within which they were envisaged for completion. Of the 17 schemes in the estimates of which time for completion was specified, only two schemes were completed in time. Six schemes were completed with delays ranging from 5 to 10 years. The remaining nine water supply schemes continue to be in progress (January 1978). Some details of schemes delayed beyond 3 years are given below:—

Name of the scheme	Estimated cost	Year of commencement	Period envisaged for completion	Delay beyond period envisaged
(1)	(2)	(3)	(4)	(5)
	(In lakhs of rupees)			
Jeypore Water Supply Scheme	40.00	1961-62	2 years	14 years
Balasore Water Supply Scheme	67.05	1961-62	2 years	14 years
Baripada Water Supply Scheme	66.19	1962-63	3 years	12 years
Jharsuguda Water Supply Scheme	53.97	1966-67	2 years	9 years
Bhadrak Water Supply Scheme	40.00	1966-67	3 years	8 years
Water Supply to Nayagarh town	9.18	1972-73	6 months	4 years

The delay in execution was attributed by the concerned divisions to the following reasons:—

- (i) Non-availability of materials (3 cases)
- (ii) Inadequate allocation of funds (17 cases)
- (iii) Non-availability of contractor (1 case)
- (iv) Change in site and design (2 cases)
- (v) Delay in acquisition of land (4 cases)
- (vi) Delay in finalisation of source of water supply (1 case)

The Patnagarh Water Supply Scheme (Bolangir District) estimated to cost Rs. 10.67 lakhs was sanctioned in February 1967. Funds to the tune of Rs. 0.50 lakh was released in October 1967 for the scheme but no further funds were released during the next five years. During 1972-73 and 1973-74, Rs. 3.00 lakhs and Rs. 5.00 lakhs respectively were allotted but due to escalation in the cost of materials and labour, work could not progress till the revision of estimates to Rs. 19.62 lakhs in February 1974. The scheme which was envisaged to be completed in 2 years from 1973-74 is still (January 1978) in progress.

For the Jeypore Water Supply Scheme (in Koraput District) sanctioned in 1961 at an estimated cost of Rs. 28.00 lakhs, the river Kolab (10 kilometres away from the town) was indicated as the source of water. The source was changed due to its inadequacy but the selection of an alternate source was completed only in 1975. A revised estimate for Rs. 40.00 lakhs was sanctioned by the Government in February 1975. The work which was scheduled for completion in 2 years continues to be in progress even 16 years after its commencement.

(c) The records of 4 of the 9 water supply schemes reported as completed during the Fourth Plan period showed that some essential items envisaged in the estimates of the schemes had not been executed as mentioned below:—

Name of the scheme	Year of completion	Items of work not executed
1. Nawarangpur Water Supply Scheme	1971-72	Laying of permanent rising main.
2. Barbil Water Supply Scheme	1973-74	Improvement of one lakh gallon service reservoir to 2 lakh gallon capacity.
3. Rajgangpur Water Supply Scheme	1973-74	Slow sand filter and reservoir.
4. Burla Water Supply Scheme	1973-74	Reservoir, purification plant, pipelines and a few other items.

II. *Administrative approval and technical sanction*—(a) Nine Water Supply Schemes detailed below were taken up without obtaining technical sanction to the detailed estimates and expenditure of Rs. 2,30'65 lakhs was incurred up to March 1977:—

Name of the scheme	Year of commencement	Expenditure upto March 1977 (In lakhs of rupees)	State of work
(1)	(2)	(3)	(4)
(1) Barbil Water Supply Scheme	1961	17'65	Completed
(2) Jeypore Water Supply Scheme	1961-62	40'03	Under execution
(3) Rourkela Water Supply Scheme	1962	1,16'88	Under execution
(4) Sundargarh Water Supply Scheme	1962	8'68	Completed
(5) Nawarangpur Water Supply Scheme	1962-63	6'77	Completed
(6) Bargarh Water Supply Scheme	1966	16'95	Completed
(7) Reorganisation of Burla Water Supply Scheme	1967-68	5'56	Work suspended
(8) Sambalpur (Improvement and Extension)	1973-74	3'52	Completed
(9) Patnagarh Water Supply Scheme	1974	14'61	Under execution

Sanctions to the estimates are still awaited (January 1978) in all these cases. In the case of the Reorganisation of Burla Water Supply Scheme, administrative approval for the scheme is also awaited.

(b) In the case of the following 5 Water Supply Schemes, expenditure to end of March 1977 exceeded administrative approval (Rs. 70·27 lakhs) by Rs. 12·63 lakhs.

Water Supply Scheme	Amount of administrative approval	Expenditure upto March 1977	Excess over administrative approval	State of work
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
(1) Kendrapara ..	20·51	22·51	2·00	Under execution
(2) Jajpur Town ..	16·39	18·02	1·63	Under execution
(3) Bargarh ..	12·93	16·95	4·02	Completed
(4) Jajpur Road ..	11·26	12·22	0·96	Under execution
(5) Nayagarh ..	9·18	13·20	4·02	Under execution
Total	70·27	82·90	12·63	

(c) Expenditure incurred to end of March 1977 on the following 4 water supply schemes exceeded the technical sanctions (Rs. 1,05·01 lakhs) by Rs. 31·60 lakhs:—

Water Supply scheme	Amount of sanction	Expenditure upto March 1977	Excess
(1)	(2)	(3)	(4)
(In lakhs of rupees)			
(1) Puri ..	38·02	44·36	6·34
(2) Bhawanipatna ..	21·77	36·24	14·47
(3) Koraput ..	22·00	28·47	6·47
(4) Bhubaneswar (Old town) ..	23·22	27·54	4·32
Total	1,05·01	1,36·61	31·60

The excess expenditure has not yet been regularised (January 1978) by sanction of revised estimates.

(d) *Revision of estimates*—(i) Out of the 16 completed schemes, one (Burla Water Supply Scheme) has not been technically sanctioned and estimates were revised in respect of 7 schemes from Rs. 1,01.70 lakhs to Rs. 1,73.03 lakhs and the revised estimates were 26 per cent to 124.3 per cent more than the original estimates.

(ii) In the case of 15 out of the 22 schemes under execution, estimates were revised from Rs. 3,83.93 lakhs to Rs. 8,10.60 lakhs. In 10 of these cases the increase in the estimated cost ranged from 100 per cent to 656 per cent and in the remaining 5 cases from 22 per cent to 89 per cent.

The department attributed the revision of estimates to (i) increase in capacity of reservoir and treatment plant due to increase in demand, (ii) increase in length of pipe-lines, (iii) changes in the course of execution in the source of water, (iv) changes in the course of execution of plan and design, (v) additional constructions not contemplated in the original estimates, (vi) increase in the cost of materials and labour and (vii) extra cost of acquisition of land.

4.1.4. *Operation and maintenance*

(1) The approved project reports for water supply schemes envisaged that the completed schemes would be handed over to the local bodies for maintenance and the entire recurring expenditure on the schemes would be met by local bodies. Of the schemes completed between 1959-60 and 1973-74, only one at Deogarh was taken over for maintenance by the local body. The other completed schemes were not taken over by local bodies either due to lack of technical manpower or because of paucity of funds. The Government decided in 1967 that, in view of the heavy expenditure in completion of the schemes, it would be undesirable to allow them to remain idle and they should be maintained by the Chief Engineer, Public Health Department until the local body came forward to maintain the scheme by passing a resolution to that effect. The maintenance expenditure was to be shared between the Government and the local body as under:—

(a) For the first three years beginning from 1966-67 or from the year of supply of water whichever was later, the local bodies were to contribute at 50 per cent of the maintenance expenditure after adjustment of the water rates for taps collected by the Public Health Department and the balance 50 per cent to be contributed by the State Government.

(b) After the third year, the contribution of the urban local bodies was to be increased to 75 per cent, the balance 25 per cent being contributed by the State Government for two years thereafter.

(c) From the sixth year, the entire maintenance expenditure was to be borne by the local bodies concerned.

The Public Health Department is (February 1978) operating and maintaining water supply systems in 31 towns. Water supply is arranged through 15 completed and other partly executed schemes. In the towns of Puri, Berhampur and Deogarh, the systems are being maintained by the local bodies concerned. Under the arrangement decided upon in 1967, the Government have been incurring expenditure from out of the revenue account on the running and maintenance of water supply systems in these towns pending recoveries from the local bodies concerned.

Norms for operational and maintenance expenditure have not been prescribed by the Government. The *per capita* cost of production for different schemes varied from Rs. 43 to Rs. 239 ; in 12 cases the *per capita* cost was Rs. 100 to Rs. 200 while in two other cases it was more than Rs. 200.

The total expenditure incurred by the Government on maintenance of 30 water supply schemes (excepting Bhubaneswar, the details in respect of which were not available) to the end of March 1977 was Rs. 3,59.48 lakhs, of which the amount recoverable from the local bodies concerned towards their share of expenditure was Rs. 2,15.59 lakhs ; details are given in Appendix V. The amount recovered upto March 1977 from 23 of the 30 urban local bodies amounted to Rs. 27.58 lakhs. Seven urban local bodies at Bhanjanagar, Bhadrak, Patnagarh, Dhenkanal, Nayagarh, Khurda and Burla have not paid their share (Rs. 22.39 lakhs) of the operation and maintenance charges (total : Rs. 38.16 lakhs) right from the inception of the schemes.

(2) *Financial results of operating systems*—No rules for levy and collection of charges for consumption of water supplied through the distribution systems have been framed and the departmental officers have been collecting water rates for supplies from schemes within their jurisdiction at rates fixed by executive orders, in some cases based on actual consumption of water and in other cases on a sliding scale with reference to the number of taps provided. The expenditure incurred on the operation and maintenance was found to be generally in excess of the amounts computed as recoverable from local bodies and the water rates assessed. In the case of 5 of the water supply schemes for which figures

were available, the cumulative expenditure on maintenance borne by the Government amounted to Rs. 20.54 lakhs as shown below:—

Name of the scheme	Expenditure upto March 1977 on maintenance	Amount allocated as recoverable from local bodies	Water charges assessed on consumers	Expenditure on maintenance finally borne by Government
(In lakhs of rupees)				
(1)	(2)	(3)	(4)	(5)
1. Cuttack Water Supply Scheme	81.13	52.38	21.10	7.65
2. Baripada Water Supply Scheme	20.61	10.02	3.51	7.08
3. Burla Water Supply Scheme	32.59	18.24	11.84	2.51
4. Sundargarh Water Supply Scheme	15.42	11.04	3.45	0.94
5. Koraput Water Supply Scheme	15.59	9.74	3.49	2.36

The State Municipal Finance Commission in its report in 1975 while pointing out the absence of uniformity of water rates and the need to have a viable basis for running the schemes, recommended that serious note of maintenance cost beyond approved limits should be taken up for investigation ; the recommendation is (January 1978) under consideration of Government.

(3) *Outstanding dues from consumers*—As per divisional records the amount outstanding for recovery from consumers in 15 towns at the end of March 1977 was Rs. 22.90 lakhs. The year-wise break-up of the outstandings was, however, not available.

4.1.5. *Standard of water supply*—The Manual of Water Supply and Sanitation prepared (1963) by the Government of India suggested the following norms for *per capita* water supply per day:—

- (i) For communities with population upto 10,000 15 to 20 gallons per day
- (ii) For communities with population upto 10,000 to 50,000 20 to 25 gallons per day
- (iii) For communities with population above 50,000 25 to 45 gallons per day

The *per capita* water supply envisaged in the approved schemes was far below the norms in the following cases:—

Sl. No.	Name of the scheme	Designed population as per the latest estimate	<i>Per capita</i> requirement	<i>Per capita</i> water supply per day as per latest estimate
			(In gallons)	
(1)	(2)	(3)	(4)	(5)
(1)	Biramitrapur Water Supply Scheme	20,000	20 to 25	5
(2)	Jharsuguda Water Supply Scheme	20,000	20 to 25	10
(3)	Phulbani Water Supply Scheme	5,000	15 to 20	10
(4)	Bhadrak Water Supply Scheme	40,537	20 to 25	12
				(to four-fifth of the designed population)
(5)	Jeypore Water Supply Scheme	68,000	25 to 45	10
				(to 50 per cent of designed population)

Actual supplies of water in six completed schemes was far less than the supply envisaged in the estimates of the concerned schemes as shown below:—

Sl. No.	Particulars of unit	Quantity of water supply per day in million gallons		Population covered by water supply (number)		<i>Per capita</i> supply targeted in the estimate	<i>Per capita</i> supply achieved
		As per estimate	Actual supplies	As per estimate	Actually served		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1)	Cuttack ..	6.83	3.86	1,79,000	1,79,000	38	21.5
(2)	Sambalpur ..	1.50	1.00	60,000	80,000	25	12.5
(3)	Bargarh ..	0.75	0.97	30,000	15,000	25	6.5
(4)	Barbil ..	0.775	0.20	31,000	24,355	25	8.0
(5)	Parlakhemundi ..	1.00	0.35	40,000	26,917	25	13.0
(6)	Nawarangpur ..	0.40	0.07	20,000	13,739	20	5.0

The shortfall in supply was attributed to (1) installations having outlived their normal life span (Cuttack), (2) breakage and wastage in public standposts and under-provision of cocks in private connections (Cuttack), (3) want of pumping and treatment capacity (Bargarh and Parlakhemundi), (4) wastage due to back washing of filters (Barbil and Parlakhemundi) and (5) loss due to pilferage (Sambalpur).

4.1.6. *Loss of water*—Norms for loss of water in course of distribution were neither fixed by the department nor envisaged in the estimates for individual schemes. Test-check of records for 1975-76 of 11 water supply schemes maintained by the department revealed wastages ranging from 4 per cent to 33.3 per cent as shown below:—

Sl. No.	Water supply scheme	Average quantity of water produced per day	Average quantity of water actually supplied to consumers per day	Loss per day	Percentage of loss
(1)	(2)	(3)	(4)	(5)	(6)
					(In thousands of gallons)
(1)	Cuttack ..	48,60.00	38,60.00	10,00.00	20.5
(2)	Sambalpur ..	15,00.00	10,00.00	5,00.00	33.3
(3)	Burla ..	10,00.00	9,00.00	1,00.00	10.0
(4)	Sundargarh ..	4,30.00	4,00.00	30.00	7.0
(5)	Barbil ..	2,20.22	2,00.22	20.00	9.1
(6)	Rajgangpur ..	5,00.00	4,70.00	30.00	6.0
(7)	Parlakhemundi ..	3,70.00	3,50.00	20.00	5.4
(8)	Biramitrapur ..	1,80.00	1,70.00	10.00	5.6
(9)	Rayagada ..	4,50.00	4,25.00	25.00	5.6
(10)	Bargarh ..	1,24.00	97.20	26.80	21.6
(11)	Phulbani ..	75.00	72.00	3.00	4.0

In terms of actual cost of water supplied, the loss of revenue due to loss of water in ten of these systems (excepting Sambalpur where the cost of production was not available) worked out to Rs. 5.15 lakhs per annum.

No specific reasons for the loss were indicated by the concerned Public Health divisions. According to the Municipal Finance Commission (February 1974), the losses in distribution were due to (i) removal of bib-cocks of public standposts by the public, (ii) non-provision of meters for measurement of water supplied to consumers (out of the 12,804 connections in 11 towns only 2,236 were metered), (iii) extravagant and wasteful use of water and (iv) illegal private connections.

4.1.7. *Accounts*—(a) (i) Though 16 water supply schemes were completed between 1959 and 1974, works accounts had not been closed (January 1978) in respect of any of the schemes. The non-closure

was attributed to non-settlement of contractor's claims (Rajgangpur and Sundargarh) non-completion of certain items of works (Nawarangpur, Barbil and Burla), pending cases (Rajgangpur) and non-adjustment of materials lying in site account (Parlakhemundi).

Reasons for non-closure of accounts in other cases have not been intimated by the divisions concerned.

(ii) According to information supplied in respect of 26 water supply schemes, materials worth Rs. 42.22 lakhs debited to the works accounts of the schemes were lying unutilised at site as at the end of March 1977. Of these, materials (date of acquisition not readily available with the division) worth Rs. 3.27 lakhs pertaining to the Berhampur town reorganisation scheme under execution were reported by the division as not required for use in the scheme. Materials worth Rs. 9.13 lakhs pertaining to ten completed schemes (between 1959 and 1974) were lying at site as per materials-at-site accounts for March 1977 (Sambalpur, Bargarh, Parlakhemundi, Burla, Nawrangpur, Rayagada, Phulbani, Sundargarh, Barbil and Biramitrapur).

(iii) An amount of Rs. 0.40 lakh was deposited by the Bargarh Municipality in 1966-67 for Bargarh Water supply scheme. A further amount of Rs. 1.00 lakh claimed (July 1968) as deposited in November 1965 by the Municipality in favour of the Public Health Division, Sambalpur is still (December 1977) to be located by the Division. The Division has spent Rs. 3.34 lakhs on the work against the deposit.

(iv) The rules provide that no charges should be debited to the suspense head, 'Miscellaneous Works Advance' on the ground of absence or insufficiency of funds. Contrary to the provision, expenditure of Rs. 6.44 lakhs incurred upto March 1977 on five schemes in excess of funds provided therefor was booked by 4 Divisions under 'Miscellaneous Works Advance'; the amount is awaiting regularisation (January 1978).

(b) Under the terms of assistance for the water supply schemes, the loan liability of the urban local body for a completed water supply scheme is to be determined on completion of the scheme with reference to the actual expenditure on its execution. The loan component of 16 schemes completed upto 1973-74 amounted to Rs. 72.87 lakhs on the basis of expenditure of Rs. 2,35.59 lakhs booked against them. Upto March 1977 sanctions for conversion of the local bodies' share of the expenditure on the water supply schemes as loans had been issued only for Rs. 35.52 lakhs in respect of 4 water supply schemes. The details of the loan components are given in Appendix VI.

Out of the remaining schemes, the estimates and pattern of assistance have not been sanctioned for one scheme (Burla) and the pattern of assistance was not clearly indicated in respect of the Biramitrapur Water Supply and Biramitrapur Water Supply (Extension) Schemes. Loan component of the expenditure on the other 9 schemes amounting to Rs. 36.38 lakhs have not yet been determined and sanctioned (February 1978). The entire expenditure on these 12 schemes completed between 1959-60 and 1973-74 continues to be borne by the Government (February 1978).

In January 1966, the Government ordered that loans were repayable by the local bodies concerned together with interest (at 4 per cent if paid in time and at 6 per cent in other cases) commencing from the date immediately following the year of completion of the concerned scheme irrespective of the date of sanction of loan. Under these orders, in cases of delay in sanction to the loan component, the local body had to pay the arrear instalments of principal immediately after sanction and no concessional rate of interest was allowed for timely payment in respect of the arrears. On some of the local bodies pointing out the loss they had to suffer due to delay on the part of the Government in according sanctions to loans, the Government revised (June 1977) the terms of repayment of loans as follows:—

(a) In cases where loan had already been sanctioned, repayments were to commence from 1st April 1977,

(b) in the remaining cases, repayments were to commence from the year following the year of sanction,

(c) the intervening period between the date of completion of a scheme and 1st April 1977 or until one year after the date of sanction to loan was to be treated as period of moratorium for repayment of principal and

(d) the arrears of interest for the moratorium period were to be paid in twenty annual instalments commencing from April 1977 or the year following the date of sanction.

Repayment of loans and payment of interest by the local bodies has not commenced so far (February 1978) even in respect of the four schemes where the loan components had been formally sanctioned.

4.1.8. *Other points of interest*

(a) *Overhead reservoir at Tota Gopinath*—An overhead reservoir of one lakh gallon capacity was constructed at Tota Gopinath under the Puri Water supply re-organisation scheme in February 1967 at a cost of Rs. 2.20 lakhs and handed over to the Puri Municipality in May 1969. After commissioning, the reservoir showed signs of deterioration. A committee appointed by the Government to probe into the failure reported (July 1972) that the concrete was of very weak mix, reinforcements had not been properly chosen

and the bottom cover was very small. The reservoir was repaired (1975) by the Division at a cost of Rs. 0.52 lakh (against an estimate for Rs. 0.37 lakh sanctioned by the Superintending Engineer in May 1974). No action to fix responsibility for defective work has been taken (January 1978).

(b) An overhead reservoir (2 lakh gallon capacity) at Ghoda Bazar to be fed by the existing source of water supply, was constructed by December 1975 for the Puri Water Supply Re-organisation scheme at a cost of Rs. 3.70 lakhs. The Puri Municipality has, however, not taken it over so far (December 1977) on the ground that it was not possible to operate it without additional source of water supply. The sinking of a deep tube-well near the overhead reservoir was taken up in June 1977 at an estimated cost of Rs. 1.75 lakhs and the work is in progress (January 1978).

(c) *Burla Water Supply Scheme*—Re-organisation of the water supply system at Burla taken over from the Hirakud Dam Authority in August 1962 was undertaken in February 1967 on the basis of an estimate for Rs. 20.83 lakhs prepared for the purpose. After incurring an expenditure of Rs. 5.56 lakhs over a period of 7 years, the work was shown as completed in the year 1973-74. Administrative approval of the Government and technical sanction to the estimate have not been accorded so far (January 1978). The materials-at-site account of the work showed that stores of the value of Rs. 1.92 lakhs issued for use on the work remained unutilised upto March 1977. No action has been taken to transfer them to the general stores of the division even after a lapse of 3 years since the completion of re-organisation work.

The recorded expenditure of Rs. 5.56 lakhs on the work included expenditure of Rs. 0.41 lakh on the laying of pipe lines, construction of standposts, pump chamber and sump and procurement and installation of pump sets for water supply to the villages of Sadeipalli and Bhatlipali from the existing main supply line of Burla town. Although this component of the work was actually completed in 1967-68, water supply to the two villages has not started so far (December 1977) due reportedly to insufficiency of water available for supply to the town. The expenditure of Rs. 0.41 lakh on this scheme has, thus, not proved fruitful even after 10 years.

(d) The work of designing, construction and erection of water treatment plant (capacity : 3 million gallons per day) for the water supply scheme for Rourkela Civil township was awarded to the Orissa Construction Corporation (a Government of Orissa undertaking) in February 1973 for completion by June 1974 against a lump sum contract for Rs. 9.44 lakhs. The work included construction of a clear water reservoir of 7.50 lakh gallons capacity at a cost of Rs. 2.00 lakhs. According to the Executive Engineer,

the bottom slab of the clear water reservoir failed in August 1974 due to defective execution. A revised design and drawing was thereupon approved by the Chief Engineer, Public Health in October 1975 to bring the structure to safe condition. As a result of the modifications the capacity of the reservoir is, according to the Executive Engineer (August 1977), likely to be reduced by 15 per cent and the detention period of water also reduced from 6 to 5 hours. Work as per the revised design is still in progress (December 1977). A claim submitted by the Company for Rs. 1.25 lakhs in December 1975 for extra payment on the ground that the works as per revised design were extra in nature, is awaiting decision of the departmental authorities (December 1977).

(e) For the Kendrapara Water Supply Scheme, a tube-well was drilled (May 1976) to a depth of 658 feet and when mild steel pipes and strainers were lowered upto a depth of 351.25 feet, the bore collapsed. The tube-well failed reportedly because of non-use of casing pipe for retaining the bore as envisaged in the estimate. A sum of Rs. 0.38 lakh had been spent on the tube-well. M. S. pipes (205.25 feet) and strainers (72 feet) worth Rs. 0.26 lakh were awaiting (January 1978) extraction from the site.

(f) The source of supply of water for the Berhampur Water Supply Scheme is an Irrigation Department reservoir at Dakhinapur which is fed by a canal from the Rushikulya Irrigation system. An overhead reservoir (one lakh gallon capacity) was constructed under the scheme at Utkal Ashram Road by May 1971 at a cost of Rs. 1.98 lakhs. The overhead reservoir has not, however, been put to use so far (December 1977) due to supplies of water being reduced by the Irrigation Department from 2.5 million gallons per day to 1.5 million gallons per day. According to the Chief Engineer (February 1977), the regular usage of the overhead tank is linked with the completion of a Joint Water Supply Scheme for Berhampur and other neighbouring areas which has been sanctioned in January 1977 at an estimated cost of Rs. 5,31.89 lakhs. Meanwhile, with a view to facilitating supply of water to the higher zones of Berhampur town through the overhead tank with available water, construction of a sump and pump chamber at the site of the overhead reservoir at Utkal Ashram Road was taken up in January 1976 at the request of the Berhampur Municipality (which operates and maintains the water supply scheme) at an estimated cost of Rs. 3.74 lakhs. Upto July 1977, an amount of Rs. 0.32 lakh was spent and the work is still in progress (December 1977).

(g) For the water supply schemes for Rourkela civil township and for Rajgangpur, supply of 50.62 tonnes of pig-lead was obtained from a firm in 1967 and 1968 at a cost of Rs. 1.83 lakhs. In February 1970, the Executive Engineer intimated the firm that on chemical test, the supplies were found

to be of poor quality and unsuitable for work and directed it to take back the defective materials after depositing the cost thereof. No action to fix responsibility for making payments to the firm without testing the materials supplied by it has, however, been taken. In May 1970, the firm deposited Rs. 0.50 lakh and was allowed to lift 15.36 tonnes of pig-lead for which it had received payment of Rs. 0.65 lakhs at the rate of Rs. 4,210 per tonne. The balance cost of Rs. 0.15 lakh has not been recovered from the firm so far (February 1978).

As the balance quantity of pig-lead was not lifted by the firm, the Chief Engineer ordered (June 1975) its use on works in hand (although the quality was found in February 1970 to be poor). Up to July 1977, 34.55 tonnes had been used in the departmental works and the remaining quantity (0.71 tonne) was lying (December 1977) in stock.

The matters mentioned above were reported to the Government in January 1977 and again in October 1977 ; their reply is awaited (February 1978).

4.2. Non-recovery of interest on advance

The successful tenderer for the work "Supplying and laying of 22,000 metres of 900 mm (36 inches) internal diameter prestressed concrete pressure pipes for supply of raw water to the Fertiliser Project at Talcher" had stipulated the payment of an advance of Rs. 15 lakhs for purchase of steel and machinery and for erection of the factory at site as one of the conditions of his tender. On the recommendation by a tender committee, the Government accepted (December 1972) the tender along with the condition for payment of advance of Rs. 15 lakhs subject to recovery of interest at 8 per cent.

A written order to commence the work pending execution of an agreement was issued on 10th January 1973 and the advance of Rs. 15 lakhs was paid to the firm on 13th January 1973. In the agreement with firm 'I' executed in March 1974, however, the advance of Rs. 15 lakhs was mentioned as interest-free. No sanction of the Government for payment of interest-free advance was obtained as required under the rules.

On the matter being brought to their notice by Audit, the Government held (September 1975) the payment of interest-free advance of Rs. 15 lakhs as highly irregular and as causing substantial financial loss to Government and directed the Chief Engineer to recover interest from the contractor and to fix responsibility for the irregular advance.

The interest at 8 per cent per annum worked out to Rs. 2.93 lakhs, which has not been (December 1977) recovered though the entire advance of Rs. 15 lakhs was recovered by March 1976.

The matter was reported to the Government in May 1977 ; their reply is awaited (February 1978).

WORKS DEPARTMENT

4.3. High level bridge over river Kuanria on Khandapara—Kantilo road

Construction of a high level bridge over river Kuanria on Khandapara—Kantilo road (in Puri District) at an estimated cost of Rs. 7.66 lakhs was administratively approved by the Government in May 1961 and technical sanction for Rs. 8.36 lakhs was accorded by the Chief Engineer in March 1962.

The bridge, work on which commenced in May 1970 was completed in November 1975. Work on the permanent approach roads was commenced in March 1976 and is in progress (January 1978). Expenditure incurred upto November 1977 was Rs. 27.04 lakhs (bridge : Rs. 22.94 lakhs; approach roads : Rs. 4.10 lakhs). Revised administrative approval for Rs. 14.30 lakhs was accorded by the Government in September 1970. Further revision of estimates to Rs. 29.84 lakhs proposed by the department in October 1976 is awaiting administrative approval of the Government and technical sanction by the Chief Engineer.

Points noticed in test-check (August 1977) of records of construction of the bridge are mentioned below:—

(i) On the basis of tenders invited in February 1970, the work was awarded to firm 'U' in May 1970 at its tender value of Rs. 7.79 lakhs pending completion of investigation of the bearing capacity of soil and preparation of revised estimates.

According to the terms of the agreement, the bridge proper was to be completed in 18 months from the date of award in May 1970 i. e., by November 1971. The modifications in design and plan made during the execution of the work resulted in additional quantities of work on items already provided in the agreement and extra items not provided in the agreement. The agreement with 'U' was closed under orders (April 1973) of the Chief Engineer. The Chief Engineer reported (May 1973) to the Government that the value of extra/substituted items executed by 'U' was quite high and if further work was entrusted to it, "the result would only be prolonged arbitration/litigation resulting in financial loss to Government" and that the firm had not been showing "sufficient progress" and sought the approval of the Government for calling for fresh tenders for balance work.

The Law Department, the opinion of which was sought on receipt of a representation from the contractor, advised that he closure of the contract was highly improper and could not be legally upheld. The Government, thereupon, ordered (October 1973) the withdrawal of termination notice of

April 1973 and restoration of the contract to 'U'. The termination notice was withdrawn and the work was resumed in July 1974. The work, thereby remained suspended for 15 months in the middle of execution. The bridge was completed in November 1975.

While the agreement for the bridge proper contemplated its completion by November 1971, work on approach roads estimated to cost Rs. 5.37 lakhs was put to tender only in March 1975 and after calling for fresh tenders in August 1975, the work was awarded to contractor (tender value : Rs. 4.57 lakhs) 'G' in March 1976 for completion by March 1977. The work on the approach road on which Rs. 4.10 lakhs had been spent upto November 1977 was still in progress (December 1977). In the meantime, the Chief Engineer ordered (June 1975) construction of temporary approach roads by engaging job-workers for allowing vehicular traffic. The bridge was opened to traffic in January 1976. Out of the expenditure of Rs. 1.07 lakhs on the temporary approaches 50 per cent is, according to the Executive Engineer, likely to be useful for the permanent approach road and the balance is likely to be wasteful.

(ii) Irregularities noticed in the execution of the work and expenditure thereon are mentioned below:—

(a) As per the conditions of the agreement with 'U', the contractor was to bear the charges *inter alia* of joining and welding of mild steel rods. Contrary to this specific provision, Rs. 0.10 lakh were paid to the contractor between April and July 1975 towards welding of 926 tonnes of mild steel rods as an extra item. In spite of the Superintending Engineer pointing out (August 1975) the provisions of the contract, no action has been taken so far (December 1977) by the division to recover the extra amount paid to the contractor.

(b) A quantity of 20 tonnes mild steel (M. S.) plates (no provision for the issue of which was included in the contract) was issued to the contractor in February 1971 for use in the work. According to financial rules, recovery in respect of materials, the issue of which is not stipulated in the agreement, is to be made at the issue rate or the market rate prevailing at the time of supply, whichever is greater. Recovery for the M. S. plates was made in the first instance at Rs. 1,751 per tonne. However, on a representation from the contractor in June 1972 that the controlled rate was only Rs. 1,300 per tonne, the Chief Engineer ordered (June 1972) recovery for the plates at the stock issue rate (including centage charges) of Rs. 894.35 per tonne. The financial aid to the contractor consequent on the refund in November 1973 of the

difference between market rate and stock issue rate amounted to Rs. 0.17 lakh. Moreover, only 7 tonnes (out of 20 tonnes issued) had been actually used on the work

(c) According to the standard specifications of the department which formed part of the contract, the maximum sinking of wells through rock for bridge work was to be 6 feet in soft rock and 2 feet in hard rock. The sinking of wells for 4 piers was, however, done to the depth of 7.84 feet in soft rock and 7.75 feet in hard rock. The Executive Engineer informed (May 1972) the contractor that payment would be made only according to specifications since "sufficient reasons" were not there for sinking beyond permissible limits. On the contractor replying (May 1972) that the sinking was done under the instructions of departmental staff, the contractor was paid for the full quantity of work done. The expenditure on sinking wells beyond the required limits amounting to Rs. 0.23 lakh was avoidable.

(d) For items of work for which specific rates were not provided in the agreement, the Government in consultation with the Law Department had clarified in October 1971 that the rate to be paid was to be derived from that provided in the agreement for that class of work. Of the 24 extra items executed, 15 items were covered by the class of work already provided in the agreement. The rates payable for these extra items were, however, derived from the prevailing schedule of rates instead of from the agreement rates. The payment made to the contractor for these 15 items (Rs. 3.41 lakhs) was in excess of the amount due (Rs. 2.69 lakhs) at rates derived from the agreement rates by Rs. 0.72 lakh. The Executive Engineer stated (December 1977) that the rates allowed in these cases were provisional pending fixation of final rates by the Government. The rates for the extra items have not been finalised so far (January 1978).

(e) Recovery of Rs. 0.16 lakh from the contractor towards electric installations provided by the department at the site of work at contractor's request (Rs. 0.08 lakh) and anti-flood work, which was the responsibility of the contractor, taken up at departmental cost (Rs. 0.08 lakh) was awaited (December 1977).

(f) In March and October 1974, 55.47 tonnes of mild steel rods and 1,680 bags of cement of the value of Rs. 1.59 lakhs were shown as issued to work. Test-check in August 1977 showed that these were not entered in the materials-at-site account. On this being pointed out, the Executive Engineer stated (September 1977) that supplementary site accounts had been prepared but the physical verification of materials had not yet been conducted. †

(g) The following materials issued to the contractor between April and November 1975 were in excess of actual requirements for the work:—

Description of materials	Quantity	Value at issue rates
M. S. rods ..	37.84 tonnes	(In lakhs of rupees) 0.95
Cement ..	1,181 bags	0.26
		1.21

These have not been returned by the contractor so far (December 1977) nor has the cost thereof been recovered. Under the terms of the contract the contractor was liable to pay a penalty equivalent to 5 times the price of materials, removed from work site. According to the Executive Engineer (September 1977), the contractor was willing to pay the cost at the agreement rates and the final bill of the contractor after all recoveries showed an amount of Rs. 0.75 lakh approximately as recoverable from the contractor. Further developments are awaited (February 1978).

(h) The materials-at-site account of June 1977, showed that 58 tonnes of mild steel rods (book value : Rs. 1.46 lakhs) were lying at the site of the work unused since November 1975. The Executive Engineer stated (December 1977) that of these, 37.84 tonnes were cut-pieces, which were valued at Rs. 0.36 lakh but the size was not indicated. The agreement with 'U' for the bridge work, envisaged return by the contractor of surplus mild steel rod not below 3 feet in length which could be accepted by the department only if these were delivered at the departmental store free of transportation charges.

The matter was reported to the Government in October 1977 ; their reply is awaited (February 1978).

4.4. Construction of high level bridge over Tel river near Sonapur

The construction of a high level bridge including approach roads over the Tel river on the Boudh-Sonapur road (estimated cost : Rs. 39.50 lakhs) was, after calling for tenders, entrusted to a firm of contractors, 'I', on lump sum basis for Rs. 29.60 lakhs based on the designs submitted by the contractor.

In March 1971 the firm proposed change in the design of the bridge from open foundation to well foundation on the ground that open excavation to

a depth of 15 feet in sand with heavy percolation involving dewatering and of 2 feet in rock was a difficult process of work. The value of open foundation work included in the contract was Rs. 1.18 lakhs. The change in design was approved by the Chief Engineer in November 1971 and well foundation was substituted for open foundation in seven out of 27 piers of the proposed bridge. Although the contractor was bound to execute the work as per original design, extra items of work due to substitution of open foundation by well foundation of the value of Rs. 2.19 lakhs were recommended (December 1974) by the Superintending Engineer, Northern Circle to the Chief Engineer for approval.

The firm has been paid Rs. 31.25 lakhs till August 1973, Rs. 29.60 lakhs towards the lump sum value of the contract and Rs. 1.65 lakhs towards extra items for which approval of the Chief Engineer is still awaited (January 1978). The division has, however, not made any reduction for the value (Rs. 1.18 lakhs) of open foundation while it has paid Rs. 1.65 lakhs for the well foundation. The contractor has claimed Rs. 2.57 lakhs for the extra items and the claim is pending with the Department. The accounts of the firm have not been settled (January 1978).

The construction of approach roads for the bridge was entrusted to a contractor in March 1973 against two agreements (total tender value Rs. 1.68 lakhs) for completion by June 1973 which was further extended upto March 1974. The work was not completed within the extended period. Meanwhile, in November 1973, the traffic was allowed on the bridge through the incomplete approach roads, which were then under execution. The contractor left the work site after executing the work valued at Rs. 0.83 lakh. The remaining work (cost : Rs. 0.79 lakh at the tendered rate of the first contractor) was allotted to two contractors, to the first in June 1974 for completion in 3 months and to the second in February 1975 for completion in two months at a total cost of Rs. 1.09 lakhs. The extra cost to Government as a result of re-arrangement of balance work was Rs. 0.30 lakh computed with reference to the rates of the first contractor. In February 1975 the Chief Engineer ordered rescission of the first contract with penalty. The penalty has not been determined so far nor the final bill prepared (January 1978).

The bridge is reported to have been completed in November 1973. The approach roads have since been completed (January 1978).

The matter was reported to the Government in October 1977 ; their reply is still awaited (February 1978).

4.5. Civil and Sessions Court building, Bolangir

The construction of a building for the Civil and Sessions Court at Bolangir (estimated cost: Rs. 6.63 lakhs) was entrusted (May 1973) to a contractor 'A' for Rs. 7.13 lakhs after calling for tenders. The work was to be completed in 9 months.

The structural designs of some of the component parts of the building were not, however, ready and were finalised in 6 parts in June and July 1975.

The contractor applied in December 1973 for extension of time upto March 1975 on grounds of delay in supply of the drawings and in issue of cement by the department. No action was, however, taken on this request. In July 1975, the contractor demanded compensation for labour remaining idle due to delay on the part of the department in supplying designs and drawings and also enhanced rates for the work done beyond the date for completion stipulated in the agreement on the ground of rise in the cost of labour and materials. After the work had reached lintel level in the ground floor of the building and roof level in the record room and the contractor had been paid Rs. 3.05 lakhs, he stopped work in August 1975. In January 1976 the Chief Engineer ordered completion of the remaining work at the risk and cost of the contractor. The remaining items of work valued at Rs. 4.69 lakhs at the contract rates were put to tender in June 1976 and the work was entrusted (November 1976) after negotiation to the same contractor 'A' for Rs. 7.93 lakhs. The Chief Engineer also ordered (November 1976) closure of the earlier contract without any penalty.

Computed with reference to the rates in the first agreement with 'A', the extra liability on items entrusted under the second contract amounted to Rs. 3.24 lakhs.

The matter was reported to the Government in October 1977; their reply is awaited (February 1978).

4.6. Collapse of cantilever portico of out-patient block, Medical College Hospital, Berhampur

The out-patient block of the Medical College Hospital, Berhampur was completed in November 1968 at a cost of Rs. 9.43 lakhs and was opened for use in February 1969. In September 1969, the cantilever portico at the southern entrance of the building collapsed causing death of two persons on the spot. A compensation of Rs. 0.35 lakh was paid to the aggrieved parties in pursuance of orders passed (February 1971) in suits filed in lower court, later confirmed (February 1975) by the High Court.

The value of damages was assessed at Rs. 0.01 lakh and the cost of suits borne by the Government was Rs. 0.08 lakh. The High Court also held the collapse of the portico to be due to the inherent defect in construction. The Advocate General also advised (May 1975 and November 1975) that it was an appropriate case for recovering the compensation amount from the contractor and the engineers in charge of the work. The Government ordered (February 1976) the filing of suits within the month against the contractor and the concerned engineers for recovery of the compensation amount. On the matter being reported by Audit the Government also ordered (November 1976) immediate departmental investigation and fixation of responsibility for the collapse. Further developments are awaited (January 1978).

Meanwhile, in March 1970 i. e., 6 months after the collapse of the cantilever portico the final bill of the contractor for the work was paid and his security deposit (Rs. 0.35 lakh) was refunded to him.

IRRIGATION AND POWER DEPARTMENT

4.7. Baghua Medium Irrigation Project

4.7.1. *Introduction*—The Baghua Medium Irrigation Project in Ghumusar taluk (Ganjam District) estimated to cost Rs. 65.62 lakhs was administratively approved (May 1970) by the Government after clearance by the Central Water and Power Commission (C. W. P. C.). The storage-cum-diversion project was to be completed in two stages. The construction of a weir across the river Baghua at Biranchipur with a canal system on the left bank to irrigate 8,000 acres of *kharif* and 2,000 acres of *rabi* was envisaged in the first stage and the construction of an earth dam across the river 8 kilometers upstream of the weir with a canal system on the right bank to irrigate 15,000 acres in the next stage.

The Chief Engineer decided in August 1970 to shift the weir site 2 kilometres upstream to Tavapalli on the ground that exposed sheet rock was available there. The change in site of the weir involved increase in the cost of the weir by Rs. 59.95 lakhs, due to increased cost of land (Rs. 14.03 lakhs), increased number of structures (Rs. 25.73 lakhs) and increased length of the canal system by 31,700 feet (cost : Rs. 20.19 lakhs).

A revised project estimate for Rs. 1,42.00 lakhs submitted to the Government in July 1975 is awaiting (December 1977) approval of the Government.

4.7.2. *Programme and progress*—The project report envisaged completion of the project within 3 years. The work on the project was commenced in March 1971 and on the canal system in February 1972. The diver-

sion weir was completed in June 1973. The canal system, the completion of which was to have synchronised with that of headworks remained in progress for more than 5 years. The Executive Engineer reported (March 1977) the project as completed in March 1977 though work estimated to cost Rs. 2 lakhs on one structure and on lining of deep cut in the canal is still in progress (December 1977).

The delay in completion of distribution system was attributed (August 1977) to late handing over of land, shifting of site of weir and revision of designs and drawings of the canal and structures thereof. Test-check of records in Audit showed that action to obtain possession of land (54 cases; 173.80 acres) was actually initiated between November 1973 and February 1976.

4.7.3. *Irrigation benefits*—According to the administrative approval, full irrigation from the project was to be achieved in stages by the 4th year after commencement as follows:—

Year of irrigation	Area to be irrigated	
	<i>Kharif</i>	<i>Rabi</i>
	(In acres)	
2nd year	4,000	2,000
3rd year	6,400	2,000
4th year	8,000	2,000

Irrigation over an area of 5,618 acres only was reported (August 1977) to have been provided in 35 villages during 1976.

The area irrigated has not so far (August 1977) been certified by the Revenue authorities and consequently revenue has not been assessed even in respect of the 5,618 acres irrigated.

4.7.4. *Other points of interest*—

(a) The reach from RD 6,000 feet to RD 9,000 feet of the Baghua distributary was divided into three sub-reaches for purpose of execution and awarded to two contractors in February and May 1972. The items of work to be executed were mainly earthwork in excavation in three different kinds of soil and rock cutting in two different types of rock, in all totalling 1.60 lakh cubic metres. After excavation of a total quantity of 1.46 lakh cubic metres, the executing contractors pleaded their inability to execute further work at the contract rates on the ground that the quantities for different kinds of soil estimated by the department were speculative and requested (April 1973) for closure of their contracts.

In November 1973, all the three contracts were closed by the Chief Engineer imposing a token penalty of one per cent (Rs. 603) in one case and without any penalty in the other two cases. The balance work was divided into 8 reaches and entrusted in 1975-76 to different agencies on the basis of competitive tenders invited for one composite item for excavation in all kinds of soil instead of different items for different classes of soil specified in the estimate. Compared to the rate provided in the existing schedule of rate at which the item of work could have been got executed by the earlier contractors, by treating the work as an extra item of work in accordance with the terms of their contract, the extra cost on excavation of the balance work through other agencies amounted to Rs. 1.39 lakhs.

(b) In response to notice inviting tenders for the work "Excavation of Baghua distributary from RD 31,500 feet to 54,100 feet" (estimated cost: Rs. 2.29 lakhs) four tenders were received in September 1973. It involved earthwork in different kinds of soil, rock cutting and fine dressing and turfing in embankment. The value of the three lowest tenders were as follows:—

	Tender value (In lakhs of rupees)
'A'	2.68
'B'	2.73
'C'	2.87

The rates offered by tenderers 'A' and 'B' were considered by the Superintending Engineer to be speculative as they had quoted high rates for relatively easier items of work and abnormally low rates for difficult items of work. The extent of variations was as follows:—

Item of work	Unit	Estimated rate	Rate quoted by 'A'	Percentage variation	Rate quoted by 'B'	Percentage variation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(In rupees)		(In rupees)	
(a) High rates for easier items						
Earthwork in hard soil	100 cubic metres	102	227	123	285	179
Earthwork in hard gravelly soil	100 cubic metres	126	195	55	130	3
(b) Low rates for difficult items						
Cutting in soft disintegrated rock	100 cubic metres	207	75	64	100	52
Cutting in hard disintegrated rock and laterite rock	100 cubic metres	302	75	75	100	67

The Superintending Engineer conducted negotiations with tenderer 'C', who reduced his rates for different items to bring down the tender value to Rs. 2.68 lakhs. The Chief Engineer, conducted further negotiations with 'A', who reduced the tender value to Rs. 2.65 lakhs by merely reducing his rate for earthwork in hard soil from Rs. 227 to Rs. 220 per 100 cubic metres. The rates which were held to be speculative by the Superintending Engineer were, however, left unaltered. The work was awarded to 'A' in December 1973. After 'A' had executed work valuing Rs. 1.90 lakhs, mostly involving earthwork in hard soil/hard gravelly soil, the contract was closed (September 1975) by the Chief Engineer on grounds of difficulties in land acquisition although the required land (acquisition proceedings initiated between July 1971 and August 1972) had been acquired by April 1975. The extra cost to Government on the portion of work done by 'A' with reference to the rates offered by 'C' worked out to Rs. 0.51 lakh.

It was noticed that in almost all the cases the contractors whose tenders were accepted had quoted very high rates for execution of earthwork in easier class of soil and comparatively lower rates for difficult class of items. The quantities of easier items executed were considerably more than the estimated quantities whereas the actual execution of difficult items ultimately was very negligible.

High tender percentages for easier items and wide variations in their estimated quantities and work actually executed resulted in the actual expenditure being 146 to 235 per cent above the estimated cost as shown below:—

Reach	Estimated cost	Value of tender accepted for items awarded	Percentage excess over estimate	Cost of work actually done		Percentage excess over estimate
				At estimated rates	Paid at tendered rate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In lakhs of rupees)						
RD 00-RD 3,600	0.96	1.70	77	0.63	2.11	235
RD 3,600-RD 6,000	0.81	1.45	79	0.49	1.62	231
RD 9,600-RD 11,100	1.60	2.37	48	0.90	2.85	217
RD 11,100-RD 15,600	0.79	1.46	85	0.71	1.75	146
RD 15,600-RD 20,400	0.37	0.58	57	0.31	0.86	177

The Executive Engineer attributed (August 1977) the wide variation in quantities to inadequate exploration during investigation and assessment of quantities for different items on a rough basis.

The matters mentioned above were reported to the Government in September 1977; their reply is awaited (February 1978).

4.8. Uttei Medium Irrigation Project

4.8.1. The Uttei Medium Irrigation Project comprising a diversion weir across river Uttei at village Ambagaon (Kalahandi District) was administratively approved by the Government in October 1968 at an estimated cost of Rs. 90.21 lakhs. The Project was expected to be completed within four years after commencement of work and was envisaged to provide *Kharif* irrigation to 22,000 acres and light *Rabi* irrigation to 6,000 acres from 1972.

4.8.2. Work on the Project was, however, commenced in December 1970 and the various components were completed by September 1976 as given below:—

Component of the project	Date of commencement	Date of completion
Diversion weir and head regulator	December 1970	February 1974
Main canal	November 1972	April 1975
Distributaries	April 1973	September 1976
Structures along the canal system (580 numbers)	November 1972	May 1976

The expenditure incurred upto March 1977 amounted to Rs. 2,00.73 lakhs. A revised estimate for Rs. 1,99.29 lakhs prepared and submitted to the Government in May 1975 is awaiting (January 1978) approval of the Government. The increase in cost in the revised estimate was stated to be mainly due to additional cross drainage works and drainages provided (Rs. 52.90 lakhs) and high tendered rates and increased quantum of work found necessary on preparation of detailed designs (Rs. 36.88 lakhs).

4.8.3. *Non-acquisition of land in time—*

The project report envisaged commencement of work in October 1968 but action to requisition land required for the project was started in October 1969 and continued upto November 1972. Possession of land could be obtained only from August 1972 to April 1976 (76.67 acres from August to October 1972 and 2.40 acres in April 1976).

Although the diversion weir and head regulator were completed by February 1974, the distribution system could be completed only by September 1976 due to delay in land acquisition.

4.8.4. *Excavation of Main Canal—*

Tenders for excavation of main canal (divided into 4 different reaches for execution) estimated to cost Rs. 5.46 lakhs were first invited in August 1971 but due to non-completion of land acquisition, no action was taken on the tenders received in September 1971. Fresh tenders were invited in March 1972 when the lowest offer of contractor 'S' received in April 1972 for the four reaches totalled Rs. 5.93 lakhs. The tenders were rejected on the ground that the rate tendered for one of the items quoted *viz.*, earthwork with initial lead and lift was unusually high (200 per cent excess) while the rates for other items were unusually low (between 52 and 100 per cent). The four reaches were again put to tender in August 1972. The lowest tender received in response thereto in September 1972 was that of the same tenderer 'S' but was for a higher amount of Rs. 9.93 lakhs and the same were accepted by the Chief Engineer in October 1972 in spite of similar trend of variations noticed in his rates tendered in April 1972.

Compared to the rates earlier tendered in April 1972, the extra cost of execution of the main canal entrusted to contractor 'S' on the basis of fresh tenders invited in August 1972 amounted to Rs. 4.20 lakhs.

4.8.5. *Irrigation facilities—*

The area irrigated during 1974-75 to 1976 was, as certified by the division to the Revenue authorities, 36,765 acres (*Kharif* : 23,742 acres; *Rabi* : 13,023 acres). Against this, the area verified by the Revenue Officers was only 23,742 acres of *Kharif* irrigation (assessment for revenue had been made for 6,847 acres and that for the remaining 16,895 acres had not been made upto August 1977). Reasons for non-verification of the area of 13,023 acres certified as covered under *Rabi* irrigation (1,023 acres in 1974-75 and 6,000 acres each in 1975-76 and 1976-77) were not available on record.

The matter was reported to the Government in November 1977; their reply is awaited (February 1978).

4.9. **Construction of an escape for Brahmani river**

Based on the recommendations of the Flood Enquiry Committee constituted by the Government in September 1959, the construction of an escape (together with leading channel, 9.6 kilometres long) for the quick discharge of flood water of Brahmani river direct into the sea through the *Kharia Nullah* was administratively approved by the Government in April 1963 and technically sanctioned for Rs. 30 lakhs in September 1963. The work was taken up by the department in 1964-65 and after incurring an

expenditure of Rs. 42.43 lakhs mainly on execution of embankments on either side of the escape channel, dummy weir at the head and inlet drainage sluices, the work was suspended in January 1968 reportedly due to non-allotment of funds for the work.

After an inspection of the work in November 1970, the Chief Engineer observed that the work had been started without undertaking a model study and that the construction of embankments led to increased floods in the Brahmani and Kharsuan rivers and stagnation of spill water causing damages to crops and houses in the area. He also apprehended retrogression leading to the channel bed being disturbed due to the difference of 18 feet in levels at the starting point of the escape and of the Kharia *Nullah* into which the escape was to be drained. The Chief Engineer informed the Government in January 1971 that the estimate of the project would require thorough revision which would have to await the results of model study to be undertaken.

The Government ordered (May 1971) the taking up of model study and completion of the work quickly. The relevant data for undertaking model study were sent to the Director, Central Water and Power Research Station, Poona only in January 1974. Results of the model study have not been received so far (January 1978).

In the meantime, work on closing the gaps in embankment and two sluices was resumed and continued upto March 1975. According to the Executive Engineer (November 1975), further work was to be taken up after receipt of the results of the model study. In a report to the Government in July 1975, the Additional Chief Engineer, Irrigation, however, observed that the work had been started hastily without waiting for the results of model study to find out the effectiveness of the cut and was of the view that the escape might no longer be necessary after the Rengali Dam under construction was completed. Further developments are awaited (February 1978). The expenditure incurred on the work upto December 1977 amounted to Rs. 54.10 lakhs.

The matter was reported to the Government in September 1974 and again in October 1977; their reply is awaited (February 1978).

4.10. Rengali Dam Project—Loss on purchase of boiled rice

On the basis of proposals sent by the Additional Chief Engineer, Rengali Dam Project, the Government approved the procurement by the Project of 300 tonnes of boiled rice at a cost of Rs. 7.50 lakhs for sale to labourers and staff of the Project from May to November 1975 on a no-profit no-loss basis.

After getting clearance from the Supply Department for purchase from levy free stocks with millers, the Superintending Engineer, Rengali Dam Circle purchased (June 1975) 245.27 tonnes of boiled rice from two millers of Sambalpur district at Rs. 290 per quintal. No tenders were called for but only quotations were obtained by personal contact and concurrence of the Financial Adviser as required under the rules was not obtained for the rates. The controlled and open market rates for boiled rice on the date of placing orders were Rs. 165 and Rs. 225 per quintal respectively. The extra cost on the purchase was Rs. 1.59 lakhs as compared to the prevailing market rates. The deviations from the prescribed procedure were stated by the Additional Chief Engineer in August 1976 to be due to urgency of the requirement of public service.

Sale price for rice was fixed (July 1975) at Rs. 3, but only 9.2 tonnes could be sold upto November 1975. The slow off-take was attributed (October 1975) to the labourers moving out of the Project area due to onset of the monsoons and gradual suspension of works from June 1975. With a view to disposing of the balance stock, the Chief Construction Engineer (formerly Additional Chief Engineer) ordered (August 1976) issue of rice to the contractors at Rs. 200 per quintal on credit, subject to recovery of cost from their bills. Between July 1976 and February 1977, 53.2 quintals of rice were issued to the contractors at that rate. In February 1977, the sale price was further reduced to Rs. 165 per quintal effective from 5th February 1977 with instructions to the Superintending Engineer to dispose of the remaining stock of rice immediately. The disposal was completed by August 1977. A sum of Rs. 2.13 lakhs was awaiting (December 1977) recovery from the contractors towards sale price of rice supplied to them.

The loss on the purchase and sale of rice amounted to Rs. 2.70 lakhs excluding handling and supervision charges, the figures of which were not separately available.

The matter was reported to the Government in August 1977; their reply is awaited (February 1978).

4.11. Extra expenditure due to delay in land acquisition

The construction of Kushabhadra left embankment from Barapada to Tikana (estimated cost : Rs. 1.03 lakhs) was, after inviting (December 1972) tenders, entrusted to lowest tenderer 'S' (tender value: Rs. 0.91 lakh) in March 1973 for completion by September 1973. After executing some preliminary work of the value of Rs. 125, the contractor 'S' notified

on 21st March 1973 his inability to proceed with the work owing to difficulties encountered at site due to non-acquisition of land by the department. Under the orders of the Superintending Engineer the contract with 'S' was rescinded and the work entrusted (February 1974) to second lowest tenderer 'B' at the rates of 'S' for completion by August 1974.

Land measuring 6.83 acres (private land: 2.03 acres and *Anabadi* Government land: 4.80 acres) was required for the work. The requisition for the *Anabadi* Government land was sent to the Tahasildar, Nimapara in August 1974. Land acquisition proceedings for the private land was initiated in March 1974 and possession of land was taken only in January 1975. The work was completed by 'B' in August 1975.

Meanwhile, the contractor 'S' moved the Court for arbitration on his claim for payment of Rs. 0.14 lakh for value of work done by him and compensation for losses sustained by him due to failure of the department to acquire land and irregular rescission of contract. On the basis of award of the Arbitrator appointed by the Court, Rs. 0.65 lakh were paid (December 1976) to the contractor towards compensation (Rs. 0.45 lakh), value of work done (Rs. 0.13 lakh), release of security deposit earlier confiscated on rescission of the contract (Rs. 0.02 lakh) and interest (Rs. 0.05 lakh).

No action to fix responsibility for taking up the execution of work without completing land acquisition has been taken so far (January 1978).

The matter was reported to the Government in August 1977; their reply is awaited (February 1978).

4.12. Non-realisation of service charges

According to orders (March 1958) of the Government, service taxes for Government residential buildings are payable to the Municipality concerned in the first instance by the Government and 50 per cent of the said charges are to be recovered from the occupants of residential buildings. At Burla and Hirakud where Notified Area Councils were set up only in 1963, sanitary and conservancy arrangements for the buildings of the Hirakud Dam Project and of other departments of Government, Government companies and non-Government bodies were undertaken by the Main Dam Division of the Irrigation and Power Department from July 1962. Even after the constitution of Notified Area Councils in 1963 the sanitary and conservancy works continued to be maintained by the Division upto December 1973 as the bodies did not take over the functions till December 1973 on grounds of paucity of funds and operational difficulties. The expenditure on conservancy and sanitary arrangements from July 1962 to March 1970 amounted to Rs. 15.25 lakhs.

Upto the year 1970, neither were rates for recovery of sanitary and conservancy charges fixed nor was any recovery effected from bene-

ficiaries. On the matter being brought (July 1967) to the notice of the Government, the Government held (July 1970) that it was necessary to realise 50 per cent of sanitary and conservancy charges from occupants and called for detailed proposals from the Chief Engineer, Irrigation.

The Department fixed (September 1969) a set of rates for buildings other than those of the Irrigation Department taking into account the actual expenditure incurred and the number of latrines served, effective retrospectively from July 1962. Rupees 1.22 lakhs were recovered from those parties upto October 1977.

For buildings of the Irrigation and Power Department, a set of subsidised rates applicable from April 1970 were proposed (September 1970) by the Department on the ground that it would be difficult for the occupants to bear 50 per cent of the actual expenditure and recovery of arrears prior to April 1970 would be difficult because of problems in tracing the whereabouts of the occupants. Decision of the Government is awaited (January 1978).

At the rates proposed by the department, the amount recoverable for the period from April 1970 to December 1973 worked out to Rs. 0.20 lakh. No recoveries have been effected so far (December 1977).

After transfer of the function to the Notified Area Councils in January 1974, the service taxes for sanitary and conservancy arrangements paid by the department to the Notified Area Councils in respect of its residential buildings amounted to Rs. 2.29 lakhs. No recovery of the service taxes has also been made from the occupants of the buildings so far (December 1977) in spite of specific orders of the Government for recovery of 50 per cent of these municipal taxes from the occupants.

The matter was reported to the Government in September 1977; their reply is awaited (February 1978).

BALIMELA DAM PROJECT

4.13. Loss on repairs of machinery parts

After obtaining (June 1973) a single quotation, the Superintending Engineer, Balimela Mechanical Circle placed a job order in August 1973 with a firm in Kumbakonam (Tamilnadu), 1,300 kilometres away from dam site, for grinding and rebuilding of the worn out crankshaft of a D. W. 20 dumper of the Balimela Dam Project at a cost of Rs. 4,900. The crankshaft was to be returned duly repaired within 15 days of receipt of job order. The crankshaft (valuing approximately Rs. 0.40 lakh) was despatched to the firm by road in August 1973 without obtaining any security from the firm. The firm did not return the crankshaft and in

and in August 1975, the Sub-divisional Officer who had despatched the crankshaft reported to the Superintending Engineer that a registered letter addressed to the firm had been returned undelivered with the remarks that the firm had ceased to exist. A complaint was lodged (February 1976) with the Police authorities at Koraput. The Police authorities of Tamilnadu after investigation reported (March 1976) that the firm had vacated in August 1974 the premises where it was functioning and that its subsequent whereabouts were not known. The Additional Chief Engineer, Balimela Dam Project called for (May 1976) a report from the then Superintending Engineer as to how the crankshaft was sent to the firm without security deposit and adequate safeguard by way of guarantee. Further developments in this regard are awaited (February 1978). In the absence of the crankshaft, the dumper (approximate value: Rs. 1.26 lakhs) has been lying idle (January 1978).

The matter was reported to the Government in June 1976 and again in December 1977; their reply is awaited (February 1978).

4.14. Overpayment to project employees

Orders were issued by the Government in July 1973 enabling Government servants to surrender earned leave upto a maximum of 30 days in lieu of leave salary and allowances for the leave so surrendered. In December 1975, the Government clarified that house rent allowances, project allowances and such other compensatory allowances paid during periods of duty were not to be paid for the periods of leave encashed.

Test-check of records of the Balimela Dam Project showed that employees including Gazetted Government servants under the payment control of the Financial Adviser and Chief Accounts Officer of the Project were paid Rs. 0.23 lakh towards house rent allowances, project allowances and other compensatory allowances for periods of leave encashed by them. The overpayment was pointed out to the Financial Adviser and Chief Accounts Officer of the Project from time to time since January 1976. Recovery of the amount has not, however, been effected from the Government servants concerned in any case so far (January 1978).

The matter was reported to the Government in November 1977; their reply is awaited (February 1978).

RURAL DEVELOPMENT DEPARTMENT

4.15. Jharanai Minor Irrigation Project

The Jharanai Minor Irrigation Project in Kodala Block (Ganjam District) intended to irrigate 1,000 acres of *Kharif* and 500 acres of *Rabi* crops, was administratively approved by the Government in May 1972 at an estimated cost of Rs. 13.66 lakhs. The project report envisaged the construction of an earth dam, 72 feet high. After the project was approved, the Chief Engineer proposed (May 1972) increasing the height of the earth dam by 8 feet so as to provide irrigation to a few more villages but the Government directed (May 1972) him to execute the Project as per the design already approved by them and to obtain their revised administrative approval before making any changes in the design. In June 1972, the Government further directed that work should not be taken up until their revised administrative approval was obtained.

In the mean-time, tenders had been invited in January 1972 for the execution of the headworks as per the original design and the work was allotted (November 1972) to a contractor 'P' for Rs. 14.60 lakhs after obtaining the approval of the Government. The work, which was to be executed under the agreement as per the original design, was to be completed in 18 months.

Immediately after commencement (December 1972) of work as per the approved design, the Superintending Engineer proposed (January 1973) to the Chief Engineer the increasing of the height of the dam by 5 feet and the latter called for (in April 1973) the revised estimate for obtaining approval of the Government. No revised estimate was submitted nor was the approval of the Chief Engineer obtained for changes in design but the work was executed with height of the dam increased by 5 feet over the approved design and with consequential changes in appurtenant works.

In September 1974, the Government ordered that the project should be completed by March 1975. On 31st March 1975, the Executive Engineer reported the completion of the Project although a few items of work like turfing, construction of additional falls and excavation of some length of the surplus channel (estimated cost: Rs. 3.30 lakhs) remained to be executed. The Executive Engineer reported (March 1976) to the Superintending Engineer that turfing item was completed by August 1975.

In November 1975, the Superintending Engineer reported to the Chief Engineer that when water was impounded and was 1.5 feet below the full reservoir level, slips were noticed in the downstream slope on 1st

November 1975 and on opening the canal sluices to the full capacity, slope near the sluices failed and the trestle bridge collapsed causing wide cracks in the upstream face of the dam and considerable damages to the head sluice. The Chief Engineer, Rural Engineering Organisation, after visiting the site on 8th November 1975, sent a report to Government in which the failure was attributed *inter alia* to defective design and execution and lack of supervision.

The Additional Chief Engineer, Irrigation, who under the orders (December 1975) of the Government, probed into the failure of the dam, attributed (February 1976) the damages *inter alia* to the following administrative and technical lapses:—

- (i) hasty programming and lack of appreciation of technical problems,
- (ii) defective design of earth-dam,
- (iii) inadequate compaction,
- (iv) absence of quality control and
- (v) unscientific filling of reservoir without programme for storage of water.

Decision of the Government regarding fixation of responsibility and liability for the damages has not been taken so far (January 1978).

In the meantime, work on the restoration of the Project was taken up under the orders of the Government from April 1976 and completed in June 1977. The expenditure incurred thereon upto August 1977 was Rs. 11.62 lakhs.

As against Rs. 13.66 lakhs for which administrative approval was accorded by the Government in May 1972, the expenditure incurred on the project upto October 1977, as per the Divisional records, was Rs. 51.49 lakhs. According to the Executive Engineer (November 1977), liabilities to the extent of Rs. 4.01 lakhs are yet to be cleared.

A revised estimate for Rs. 59.52 lakhs prepared by the Executive Engineer in October 1976 and submitted to the Government in January 1977 is awaiting (November 1977) administrative approval of the Government and technical sanction by the Chief Engineer.

According to a report (September 1975) of the Executive Engineer, the height of the dam was raised with a view to increasing *Kharif* irrigation to 1,900 acres (original target; 1,000 acres) without any change in the *Rabi*

irrigation potential (of 500 acres). Irrigation was reported to have been provided to 347 acres in 1976 and to 1,252 acres in 1977; verification report of irrigation done is, however, reported (December 1977) to be awaited.

On the matter being reported by Audit in January 1977, Government stated (December 1977) that the report of the Probe Committee was under their consideration.

4.16. Gaikhai Minor Irrigation Project

Survey and investigation for a minor irrigation project on the river Gaikhai in Bolangir District undertaken by the Rural Engineering Organisation was completed in July 1966 and a reservoir project with capacity to store 74.75 million cubic feet of water to irrigate 1,600 acres of *Kharif* and 800 acres of *Rabi* crops was proposed. Simultaneously, survey for another project *viz.*, the Ong Medium Irrigation Project which envisaged construction of a weir across the river Ong at Gochhapalli was under investigation by the Irrigation Department. The main canal of the Ong Project was to pass through the area proposed to be served by the Gaikhai reservoir.

On being informed (January 1967) of the proposal to execute the Gaikhai Project, the Chief Engineer, Irrigation informed (May 1967) the Chief Engineer, Rural Engineering Organisation that most of the *ayacut* (1,400 acres out of 1,600 acres) of the proposed Project would come under the command of the Ong Project (61,000 acres), the survey of which had already been undertaken. The Chief Engineer, Rural Engineering Organisation, however, recommended to the Government in February 1968 that the execution of Gaikhai Project might not be held up in anticipation of benefit from the Ong Project, which would not be available earlier than the Sixth Plan period. The Gaikhai Project was administratively approved by the Government in December 1970 at an estimated cost of Rs. 14.82 lakhs for irrigation of 1,600 acres of *Kharif* and 800 acres of *Rabi*. The Project Report for the Ong Project was ready by February 1971.

The work on the Gaikhai Project was commenced in April 1971 and was scheduled to be completed by June 1975. The work on the Ong Project estimated to cost Rs. 2,88.12 lakhs was commenced in May 1972.

After a major portion of the Gaikhai Project *viz.*, headworks, right and left canals over lengths of 2,000 feet and 2,300 feet respectively and cross drainage works had been completed by February 1975 and Rs. 32.39 lakhs had been spent, further work on the Project was stopped

under orders (February 1975) of the Chief Engineer, Rural Engineering Organisation on receipt of an intimation (January 1975) from the Chief Engineer, Irrigation that the canal of the Ong Project was to be let into and out of the Gaikhai reservoir. The estimated cost of work remaining to be executed was Rs. 14.14 lakhs.

The Government decided in November 1977 that the Gaikhai Project should be taken over by the Irrigation and Power Department in December 1978 after completion of the distribution system, for its integration with Ong Project and that all expenditure on the Gaikhai Project after December 1978 were to be charged to the Ong Project.

According to an assessment made in April 1976 by the Irrigation and Power Department, the first irrigation from the Ong Project to the entire *ayacut* of 1,600 acres commanded by the Gaikhai Project, would be available in June 1979. The Government stated (November 1977) that the Gaikhai Project would be able to provide irrigation over 800 acres from June 1978 initially and over 1,600 acres from December 1978. The Gaikhai Project would thus effectively provide irrigation to 800 acres for 12 months and 800 more acres for 6 months before absorption by the Ong Medium Irrigation Project.

According to an assessment made (April 1976) by the representatives of the Departments of Irrigation and Power, Rural Development and Planning and Co-ordination, works of the value of Rs. 23 lakhs already executed would become infructuous after the integration of the Gaikhai Project with the Ong Project.

According to the Rural Development Department (January 1978), the actual benefits from the Ong Project may accrue after 5 to 6 years.

4.17. Irregular 'on account' payments and delay in settlement of final bill

The construction of headworks of Bhanginala minor irrigation project was entrusted (May 1971) to a contractor 'A' for Rs. 9.50 lakhs. The work was completed in February 1973. Mention was made in paragraph 42 of the Report of the Comptroller and Auditor General of India—Government of Orissa, Civil for the year 1972-73 about non-settlement of final bill of the contractor.

The account of the contractor, who had been paid Rs. 12.19 lakhs towards on account payments upto February 1973 remained unsettled (December 1977) although more than 5 years have elapsed since the completion of the work. According to the Executive Engineer (July 1977), a deviation statement in support of excess over contract value had been submitted but was awaiting approval of higher authorities.

Test-check (November 1973) of records of the division showed that the final bill prepared by the division on the basis of final measurements recorded in October 1973 was for a *minus* amount of Rs. 0.55 lakh. After a preliminary check of the bill, the Executive Engineer reported to the Superintending Engineer in March 1976 that Rs. 0.70 lakh were due for recovery from the contractor as detailed below: —

	Amount (In lakhs of rupees)
(i) Excess payment due to inaccuracies in computation of quantities	0.44
(ii) Cost of extra items of work got done through other agencies recoverable from the contractor	0.20
(iii) Cost of materials issued but not recovered	0.06
	<hr/>
	0.70
	<hr/>

The Executive Engineer further reported (July 1976) to the Superintending Engineer that the measurement recorded earlier did not correspond to the sectional level measurements and proposed investigation into the payments made to the contractor.

No recovery has been made from the contractor so far (December 1977). The final bill of the contractor has not been passed by the Executive Engineer (December 1977). On enquiry in audit, the Executive Engineer stated (July 1977) that re-check of the final bill was held up pending investigations, which were in progress.

The Government, while accepting the excess payment of Rs. 0.70 lakh, stated (December 1977) that investigations showed (i) pit measurements recorded did not tally with actual levels and in some portions, level sections were not recorded, (ii) 'some measurements were beyond imagination' and (iii) no account of excavated stones had been maintained. They also stated that the Superintending Engineer who had investigated into the matter had submitted his report fixing responsibility and further action was being taken.

GENERAL

4.18. Extra liability due to delay in acceptance of tenders

According to the instructions (January 1970) of the Government, tenders are to be decided within 90 days and acceptance of successful tender communicated. In the case of two works tenders were not decided within 90 days and when acceptance of tenders was communicated afterwards, the tenderers refused to do the works. In both the cases, the works were got executed through agencies fixed after calling for fresh tenders and there was extra liability to the extent of Rs. 1.35 lakhs as compared to the original tenders, which could have been avoided had the tenders been accepted within the validity periods. The details of the two works and the extra expenditure were as follows: —

Name of the division	Name of the work	Date when original tender was opened	Date when acceptance was communicated	Amount of original tender	Amount as per contract later entered into	Extra liability
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In lakhs of rupees)						
Rural Development Department						
Rural Engineering Division, of District Bolangir	Construction of District Welfare Office Building at Bolangir	June 1974	July 1975	0.74	1.02	0.28
Irrigation and Power Department						
Ramiala Irrigation Division, Dhenkanal	Excavation of right main canal—RD 9,000 feet to RD 12,000 feet of Ramiala Irrigation Project	April 1976	October 1976	2.86	3.93	1.07

The matter was reported to the Government in August 1977; their reply is awaited (February 1978).

4.19. Dues of the contractors outstanding for recovery

Some cases, where the dues of the contractors on account of materials issued to them, hire charges of tools and plant, electricity supplied, etc.,

were outstanding for recovery by the departments for long periods, are mentioned below:—

Name of the work	Nature of dues pending recovery	Net amount due (In lakhs of rupees)	Remarks
Works Department			
1. Construction of composite office building at Jagat-singhpur	Value of M. S. rods and cement issued and empty cement bags not returned	0.44	Due to slow progress of work the contract was rescinded in December 1976 with penalty. The final bill of the contractor for the work is pending. The quantum of penalty has not been decided. Contractor's dues amounting to Rs. 1.23 lakhs are available with the department in the form of security deposit and value of work not paid for.
Irrigation And Power Department			
2. Construction of undertunnel at RD 760 of Dhanei Main Canal	Value of unused cement and hire charges of tools and plant	0.14	The work was abandoned by the contractor in March 1971 and the final bill of the contractor showed net dues of Rs. 0.16 lakh from the contractor. After adjustment of security deposit of Rs. 0.02 lakh available, an amount of Rs. 0.14 lakh recoverable from the contractor has been kept under the suspense head 'Miscellaneous Works Advance' on the ground that the whereabouts of the contractor were not available and the amount had become irrecoverable. The Government stated (July 1977) that dues of the contractor have been circulated to all the divisions and departmental action to fix responsibility for excess issue of materials has been initiated.
3. Balimela Dam Project	Cost of electric energy supplied to private parties	18.33	Partywise details of the arrears which were as at the end of 1976-77 have not been worked out by the Electrical Division.

The matters mentioned above were reported to the Government in July 1976, October 1977 and December 1977; their reply is awaited (February 1978) except in the second case.

CHAPTER V
STORES AND STOCK

5.1. Synopsis of important stores accounts

A synopsis of important stores and stock accounts for 1976-77 (other than those of commercial and *quasi-commercial* departments/ undertakings, etc.) to the extent received is given in Appendix VII.

A-PUBLIC WORKS

5. 2. Receipt of stores and stock accounts

The materials procured for the Public Works divisions are initially held in stock for keeping an effective watch except where they are purchased for specific works in which case they are debited to the materials-at-site accounts of the works concerned. For materials held in stock, the Divisional Officers, who maintain account of these materials, are required to furnish annually to Audit a consolidated account showing the value of stores purchased during the year, stores issued for consumption and the balance held in stock at the close of the year. A number of Roads and Buildings, National Highways and Projects, Irrigation, Rural Engineering and Public Health divisions have not sent these accounts (January 1978); the years for which the annual consolidated accounts have not been sent to Audit and the value of stores held by these divisions at the end of March 1976-1977 are shown below:—

Department	Consolidated accounts not sent for			
	1975-76		1976-77	
	Number of divisions	Value of stores held (In lakhs of rupees)	Number of divisions	Value of stores held (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)
1. Roads and Buildings	3	72.98	8	70.36 (a)
2. National Highways and Projects	..	..	3	38.96
3. Irrigation	6	25.28	13	70.51 (b)
4. Rural Engineering	..	..	6	23.41 (c)
5. Public Health	2	64.01	4	27.34
	11	1,62.27	34	2,30.58

(a) Includes *minus* balance of Rs. 17.33 lakhs in 2 divisions.

(b) Includes *minus* balance of Rs. 4.62 lakhs in 2 divisions.

(c) Includes *minus* balance of Rs. 18.53 lakhs in 2 divisions.

5.3. Physical verification of stores

The rules require that the stores held in stock should be verified physically at least once in a year and the results of verification placed on record. Mention was made in paragraph 5.3 of the Report of the Comptroller and Auditor General (Civil) for 1975-76 about non-receipt of reports of physical verification from several divisions from the years 1969-70 to 1975-76. The delay in submission of these reports continued to persist in 1976-77.

The position at the end of February 1978 in regard to receipt of the reports of physical verification is indicated below:—

Reports pertaining to the year	Number of divisions					Total
	Roads and Buildings	National Highways and Projects	Irrigation	Rural Engineering Organisation	Public Health	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1969-70 to						
1974-75	4	..	10	8	..	22
1975-76	9	12	13	3	8	45
1976-77	19	13	29	18	11	90

5. 4. Reserve limit of stock

According to rules, the Divisional Officers are not authorised to keep stock in excess of monetary limits prescribed by the Government. At the end of 1976-77, reserve stock limit had not been fixed for 84 divisions; value of stores held by these divisions as at the end of March 1977 was Rs. 7,12'19 lakhs. The departmentwise break-up is given below:—

Department	Number of divisions	Value (In lakhs of rupees)
1. Roads and Buildings	22	2,49'96
2. National Highways and Projects	8	51'73
3. Irrigation	31	1,64'83
4. Rural Engineering	12	96'27
5. Public Health	11	1,49'40
Total	84	7,12'19

5.5. Minus balances in stock accounts

The Stores and Stock accounts of 16 divisions (including six divisions mentioned in paragraph 5.2, of which consolidated stores accounts had not been received) in the following branches showed *minus* balances amounting to Rs. 96.25 lakhs at the end of the year 1976-77:—

Department	Number of divisions	<i>Minus</i> balance (In lakhs of rupees)
1. Roads and Buildings	4	35.84
2. National Highways and Projects	2	1.86
3. Irrigation	5	28.17
4. Rural Engineering	4	27.21
5. Public Health	1	3.17
Total	16	96.25

The *minus* balances arise either because the materials received are not taken to account as receipt or the value of stores shown as issued is more than the value of receipts due to non-adjustment of differences in values consequent upon revision of rates at the end of each year. Unless the *minus* balances are reconciled and adjusted, the correctness of stock accounts cannot be ensured.

5.6. Annual certificates of balances of stock and other suspense accounts

According to rules, the divisions should conduct a special review of stock balances and other suspense accounts early in March every year and forward an annual certificate of balances to Audit by end of May. These certificates for 1976-77 have not been received from 34 out of 181 divisions (February 1978); such certificates relating to 1975-76 also were awaited (February 1978) from 11 divisions.

5.7. Discrepancies, shortages and losses in stock

5.7.1. Physical verification of stores in 16 divisions by the Stores Verification Party of the Government during 1976-77 disclosed discrepancies (Rs. 1,67.60 lakhs), shortages (Rs. 29.28 lakhs) and losses (Rs. 4.11 lakhs); the division-wise details are given in Appendix VIII.

These discrepancies, shortages and losses are yet to be investigated and reconciled (February 1978) by the divisions.

BALIMELA DAM PROJECT

5.7.2. Shortage in petrol and diesel

The quantities of petrol and diesel received and issued during the period from April 1970 to March 1975 as shown in the Project records were as follows:—

	Petrol	Diesel
	(In lakhs of litres)	
Opening balance on 1st April 1970	0.02	0.50
Receipts April 1970 to March 1975	8.05	1,06.32
Total	8.07	1,06.82
Deduct—		
Issues		
April 1970 to March 1975	7.76	1,04.85
Evaporation losses for petrol (at 1 per cent of receipts adopted by the division)	0.08	..
Closing balances at the end of March 1975.	0.23	1.97

The stock ledgers, however, showed the balances at the end of March 1975 as 0.13 lakh litres of petrol and 0.43 lakh litres of diesel. The discrepancies to the extent of 0.10 lakh litres of petrol (value : Rs. 0.32 lakh) and 1.54 lakh litres of diesel (value : Rs. 1.96 lakhs) remained unreconciled (February 1978).

5.8. Payment of demurrage and wharfage charges to Railways

During test-check of the records of the Rengali Multipurpose Project (April to October 1977) it was noticed that the Project authorities paid demurrage and wharfage charges of Rs. 0.13 lakh during March 1976 to March 1977 to Railways for delay in taking delivery of stores transported by rail. No investigation was conducted (February 1978) for fixing responsibility for delay in taking delivery of the stores.

5.9. Stores in excess of requirement lying undisposed

5.9.1. During test-check of the records of the Mayurbhanj (Roads and Buildings) Division (September 1976) it was noticed that the following stock materials purchased during the years 1948 to 1966 (value : Rs. 6.59 lakhs) remained unutilised for periods ranging from 11 to 29 years.

Material	Quantity in tonnes	Year of purchase	Value (In lakhs of rupees)	Remarks
(1)	(2)	(3)	(4)	(5)
Slack coal	596	1948	0.24	According to the Executive Engineer (August 1977) the materials were lying in stock since 1948 and were not required for any work.
Rails	61	1948	1.52	
Angles	34	1964	0.85	Purchased for the work 'Construction of Budhabalang bridge at Baripada but could not be put to use due to subsequent change on the designs of the bridge.
Mild Steel Rods	100	1966	3.50	
Galvanised iron Barbed wire	10	1966	0.48	Purchased for fencing of different residential and non-residential buildings of the Department but remained unused due to paucity of funds for taking up further works.
Total			6.59	

The Executive Engineer stated (August 1977) that the surplus/unserviceable stores accumulated in excess of requirements were reported to the Chief Engineer in September 1975 and that orders regarding their disposal were still awaited.

The matter was reported to the Government in February 1977; their reply is awaited (February 1978).

5.9.2. The requirement of spares in the Stores and Mechanical Division for trucks and jeeps of the Balimela Dam Project for the year 1973-74 was assessed (December 1972) to be of the value of Rs. 3.85 lakhs and an annual rate contract with a firm was finalised by the Additional Chief Engineer in June 1973 for the purpose. The contract was to remain valid upto June 1974. Supplies valuing Rs. 5.09 lakhs had been received by the Division against the contract upto 28th June 1974, on which date the Executive Engineer placed 2 more orders on the firm for supply of further spares valuing Rs. 2.83 lakhs and sought for approval of the Additional Chief Engineer to extend the validity period of the contract on the ground that the spares, the stock position of which was nil were to be procured immediately for emergent repairs. Supply of spares of the value of Rs. 2.26 lakhs was received against the two orders by September 1974. In December 1974, the Additional Chief Engineer observed that the spares in hand in June 1974 were in excess of the anticipated requirement of the division for the subsequent 12 months and called upon the Executive Engineer to explain the placement of the two orders without prior approval. Further developments were not on record.

On a test-check of the records of the division in September 1977 it was noticed that spares valuing Rs. 1.85 lakhs from out of the supplies received upto September 1974 were lying in the stores, unused for over 3 years.

The matter regarding purchase of spares by the division in excess of requirements was reported to the Government in June 1976 and again in December 1977; their reply is awaited (February 1978).

B—CIVIL DEPARTMENTS

5.10. Receipt of stores and stock accounts

The financial rules of the Government require that the head of an office or any other officer entrusted with stores of any kind should maintain suitable accounts. The stores and stock accounts are to be submitted annually to Audit by the respective departmental officers between April and August every year.

Delay in receipt of stores and stock accounts has been commented upon in successive Reports of the Comptroller and Auditor General of India. The delays, however, still persist and the stores and stock

accounts have not been received (January 1978) from the following departments :—

Department	Stores and stock accounts	Year from which outstanding
(i) Agriculture and Co-operation	Chemical fertilisers	1967-68
(ii) Health and Family Welfare	Instruments and appliances, drugs and medicines, bedding and clothing, crockery, diet and miscellaneous stores of the Government Headquarters Hospitals including Medical College Hospitals	1975-76
	Costly and life saving drugs of sales stores (medicines)	1974-75
(iii) Home	Orissa Police Motor Transport Workshop (spare parts, vehicles, etc.)	1975-76
	Jail manufactory (manufactured stores, raw materials, etc.)	1975-76
	Jail maintenance (rations, equipment, etc.)	1975-76
	Public Relations (radios, batteries, spare parts of radios and internal spare parts)	1976-77
(iv) Forest, Fisheries and Animal Husbandry	Tools and miscellaneous stores of the Forest Department	1968-69
(v) Commerce	Stationery articles, watermark plain paper, printing and binding materials, plant and machinery, spare parts and miscellaneous stores of the Orissa Government Press	1973-74
(vi) Industries	Engineering instruments, equipment, miscellaneous stores, etc., of the Orissa School of Engineering, Cuttack	1976-77
(vii) Revenue	Medicinal opium	1976-77

FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT

5.11. Shortage of stores

A test-check of the records of the Poultry Feed Mixing Centre, Bhubaneswar conducted by Audit in April 1976 disclosed the following shortages of stores amounting to Rs. 1.34 lakhs:

	Quantity (quintals)	Value (In lakhs of rupees)	Remarks
(i) Shortages in supplies of maize received under World Food Programme between April 1970 and January 1974	350	0.20	In the stock registers, the total quantity received was originally recorded as 6,009 quintals. Subsequently entries of short receipt of 350 quintals were recorded in the registers. Loss in transit also remained un-established as delivery of consignments was not taken on weighing. The shortage was reported by the Centre to the Director, Animal Husbandry and Veterinary Services in December 1973. Regularisation is awaited (February 1978).
(ii) Shortages detected during physical verification of stores conducted by the Veterinary Assistant Surgeon in charge in June/July 1974			The department held an enquiry into the shortage in December 1975. The Director, Animal Husbandry and Veterinary Services stated (October 1977) that the report had not been finalised (February 1978).
(a) Maize	652	0.88	
(b) Other ingredients	303	0.24	
(c) Medicines	..	0.02	

		1.34	

GENERAL

5.12 Idle machinery and equipment ²

Certain cases of machinery and equipment remaining idle for long noticed in audit are mentioned below:—

Department/ Office	Particulars of machinery/ equipment	Value in lakhs of rupees	Since when lying idle	Remarks
(1)	(2)	(3)	(4)	(5)
FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT				
Director of Fisheries	Engines for trawlers (3 in number)	Not available	Since purchase in July 1973	Lying unused for want of trawlers, for which orders were placed (December 1972) for supply within 6 months. No penalty has been imposed for delay in supply of trawlers though the supply order provided for a penalty of 1 per cent of total value subject to a maximum of 10 per cent.
	Winches (3 in number)	Not available	Since purchase in November 1973	
HEALTH AND FAMILY WELFARE DEPARTMENT				
S. C. B. Medical College, Cuttack	Laundry plant	1.64	Since December 1974	The plant, the non- commissioning of which was mentioned in paragraph 62 of the Report of the Comptroller and Auditor General of India for the year 1970-71— Government of Orissa (Civil), was commis- sioned in January 1973. It was lying idle since December 1974, when its boiler burst. It has not been repaired as the Chief Inspector of Boilers advised (March 1975) against its use due to its being a sub- standard boiler not conforming to the specification of the Central Boiler Board. The Government sta- ted (October 1977) that the college authorities had been advised to purchase a new boiler immediately.

Department/ office	Particulars of machinery/ equipment	Value in lakhs of rupees	Since when lying idle	Remarks
(1)	(2)	(3)	(4)	(5)
WORKS DEPARTMENT				
(i) Roads and Buildings Division, Cuttack	Marshal Blaw Knox paver finisher	1.76	Since purchase in December 1970	Not brought to use since its purchase reportedly for want of work. The paver was offered to the National Highways Organisa- tion for Rs. 1.71 lakhs but it declined (April 1974) the offer on the ground that it had no funds.
(ii) Roads and Buildings Division, Bhubaneswar	Road rollers (two)	Not available	One from July 1973 and the other from Nov- ember 1973	} Reported to be beyond economic repairs.
	Asphalt mixer (one)	Not available	July 1974	
	Miller mixer (one)	Book value not available	November 1974	

CHAPTER VI
COMMERCIAL ACTIVITIES

6.1. General

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

On 31st Marh 1977, there were 21 departmentally managed commercial and *quasi-commercial* undertakings. *Pro forma* accounts for 1976-77 have not been received in respect of 17 undertakings. The extent of arrears in submission of *pro forma* accounts is shown below:—

Name of the Undertaking	Year from which accounts are in arrears
A—STATE TRADING SCHEMES—	
(i) Grain purchase scheme	1969-70
(ii) Grain supply scheme	1963-64(a)
(iii) Scheme for trading in iron ore through Paradip Port	1967-68(b)
(iv) Cloth and yarn scheme	1965-66(c)
(v) Nationalisation of <i>kendu</i> leaves	1974-75
B—TRANSPORT—	
(vi) State transport service	1971-72(d)
C—EDUCATION—	
(vii) Text book press, Bhubaneswar ..	1966-78
D—COLD STORAGE PLANTS—	
(viii) Cold storage plant ,Cuttack	1974
(ix) Cold storage plant, Bhubaneswar	1968
(x) Cold storage plant, Sambalpur	1968
(xi) Cold storage plant, Similiguda	1967
(xii) Cold storage plant, Bolangir	1973
E—LEATHER UNITS—	
(xiii) Government leather industries- <i>cum-tannery</i> , Titlagarh	1973-74
(xiv) Government tannery, Boudh	1973-74
(xv) Government shoe factory, Cuttack	1974-75
F—OTHERS—	
(xvi) K. S. potteries development centre, Jharsuguda.	1974-75
(xvii) Scheme of exploitation and marketing of fish	1975-76

(a) Inoperative from January 1959.
 (b) Inoperative from 1966-67.
 (c) Inoperative from 1954-55.
 (d) Taken over by the Orissa State Road Transport Corporation in May 1974.

Of these, three undertakings have become inoperative (between 1959 and 1966) but the assets and liabilities of these schemes have not been disposed of/liquidated (January 1978); one has been taken over by a Corporation in 1974. In respect of the remaining 13 undertakings, the financial viability has remained unassessed for periods ranging upto 11 years owing to non-preparation of annual *pro forma* accounts.

The summarised financial results of the commercial undertakings (except Nationalisation of *kendu* leaves), whose *pro forma* accounts have been received subsequent to those mentioned in paragraph 6.1 of the Report of the Comptroller and Auditor General of India for the year 1975-76 (Civil), are given in Appendix IX.

Personal ledger accounts have been opened by Government in respect of the schemes mentioned below. Although these schemes are of commercial nature, Government have not prescribed preparation of *pro forma* accounts for them; the financial results of these schemes have not been worked out.

Undertaking	Year in which personal ledger account was opened	Accounts for 1976-77			
		Opening balance	Credits	Debits	Closing balance
(In lakhs of rupees)					
(1)	(2)	(3)	(4)	(5)	(6)
State Trading Schemes—					
(i) Purchase and distribution of quality seeds to cultivators	{ 1969-70 (Capital account) 1976-77 (Revenue account)	56.95 ..	.. 83.72	.. 1,28.86	56.95 (-)45.14
(ii) Cuttack milk union scheme	1971-72	(-)4.53	0.01	..	(-)4.52
Cold Storage Plants—					
(iii) Cold Storage plant, parlakhemundi	{ 1970-71 (Capital account) 1976-77 (Revenue account)	1.71 ..	.. 0.50	.. 1.15	1.71 (-)0.65
(iv) Cold storage plant, Kuarmunda	{ 1973-74 (Capital account) 1976-77 (Revenue account)	(-)0.42 ..	.. 0.66	.. 0.96	(-)0.42 (-)0.30

Besides these, in the following cases where personal ledger accounts were opened for schemes of commercial nature, there were no transactions for periods ranging from two to ten years, as indicated against each :

Undertaking	Year in which personal ledger account was opened	Year in which transactions occurred last	Balance as per account (In lakhs of rupees)
Trading in scrap iron and other materials	1963-64	1973-74	19.42
Trading in mustard oil	1964-65	1970-71	9.81
Marketing of fish and by-products	1971-72	1972-73	3.95
Purchase, sale and fair price shop scheme	1967-68	1973-74	(—)4.64
Poultry development	1974-75	1974-75	1.53
Raniganj tiles	1960-61	1967-68	1.27
Purchase of stores for development works—			
(i) By District Collectors	1958-59	1972-73	(—)2.97
(ii) By Block Development Officers	1958-59	1971-72	18.10*

The personal ledger accounts have not been closed (December 1977); preparation of *pro forma* accounts had not been prescribed in these cases also.

FOOD AND CIVIL SUPPLIES DEPARTMENT

GRAIN PURCHASE SCHEME

6.2. Non-realisation of security deposits from agents

The financial and accounting procedure prescribed by the Government require that parties selected for appointment as purchasing-cum-milling-cum-storage agents should furnish initial security deposit of Rs. 5,000 each (Rs. 2,500 in case of co-operative societies) either in cash or in the shape of approved Government securities, before their appointment as such and additional security deposit of Rs. 10,000, besides personal security, for value of stocks delivered, before being allowed to handle delivered stocks. The model agreement form, prescribed for execution by the agents, also provides specific clauses to the above effect.

* Debit for Rs. 0.06 lakh appeared in the accounts for 1976-77.

A test-check of the records, conducted between July 1976 and July 1977, disclosed non-realisation / short realisation of the prescribed security deposits of Rs. 15.20 lakhs from the agents in the districts of Cuttack, Mayurbhanj and Kalahandi in spite of execution of agreement in the prescribed form. The details of non-realisation/short-realisation of deposits are given below:—

District	Year to which the agreement pertained	Initial security deposit (Rs. 5,000)		Additional security deposit (Rs. 10,000)		Total amount (In lakhs of rupees)
		Number of agents involved	Amount (In lakhs of rupees)	Number of agents involved	Amount (In lakhs of rupees)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A—Non-realisation of security deposits						
Cuttack	1974-75	23	1.15	45	4.50	5.65
	1975-76	52	2.40	46	4.60	7.00
	1976-77	16	0.62	13	1.30	1.92
Mayurbhanj	1975-76	4	0.10	..	..	0.10
Kalahandi	1975-76	..	..	1	0.10	0.10
B—Short-realisation of security deposits						
Cuttack	1974-75	5	0.12	4	0.23	0.35
	1976-77	1	0.02	1	0.03	0.05
Kalahandi	1975-76	1	0.03	..	..	0.03
						15.20

Apart from the interest of Government remaining unsecured during the period, non-realisation of the prescribed security deposits amounted to undue financial aid to the agents appointed by the District Collectors.

The matter was reported to Government in September 1977; reply is awaited (February 1978).

6.3. Storage of stock with a storage agent

Provisions regarding securities to be furnished by purchasing-cum-milling-cum-storage agents are mentioned in the preceding paragraph. The prescribed procedure also requires verification of stocks held by the agents, once every month, by the Civil Suppliers Officer of the district and twice every month, by the regional staff and also recovery of the shortages in the stocks held on behalf of the Government as well as levy of penalties for shortages in excess of the permissible limits at Rs. 50 per quintal.

In Cuttack District, a party was appointed (May 1975) as a storage agent for the *kharif* year 1974-75 (November 1974 to October 1975) on the 17th May 1975 without prior payment of the initial security deposit. The agent was allowed to handle stocks of rice and wheat on his depositing the initial security deposit of Rs. 5,000 on 21st May 1975 and on execution (October 1975) of the agreement for handling paddy/rice only. The prescribed additional security deposit of Rs. 10,000 was not obtained. Agreement for handling wheat during *rabi* year 1974-75 (April 1974 to March 1975) was not entered into.

Physical verification of stocks with the agent was conducted by the regional staff only on two occasions (as against 12 occasions due upto October 1975) and by the Assistant Civil Supplies Officer only once in November 1975 after the close of the *kharif* year.

The agent was allowed to handle stocks in the succeeding *kharif* year (commencing in November 1975) upto March 1976 without any formal appointment order and execution of agreements either for paddy/rice or wheat. Neither the initial security deposit of Rs. 5,000 nor the additional security deposit of Rs. 10,000 was also realised from him. Physical verifications were conducted by the regional staff only on two occasions (in December 1975 and February 1976 as against ten occasions due upto March 1976 as prescribed). The Civil Supplies Officer had not, however conducted the prescribed monthly verification even once during the period (November 1975 to March 1976).

According to the records of the Civil Supplies Officer, Cuttack, attempt made in April 1976 to verify the stocks did not materialise owing to absence of the agent. A physical verification conducted in May 1976, in the presence of a Magistrate, disclosed shortages (total value: Rs. 0.93 lakh) of 549 quintals of wheat (value: Rs. 0.81 lakh) and 59 quintals of rice (value: Rs. 0.12 lakh) apart from 30 quintals of wheat (value: Rs. 0.05 lakh) found to be in a badly damaged condition.

A penalty of Rs. 0.31 lakh was imposed on the agent by the Collector in July 1976. Neither the value of the shortages of Rs. 0.98 lakh (including the value of damaged stock) nor the penalty of Rs. 0.31 lakh has, however, been realised from the party (January 1978). The Civil Supplies Officer stated (July 1977) that reports were made to Government several times and that action would be taken after finalisation of enquiries being conducted at different levels. Further developments are awaited (February 1978).

The matter was reported to Government in September 1977; reply is awaited (February 1978).

6.4. Non-realisation of value of shortages and non-levy of penalties

Mention was made in paragraph 6.5 of the Report of the Comptroller and Auditor General of India for the year 1975-76 (Civil) about shortages in foodgrain stocks of a few districts. A test-check of the records in three other districts, with reference to the periodical verification reports of the departmental officers during the year 1976-77, conducted in May-August, 1977, disclosed the following:—

(a) *Keonjhar District*—The shortages noticed in the case of an agent in the District were of the value of Rs. 3.22 lakhs (total shortages : 1,712 quintals; excess shortage : 1,589 quintals) and the penalty leviable thereon worked out to Rs. 0.79 lakh. Demand notice was initially issued by the Collector, Keonjhar for Rs. 3.94 lakhs only towards shortages (Rs. 3.17 lakhs) and penalty (Rs. 0.77 lakh). The demand was subsequently reduced by the Collector in May 1977 to Rs. 3.70 lakhs under intimation to Government. Reasons for reducing the demand by Rs. 0.31 lakh were not available on record. No realisation had been made upto June 1977; further developments are awaited (February 1978).

(b) *Cuttack District*—The value of shortages noticed in respect of nine agents aggregated Rs. 6.73 lakhs (total shortages : 3,941 quintals; excess shortages : 2,688 quintals). In respect of two agents the penalties for shortages (value : Rs. 6.57 lakhs) worked out to Rs. 1.34 lakhs on the basis of particulars mentioned in the verification reports. In respect of seven other cases where the shortages amounted to Rs. 0.16 lakh, the particulars required for determination of penalty leviable were not available. Demands for the value of shortages and penalty had not been raised against the agents (July 1977). Further developments are awaited (February 1978).

(c) *Balasore District*—The value of shortages noticed in the case of four agents aggregated Rs. 0.64 lakh (total shortages: 2,170 quintals; excess shortages: 1,077 quintals). On the basis of particulars available in the verification reports, the penalty leviable worked out to Rs. 0.54 lakh. Demands for the value of shortages and penalty had not been raised against the agents (August 1977). Further developments are awaited (February 1978).

The matter was reported to the Government in September 1977; reply is awaited (February 1978).

6.5. Diversion/non-accountal of sale-proceeds of foodgrains

According to the procedure prescribed by Government in May 1972, and further supplemented in May 1974, at places where treasury or banking facilities do not exist, the Block Development Officers are to receive from the retailers the value of foodgrains to be lifted by them,

for sale in fair price shops, from the storage agents of the Department. The Block Development Officers are also required to remit the amounts into the treasury at least once a week for credit to the personal ledger accounts of the District Collectors and also to render returns of these transactions monthly to the District Civil Supplies Officers. The procedure prescribed also requires the District Civil Supplies Officers to conduct review of the accounts of the Block Development Officers every month. Mention was made in paragraph 6.4 of the Report of the Comptroller and Auditor General of India for the year 1975-76 (Civil) about the cases of non-accountal of cash receipts from the retailers, towards cost of food-grains and non-remittance of monthly returns by the Block Development Officers in the districts of Kalahandi and Koraput.

(a) A test-check, conducted during April to July 1977, disclosed that nine Block Development Officers in the districts of Cuttack, Koraput, Mayurbhanj and Puri utilised the sale proceeds aggregating Rs. 6.60 lakhs, received by them in cash from the retailers during the period from September 1974 to February 1977, on the current expenditure of the concerned Panchayat Samitis of which they were the Executive Officers.

Of these, Rs. 6.55 lakhs were recouped subsequently after periods ranging upto 60 days (within 30 days : Rs. 0.47 lakh in 6 cases; beyond 30 days : Rs. 6.08 lakhs in 4 cases). The remaining Rs. 0.05 lakh had not been recouped and remitted into the treasury even after lapse of periods ranging from 210 to 420 days upto the dates of audit (May 1977/July 1977). Further developments are awaited (February 1978).

During the period from September 1974 to February 1977, the Civil Supplies Officers concerned had not conducted monthly review of the accounts of the Block Development Officers. The diversion of the sale proceeds of foodgrains did not also come to the notice of the District Collectors.

The matter was reported to Government in September 1977; reply is awaited (February 1978).

(b) A test check of the records of the Civil Supplies Officers in the districts of Puri, Koraput and Cuttack conducted in Audit during April-May 1977, with reference to those of the concerned Block Development Officers disclosed non-accountal in time of sale proceeds of foodgrains, amounting to Rs. 0.24 lakh, received by three Block Development Officers, as detailed below:—

(i) A sum of Rs. 0.22 lakh, received by the Block Development Officer, Delang (Puri District) from nine retailers during October—November 1976, towards sale proceeds of wheat and rice, against money receipts

issued to the parties, were not accounted for in the cash book on the dates of the transactions nor were the amounts remitted into the treasury. The cash books and other connected records were requisitioned by Audit in November 1976 and again in April 1977. But the records were not made available to Audit in April 1977. The amount was remitted into the treasury on the 10th May 1977 and recorded in the cash book on the 16th May 1977; the records of the Block were made available to Audit in May 1977. Government stated (February 1978) that the amount collected by the Block Development Officer, Delang has since been remitted and that action has been initiated to proceed against the officer for temporary misappropriation of money.

(ii) In two other blocks (Binjharpur in Cuttack District and Nandapur in Koraput District), Rs. 0.02 lakh received from retailers between July 1976 and January 1977 towards sale proceeds of rice and wheat were remitted into the treasury and accounted for in the cash books only in May 1977.

6.6. Distribution of wheat to roller flour mills

In terms of agreements prescribed by Government for supply of wheat to the people of the State under the Scheme, the wheat storage agents in the State for the *khari* year 1974-75 were entitled to a consolidated commission of Rs. 2.25 per quintal for storage of delivered stocks to cover handling charges and shortages, etc. The storage agents were also entitled to transportation charges (to the depots or to retail centres) at varying rates depending on the distance to be transported.

The Department allotted 36,175 tonnes of wheat to various roller flour mills between June and August 1975, for production of wholemeal *atta*, in order to meet the emergent food situation in the State. The State Warehousing Corporation, which was one of the storage agents for wheat, was instructed from time to time to take delivery of the stocks of wheat from the Food Corporation of India and make them over to the roller flour mills. In the course of test-check of the records in the Cuttack District, conducted in July 1977, it was noticed that delivery of 8,818.20 tonnes of wheat, allotted to the roller flour mills in the Cuttack District, was taken by the mills direct from the depot of the Food Corporation of India at Cuttack against acknowledgements given to the Food Corporation of India by the State Warehousing Corporation on behalf of Government.

Although the delivery of 8,818.20 tonnes of wheat was not made from the stock in the custody of the storage agent (Warehousing Corporation) and, thus, did not necessitate any storage or handling by the agent and

consequent shortage, Government sanctioned in July 1976 payment of the consolidated commission, including storage, shortage and handling charges, etc. at the rate of Rs.2.25 per quintal claimed by the Warehousing Corporation. There was no claim from the agent for transporting the quantity to its godowns. The departmental records showed that the consideration for the sanction was that the Warehousing Corporation had rendered service in deputing its employees to the depot / office of the District Manager of the Food Corporation of India to prepare and submit papers for transfer of stocks. The amount paid (August 1976) by the Collector, Cuttack to the State Warehousing Corporation as commission, was Rs. 1.98 lakhs.

Government stated (December 1977) that the payment of commission to the State Warehousing Corporation was met from the price of wheat charged to the flour mills and was not an extra liability on them.

6.7. Payment of sales tax

As per the provisions of the Orissa Sales Tax Act, 1947, the taxable turnover in respect of a dealer is arrived at after deducting from the gross turnover, *inter alia*, sales to a registered dealer of goods specified in the purchasing dealer's certificate of registration, as being intended for resale by him in the State. Accordingly, the District Collectors, who are registered under the Act as dealers in foodgrains, are eligible to claim deductions from the gross turnover of the value of foodgrains sold to registered retail dealers for resale to the public within the State, under the Grain Purchase Scheme. In order to get the deduction, the Collectors are required to produce declarations in the prescribed form, duly filled up and signed by the purchasing (retail) dealers, together with dealerwise lists of sales to the registered dealers, within 15 days of submission of return to the Assessing Officer. Government has also issued instructions to all the Collectors from time to time, commencing from May 1969, for timely collection of such declarations from registered dealers and production before the Assessing Officers to avoid losses on this account.

In the course of test-check of records of the Civil Supplies Officer, Puri conducted in April-May 1977 it was, however, noticed that the prescribed declarations were not being collected in majority of the cases of sales of foodgrains to the registered retail dealers, for production to the Assessing Officers in due time. Consequently, the deductions claimed by the Collectors on account of sales to registered retail dealers, during the years 1969-70 to 1972-73, could not be availed of in full by the Department, inspite of several adjournments allowed by the Assessing Officer for production of the wanting declarations. The yearwise particulars of the amount

of sales to registered dealers, the extent to which relief towards deductions from gross turnover could not be avail of and the extra liability consequently borne by the Department are given below:—

Assessment year	Deduction claimed by the Department towards sales to registered dealers	Amount accepted by the taxation authority	Amount not admitted due to non-production of declarations	Tax liability against amount disallowed
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
1969-70	52.18	11.84	40.34	1.21
1970-71	35.86	13.40	22.46	0.65
1971-72	44.50	28.45	16.05	0.49
1972-73	49.43	..	49.43	1.45
	1,81.97	53.69	1,28.28	3.80

The avoidable expenditure on payments made in February 1977 towards arrear taxes on this account amounted to Rs. 3.91 lakhs (inclusive of interest for late payment and penalty of about Rs. 11,500)

The Civil Supplies Officer, Puri stated (May 1977) that while Rs.1.21 lakhs relating to 1969-70 represented payment made against orders of the Sales Tax Tribunal on appeals by the Department, appeals in respect of the other years were pending at various levels (with the Sales Tax Tribunal for 1970-71 and 1971-72 and with the Assistant Commissioner of Commercial Taxes for 1972-73) and that relief to the extent of Rs. 0.90 lakh for 1972-73 was expected on the basis of declaration forms for Rs. 30.00 lakhs since collected from the dealers for production before the appellate authorities. Further developments are awaited (February 1978). No explanation was, however, available in regard to wanting declarations of dealers for the remaining sales of Rs. 57.94 lakhs.

The matter was reported to Government in July 1977; reply is awaited (February 1978).

6.8. Inter-district transfer of rice

Mention was made in paragraph 6.6 of the Report of the Comptroller and Auditor-General of India for the year 1975-76 (Civil) about the delay in billing for rice transferred from the Kalahandi district.

A test check of the accounts of the district offices of Koraput and Balasore, conducted between May and August 1977, disclosed that bills in respect of 92,937 quintals of rice transferred to five other districts between April 1976 and March 1977 had not been preferred for periods ranging from two to sixteen months. The value of the transfers was Rs. 1,46.63 lakhs as per the details given below —

Transferring District	Quantity (in quintals)	Value (In lakhs of rupees)
Koraput	80,647	1,25.22
Balasore	12,290	21.41

The acceptance notes of the consignees were also not on record.

Reconciliation of accounts between different districts at the State level was also held up owing to delay in finalisation of the consolidated *pro forma* accounts of the Grain Purchase Scheme which has been in arrears since 1969-70.

The matter was reported to Government in September 1977; reply is awaited (February 1978).

AGRICULTURE AND CO-OPERATION DEPARTMENT

COLD STORAGE PLANT, BHUBANESWAR

6.9. Loss on disposal of seed potato

During 1976, 8,088 quintals of seed potato were procured by the Cold Storage Plant at Bhubaneswar at Rs. 5.26 lakhs, for sale to cultivators. Of this, 5,290 quintals only were sold for Rs. 8.98 lakhs up to 15th December 1976 for use as seed potato and 673 quintals were accounted for as wastage on account of drilage and rottage upto 15th December 1976. The remaining quantity of 2,125 quintals was put to auction in December 1976 and the highest bid of Rs. 57 per quintal for red variety potato and of Rs. 61 per quintal of white variety potato was accepted by the Director of Agriculture.

The highest bidder, however, lifted 1,441 quintals only at the rate offered by him after screening, whereafter the Plant disposed of further 264 quintals to other consumers in the area at the rates of the highest bidder.

According to the records, the balance quantity of 420 quintals was ultimately wasted over a course of time and was thrown away (date was not on record).

With reference to the average sale prices fixed (September 1976) by Government for sale of the seed potato, on the basis of procurement prices and over-head charges thereon, the loss on sale of 1,705 quintals at reduced rates and on wastages amounted to Rs. 1.86 lakhs.

The matter was reported to Government in July 1977; reply is awaited (February 1978).

COMMERCE AND TRANSPORT (TRANSPORT) DEPARTMENT

6.10. Payment of idle wages

The Service Rules of the Government provide for retention of a workman up to the age of 60 years. Workman includes artisan employed on a monthly rate of pay in any Government establishment. According to a decision (June 1970) of the Orissa High Court, a bus driver employed in the State Transport Service is an artisan and would be entitled to be retained in service, ordinarily, until he reaches the 60th year.

In August 1971, the Orissa State Transport Employees Classification, Recruitment and Conditions of Service Rules, 1971 were framed by Government, effective from October 1971, which fixed the age of superannuation of all categories of employees of State Transport Service at 55 years without any exception for drivers, mechanics, fitters. Reasons for deviating from the service rules already prescribed by Government and for not considering the decision of the High Court in respect of the retirement age of 'artisans', while framing the rules, were not on record. Twenty four drivers, one mechanic and one fitter of the erstwhile State Transport Service were retired by the Department between June and December, 1972 on their attaining the age of 55 years, in accordance with the Rules of 1971.

In April 1973, Government reconsidered the rule relating to the age of retirement and amended it fixing the age of superannuation for 'artisans' at 60 years with retrospective effect (*i. e.*, from October 1971). The retired drivers, fitter and mechanic were recalled to duty in April-June 1973. Wages paid to the 'artisans' for the period commencing from the dates of their retirement to the dates of reinstatement, without performing any duty, amounted to Rs. 0.63 lakh.

The matter was reported to Government in October 1976. Government has not indicated in its reply (February 1977) the reasons for the initial omission in the new rules of August 1971 to protect the retirement age of 'artisans' as per the decision (1970) of the State High Court.

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1. General

(a) (i) In 1976-77, Rs. 63.08 crores were paid as grants to non-Government bodies, institutions and others against Rs. 54.24 crores paid in 1975-76 ; this formed 20.41 per cent of Government's total expenditure on revenue account, against 19.65 per cent in 1975-76. An analysis of grants paid during 1976-77 is given below:—

	Amount (In crores of rupees)
(1) Education—	
Assistance to non-Government bodies, local bodies and universities	45.45
(2) Community Development and Social Welfare—	
Assistance to Panchayati Raj Institutions ..	6.26
Assistance to local bodies and others ..	0.62
(3) Irrigation and Power—	
Assistance to the Orissa State Electricity Board for Rural Electrification Schemes	4.17
Assistance to the Orissa Lift Irrigation Corporation for investigation and development of ground water resources, sinking of tube-wells and other subsidies	2.33
(4) Urban Development—	
Assistance to municipalities, corporations, etc. ..	2.34
(5) Forest—	
Grants to Panchayati Raj Institutions ..	1.58
(6) Labour, Employment and Housing—	
Grants to the Orissa Housing Board and for non-Govern- ment housing schemes	0.03
(7) Assistance to cultural institutions ..	0.30
Total	<u>63.08</u>

(ii) The main beneficiaries of the grants were the Panchayati Raj institutions which received Rs. 30.53 crores during 1976-77 for the purposes shown below:—

	Amount (In crores of rupees)
(1) Education—	
Primary and secondary education	.. 22.69
(2) Community Development and Social Welfare—	
Community development	.. 6.26
(3) Forest—	
Grants to Panchayati Raj institutions from the sale proceeds of <i>kendu</i> leaves.	1.58
Total	30.53

(iii) *Utilisation certificates*—Under the financial rules, in all cases in which conditions are attached to grants, utilisation certificates to the effect that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time.

At the end of September 1977, 81,659 certificates for Rs. 1,96.68 crores were awaited for grants paid upto 31st March 1976. Of these, 59,044 certificates (Rs. 1,04.30 crores) relate to grants paid upto 31st March 1974. The remaining 22,615 certificates (Rs. 92.38 crores) relate to grants paid during the period from 1st April 1974 to 31st March 1976 as shown below:—

Period	Utilisation certificates					
	Due		Received		Outstanding	
	Number	Amount (In crores of rupees)	Number	Amount (In crores of rupees)	Number	Amount (In crores of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
April 1974 to March 1975	11,939	47.50	590	1.31	11,349	46.19
April 1975 to March 1976	13,618	49.48	2,352	3.29	11,266	46.19
Total	25,557	96.98	2,942	4.60	22,615	92.38

The utilisation certificates have not been received although considerable time has passed after the grants were paid. In the absence of such certificates, it is not practicable for Audit to know, even in a broad way, to what extent the recipients spent the grants for the purpose or purposes for which these were given.

The departments from which most of the utilisation certificates are awaited are given below:—

Sl. No.	Department	Utilisation certificates awaited	
		Number	Amount (In crores of rupees)
(1)	Education and Youth Services ..	55,623	1,25.56
(2)	Community Development and Social Welfare	16,121	39.65
(3)	Urban Development ..	1,266	9.57
(4)	Agriculture and Co-operation ..	555	7.88
(5)	Rural Development ..	3,491	3.80
(6)	Irrigation and Power ..	31	3.59
(7)	Revenue and Excise ..	2,523	1.70
(8)	Tribal and Rural Welfare ..	651	1.48

(b) According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. Section 15 of the Act prescribes that where a grant or loan is given from the Consolidated Fund for any specific purpose, the Comptroller and Auditor General of India shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants and loans were given.

Mention was made in paragraph 71 of the Report of the Comptroller and Auditor General (Civil) for 1975-76 about non-receipt of information from departments of Government regarding grants and loans given to various bodies and authorities during 1971-72 to 1975-76 and their utilisation. The position remained unaltered and similar information for

the year 1976-77 was not also received from the departments in spite of the general instructions issued by the Finance Department in July 1976. With reference to available information, audit of some bodies and authorities substantially financed by the Government, falling under Section 14 of the Act, was conducted. Important points noticed in audit of these institutions under Section 14 of the Act, and of records of sanctioning authorities under Section 15 and other related matters are given in the succeeding paragraphs.

COMMUNITY DEVELOPMENT AND SOCIAL WELFARE
DEPARTMENT

7.2. Assistance to Panchayat Samitis

7.2.1. *Introduction*—Under the Orissa Panchayat Samitis and Zilla Parishad Act, 1959, the Panchayat Samitis are responsible for planning, execution and supervision of development programmes, schemes and works in the Blocks sponsored by the Community Development Department and other departments of Government. These schemes mainly relate to construction, repair and maintenance of roads, wells, minor irrigation projects, establishment of primary health centres, family and child welfare projects, establishment, expansion and improvement of primary schools, etc. To enable the Panchayat Samitis to discharge these functions, assistance is provided by the various departments of the Government in the form of grants.

There are 314 Panchayat Samitis in the State. The accounts of 21 Samitis for the year 1974-75 and 35 Samitis for the year 1975-76 were audited under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The amounts of grants received by these Samitis and their total expenditure for the years covered in audit are given in Appendices X and XI. Some of the important points noticed in audit are mentioned below:—

7.2.2. *Non-preparation of budget estimates and annual accounts*—According to the procedure prescribed for the Panchayat Samitis, the Block Development Officer is required to prepare and place before the Samiti each year a budget estimate of probable receipts and expenditure of the Samiti for the following year in the prescribed form for approval. The rules also require preparation of the annual accounts of receipts and expenditure in the prescribed form. Thirteen Panchayat Samitis (Athagarh, Barchana, Jagatsingpur, Bhuban, Bonaigarh, Sonapur, Bangamunda, Dasarathpur, Tirtol, Bhadrak, Kaniha, Balisankar, Baliapal) did not prepare

the budget estimates and did not also maintain the subsidiary accounts records like the classified abstracts and the adjustment registers or prepare the annual accounts in the prescribed form for any of the years from 1971-72 to 1975-76.

7.2.3. *Unutilised grants*—The financial rules of the Government require that grants should be utilised within the financial year in which they are sanctioned if so specified in the sanction or within one year from the date of sanction and also that the balances if not spent within the prescribed period should be surrendered by the grantees. At the end of March 1975 unutilised grants held by the 21 Panchayat Samitis, the accounts of which were test-checked upto 1974-75 aggregated Rs. 81.60 lakhs. The details are given in Appendix X. The unutilised balance of grants as on 31st March 1976 with the 35 Samitis, the accounts of which were test-checked upto 1975-76 was Rs. 1,46.74 lakhs. The details are given in Appendix XI.

7.2.4. *Submission of utilisation certificates*—The sanctions to grants envisaged submission of utilisation certificates by the grantees to the sanctioning authority by June of the year following that in which the grants were sanctioned. At the time of audit (between March and October 1977) utilisation certificates in respect of grants aggregating Rs. 10,44.31 lakhs (Rs. 3,76.34 lakhs in respect of the 21 Samitis the accounts of which were audited upto March 1975 and Rs. 6,67.97 lakhs in respect of the 35 Samitis the accounts of which were audited upto March 1976) had not been submitted though they had fallen due as shown below:—

Period for which awaited	Amounts for which utilisation certificates were awaited	
	In respect of the Panchayat Samitis the audit of which was conducted upto March 1975	In respect of the Panchayat Samitis the audit of the accounts of which was conducted upto March 1976
	(In lakhs of rupees)	
Up to 3 years ..	1,34.95	2,49.70
Between 3 and 5 years ..	44.82	1,62.08
Between 5 and 10 years ..	81.46	1,67.35
Over 10 years ..	1.10	3.08
Break-up not available ..	1,14.01	85.76
Total	3,76.34	6,67.97

7.2.5. *Advances outstanding*—According to the procedure prescribed (November 1961) for Panchayat Samitis, advances given to subordinates and others for various purposes are required to be adjusted without delay. Heavy balances of advances were remaining unadjusted in some cases for periods extending for over 10 years, as shown below:—

Particulars	Outstanding advances	
	At the end of March 1975 of 21 Panchayat Samitis the audit of the accounts of which was conducted upto March 1975	At the end of March 1976 of 35 Panchayat Samitis the audit of the accounts of which was conducted upto March 1976
	(In lakhs of rupees)	
<i>A—Party-wise particulars</i>		
Samiti and Government officials ..	3.43	14.99
Departments of the Government for execution of works	17.76	24.15
Contractors ..	11.56	16.57
Gram Panchayats ..	7.25	14.92
Others ..	12.09	7.37
Partywise break-up not available ..	..	9.97
Total	52.09	87.97
<i>B—Age-wise break-up</i>		
Upto 3 years ..	8.01	9.79
Between 3 and 5 years ..	13.73	9.39
Between 5 and 10 years ..	11.98	30.22
Over 10 years ..	7.96	18.59
Yearwise break-up n o t available	10.41	19.98
	52.09	87.97

Test-check of records showed that the Panchayat Samitis mentioned below where large advances were outstanding did not maintain the registers of advances prescribed under the accounting rules:—

Name of Panchayat Samiti	Position to end of	Amount of advance outstanding as per cash book	Remarks
(In lakhs of rupees)			
Barchana	.. March 1975	3.72	Registers had not been opened
Dasarathapur	.. March 1975	7.43	
Bhadrak	.. March 1976	3.48	
Jagatsingpur	.. March 1976	1.67	Registers though opened had not been posted since 1964-65

The Samitis did not thus have particulars of parties against whom advances were outstanding.

7.2.6. Accounts of stores

(a) The value of stores purchased for use in the Samitis is charged to the suspense head "Stores Suspense" pending clearance on issue for use on works. The balances in the "Stores Suspense" account thus represent the value of stores lying unutilised. Test-check showed that in 17 Panchayat Samitis the value of balances of stores as per the stock registers was less than the balances shown in the stores suspense account by Rs. 5.71 lakhs. The Samitiwise break-up of the differences is given in Appendix XII.

(b) In the following Samitis the stock registers did not indicate the value of stores and hence it was not possible to verify whether all the

items of stores the value of which was included in the stores suspense accounts had been entered in the stock registers:—

	Sl. No.	Name of Panchayat Samiti	Amount shown in stores suspense account
(In lakhs of rupees)			
As on 31st March 1975	(1)	Daringbadi	0.15
	(2)	Chakapada	0.31
	Total		0.46
As on 31st March 1976	(1)	Subdega	0.42
	(2)	Polosara	0.06
	(3)	Nuagaon	0.14
	(4)	Madanpur Rampur	0.18
	(5)	Lanjigarh	0.91
	Total		1.71

Annual physical verification of stores as required under the rules had not been conducted in respect of 9 of the Samitis, the accounts of which, were test-checked.

7.2.7. *Investments by Samitis*—Grants paid by the Government under the Community Development Programme included specific purpose grants to the Panchayat Samitis for investments in industrial co-operatives and utilisation of proceeds therefrom by the Samitis. In 12 Panchayat Samitis, the records of which were test-checked, amounts totalling Rs. 7.16 lakhs were invested as share capital in Panchayat industries, co-operative societies, etc., between the years 1962-63 and 1974-75. The details of the societies in which investments were made are given in Appendix XIII. The accounts of Samitis did not show (September 1977) any return from any of these investments.

7.2.8. *Works lying incomplete for more than five years*—In 15 Panchayat Samitis, the accounts of which were test-checked, 754 works (estimated cost : Rs. 19.72 lakhs) taken up between the years 1957-58 to 1970-71 are lying incomplete after expenditure totalling Rs. 8.94 lakhs had been incurred on them. Most of these works were taken up 5 to 15 years ago. Samiti-wise break-up of these works is given in Appendix XIV. The delay in the completion of these works was attributed by the Panchayat Samitis to want of funds, negligence of executants and damages caused by floods.

7.2.9. *Construction of well*—Grants paid by the Community Development Department to the Panchayat Samitis include amounts for providing drinking water wells in rural areas. A test-check of the expenditure incurred on sinking of wells by the Panchayat Samitis disclosed the following:—

(i) *Pallahara Panchayat Samiti*—The Panchayat Samiti received grants-in-aid totalling Rs. 1.75 lakhs during the years 1972-73 to 1974-75 for construction of 36 drinking water wells in selected villages. Construction of 11 wells for which grant of Rs. 0.25 lakh was paid during 1972-73 and 1973-74 had not been taken up till the time of audit in December 1976. The grant of Rs. 1.50 lakhs paid during 1974-75 was for the construction of 25 wells, which were to be completed and handed over to the Gram Panchayat by June 1976. The Panchayat Samiti, however, took up construction of 28 wells. Only 19 wells were completed at a cost of Rs. 1.06 lakhs but none of these had been transferred to the concerned Gram Panchayats upto the time of audit. Seven wells on which an expenditure of Rs. 0.32 lakh had been incurred upto December 1976 were left incomplete. Expenditure incurred on two other wells which were reported to be in progress was not on record.

(ii) *Sonepur Panchayat Samiti*—The Government paid a grant of Rs. 0.67 lakh to the Samiti during the year 1970-71 to 1974-75 for construction of 18 wells. The Samiti completed construction of 4 wells only (Government grant : Rs. 14,500; expenditure : Rs. 15,078) and the remaining 14 wells were left incomplete after an expenditure of Rs. 0.37 lakh was incurred.

(iii) *Bhuban Panchayat Samiti*—During the years 1971-72 to 1974-75 the Samiti was given Rs. 0.91 lakh for construction of 24 wells.

The progress in construction till the time of audit was as follows:—

Year	Amount of grant	Number of wells to be completed	wells completed	Remarks
(1)	(2)	(3)	(4)	(5)
1971-72 ..	10,000	5	3	Two wells not taken up
1972-73 ..	10,000	5	5	
1974-75 ..	71,400	14	4	
	—————	—————	—————	
	91,400	24	12	
	—————	—————	—————	

Grants amounting to Rs. 0·71 lakh were sanctioned in 1974-75 for construction of 14 wells but work was actually commenced on 16 wells. The records showed that only 4 wells were completed at a cost of Rs. 0·16 lakh. Of the remaining 12 wells, 9 were left incomplete while 3 others were stated to be nearing completion. The records of the Samiti did not indicate the amount spent on these 12 wells.

(iv) *Umerkote Panchayat Samiti*—The Samiti was paid Rs. 0·38 lakh as grant in May 1975 for construction of five wells. In January 1976, the Samiti decided to construct 6 wells (each estimated to cost Rs. 6,500). Only four wells were taken up for construction and all the four wells remained incomplete upto February 1977. Expenditure incurred thereon upto February 1977 was Rs. 0·23 lakh.

7.2.10. Execution of Minor Irrigation Projects in Panchayat Samitis—

(i) The Narayan Patna Panchayat Samiti received Rs. 3·30 lakhs as grants for taking up irrigation works between August 1972 and September 1973. During the years 1972-73 and 1973-74, an amount of Rs. 1·26 lakhs only was spent by the Samiti on 23 minor irrigation channels. The Government informed the Panchayat Samiti in July 1974 that Tribal Development Blocks would come to an end from 1975-76, that no further grants would be sanctioned and that the grants available should be spent by March 1975. The Panchayat Samiti thereupon limited the expenditure on the programme to Rs. 1·91 lakhs in October 1974 and this was approved by the Government in November 1974.

Of the 23 channels taken up for execution, seven projects estimated to cost Rs. 0.37 lakh were abandoned after an expenditure of Rs. 0.29 lakh was incurred thereon. The records of the seven projects were stated to have been seized by the Central Bureau of Investigation during 1973-74 while the works were in progress and no further expenditure was incurred on these projects. The remaining 16 minor irrigation channels on which expenditure of Rs. 0.97 lakh was incurred were reported (September 1977) to have been damaged as a result of which 12 channels could not be put to any use. Only four channels were stated to be in use partially.

The balance amount of Rs. 0.65 lakh was sanctioned to be spent on four new minor irrigation projects (Rs. 0.25 lakh each in Hatibandha and Kambipadar; Rs. 0.08 lakh at Khumbari and Rs. 0.07 lakh for irrigation channel to Dumcil Tank). Only one irrigation channel to Dumcil tank was completed at a cost of Rs. 0.08 lakh. The balance amount of Rs. 0.57 lakh allocated for the other three minor irrigation works was diverted for road works. The approval of the Government for the diversion was not obtained.

(ii) *Umerkote Panchayat Samiti*—The Umerkote Panchayat Samiti received grants amounting to Rs. 1.42 lakhs for installation of 20 hand operated pumps in dug wells in 9 villages during the years 1972-73 to 1974-75 (Rs. 0.85 lakh in 1972-73; Rs. 0.09 lakh in 1973-74 and Rs. 0.50 lakh in 1974-75).

While grants were paid for installation of hand operated pumps, an amount of Rs. 0.83 lakh from out of grants was deposited by the Panchayat Samiti with the Executive Engineer (Electrical), Jeypore in March 1973 for electrification of 9 roadside villages in the Panchayat Samiti area. The Collector proposed (December 1974) the construction of dug wells with electric pump sets for the purpose of lift irrigation in the villages proposed for electrification. The Government approved the proposal in January 1975 subject to the condition that the 20 dug wells were constructed in the villages to be electrified. Under the approved programme for lift irrigation, 50 per cent of the cost of construction of dug wells was to be borne by beneficiaries and the remaining 50 per cent was to be subsidised by the Government. The State Bank of India, Umerkote undertook to finance the construction of dug wells on the recommendation of the Block Development Officer subject to the condition that 50 per cent subsidy was paid to the bank for being credited to the loan accounts of the beneficiaries after the work was completed by the beneficiaries with the loans provided by it. Before the bank had identified the loanees and sanctioned any loan, the Block Development Officer deposited (March 1975) a sum of Rs. 0.50 lakh received in 1974-75 with the State Bank of India, Umerkote

towards subsidy (Rs. 0.025 lakh payable to each of the beneficiaries) for 20 dug wells. The cost of the dug wells to be constructed and fitted with electric pumps had not also been ascertained. In March 1975, the Block Development Officer forwarded 30 loan applications to the Bank for selection of 20 applicants. Of these applications only two were from applicants from one of the villages proposed to be electrified and rest from other villages, which were not proposed for electrification. In all the cases the applications for loans were for installation of hand operated pumps in dug wells. It was stated by the Block Development Officer (February 1977) that no loan was sanctioned by the bank.

In May 1975 the Panchayat Samiti decided that the amount of Rs. 0.50 lakh deposited with the bank for payment of subsidy under dug well scheme need not be utilised for the purpose as another new scheme of "Intensive Tribal Development Project" was put on ground by the Government from 1974-75 under which construction of dug wells was to be taken up. The Samiti further decided to utilise an amount of Rs. 0.41 lakh on communication and kit programme and the balance of Rs. 0.09 lakh for completing 6 other dug wells taken up by it. According to the Block Development Officer (January 1978), after adjustment of Rs. 0.07 lakh on 5 dug wells, the remaining sum of Rs. 0.43 lakh withdrawn from the bank is proposed by the Samiti to be utilised on construction of a bridge.

7.2.11. *Construction of Primary Health Centre*—The Government sanctioned Rs. 0.49 lakh in February 1972 for completion of the incomplete work of Primary Health Centre, Narayan Patna although there was no request from the Panchayat Samiti, Narayan Patna. On receipt of allotment, the Block Development Officer, Narayan Patna informed the Government in February 1972 that the building for the Primary Health Centre at Narayan Patna along with the staff quarters had already been completed and the money was not required for that Panchayat Samiti. The amount was, however, remitted (February 1975) to the Executive Engineer, Rural Engineering Organisation for construction of Primary Health Centre at Kumbhariput, an area under the jurisdiction of Panchayat Samiti, Bandhugaon. Approval of the Government for transferring the money was awaited (February 1978).

7.2.12. *Construction of new primary school building*—The District Inspector of Schools, Koraput paid a grant of Rs. 0.95 lakh to the Narayan Patna Panchayat Samiti during the years 1970-71 to 1975-76 for construction of eleven new buildings for lower primary schools.

Though the grants were to be utilised as per terms of the grants within the financial years of sanction, the construction work had not been started (February 1977) in any of these cases. The entire amount was lying unutilised.

in the personal ledger account of the Panchayat Samiti. The Block Development Officer attributed (February 1977) the non-utilisation to (a) unwillingness of the Panchayat Samiti to undertake the works, (b) inaccessibility of places selected by the District Inspector for construction of school buildings and insufficiency of amounts sanctioned and (c) contractors not coming forward to undertake works though tenders were called for twice. Proposals sent by the Block Development Officer for utilisation of available funds for construction of 12 school buildings in other villages are awaiting (February 1977) approval of the Director of Public Instruction.

7.2.13. *Construction of a hostel building for Gopabandhu Science College, Athagarh*—The Department of Community Development and Panchayati Raj sanctioned in February 1969 a grant of Rs. 0.20 lakh to the Athagarh Panchayat Samiti for construction of a new hostel building for the Gopabandhu Science College at Athagarh. As per terms of the sanction, the grant was to be released in 4 instalments to the College after obtaining an undertaking from the College authorities to get the plans and estimate approved by the Samiti and to furnish detailed accounts supported by vouchers. The second and subsequent instalments were to be released only after the Block Development Officer satisfied himself about proper utilisation of the previous instalment(s).

The entire grant was released by the Samiti to the College in four instalments of Rs. 0.05 lakh each (February / July / September / November 1971) without obtaining the required undertaking from the College authorities or receiving the plans and estimate for building. The College authorities were reported to have utilised the amount on repairs to an old building earlier used as hostel. The Government called for (July 1972) the explanation of the Block Development Officer for violation of the conditions of sanction. Further developments are awaited (February 1978). The College has also not rendered the accounts of the grant to the Samiti.

7.2.14. *Grants for special repairs to primary school buildings*

(i) *Narayan Patna Panchayat Samiti*—The Director of Public Instruction, Orissa sanctioned Rs. 0.07 lakh during 1972-73 to 1975-76 for special repairs to six primary school buildings mentioned below:—

Month of sanction	Amount sanctioned	Name of the village(s) where school was located
	Rs.	
November 1972	1,500	Kaspavalasa
February 1974	1,500	Dumal
November 1974	2,000	Palur and Pilukuru
March 1976	2,000	Panchingi and Bugam

Test-check (February 1977) showed that the entire amount of Rs. 0.07 lakh was lying unutilised with the Panchayat Samiti as there was no school building in the places specified in the sanction order. The Block Development Officer stated (January 1977) that no proposal was sent from the Panchayat Samiti for sanction of the repair grant. The unutilised grant had not been refunded (February 1977) to the Government.

(ii) *Kothgarh Panchayat Samiti*—The Samiti received Rs. 0.12 lakh as grant during the years 1971-72 to 1975-76 for special repairs of 10 school buildings. The grants were to be utilised within a year of sanction but the grants received during all the five years remained wholly unutilised upto March 1977. Reasons attributed by the Samiti for non-utilisation were (i) inaccessibility of areas where schools were located and (ii) insufficiency of funds.

7.2.15. *Maintenance of Gram Panchayat road*—The Government sanctioned Rs. 0.59 lakh during 1971-72 to 1975-76 for payment to five Gram Panchayats, viz. Gugurumuta, Parigada, Shree Rampur, Kotgarh and Durgapunga for maintenance of Gram Panchayat roads. The amounts were to be disbursed to the Gram Panchayats concerned on receipt of utilisation certificates in respect of grants given in previous years and were to be utilised in full by the end of the financial year in which they were sanctioned.

The five Gram Panchayats had on 1st April 1971 unutilised grants totalling Rs. 0.24 lakh paid during the years 1964-65 to 1970-71 for similar purpose. The Samiti released grants sanctioned for the years 1971-72 to 1975-76 in full without obtaining utilisation certificate for grants of the previous years. To end of March 1977, the entire amount of Rs. 0.83 lakh (Rs. 0.24 lakh plus Rs. 0.59 lakh) was lying unutilised with the Gram Panchayats. It was stated by the Block Development Officer that the Gram Panchayats could not spend the amount due to non-availability of contractors and labourers. The unutilised amounts were not refunded (December 1977) to the Government.

7.2.16. *Construction of Panchayat Ghars*—In November 1972, the Government sanctioned grant of Rs. 0.10 lakh for construction of two panchayat ghars (office buildings) at Parigada and Subarngiri and made the same available to the Kotgarh Panchayat Samiti between January and March 1973. According to the sanction, Rs. 0.05 lakh were to be disbursed to the concerned Gram Panchayats only after land for the purpose was available. The amounts were disbursed by the Samiti to the Gram Panchayats in February 1974 without ensuring that the Panchayats had the required land for constructing Panchayat ghars. The construction of Panchayat

ghar had not been taken up by the Gram Panchayats till the time of audit in March 1977 for want of land and the amounts were lying unutilised with the Gram Panchayats.

7.2.17. *Wasteful expenditure*—The Department of Community Development and Panchayati Raj sanctioned a grant of Rs. 0.10 lakh in March 1970 to the Nandapur Panchayat Samiti for procurement of two boats to be supplied to Padwa Gram Panchayat for plying in Ghumalput ferry ghat. After inviting tenders, orders were placed in July 1971 with the only tenderer 'A' for supply of two boats with oars and rope for Rs. 11,300. No time limit was specified for supply but the work was to be checked by the Engineering Overseer of the Block at the time of execution and the boats were to be certified by a Technical Officer as to their soundness before acceptance. The contractor reported the first boat as ready in October 1971 and the second boat in December 1971. Possession of the boats had not, however, been taken by the Samiti upto the time of audit in May 1977 and pending inspection and certification of fitness by a Technical Officer, these continued to be retained by the contractor in his custody. Advances totalling to Rs. 0.10 lakh (Rs. 4,000 in October 1971 ; Rs. 4,000 in February 1972 ; Rs. 470 in July 1972 and Rs. 1,700 in November 1972) were paid to the contractor under the orders of the Collector, Koraput. In April 1974, the Block Development Officer, Nandapur reported to the Collector that the condition of the boats kept at the river site with the contractor was deteriorating on account of exposure to nature. He also reported that the two boats would be of no use on the river ferry ghat in view of the low level of water at the ferry points and suggested their transfer to some other places.

In March 1975, the Government ordered disposal of the boats by the Collector by auction and settlement of the account of the contractor. At the request of the Collector, the Government permitted (February 1976) the delivery of the boats to be taken without certification by a Technical Officer and ordered their early auction. The contractor, who was asked to deliver the boats in May 1976, had not, however, delivered them till December 1977.

7.2.18. The Examiner of Local Accounts is the auditor for the Panchayat Samitis. In his report (November 1976), the Examiner of Local Accounts had *inter alia* pointed out the following irregularities :

(i) As at the end of March 1975, 205 Panchayat Samitis had diverted grants amounting to Rs. 59.76 lakhs for expenditure on purposes other than those for which the same were paid.

(ii) As at the end of March 1975, advances paid to executants and Government officials amounting to Rs. 7.07 crores were outstanding in 314 Panchayat Samitis.

(iii) As at the end of March 1975 utilisation certificates for grants totalling Rs. 59.47 crores were outstanding from 314 Panchayat Samitis.

(iv) Thefts, misappropriations and losses of cash amounting to Rs. 0.79 lakh in 51 Samitis and shortage of stores valuing Rs. 2.31 lakhs in 169 Samitis noticed in the accounts for the year 1974-75 were awaiting regularisation.

(v) Overpayments and infructuous expenditure amounting to Rs. 64.87 lakhs noticed in 306 Samitis were awaiting regularisation.

(vi) Arrears of house rent and hire charges of vehicles to the tune of Rs. 12.09 lakhs were overdue for realisation in 300 Samitis as at the end of March 1975.

(vii) Money value of observations raised by the Examiner of Local Accounts remaining unsettled at the end of March 1975 was Rs. 16,71.96 lakhs.

(viii) Important accounts records like works registers and outstanding deposit ledgers were not maintained properly or were not maintained at all by the Samitis.

The irregularities pointed out by the Examiner of Local Accounts were awaiting regularisation (February 1978).

The matters mentioned above were brought to the notice of the Government between March and October 1977; their reply is awaited (January 1978).

EDUCATION AND YOUTH SERVICES DEPARTMENT

7.3. Utkal University

7.3.1. *Introduction*—The Utkal University was established in 1943 with its jurisdiction over the entire State. On formation of the Berhampur and Sambalpur Universities in 1967, its jurisdiction was revised and confined to 6 districts in north Orissa.

The main sources of income of the University are fees, endowments and grants from the State and Central Governments and the University Grants Commission (U. G. C.).

7.3.2. *Receipts and expenditure*—The position of receipts and expenditure of the University for the three years from 1971-72 to 1973-74, upto which year its accounts had been audited by the Examiner of Local Accounts, was as follows :—

	(In lakhs of rupees)		
	1971-72	1972-73	1973-74
(i) Unspent balances of grants carried forward from previous year :			
(a) State Government ..	78.54	76.63	83.49
(b) Central Government ..	0.66	3.37	2.28
(c) University Grants Commission ..	15.05	13.38	8.64
(ii) Grants received during the year :			
(a) State Government ..	54.56	47.31	40.00
(b) Central Government ..	2.20	1.73	4.66
(c) University Grants Commission ..	21.60	13.65	10.10
(iii) Other receipts during the year ..	31.85	32.78	42.68
(iv) Total receipts during the year ..	1,10.21	95.47	97.44
(v) Expenditure during the year ..	1,05.95	1,12.45	1,17.72

The audit of accounts and connected records of the University for the years 1971-72 to 1973-74 was conducted (May 1976/May 1977) under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The results of test-check are contained in the paragraphs which follow.

7.3.3. *Budget and accounts*—The accounting procedure to be followed by the University and the form in which accounts are to be maintained have not been prescribed (January 1978) as required under the rules. A Commission appointed by the Government in October 1971 to enquire into the affairs of the University had also stressed the need for finalising the rules and accounting procedure. Annual estimates of receipts and expenditure are prepared by the University on cash basis. The opening cash balances shown in the estimates were not correlated to the unutilised balances of grants received from various sources and there were wide variations as shown below :—

Year	Unutilised grants at the commencement of the year as worked out by the Examiner of Local Accounts	Opening balances shown in the annual estimates
(In lakhs of rupees)		
1971-72 ..	78.36	10.59
1972-73 ..	62.69	11.95
1973-74 ..	54.76	13.58

The reasons for the differences have not been analysed.

7.3.4. *Non-publication of the accounts*—The provisions of the Utkal University Act, 1966 require that a copy of the accounts together with the report of the auditor shall be published in the Gazette. This has not been done so far (January 1978) in respect of the accounts for any year since the inception of the University.

7.3.5. *Control over expenditure*—The comparative position of the budgeted receipts and expenditure as compared to the actuals during the three years were as given below:—

		(In lakhs of rupees)			
		1971-72	1972-73	1973-74	
Estimated receipts	..	1,54.39	1,54.78	1,38.56	
Actual receipts	..	1,10.21	95.47	97.44	
Estimated expenditure	..	1,78.44	1,85.26	1,93.44	
Actual Expenditure	..	1,05.95	1,12.45	1,17.72	
Estimated	$\frac{\text{Surplus}(+)}{\text{Deficit}(-)}$..	(-)24.05	(-)30.48	(-)54.88
Actual	$\frac{\text{Surplus}(+)}{\text{Deficit}(-)}$..	(+)4.26	(-)6.98	(-)20.16

A few instances where variations between budget provisions and actual expenditure during the year was more than 20 per cent are given below:—

Head of account	Provision in		Actual expenditure	Variation with reference to revised budget estimate		
	Budget estimate	Revised budget estimate		Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
(In lakhs of rupees)						
1971-72						
Geology Department	..	2.21	2.56	2.04	0.52	20
M. S. Law College	..	2.03	3.78	2.28	1.50	40
Diploma certificate course	..	0.68	0.24	0.12	0.12	50
1972-73						
Geology Department	..	3.51	2.58	..	2.58	100
M. S. Law College	..	9.25	6.32	3.95	2.37	38
Department of Encyclopaedia	..	1.28	0.36	0.28	0.08	22
Department of Rural Economic Sociology	..	1.44	1.36	..	1.36	100
Diploma certificate course	..	0.74	0.38	0.22	0.16	42

Head of account	Provision in		Actual expenditure	Variation with reference to revised budget estimate	
	Budget estimate	Revised budget estimate		Amount	Percentage
(In lakhs of rupees)					
		1973-74			
Construction and maintenance of campus	70.42	27.83	11.57	16.26	58
Department of Encyclopaedia	0.76	0.27	0.21	0.06	22
Diploma certificate course ..	0.74	0.56	0.23	10.33	59

The reasons for savings have not been furnished by the University.

7.3.6. The Examiner of Local Accounts is the auditor of the University and his audit has been completed upto 1973-74.

The University had not sent (May 1977) compliance reports to audit observations of the Examiner of Local Accounts in respect of the accounts for any year since its inception. The number of objections raised, with their money value and recoveries suggested in the audit reports for 1971-72 to 1973-74 are as follows:—

	1971-72		1972-73		1973-74	
	Number of items	Value (In lakhs of rupees)	Number of items	Value (In lakhs of rupees)	Number of items	Value (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Objections raised	83	0.58	58	1.42	86	2.80
Recoveries suggested	41	0.14	38	1.02	51	0.84

The Commission appointed by the Government in October 1971 had commented (April 1972) on the large number of audit observations which remained unsettled.

The University has also not introduced (September 1977) the internal audit system envisaged in its statutes.

7.3.7. *Construction of buildings*—(a) The campus of the University is spread over an area of 392.276 acres of land. The construction of buildings and roads inside the campus (estimated cost : Rs. 2,05.66 lakhs) was entrusted to the State Public Works Divisions in 1962 for execution as deposit works.

Against Rs. 1,50.25 lakhs received from the University for execution of various works, the State Public Works Department reported to the University an expenditure of Rs. 2,07.27 lakhs upto April 1976, leaving a balance of Rs. 57.02 lakhs to be paid by the University. According to the University (April 1976), 37 works (estimated cost : Rs. 1,72.45 lakhs ; actual expenditure : Rs. 1,75.45 lakhs) had been completed and 4 other works (estimated cost : Rs. 33.21 lakhs ; actual expenditure : Rs. 31.82 lakhs) were in progress. The University approached the Government in April 1976 for financial assistance of Rs. 57.01 lakhs for clearing the liabilities towards the Public Works Department and for completing works in progress. Further developments are awaited (February 1978).

(b) A development programme drawn up (June 1966) by the University with the objective of developing it into a full-fledged residential University for promoting teaching and research by end of the Fourth Plan period was approved by the University Grants Commission in December 1967. The programme envisaged *inter alia* construction of hostels and teaching staff quarters, completion of buildings in progress, improvement to existing departments by appointment of additional teaching staff and transfer of post-graduate departments from Cuttack to Bhubaneswar.

The programme was estimated to cost Rs. 1,63.68 lakhs and the U. G. C. agreed to provide assistance for the purpose to the extent of Rs. 1,23.99 lakhs as its share. Balance was to be met by the University from its normal resources including block grant from the Government. The U. G. C. released Rs. 95.75 lakhs in different instalments during the period from 1966-67 to 1973-74. The expenditure to end of 1973-74 was Rs. 77.60 lakhs as shown below:—

Particulars of items	Estimated cost	Agreed share of U. G. C.	Amounts released by the U. G. C.	Actual expenditure upto 1973-74
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
Construction of buildings including spill-over works	1,12.50	72.61	53.03	35.14
Purchase of equipment ..	10.10	10.10	8.30	12.95
Books and periodicals ..	16.57	16.57	13.95	8.70
Salaries of teaching staff ..	24.71	24.71	20.47	20.81
Total	1,63.88	1,23.99	95.75	77.60

The shortfalls were attributed to:—

(i) delay in finalisation of works accounts and in submission of utilisation certificates in respect of earlier grants received from the U. G. C. blocking release of further grants for continuing works,

(ii) non-availability of suitable candidates for teaching posts in various departments and

(iii) temporary ban on fresh constructional activities imposed in 1971 by the U. G. C. as a measure of economy.

The expenditure on works thus fell short of grants released by the U. G. C. and the University had not contributed the proportionate matching funds for these works from its own resources.

(c) Two instances of increase in cost of building due to delay in execution are mentioned below:—

(i) The development programme for the Fourth Plan period included the setting up of a Central Workshop at a total cost of Rs. 1 lakh (buildings : Rs. 0.25 lakh, equipment : Rs. 0.50 lakh and staff : Rs. 0.25 lakh) so as to provide common workshop facilities to the teaching departments. An estimate of Rs. 0.47 lakh for the construction of the building was approved by the U. G. C. in September 1971. The construction of the building was started in January 1973 on the basis of a revised plan. Revised estimates for Rs. 0.77 lakh for the building were approved (March 1973) by the U. G. C. which agreed to provide Rs. 0.71 lakh as its share. The building was completed in January 1976 at a cost of Rs. 1.35 lakhs. After its completion the building was used to hold post-graduate classes in Law. The workshop has not been set up (December 1977) as neither equipment nor staff has been provided for the purpose.

(ii) As a part of the development programme, the construction of a hostel building at a cost of Rs. 8 lakhs was proposed by the University, 50 per cent of the cost being met by the U. G. C. Estimate for Rs. 9.84 lakhs prepared (January 1970) by the Public Works Department was approved by the U. G. C. in December 1970. The work which was to have been completed in 14 months as per the programme was completed after 33 months in November 1973. In the meantime, the estimate was revised (August 1972) by the Public Works Department to Rs. 14.75 lakhs taking into account the rise in cost of labour and materials and the University has so far (June 1977) paid Rs. 10.24 lakhs to the Public Works Department towards the cost of the building.

7.3.8. *Publication of encyclopaedia*—In 1957, the University undertook work on preparation and publication of an Oriya encyclopaedia at an estimated cost of Rs. 10.73 lakhs. Grants totalling Rs. 1.45 lakhs were paid by the Government for the purpose during 1957-58 and 1958-59. No time schedule was fixed for the purpose. On the basis of the advice of an advisory board set up in 1959 to guide and help the staff in their work, the University decided (1959) to bring out a small encyclopaedia for the common reader in the first instance.

Further grants totalling Rs. 1.06 lakhs were paid by the Government from 1959-60 to 1962-63. Five thousand copies each of the four volumes of small encyclopaedia were published by November 1965 at a total cost of Rs. 6.32 lakhs, the balance being met from the University funds. Although discounts ranging from 20 to 30 per cent were offered to push up sales, only 6,898 copies (out of 20,000 copies printed) had been sold till May 1977.

Work on the full size encyclopaedia programmed (1970) by the advisory board for completion in 8 years from 1971-72 at a cost of Rs. 15.29 lakhs is yet (June 1977) to commence. Meanwhile, the Government paid a further grant of Rs. 1.80 lakhs for the purpose. In February 1972, the State Government conveyed its inability to finance the project and advised the University to approach the Government of India for the purpose. However, further grant amounting to Rs. 0.05 lakh was paid by the Government on this account in 1972-73. The expenditure during 1967-68 to 1973-74 on maintenance of nucleus staff for correspondence work met partly from the Government grants (Rs. 1.85 lakhs) and partly from the available cash balances (Rs. 1.08 lakhs) amounted to Rs. 2.93 lakhs ; the nucleus staff continues to be entertained (January 1978).

7.3.9. *Avoidable expenditure on purchase of paper*—Upto 1973-74, the University was purchasing its requirement of paper from the open market. From 1974-75 paper was bought directly from the manufacturers. In May 1973, tenders were invited for supply of paper without mentioning the estimated quantity and detailed specification of the paper required nor specifying the period for which the rates offered were to be valid and the period for supply. Seven tenders were received in June 1973 quoting different rates for paper of various specifications. The comparative statement was placed before the tender committee in September 1973. On enquiry made in November 1973 at the instance of the tender committee, the tenderers expressed their inability to supply the requirement at the rates quoted by them in June 1973. The University without

inviting tenders afresh accepted (January 1974) the offer of one of the tenderers to make the supplies at enhanced rates. The tenderer again revised his rates on 4th February 1974 to be valid for ten days only. The latest enhanced rates were accepted and the supply order was placed on 6th February 1974. The cost of 4,070 reams of paper purchased from the firm was Rs. 2.35 lakhs. The delay in taking a decision on the tenders in the first instance resulted in an extra expenditure of Rs. 1.31 lakhs computed with reference to the rates offered by the firm in June 1973.

7.3.10. *Equipment*—Equipment valuing Rs. 15.02 lakhs were purchased for use in different departments of the University during the years 1971-72 to 1973-74. Similar purchases made during the five preceding years amounted to about Rs. 24 lakhs. There was no evidence of periodical verification of the equipment having been conducted at any time. According to notings in the stock register, equipment valuing Rs. 2.69 lakhs (like electronic calculators, Beta-ray spectrometer, Gama-ray spectrometer, Geiger counting system, etc.) were lying unused for long periods dating from as far back as 1966.

7.3.11. *Books and journals*—(a) Physical verification of books and journals in the University library was not conducted annually as required under the provisions of the financial rules, which the Government required (August 1975) the University to adopt for being eligible for block grants from the Government. A verification commenced in 1966 was not completed and the report on the verification was not finalised. Another verification undertaken in December 1975 disclosed that only 94,656 books were entered in the library register as against the 1,27,300 entered in the accession register. Value of shortages has not been determined and responsibility for the same has not been fixed so far (February 1978).

(b) During the year 1973-74, 11,530 books were entered in the accession register whereas only 4,348 books were shown to have reached the stacks and 4,125 other books were issued to the library. The remaining 3,057 books remained unaccounted for.

(c) The rules of the University in regard to library books require that books lent out should be returned within a maximum period of 60 days. Test-check (May 1977) showed that 2,561 books lent to 390 persons during the years 1949 to 1970 were to be returned.

(d) No systematic record for watching receipt of journals and their recording was maintained by the University. During the years 1972-73 and 1973-74, the University spent Rs. 1.73 lakhs on the purchase of back volumes of journals.

(e) An enquiry instituted (February 1972) by the University into the affairs of the library disclosed (report finalised in March 1974) *inter alia* the following irregularities :—

- (i) improper maintenance of records of issue, return and transfer of books,
- (ii) short cataloguing of books entered in the accession register,
- (iii) improper maintenance of index registers,
- (iv) failure to watch receipt and accounting of journals for which advance subscriptions were paid and
- (v) inadequate check on bills for supply of books.

Information regarding action taken on the report is awaited (February 1978).

7.3.12. *Grants-in-aid register*—Test-check of grants-in-aid register showed that the register was incomplete in that the year of receipt of grant and the years to which unutilised grants pertained were not indicated. Further, while the balance of unutilised grants as at the end of March 1974 was shown in the register as Rs. 64.35 lakhs, the report of the Examiner of Local Accounts showed the balance of unutilised grants as Rs. 74.49 lakhs. The University stated (May 1977) that the figures in the grants-in-aid register were not reliable and that the position would be reviewed and the discrepancies reconciled.

The register showed diversion of specific purpose grants to the extent of Rs. 43.05 lakhs for payment of salary, purchase of furniture, books and equipment, etc., that is, for purposes other than those for which the grants were intended.

Some of the irregularities noticed in the utilisation of grants are mentioned below:—

(a) A grant of Rs. 15.44 lakhs was sanctioned by the State Government in 1971-72 towards reimbursement of loss of fee income of the University on account of remission of examination fees to the students hailing from areas affected by the cyclone of November 1971. Actual fees realisable from 37,556 candidates in the final examination of 1971-72 was Rs. 14.23 lakhs, against which the University realised Rs. 4.32 lakhs. The loss on this account was thus only Rs. 9.91 lakhs; the balance of Rs. 5.53 lakhs has not been refunded to the State Government so far (January 1978).

(b) A sum of Rs. 5 lakhs was received by the University in December 1973 to clear up its liability to the State Public Works Department. The amount was credited to the general fund of the University and was not paid to the State Public Works Department as stipulated in the sanction order.

7.3.14. *Outstanding loans and advances*—(a) Interest-free loans amounting to Rs. 0.51 lakh advanced to students for prosecuting studies during the years 1951 to 1966 had remained unrealised. The records did not indicate any steps taken for recovery.

(b) The Principals of various colleges were advanced Rs. 6.40 lakhs (1,234 cases) during the years 1971-72 to 1973-74 to meet incidental expenses for conducting University examinations. Of this, a sum of Rs. 0.97 lakh (148 cases) was awaiting adjustment (February 1978) even after periods ranging from 3 to 6 years. These advances had been treated in the cash book as final charges.

(c) Advances totalling Rs. 0.25 lakh given to subordinates from 1967-68 onwards were pending (October 1977) adjustment.

The matters mentioned above were reported to the Government in October 1977 ; their reply is awaited (February 1978).

URBAN DEVELOPMENT DEPARTMENT

7.4. Special Planning Authority, Rourkela

7.4.1. *Introductory*—The Special Planning Authority, Rourkela was constituted in September 1961 under the provisions of the Orissa Town Planning and Improvement Trust Act, 1956, for the purpose of development of the civil township of Rourkela (excluding the Steel Plant area). The main functions of the Authority were preparation of the Master Plan for the township and development of land by providing well laid out roads, drainage, water supply, electricity, etc.

The Authority was replaced, with effect from January 1976 by the Rourkela Improvement Trust, which was later (November 1976) renamed as the Rourkela Regional Improvement Trust with jurisdiction extending to Biramitrapur and Rajgampur towns in addition to the civil township of Rourkela.

7.4.2. *Summary of receipts and expenditure*—The receipts and expenditure of the Special Planning Authority for the 5 year period ending 1975-76, upto

which year the statutory audit of the accounts by the Examiner of Local Accounts had been completed were as follows:—

	1971-72	1972-73	1973-74	1974-75	1975-76
(1)	(2)	(3)	(4)	(5)	(6)
	(In lakhs of rupees)				
Receipts—					
Assistance from Government—					
(a) Grants ..	0.22	4.29	11.10	5.22	6.84
(b) Loans ..	..	0.50	0.50	..	..
Total—Assistance from the State Government	0.22	4.79	11.60	5.22	6.84
Other receipts ..	2.71	5.51	2.98	2.78	0.49
Total receipts ..	2.93	10.30	14.58	8.00	7.33
Expenditure ..	1.19	6.96	7.51	3.57	9.68

The Government grants were for development of land to be leased out to private parties and towards maintenance expenditure. The loans were for construction of a market building. Points noticed in test-check (August 1977) of the accounts of the Authority for the years 1973-74 to 1975-76 are mentioned in the paragraphs which follow.

7.4.3. *Finance*—As per provisions of the Orissa Town Planning and Improvement Trust Act, 1956 the main sources of income of the Special Planning Authority are:—

- (i) grants by the State Government for the purpose of executing improvement schemes under the Act,
- (ii) collections of 2 per cent increase on duty imposed under the Indian Stamp Act, 1899 on any deed of transfer within its jurisdiction after deducting incidental expenses on collection incurred by the Government,
- (iii) annual contributions by the State Government,
- (iv) contributions from Municipal funds and
- (v) borrowings.

7.4.4. *Budget and accounts*—The Orissa Town Planning and Improvement Trust Act envisages the preparation of the annual budget and of the annual accounts showing capital and revenue funds of the Authority separately.

The budget and accounts were not prepared showing revenue and capital funds separately during any of the years. The details of receipts and outgo under capital and revenue heads showed that amounts totalling Rs. 4.06 lakhs were diverted during 1973-74 to 1975-76 from capital funds available with the Authority to meet revenue expenditure as shown below:—

Year	Receipts		Expenditure		Excess of revenue expenditure over revenue receipts
	Capital	Revenue	Capital	Revenue	
(In lakhs of rupees)					
(1)	(2)	(3)	(4)	(5)	(6)
1973-74 ..	13.94	0.64	6.65	0.86	0.22
1974-75 ..	7.92	0.08	1.47	2.10	2.02
1975-76 ..	7.15	0.18	7.68	2.00	1.82

The Trust stated (August 1977) that the diversion was necessitated by insufficient grants received from the Government for maintenance. There was, however, no evidence to show that the State Government was apprised of the diversion of the grants given for developmental purposes for meeting revenue expenditure.

7.4.5. *Development of land*—According to the Master Plan prepared by the Authority and notified in December 1964, the total area to be developed was 2,527 acres, which was demarcated into 8 different areas of size ranging from 224 to 622 acres.

In the absence of technical organisation of its own for execution, the development works were entrusted to the divisions of the State Public Works, Public Health and Electrical Organisation for execution as deposit works. The preliminary estimates (estimated cost; Rs. 63.13 lakhs) supported by rough plans have been received so far (December 1977) from the various divisions for development of land in Areas 7 and 8 (total area ; 400 acres). Final plans and detailed estimates have not been received. During the period from 1965-66 to 1975-76, Rs. 31.15 lakhs were deposited with the Public Works Divisions against these estimates. The development work in Areas 7 and 8 was commenced in 1968-69 and to end of 1975-76 only 250 acres (out of 400 acres) had been developed. The Authority attributed (August 1977) the slow progress to lack of funds. The Authority had not, however, deposited the full amount of Rs. 47.83 lakhs received from the Government towards development cost for lands allotted to various Govern-

ment departments (Rs. 21.20 lakhs) and development grant for lands allotted to private parties (Rs. 26.63 lakhs).

7.4.6. *Delay in finalisation and receipt of development cost*—Under the rules prescribed (January 1968) for disposal of Government lands in the Civil township of Rourkela, the cost of development of plots is to be fixed by the Special Planning Authority (now the Rourkela Regional Improvement Trust). The development work was commenced in 1968-69. The average cost of development of land as assessed (January 1971) in consultation with the Executive Engineers of various Engineering Departments was Rs. 0.27 lakh per acre. Final decision fixing the rate of development cost per acre has not, however, been taken so far (January 1978).

The position of different categories of lands allotted to Government departments and to private parties is indicated below:—

(a) *Government departments*—The Government had ordered (January 1963) that Government departments would have to pay to the Special Planning Authority the average cost of development of land in the Rourkela Civil township which was roughly estimated at Rs. 12,000 per acre and was expected to go upto Rs. 15,000 per acre or even more. However, the rate for payment by the Government departments has not been revised at any time, thereafter, although the rate of premium per acre for the lease of lands to private individuals was fixed at Rs. 0.25 lakh upto September 1972 and were later enhanced to Rs. 0.35 lakh in October 1972 and further to Rs. 0.50 lakh in May 1976. In January 1973, the Special Planning Authority approached the Urban Development Department to increase the rate from Rs. 0.12 lakh to Rs. 0.25 lakh per acre. Further developments are awaited (February 1978). Between 1963 and 1975, 434.14 acres of land had been allotted to various departments of Government. Upto the time of audit (August 1977), it had received only Rs. 21.20 lakhs against Rs. 52.10 lakhs recoverable at the rate of Rs. 0.12 lakh per acre. Of the balance of Rs. 30.90 lakhs, Rs. 29.50 lakhs related to 10 Departments which had not made any payment for the lands allotted to them. The departments to which bulk of the arrears related were:—

Name of Department	Amount outstanding (In lakhs of rupees)
Home	.. 9.30
Education and Youth Services	.. 7.18
Labour, Employment and Housing	.. 5.52
Industries	.. 4.25
Revenue	.. 1.91

(b) *Private parties*—In December 1971, the Revenue Department framed a set of rules providing *inter alia* for payment of 90 per cent of the receipts by the Government towards premium on lease of lands to private parties to the Special Planning Authority as development grants. The dates for and periodicity of payment of these grants were, however, not fixed under the rules. The lease of lands to private parties in the township commenced in 1969-70 and to end of 1975-76 allotment of plots of area totalling 75.84 acres had been made after collection of premium amounts aggregating Rs. 32.23 lakhs. The receipts on account of premium and the development grants received from the Government during 1969-70 to 1975-76 were as follows:—

Year	Receipts on account of premium	Amount payable as development grant	Development grant actually received
(In lakhs of rupees)			
1969-70	3.17	2.85	..
1970-71	1.51	1.36	..
1971-72	6.39	5.75	..
1972-73	5.82	5.24	4.22
1973-74	5.20	4.68	10.50
1974-75	7.50	6.74	5.17
1975-76	2.65	2.39	6.74
Total	32.24	29.02	26.63

7.4.7. *Accounts of development works*—Although Rs. 31.15 lakhs had been deposited by the Authority with various Engineering Divisions for taking up development works between 1965-66 and 1975-76 (against rough estimates for Rs. 63.13 lakhs), there was no procedure for obtaining periodical reports about the progress of execution of works and of expenditure. The entire sum of Rs. 31.15 lakhs continues to be shown (December 1977) as advance to be adjusted on receipt of accounts. The Authority has, however, sent to the Government utilisation certificates for the sum of Rs. 26.63 lakhs received on account of development grants.

7.4.8. *Construction of market building*—The construction of a market building with 28 shops in Area 9 (Uditnagar) of the Civil township for which a loan of Rs. 1 lakh was received from the Government (Rs. 0.50 lakh each in 1972-73 and 1973-74) was entrusted to the Public Works Department as a deposit work in July 1973 and Rs. 1.50 lakhs were deposited (July 1973 and May 1974) against the estimated cost of Rs. 2.60 lakhs. The ground floor consisting of 17 shops was completed by the Public Works Department at a cost of Rs. 1.74 lakhs and made over to the Authority in February 1975. The electric installation therein was, however, completed by the Special Planning Authority in June 1976 at a cost of Rs. 0.06 lakh. Work on providing sanitary installation in the building is yet to be started; an amount of Rs. 0.03 lakh was deposited with the Public Health Division for the purpose in June 1976.

After taking over the building from the Public Works Division, the Special Planning Authority found in August 1975 that several horizontal and vertical cracks had developed in the walls of the building leading to leakage of rain water. The defects were got repaired through the Public Works Department between September 1975 and March 1976.

The shops completed in February 1975 were given on rent to the Rourkela Regional Consumers' Co-operative Society in March 1976 at Rs. 1,750 per month. The loss of revenue due to delay of over 12 months in letting out the shops amounted to Rs. 0.21 lakh.

No agreement for the lease of the shops to the Society was executed. The Society to which the shops were let out on 1st March 1976 did not pay any rent for 3 months upto June 1976 on the ground of non-completion of electric and sanitary fittings.

Work in respect of the other 11 shops in the first floor has not been commenced so far December 1977.

7.4.9. *Other revenues*—(a) Collections by way of additional stamp duty imposed by the Registering Officers in respect of deeds of transfer of immovable property situated within the jurisdiction of the Authority are receivable by it after deduction of 4 per cent towards collection charges. The additional stamp duty realised by the Registering Officers during this period amounted to Rs. 1.45 lakhs out of which Rs. 1.28 lakhs towards

Authority's share of collections upto 1974-75 were paid to the Authority in May 1976. The yearwise details are given below:—

Year	Amount
	(In lakhs of rupees)
Upto 1972-73 ..	1.10
1973-74 ..	0.11
1974-75 ..	0.12
1975-76 ..	0.12
	<hr/>
	1.45
	<hr/>

The Special Planning Authority received Rs. 1.28 lakhs towards its share of collections upto 1974-75 only in May 1976. The share of collections in 1975-76 is yet to be received (December 1977).

(b) Under the provisions of the Orissa Town Planning and Improvement Trust Act, 1956, Municipalities/ Notified Area Councils within the jurisdiction of the Special Planning Authority/Improvement Trust were required to pay to the latter half-yearly a sum equivalent to one per cent (revised to $\frac{1}{2}$ per cent with effect from February 1976 including on arrears due) per quarter of the annual ratable valuation of holding tax.

The Authority had received only Rs. 0.06 lakh between March 1964 and March 1970 on this account from the Notified Area Council, Rourkela. No payment had been received beyond March 1970. It has also, no information regarding the amount actually due on this account for the period from 1961 onwards. The Authority stated (August 1977) that the Notified Area Council had been moved to assess the amount and to clear the dues.

The matter was reported to the Government in September 1977; their reply is awaited (February 1978).

IRRIGATION AND POWER DEPARTMENT

7.5. Subsidies for lift irrigation projects—All the functions of the erstwhile Lift Irrigation Directorate were transferred by Government to the newly formed Orissa Lift Irrigation Corporation Limited in October 1973. At the time of formation of the Corporation, Government decided that (i) all the completed projects of the Directorate were to be transferred to it under a management system for which an agreement was to be entered

into by the Corporation with the Government for the operation and maintenance of the projects and collection of water charges at rates approved by the Government, (ii) economic rates for water charges were to be fixed according to the principles to be decided with the prior approval of the Government, and (iii) where the Government gave specific directions to levy water charges at rates less than the economic water rate, the difference was to be reimbursed as subsidy.

The Corporation proposed (October 1973) the levy of water charges at Rs. 5.06 per acre inch of water supplied from the Government projects and at Rs. 6.20 per acre inch of water supplied from its own projects. The Government, however, ordered (October 1973) the levy of water charges at a uniform rate of Rs. 2.40 per acre inch of water in all the cases. Although the arrangement has been in force for over 4 years, no agreement has been executed with the Corporation detailing the terms and conditions of management and operation of the Government projects. Economic water rates have also not been fixed (February 1978).

In the meantime, the Government has been releasing amounts towards water rate subsidy on an *ad hoc* basis.

Ad hoc payments totalling Rs. 3,54.85 lakhs have been made upto 1976-77 by the Government to the Corporation towards subsidy against sanctions issued from time to time as detailed below:—

Year	Subsidy paid (In lakhs of rupees)
1973-74 ..	25.84
1974-75 ..	1,01.00
1975-76 ..	1,13.85
1976-77 ..	1,40.00
	3,54.85

The payments await regularisation (January 1978).

The matter was reported to the Government in December 1977; their reply is awaited (February 1978).

FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT

7.6. Financial assistance for development of marine fisheries

A co-operative society of fishermen was organised by the department at Kirtania with the object of strengthening their economic condition by transfer to the society of the fishing operations being conducted departmentally upto the year 1973-74. The society was registered in September 1974. The total financial assistance provided by the Government during the period from January 1975 to March 1977 amounted to Rs. 10.65 lakhs as detailed below:—

Nature of assistance (1)	Amount (In lakhs of rupees)			Total (5)
	1974-75 (2)	1975-76 (3)	1976-77 (4)	
(i) Share capital contribution	1.00	..	0.94	1.94
(ii) Subsidy ..	1.92	0.07	3.35	5.34
(iii) Value of boats transferred by Government and treated as loan	3.20	..	..	3.20
(iv) Expenditure on repairs to boats transferred	..	0.17	..	0.17
Total	6.12	0.24	4.29	10.65

Points noticed in test-check (May-June 1977) of records in the Directorate of Fisheries connected with utilisation of assistance are mentioned below:—

(a) In March 1975, the department transferred to the society 10 departmental boats already in operation at Kirtania for operation by it. After the transfer, the department spent Rs. 0.17 lakh under orders of the Government in December 1975 for repairs to these boats. According to the Government orders issued in August 1976, the depreciated value of the 10 old boats (Rs. 3.20 lakhs) was to be treated as loan to the society; the

loan was to bear interest of 10·5 per cent per annum and was to be recovered in 5 annual instalments. The loan bonds had not, however, been executed upto the time of audit nor has the value of these boats been included in the annual accounts of the society, due, as mentioned in the audit report (March 1977) on the society, to the boats not being "handed over properly to the society".

The overdue amount awaiting recovery from the society as at the end of March 1977 was Rs. 1·88 lakhs (interest: Rs. 0·60 lakh, 2 instalments of principal : Rs. 1·28 lakhs).

Although the society had not utilised the initial subsidy of Rs. 0·80 lakh (by raising institutional loans for purchase of new boats), a further subsidy of Rs. 3·20 lakhs was sanctioned in favour of the society in August 1976 for purchase of boats and the amount was disbursed in November 1976. No new boats have been purchased by the society (February 1978).

(b) The subsidy of Rs. 0·80 lakh paid in February 1975 was intended to enable the society to obtain loans from financial institution for purchase of new boats. The amount was deposited with the Orissa State Co-operative Bank in a suspense account. Neither has the society obtained any loan (January 1978) nor have any new boats been purchased by it. The subsidy of Rs. 0·80 lakh which should have been spent within a maximum period of one year has thus neither been utilised nor refunded to Government (February 1978).

(c) In August 1976, the Government sanctioned a further investment of Rs. 0·94 lakh in the share capital of the society (over and above Rs. 1·00 lakh invested in January 1975) so as to enable it to borrow loans from the District Central Co-operative Bank for implementation of the programme. The amount was disbursed to the society in November 1976. Information on the extent of loan raised by the society with the investment was, however, not available with the department (February 1978).

(d) The department has not so far (January 1978) received any return on the share capital investment. No report on the utilisation of subsidies paid from time to time were also obtained by the department.

The matter was reported to the Government in November 1977; their reply is awaited (February 1978).

INDUSTRIES DEPARTMENT

7.7. Crystal sugar unit at Krishnanagar

Mention was made in paragraph 3.6 of the Report of the Comptroller and Auditor General of India for the year 1973-74. Government of Orissa—(Civil) regarding non-commencement of production upto March 1974 by the crystal sugar unit at Krishnanagar, set up under the Rural Industries Project. Further points noticed in test-check of the records of the sanctioning authority are mentioned below:—

The building for the unit, the work on which was started in 1963-64 and was abandoned by a contractor in June 1966 was completed departmentally in September 1972. The unit was commissioned after installation of machinery, fittings, etc., in February 1975. Upto the date of commissioning in February 1975, the Government had invested Rs. 5.01 lakhs on the unit on machinery (Rs. 2.81 lakhs) and building (Rs. 2.20 lakhs). The department entrusted the management of the unit to a co-operative society, constituted (February 1964) for the purpose. The society was to pay a rent of Rs. 8,000 per annum for the building and the value of machinery was treated partly as grant (Rs. 1.31 lakhs) and partly as loan (Rs. 1.50 lakhs). In addition, the society was also paid working capital loan of Rs. 1.00 lakh in 1974-75, repayable in 15 equal annual instalments together with interest at 7 per cent per annum.

Production in the unit which was commenced in February 1975 ceased with effect from June 1975 reportedly due to inadequacy of sugarcane in the area. The power connection to the unit was got disconnected by the society in December 1976.

The co-operative society had shown losses totalling Rs. 0.25 lakh in its accounts for the years 1974-75 to 1976-77 excluding liabilities aggregating Rs. 1.58 lakhs towards rent of building payable to the Government at Rs. 8,000 per annum (Rs. 0.16 lakh), depreciation on plant (Rs. 0.66 lakh) and interest on capital (Rs. 0.76 lakh).

Apart from the rent for the building and interest on capital receivable by the Government, overdues from the society upto March 1977 towards repayment of loans and payment of interest amounted to Rs. 1.28 lakhs (Principal Rs. 0.52 lakh and interest: Rs. 0.76 lakh).

The matter was reported to the Government in October 1977; their reply is awaited (February 1978).

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND
INSPECTION REPORTS

8.1. Outstanding audit observations

(a) Audit observations on financial transactions of the Government are reported to the departmental authorities concerned so that appropriate action is taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement. In accordance with the orders of the Government (July 1960), committees were set up in all departments, consisting of a representative each of the Finance Department, the department to which the audit observations relate and the Audit office, to review the outstanding observations and formulate necessary measures for their prompt clearance. The Committee on Public Accounts has also been stressing the need for expeditious settlement of audit observations.

The following table shows the number of audit observations issued upto the end of March 1977 and outstanding at the end of September 1977 as compared with the corresponding position indicated in two preceding Reports :—

		As at the end of September		
		1975	1976	1977
Number of observations	..	1,40,135	1,21,512	1,29,630
Amount (In crores of rupees)	..	1,06.47	1,23.91	1,23.43

The yearwise analysis of the audit observations issued upto March 1977 which were not settled upto 30th September 1977 is given below:—

Year of issue		Number of items	Amount (In crores of rupees)
1972-73 and earlier years	..	98,530	59.80
1973-74	..	3,738	8.05
1974-75	..	5,637	10.88
1975-76	..	8,858	24.18
1976-77	..	12,867	20.52
Total		1,29,630	1,23.43

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

Sl. No.	Department	Number	Amount (In crores of rupees)
1.	Irrigation and Power	.. 11,275	31·93
2.	Tribal and Rural Welfare	.. 13,414	14·78
3.	Agriculture and Co-operation	.. 10,065	14·46
4.	Revenue and Excise	.. 15,128	11·84
5.	Health and Family Welfare	.. 12,629	9·61
6.	Community Development and Social Welfare	36,671	9·11
7.	Works	.. 2,774	7·45
8.	Industries	.. 2,884	6·65
9.	Home	.. 8,438	6·05
10.	Education and Youth Services	.. 3,810	2·83
11.	Forest, Fisheries and Animal Husbandry	.. 3,072	2·38
12.	Commerce and Transport	.. 2,725	1·86
13.	Urban Development	.. 1,273	1·17
14.	Rural Development	.. 754	1·11

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

Sl. No.	Nature of observation	Number	Amount (In crores of rupees)
1.	Detailed contingent bills for lumpsum draws not received	46,394	43·38
2.	Payees' receipt not received	.. 51,244	27·36
3.	Sanctions to estimates or excess over estimates not received	4,609	26·79
4.	Agreements with contractors/suppliers not received	3,904	6·43
5.	Sanctions for contingent and miscellaneous expenditure not received	8,929	3·52
6.	Sanctions to reserve stock limit or excess over reserve stock limit not received	48	2·44
7.	Vouchers not received	.. 2,197	2·11
8.	Excess payments/short recoveries	.. 652	0·05

(d) The facility of drawing amounts as advances on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases but abstract contingent bills are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents), which are to be sent to the Audit Officer within three months of the drawal of the advance in respect of works expenditure and within one month in other cases.

In the absence of detailed contingent bills, it is not practicable for Audit to know whether the amount has been spent for the purpose or purposes for which the advances were drawn. Rupees 43.38 crores were held under observation as detailed contingent bills had not been received in the Audit office at the end of September 1977. The departments with comparatively heavy outstandings on this account are mentioned below:—

Sl. No.	Department	Amount (In crores of rupees)
1.	Tribal and Rural Welfare	10.02
2.	Agriculture and Co-operation	8.30
3.	Revenue and Excise	8.24
4.	Community Development and Social Welfare	5.77
5.	Home	3.90
6.	Health and Family Welfare	1.91
7.	Industries	1.74
8.	Education and Youth Services	1.05
9.	Commerce and Transport	0.67

(e) A sizable portion (Rs. 29.47 crores) of the total outstanding is due to non-submission of payees' receipts and vouchers. The departments with comparatively heavy outstandings on this account are:—

Sl. No.	Department	Number	Amount (In crores of rupees)
Non-submission of payees' receipts—			
1.	Health and Family Welfare	10,023	6.98
2.	Industries	257	3.13
3.	Agriculture and Co-operation	2,941	2.70

Sl. No.	Department	Number	Amount (In crores of rupees)
4.	Community Development and Social Welfare	19,241	2.30
5.	Tribal and Rural Welfare	4,508	2.03
6.	Revenue and Excise	2,083	1.73
7.	Home	1,441	1.68
8.	Education and Youth Services	1,526	1.51
9.	Forest, Fisheries and Animal Husbandry	2,016	1.44
10.	Irrigation and Power	1,005	1.10
11.	Commerce and Transport	2,022	0.93
12.	Works	985	0.81
Non-submission of vouchers—			
1.	Irrigation and Power	1,023	1.12
2.	Works	808	0.68
3.	Rural Development	263	0.23
4.	Urban Development	103	0.09

(f) Sums aggregating Rs. 26.79 crores (4,609 items) were outstanding as on 30th September 1977 due to non-receipt from the Public Works Department of sanctions to estimates or sanctions regularising the excesses over estimates.

8.2. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of offices and higher departmental authorities through audit inspection reports. Important irregularities are also reported to Heads of Departments and the Government. The Government has prescribed that first replies to inspection reports should be sent within four weeks.

At the end of September 1977, 9,354 inspection reports issued upto March 1977 contained unsettled paragraphs as shown below with corresponding figures for the earlier two years:

	At the end of September		
	1975	1976	1977
Number of inspection reports with paragraphs not settled	9,098	8,812	9,354
Number of paragraphs ..	40,592	40,756	43,715


The year wise analysis of outstanding inspection reports and paragraphs is given below:—

Year		Number of inspection reports	Number of paragraphs
Upto 1971-72	..	4,810	17,319
1972-73	..	931	4,503
1973-74	..	858	4,381
1974-75	..	1,026	5,673
1975-76	..	799	5,406
1976-77	..	930	6,433
	..	<u>9,354</u>	<u>43,715</u>

The following departments had comparatively heavy outstanding inspection reports:

Department	Number of inspection reports	Number of paragraphs
Community Development and Social Welfare ..	1,579	9,629
Revenue and Excise ..	1,201	4,738
Irrigation and Power ..	836	4,431
Agriculture and Co-operation ..	745	3,218
Works ..	679	3,207
Forest, Fisheries and Animal Husbandry ..	776	3,142
Finance ..	447	2,412
Education and Youth Services ..	662	2,353
Commerce and Transport ..	248	1,783
Health and Family Welfare ..	399	1,670
Rural Development ..	366	1,632
Urban Development ..	301	1,367
Home ..	326	1,100
Industries ..	266	1,047

Of the 9,354 reports outstanding at the end of September 1977, 7,872 reports related to civil departments, 1,044 to revenue receipts and 438 to commercial departments. These included 965 inspection reports (772 civil and 193 revenue receipts), first replies for which had not been received till the end of September 1977.



BHUBANESWAR,


(R. K. CHANDRASEKHARAN)

The

22 MAR 1978

Accountant General, Orissa

Countersigned



NEW DELHI,

(A. BAKSI)

The 23 MAR 1978

Comptroller and Auditor General of India

A P P E N D I C E S

APPENDIX I

(Reference : Paragraph 2.4, page 34)

Grants / charged appropriations where savings (more than Rs . 2 lakhs in each case) were more than 10 per cent of the total provision

Sl. No.	Number and name of grant / charged appropriation	Total grant / charged appropriation	Expenditure	Saving	
				Amount	percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
<i>Revenue Section</i>					
1.	3—Expenditure relating to the Revenue Department	19,16.39	17,11.36	2,05.03	11
2.	5—Expenditure relating to the Finance Department	30,88.26	7,34.30	23,53.96	76
3.	16—Expenditure relating to the Planning and Co-ordination Department	3,10.84	87.48	2,23.36	72
4.	17—Expenditure relating to the Rural Development Department	10,31.65	8,98.27	1,33.38	13
5.	23—Expenditure relating to the Agriculture and Co-operation Department	24,10.97	18,17.03	5,93.94	25
<i>Capital Section</i>					
6.	1—Expenditure relating to the Home Department	23.78	17.45	6.33	27
7.	3—Expenditure relating to the Revenue Department	45.01	25.08	19.93	44
8.	5—Expenditure relating to the Finance Department	19,09.72	15,39.06	3,70.66	19
9.	6—Expenditure relating to the Commerce Department	81.43	44.55	36.88	45
10.	10—Expenditure relating to the Education Department	57.77	49.50	8.27	14
11.	23—Expenditure relating to the Agriculture and Co-operation Department	18,44.77	15,50.65	2,94.12	16

APPENDIX II

Statement showing particulars of roads taken up under Drought Prone Area Programme

(Reference : Paragraph 3.1.10, page 60)

Sl. No.	Name of the road	Length (Kilometres)	Estimated cost (In lakhs of rupees)	Expenditure upto		Length completed (Kilometres)	Remarks
				1973-74	September 1977		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Phulbani district							
1.	M a n m u n d a - Kantamal-Ghanatapara	43.2	13.28	11.33	14.60	33.6	Part collection and consolidation of metal over 9.6 kilometres and construction of 6 numbers of hump pipe culverts estimated to cost Rs. 0.99 lakh left to be done for want of funds. Technical sanction has not so far been accorded (December 1977).
2.	Baliguda-B a r k h a m a - K h a m a n - k h o l e	32.0	11.69	12.30	15.78	24.0	For incomplete portion, consolidation of metal to be done for 3,577 cubic metres for which Rs. 0.84 lakh were required. Technical sanction has not been accorded (December 1977).
3.	Tumnibandh-Belghar-Jirpani	32.0	19.45	10.44	11.49	3.2	The incomplete portion was estimated to cost Rs. 36.50 lakhs more for completion. Technical sanction has not so far been accorded (December 1977).
4.	Phiringia-Gochapada-Balandapada	68.8	11.77	13.97	14.27	68.8	Completed. Technical sanction has not so far been accorded (December 1977).

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Kalahandi district							
5.	Junagarh-D a s i- gaon-Kalampur	40·0	25·00	24·09	27·19	20·0	Work on metalling over 5 kilometres, black-topping over 15 kilometres and two bridges at Kulajurna and Lalitjurna nalla estimated to cost Rs. 5·70 lakhs has yet to be done.
6.	Rampur - Resida- Karlamura	32·0	16·00	15·03	17·31	32·0	Completed.
7.	Dh a r m a g a r h Golamura- Sina- palli	43·2	10·00	12·30	13·91	3·2	First coat metalling over 5 kilometres, second coat metalling over 11 kilometres and black-topping over 24 e s t i m a t e d to cost Rs. 11·34 lakhs remains incomplete. chnical sanction has not so far been accorded (December 1977).
Total		2,91·2	1,07·19	99·46	1,14·55	1,84·8	

APPENDIX

(Reference : Paragraph 3-22,

Misappropriations, losses, etc., reported upto 31st March 1977

Sl. No.	Name of the Department	Cases in which criminal/departmental proceedings have not been instituted due to non-receipt of detailed reports from subordinate authorities		Cases in which departmental action started but not finalised		Cases in which departmental proceedings finalised and recovery is in progress	
		Number	Amount (In lakhs of rupees)	Number	Amount (In lakhs of rupees)	Number	Amount (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Revenue and Excise	20	0.82	41	1.86	6	0.21
2.	Forest, Fisheries and Animal Husbandry	82	9.89	40	3.65	1	0.06
3.	Agriculture and Co-operation	26	4.23	23	1.85	4	0.05
4.	Education and Youth Services	4	0.56	22	6.35	3	0.07
5.	Public Health and Family Welfare	12	1.57	16	3.21	1	0.01
6.	Community Development and Social Welfare	9	0.64	11	1.21	5	0.47
7.	Tribal and Rural Welfare	4	0.01	21	1.62	8	0.16
8.	Home ..	7	0.46	24	1.40	2	0.16
9.	Industries ..	3	0.06	14	1.01	4	0.11
10.	Commerce and Transport	4	0.83	13	0.50	6	0.14
11.	Finance ..	4	0.72	9	2.08	1	0.06
12.	Mining and Geology	4	0.03	1	0.01	..	..
13.	Law ..	1	0.01	3	1.75	..	..
14.	Food and Civil Supplies	2	0.29	1	0.01	1	0.02
15.	Labour, Employment and Housing	2	0.39	1	0.13	..	..
16.	Tourism and Cultural Affairs ¹	2	0.18	..	..	..	..
17.	Political and Services.	1	0.93	..	..	..	..
18.	Works ..	63	4.99	57	4.43	105	6.44
19.	Irrigation and Power	53	16.69	87	5.13	10	0.27
20.	Urban Development	6	3.46	65	6.95	4	0.12
21.	Rural Development	7	0.21	43	1.03
Total		316	46.97	492	44.18	161	8.35

III

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pending finalisation at the end of September 1977.

Cases in which criminal cases finalised but execution/certificate cases for recovery of the amount is pending		Cases awaiting Government orders for recovery or write off		Cases in court of law		Total	
Number	Amount (In lakhs of rupees)	Number	Amount (In lakhs of rupees)	Number	Amount (In lakhs of rupees)	Number	Amount (In lakhs of rupees)
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
48	7.01	8	0.40	16	2.51	139	12.81
..	..	6	0.78	..	..	129	14.38
4	0.21	10	0.20	18	1.15	85	7.69
..	..	..	..	4	0.22	33	7.20
7	0.29	6	0.26	1	0.28	43	5.62
5	1.00	3	0.25	6	0.65	39	4.22
..	..	3	0.37	6	3.80	42	5.96
..	..	1	0.01	3	0.47	37	2.50
..	..	3	0.05	2	0.01	26	1.24
..	..	1	0.01	1	0.09	25	1.57
..	..	2	0.06	1	1.21	17	4.13
..	..	2	0.05	..	..	7	0.09
..	..	..	..	1	0.01	5	1.77
1	0.31	1	0.04	1	0.03	7	0.70
..	..	..	..	..	..	3	0.52
..	..	..	..	..	..	2	0.18
..	..	1	0.04	..	..	2	0.97
2	5.89	4	12.80	..	..	231	34.55
1	1.21	16	1.07	7	0.22	174	24.59
..	..	1	0.02	3	0.18	79	10.73
..	..	..	..	..	..	50	1.24
68	15.92	68	16.41	70	10.83	1,175	1,42.66

APPENDIX

(Reference : Paragraph

List of Urban Water-Supply Schemes

Sl. No.	Name of the Scheme	Amount of latest approved estimate	Pattern of financial assistance	Amount to be deposited by the body from institutional finance	Amount received from the Life Insurance Corporation
(1)	(2)	(3)	(4)	(5)	(6)
1.	Cuttack Main Water Supply Scheme	51.26	A	..	..
2.	Sambalpur (Main) Water Supply Scheme	33.69	A	..	..
3.	Rayagada Water Supply Scheme	16.57	A	..	..
4.	Parlakhemundi Water Supply Scheme	21.01	A	..	..
5.	Biramitrapur Water Supply Scheme	2.60 2.23	not indicated (Extension) B	..	..
6.	Berhampur (Re-organisation) Water Supply Scheme	60.95	A	..	..
7.	Deogarh Water Supply Scheme	2.31	A	..	..
8.	Bhubaneswar (old town) Water Supply Scheme	47.93	A & C	16.47	..
9.	Water Supply to Puri town (Re-organisation)	76.54	A & C	25.68	..
10.	Biramitrapur Water Supply Scheme	9.20	A & C	5.22	1.29
11.	Barbil Water Supply Scheme	18.55	A	..	..
12.	Phulbani Water Supply Scheme	1.83	A
13.	Jeypore Water Supply Scheme	40.00	A & C	8.00	8.33

IV

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undertaken upto March 1977

(Amount in lakhs of rupees)

Amount actually deposited by the body	Expenditure upto March 1977	Year of commencement	Whether completed or not
(7)	(8)	(9)	(10)
..	51'33	1948	Completed in 1959-60
..	34'91	1953-54	Completed in 1959-60
..	16'87	1954	Completed in 1959-60
..	21'10	1956	Completed in 1959-60
..	5'84	1956-57	Completed in 1965-66 Please also see Sl. No. 10
..	54'79	not available (Extension) 1960	Incomplete mainly in respect of rising main, service reservoir, distribution system, quarters for staff, and stand posts
..	0'49	1960-61	Completed in 1960-61
..	27'54	1960-61	Incomplete mainly in respect of overhead tank, under ground tank and pipe lines
..	44'36	1961	Incomplete mainly in respect of overhead tank, tube-well, pump chamber and distribution system
..	1'20	1961/1967	Completed in 1973-74
..	17'65	1961	Completed in 1973-74
..	2'00	1961	Completed in 1963-64
8'00	40'03	1961-62	Incomplete mainly in respect of intake well, pumping plant, rising main, service reservoir and distribution system

Sl. No.	Name of the Scheme	Amount of latest approved estimate	Pattern of financial assistance	Amount to be deposited by the body from institutional finance	Amount received from the Life Insurance Corporation
(1)	(2)	(3)	(4)	(5)	(6)
14.	Balasore Water Supply Scheme	67.05	A & C	37.39	26.33
15.	Sundergarh Water Supply Scheme	9.63	A	..	..
16.	Water Supply to Rourkela (C. T.)	1,35.16	A	..	..
17.	Nowrangapur Water Supply Scheme	7.75	A	..	..
18.	Baripada Water Supply Scheme (Aug.)	66.19	A & C	29.21	..
19.	Cuttack extension Water Supply Scheme	30.00	A	..	..
20.	Bhawanipatna Water Supply Scheme	45.16	A & C	15.59	15.33
21.	Koraput Water Supply Scheme	32.14	A & C	6.76	..
22.	Dhenkanal Water Supply Scheme	38.93	A & C	20.95	28.33
23.	Keonjhar Water Supply Scheme	15.73	A	..	..
24.	Jharsuguda Water Supply Scheme	53.97	A & C	22.21	..
25.	Baragarh Water Supply Scheme	12.93	A	..	..
26.	Bhadrak Water Supply Scheme	40.00	C	26.67	21.33

(Amount in lakhs of rupees)

Amount actually deposited by the body	Expenditure upto March 1977	Year of commencement	Whether completed or not
(7)	(8)	(9)	(10)
20'83	54'88	1961-62	Incomplete mainly in respect of tube-wells, pump sets, R C C Reservoir, rising main, distribution system and chlorinator
..	8'68	1962	Completed in 1973-74
..	1,16'88	1962	Incomplete mainly in respect of distribution, storage, pipe line and treatment plant
..	6'77	1962-63	Completed in 1971-72
..	24'37	1962-63	Incomplete mainly in respect of treatment plant, overhead tank, pipe line, intake well, pumping plant and underground sump
-	33'00	1963	Completed in 1973-74
10'50	36'24	1965	Incomplete mainly in respect of reservoir and distribution system
..	28'47	1965-66	Incomplete mainly in respect of treatment plant, rising main, distribution system, storage intake well and pump chamber
10'33	28'81	1966	Incomplete mainly in respect of tube-well raw water pump chamber, rising main, storage tank, reservoir and distribution line
..	15'30	1966	Incomplete mainly in respect of distribution system
..	16'69	1966-67	Incomplete mainly in respect of electrification, infiltration gallery, staff quarters, rising main and distribution system
..	16'95	1966	Completed in 1973-74
13'33	25'11	1966-67	Incomplete mainly in respect of chlorinator, overhead tank, distribution system and deep tube-well

Sl. No.	Name of the Scheme	Amount of latest approved estimate	Pattern of financial assistance	Amount to be deposited by the body from institutional finance	Amount received from the Life Insurance Corporation
(1)	(2)	(3)	(4)	(5)	(6)
27	Burla Water Supply Scheme	20.83 (Proposed estimate) Scheme not yet sanctioned (August 1977)	Not decided (August 1977)	..	..
28.	Rajgan g p u r Water Supply Scheme	19.02	A & C	6.88	6.00
29.	Kendrap a r a Water Supply Scheme	20.51	A	..	..
30.	Jajpur R o a d Water Supply Scheme	11.26	A	-	-
31.	Jajpur Tow n Water Supply Scheme	16.39	A	..	..
32.	Water Supply to Khurda town	39.86	C	26.57	12.00
33.	Bolangir Water Supply Scheme	47.10	A & C	17.40	16.67
34.	Water Supply to Nayagarh town	9.18	C	6.12	8.00
35	Sambalpur (Extension) Water Supply Scheme	3.22	A	..	..
36.	Patnagarh Water Supply Scheme	19.62	A & C	6.17	..
37.	Bhanjanagar Water Supply Scheme,	9.63	C	6.42	..
38.	Joint Water Supply Scheme, Berhampur	5,31.89	C	1,94.04	16.67
		-----		-----	-----
		16,87.82		4,77.75	1,60.28

(Amount in lakhs of rupees)

Amount actually deposited by the body	Expenditure upto March 1977	Year of commencement	Whether completed or not
(7)	(8)	(9)	(10)
..	5.56	1967	Completed in 1973-74
1.00	13.06	1967	Completed in 1973-74
..	22.51	1967	Incomplete mainly in respect of tubewell, pump chamber, overhead tank and distribution system
..	12.22	1967	Incomplete mainly in respect of chlorinator and staff quarters
..	18.02	1967	Incomplete mainly in respect of tubewell overhead tank, distribution system, standposts and chlorinator
11.50	29.10	1970-71	Incomplete mainly in respect of headworks, treatment plant, service reservoir and distribution system
12.67	45.90	1971	Incomplete mainly in respect of overhead tank and distribution system
8.00	13.20	1972-73	Incomplete mainly in respect of quarters and stores
..	3.52	1973-74	Completed in 1973-74
..	14.61	1974	Incomplete mainly in respect of reservoir and pipe line
..	4.27	1975-76	Incomplete mainly in respect of treatment plant, service reservoir, rising main and distribution system
2.00	41.73	1976	Taken up in March 1976. In progress
98.16	9,53.96		

APPENDIX

(Reference : Paragraph

Particulars of Water Supply schemes maintained and operated by

Sl. No.	Name of town	Year of completion of Water supply system	Up-to-date expenditure on operation and maintenance
(1)	(2)	(3)	(4)
1.	Cuttack	.. 1959-60 (Main) 1973-74 (Extension)	81·13
2.	Jajpur	.. In progress	1·79
3.	Kendrapara	.. In Progress	3·47
4.	Jajpur Road	In progress	2·62
5.	Nayagarh	.. In progress	2·61
6.	Khurda	.. In progress	0·90
7.	Bhubaneswar (Old town)		Information
8.	Sambalpur	.. 1959-60 (Main) 1973-74 (Extension)	36·99
9.	Burla	.. 1973-74	32·59
10.	Bargarh	.. 1973-74	6·28
11.	Jharsuguda	.. In progress	9·13
12.	Rajgangpur	.. 1973-74	3·29
13.	Rourkela	.. In progress	43·22
14.	Keonjhar	.. In progress	7·27
15.	Barbil	.. 1973-74	9·74
16.	Biramitrapur	.. 1965-66 1973-74 (Extension)	4·56
17.	Sundargarh	.. 1973-74	15·42

V

4.1.4 , Page 106)

the Public Health (Engineering) Department as at the end of March 1977

(In lakhs of rupees)

Share payable by local body	Amount paid by local body	Balance amount due from local body
(5)	(6)	(7)
52.38	5.21	47.17
1.64	0.02	1.62
3.18	0.34	2.84
2.32	0.25	2.07
1.82	..	1.82
0.38	..	0.38
not available		
6.30	0.41	5.89
18.24	..	18.24
5.19	0.91	4.28
4.52	0.36	4.16
2.52	1.15	1.37
20.46	4.13	16.33
5.50	0.13	5.37
7.70	0.19	7.51
3.18	0.27	2.91
11.04	1.19	9.85

APPENDIX

(1)	(2)	(3)	(4)
18.	Koraput	.. In progress	15.59
19.	Jeypore	.. In progress	6.27
20.	Rayagada	.. 1959-60	14.33
21.	Nowrangpur	.. 1971-72	3.49
22.	Dhenkanal	.. In progress	0.79(a)
23.	Balangir	.. In progress	11.50
24.	Bhawanipatna	.. In progress	3.57
25.	Patnagarh	.. In progress	*
26.	Baripada	.. In progress	20.61
27.	Balasore	.. In progress	5.81
28.	Bhadrak	.. In progress	0.32
29.	Phulbani	.. 1963-64	4.90
30.	Parlakhemundi	.. 1959-60	10.34
31.	Bhanjanagar(b)	.. In progress	0.95(b)

			3,59.48

(a) Represents particulars for the year 1976-77 only ; particulars for earlier years are awaited from the division (February 1978).

*Below Rs. 500

(b) Water supply system was in operation upto 1975-76 under Rural Water Supply Scheme. Rupees 3.01 lakhs were outstanding for recovery from the local body pertaining to the period of water supply under the earlier scheme. Figures in the table represent position in respect of Urban Water supply scheme for the year 1976-77.

V (Concl.)

(In lakhs of rupees)

(5)	(6)	(7)
9.74	1.10	8.64
5.32	1.46	3.86
11.04	5.06	5.98
3.04	0.16	2.88
0.79(a)	..	0.79(a)
10.36	1.03	9.33
3.21	0.28	2.94
*	*	*
10.02	0.96	9.06
4.54	1.30	3.24
0.21	..	0.21
3.70	0.24	3.46
6.30	1.43	4.87
0.95(b)	..	0.95(b)
<hr/>	<hr/>	<hr/>
2,15.59	27.58	1,88.01
<hr/>	<hr/>	<hr/>

APPENDIX VI

(Reference : Paragraph 4.1.7, page... 110)

Statement of loan components of completed Urban Water Supply Schemes

(In lakhs of rupees)

Sl. No.	Name of the scheme	Year of completion	Expenditure upto March 1977	Loan component	Amount of loan sanctioned
(1)	(2)	(3)	(4)	(5)	Period of sanction
1.	Cuttack (Original) Water Supply Scheme	1959-60	51.33	17.11	17.08 March 1970
2.	Cuttack (Extension) Water Supply Scheme	1973-74	33.00	11.00	..
3.	Sambalpur (Main) Water Supply Scheme	1959-60	34.91	11.64	10.73 March 1969
4.	Sambalpur (Extension) Water Supply Scheme	1973-74	3.52	1.17	..
5.	Bargarh Water Supply Scheme	1973-74	13.61*	4.54	..
6.	Deogarh Water Supply Scheme	1960-61	0.49	0.16	..
7.	Sundargarh Water Supply Scheme	1973-74	8.68	2.89	..
8.	Biramitrapur Water Supply Scheme	1965-66	7.04	(**)	..
9.	Biramitrapur Water Supply Scheme (Extension)	1973-74			
10.	Brbil Water Supply Scheme	1973-74	17.65	5.88	..
11.	Phulbani Water Supply Scheme	1963-64	2.00	0.67	0.68 March 1970
12.	Parlakhemundi Water Supply Scheme	1959-60	21.10	7.03	7.03 March 1969
13.	Nawarangpur Water Supply Scheme	1971-72	6.77	2.26	..
14.	Rayagada Water Supply Scheme	1959-60	16.87	5.62	..
15.	Rajgangpur Water Supply Scheme	1973-74	13.06***	2.90	..
16.	Burla Water Supply Scheme	1973-74	5.56	..	..
			2,35.59	72.87	35.52

(*) Excludes an expenditure of Rs. 3.34 lakhs booked under deposits.

(**) Expenditure not correlated to sanctions issued under different patterns.

(***) Rs. 8.70 lakhs sanctioned under pattern 'A' and the balance under pattern 'C'.

APPENDIX VII

(Reference : paragraph 5.1, Page 139)

Synopsis of important stores and stock accounts for 1976-77

Sl. No.	Name of accounts	Stores	Opening balance	Receipts	Issues	Closing balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)

[In lakhs of rupees]

A—Public Works Department

IRRIGATION AND POWER DEPARTMENT

1.	Delta Irrigation project, Stage I and Stage II	Building materials, small stores, miscellaneous stores, fuel, spares, etc.	11.04	43.51	49.83	4.72
2.	Salandi Irrigation project.	Ditto	(—)4.31	12.00	14.76	(—)7.07*
3.	Hirakud Dam Project—					
	Stage I ..	Ditto	1,90.16	10.70	4.46	1,96.40
	Stage II ..	Ditto	(—)3.42	0.02	..	(—)3.40*
4.	Rengali Multi purpose Project	Ditto	1,74.84	1,54.37	49.59	2,79.62
5.	Balimela Dam project—					
	Dam and Appurtenant works	Ditto	2,43.38	64.60	91.85	2,16.13
	Power Scheme ..	Ditto	40.14	52.63	88.69	4.08
6.	Potteru Irrigation Project	Ditto	24.92	48.78	20.21	53.49

B—Civil Department

FINANCE DEPARTMENT

7.	Judicial stamps ..	..	4,99.70	91.80(a)	65.56(a)	5,25.94(a)
8.	Non-judicial stamps	..	6,67.09	22,96.22(a)	15,36.11(a)	14,27.20(a)

* Minus balance is under investigation.

(a) Excludes transactions for 1976-77 in respect of Dhenkanal, Balasore and Phulbani Treasuries, the accounts of which are still awaited (February 1978).

APPENDIX VIII

(Reference : paragraph 5.7.1, page 141)

Details of discrepancies, shortages and losses in stock

(In lakhs of rupees)

Name of the division	Discrepancies	Shortages	Losses	Total
(1)	(2)	(3)	(4)	(5)
Roads and buildings Wing—				
1. Cuttack Roads and Buildings	1.21	15.11	0.04	16.36
2. Balasore Roads and Buildings	9.59	..	1.36	10.95
3. Charbatia Roads and Buildings	1.68	..	..	1.68
National Highways and projects—				
4. Dubri Expressway ..	18.36	1.59	..	19.95
5. National Highway, Bhubaneswar	5.59	..	0.96	6.55
Irrigation Wing—				
6. Khadkei Irrigation ..	4.35	0.40	..	4.75
7. Mahanadi North ..	10.58	2.10	0.47	13.15
8. Main Dam ..	13.23	1.38	0.12	14.73
9. Head works, Talcher ..	5.12	0.02	0.01	5.15
10. Camp and Buildings (Rengali)	..	7.04	0.13	7.17

APPENDIX VIII—*Concl'd.*

(1)	(In lakhs of rupees)			
	(2)	(3)	(4)	(5)
11. Quality Control and Design (Rengali)	0·01	0·02	..	0·03
12. Stores and Mechanical, Rengali	0·33	0·56	0·05	0·94
13. Balimela Roads and Buildings	3·91	1·03	0·97	5·91
14. Power plant division No. V, Balimela	3·23	0·03	..	3·26
Power Wing—				
Electrical project—				
15. Investigation division No. 1	0·17	..	..	0·17
Public Health—				
16. P. H. Maintenance division No.1, Bhubaneswar	90·24	..	..	90·24
Total	1,67·60	29·28	4·11	2,00·99

APPENDIX

Reference : Paragraph 6.1,

Summarised financial results of working of departmentally managed

Name of the undertaking	Year of account	Government capital	Mean capital	Free Reserve
(1)	(2)	(3)	(4)	(5)
Industries Department—				
1. Production centre for Development of Ceramic Industry Cuttack	1976-77	2.61	2.62	..
2. Government Tile Factory, Kendrapara	1976-77	0.40	0.41	..
3. Government Tile Factory, Panikoili	1976-77	0.35	0.36	..
4. Government Tile Factory, Balasore	1976-77	0.45	0.45	..
Agriculture Department—				
5. Cold Storage Plant, Similiguda	1966	2.47	2.47	..
6. Cold Storage Plant, Cuttack ..	1973	11.90	10.86	..
7. Cold Storage Plant, Sambalpur	1967	7.38	6.70	..
8. Cold Storage Plant, Bhubaneswar	1967	25.26	22.80	..
9. Cold Storage Plant, Balangir ..	1972	12.49	12.50	..
Transport Department—				
10. State Transport Service ..	1970-71	2,08.32	1,74.00	..
Civil Supplies Department—				
11. Grain Purchase Scheme ..	1968-69	7,06.70	6,65.05	..

IX

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undertakings disclosed by the *pro forma* accounts for the latest year available

(In lakhs of rupees)

Block assets	Depreciation	Profit (+)/Loss (-)/Percentage of return on mean capital	
(6)	(7)	(8)	(9)
0.62	0.37	(-)0.30	..
..	..	(-)0.04	..
0.47	0.29	(-)0.06	..
0.50	0.36	(-)0.04	..
0.05	0.01	(-)1.84	..
5.78	3.90	(+)0.19	1.75
5.51	2.0	(+)0.04	0.60
13.16	2.25	(-)0.66	..
10.73	0.81	(-)2.19	..
3,92.66	1,98.32	(+)32.05	18.42
..	..	(+)4.44	0.67

APPENDIX X

(Reference: Paragraph 7·2·1, Page 164)

Details of grants received and not utilised by Panchayat Samitis the accounts of which were audited up to 1974-75

Sl. No.	Name of Panchayat Samiti	Opening balance of un-utilised grant	Grant received during 1974-75	Total grant for 1974-75	Total expenditure during 1974-75 from all sources	Balance of un-utilised grant at the end of 1974-75
(In lakhs of rupees)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Athagarh	.. 2·83	11·27	14·10	12·94	3·29
2	Barchana	.. 2·13	13·69	15·82	13·56	4·19
3	Bamra	.. 2·68	5·98	8·66	9·12	4·30
4	Bhuban	.. 0·91	9·97	10·08	9·35	3·48
5	Basta	.. 3·17	11·64	14·81	11·75	7·11
6	Chakpada	.. 5·98	7·06	13·04	7·73	6·25
7	Chatrapur	.. 2·06	8·25	10·31	12·75	3·82
8	Dasarathapur	.. 3·61	14·27	17·88	15·32	5·14
9	Daraingbadi	.. 3·14	7·59	10·73	8·04	3·68
10	Ganjam	.. 1·40	6·13	7·53	6·89	2·50
11	Jagannath prasad	.. 1·25	8·85	10·10	7·81	3·36
12	Kaniha	.. 2·54	10·61	13·15	11·69	5·98
13	Kantamal	.. 2·61	8·12	10·73	11·52	3·55
14	Karlamunda	.. 3·95	6·37	10·32	7·43	3·86
15	Lathikata	.. 1·96	6·36	8·32	9·12	1·41
16	Naktideul	.. 3·60	5·73	9·33	10·99	5·00
17	Narasingpur	.. 2·12	10·24	12·36	10·36	2·33
18	Odapada	.. 2·13	9·56	11·69	12·42	3·72
19	Pallahara	.. 2·91	10·11	13·01	15·40	5·27
20	Paikmal	.. 1·29	7·64	8·93	7·67	2·32
21	Shergada	.. 1·57	7·43	9·00	8·70	1·04

APPENDIX XI

(Reference : Paragraph 7.2.1, page 164)

Details of grants received and not utilised by Panchayat Samitis the accounts of which were audited upto 1975-76

Sl. No.	Name of Panchayat Samiti	Opening balance of un-utilised grant	Grant received during the year 1975-76	Total grant for 1975-76	Total Expenditure during 1975-76	Balance of un-utilised grant at the end of 1975-76
---------	--------------------------	--------------------------------------	--	-------------------------	----------------------------------	--

(In lakhs of rupees)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Bargaon	.. 3.03	5.83	8.86	9.26	2.97
2	Bonai	.. 4.93	6.53	11.46	10.25	2.70
3	Balisankara	.. 3.64	9.00	12.64	14.76	3.50
4	Barang	.. 2.36	5.75	8.11	7.28	1.12
5	Baliapal	.. 6.58	9.51	16.09	13.83	4.37
6	Bheden	.. 2.65	9.02	11.67	10.75	3.30
7	Bongamunda	.. 4.22	8.13	12.35	9.71	3.72
8	Bhadrak	.. 2.22	10.00	12.22	13.94	0.97
9	Chikiti	.. 2.86	11.03	13.89	12.40	26.18
10	Delang	.. 3.15	6.16	9.31	8.77	3.19
11	Dasamantapur	.. 3.39	5.31	8.70	8.17	1.90
12	Hinjilicut	.. 2.42	9.94	12.36	11.45	1.28
13	Jagatsingpur	.. 4.38	11.54	15.92	14.03	2.97
14	Jhasigaon	.. 4.47	4.17	8.64	5.28	5.80
15	Jharsuguda	.. 2.48	8.43	10.91	11.23	2.03
16	Kasipur	.. 6.68	7.05	13.73	9.14	8.38
17	Kotpad	.. 2.13	6.10	8.23	6.41	2.91
18	Kothgarh	.. 7.12	4.80	11.92	4.61	7.64
19	Lanjigarh	.. 3.34	5.02	8.36	7.77	3.97
20	M. Rampur	.. 3.76	7.53	11.29	9.57	4.35
21	Muniguda	.. 3.64	6.46	10.10	8.91	3.20
22	Nandapur	.. 3.72	6.39	10.11	7.08	5.24
23	Narayanpatna	.. 4.74	3.38	8.12	4.75	4.07
24	Nuagaon	.. 2.00	6.58	8.58	6.52	3.30
25	Naikul	.. 3.01	7.25	10.26	10.38	3.49
26	Polosora	.. 2.24	8.96	11.20	9.74	2.42
27	Pottangi	.. 3.75	5.78	9.53	6.17	4.58
28	Sorada	.. 3.97	8.67	12.64	11.87	3.22
29	Sonepur	.. 2.96	6.36	9.32	8.20	3.35
30	Sohella	.. 3.20	10.79	13.99	15.55	2.63
31	Sanakhemundi	.. 3.94	10.45	14.39	11.66	3.92
32	Subdega	.. 5.61	5.53	11.15	9.49	4.30
33	Tirtol	.. 3.85	11.04	14.89	12.34	3.66
34	Tihidi	.. 3.23	11.27	14.50	13.73	2.13
35	Umerkote	.. 2.23	6.57	8.80	7.15	3.93

APPENDIX XII

(Reference; paragraph 7.2.6, page 167)

Details of differences in value of stores as per stock register and the balance under "stores suspense"

Year upto which audit of the society was completed	Sl. No.	Name of Panchayat Samiti	Balance under stores suspense	Value of stores in stock as per stock register	Difference
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
1974-75	.. 1.	Athagarh	.. 0.02	Nil	0.02
(Position as on 31st March 1975)	2.	Barchana	.. 0.04	0.03	0.01
	3.	Bamra	.. 0.07	Nil	0.07
	4.	Karlamunda	.. 0.15	0.05	0.10
	5.	Khantamal	.. 0.03	Nil	0.03
	6.	Narsingpur	.. 0.47	Nil	0.47
	7.	Pallahara	.. 1.34	0.91	0.43
1975-76					
Position as on 31st March 1976)	1.	Bonai	.. 0.17	0.08	0.09
	2.	Barang	.. 0.69	Nil	0.69
	3.	Baliapal	.. 0.09	Nil	0.09
	4.	Bheden	.. 0.34	Nil	0.34
	5.	Bangamunda	.. 0.18	Nil	0.18
	6.	Bhadrak	.. 0.09	0.02	0.07
	7.	Jagatsinghpur	.. 0.01	Nil	0.01
	8.	Kasipur	.. 1.29	Nil	1.29
	9.	Kothgarh	.. 0.20	0.04	0.16
	10.	Muniguda	.. 0.91	Nil	0.91
	11.	Naikul	.. 0.02	Nil	0.02
	12.	Pottangi	.. 0.12	0.01	0.11
	13.	Sorada	.. 0.14	Nil	0.14
	14.	Sonepur	.. 0.01	Nil	0.01
	15.	Tirtol	.. 0.07	0.02	0.05
	16.	Tihidi	.. 0.47	0.08	0.39
	17.	Umerkote	.. 0.13	0.10	0.03
			7.05	1.34	5.71

APPENDIX XIII

(Reference : Paragraph 7.2.7., page 168)

Details of investments by Panchayat Samitis in Co-operative institutions, etc.

Sl. No.	Name of the Panchayat Samiti	Year of investment	Name of the organisation where invested	Amount (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)
1.	Athagarh ..	1962-63	(i) Dodra Tile Manufacturing Co-operative Society	0.15
		1964-65	(ii) Panchayat Industry Carpentry Unit, Athagarh	0.05
2.	Barchana ..	1962-63	Barchana Co-operative Mangalore Tile Factory	0.15
3.	Muniguda ..	1972-73	Tribal Development Co-operative Society, Rajagara	0.75
4.	Jagatsingpur ..	1964-65	Jagatsingpur Potato Storage and Marketing Co-operative Society	0.40
5.	Pottangi ..	1972-73	Tribal Development Co-operative Society	0.75
(6)	Bonai ..	1972-73	(i) Rajmunda cold storage	1.55
			(ii) Panchayat Industries, Bonaigarh	0.19
			(iii) Jhindapalli Co-operative Society	0.04
7.	Hinjlicut ..	1964-65	Biswakarma Carpentry Industrial Co-operative Society	0.17
		1966-67	Panchayat Samiti Co-operative Cold Storage, Kuttinada	0.19
		1967-68	Panchayat Samiti Co-operative Cold Storage, Kottinada	0.01
8.	Balisankara ..	1966-67	Labour Contract Co-operative Society	0.13
		1968-69	(i) Graingolla ..	0.19
			(ii) Co-operative Stores ..	0.13
		1974-75	Co-operative Stores ..	0.10

APPENDIX XIII (C. *ncl.*)

(1)	(2)	(3)	(4)	(5)
9.	Jharsuguda	.. 1963-64	(i) Panchayat Carpentry Co-operative Society	0.10
			(ii) Jharsuguda Wood Products Society	0.07
		1964-65	Jharsududa Potato Cold Storage	0.16
		1965-66	(i) Jharsuguda Potato Cold Storage	0.12
			(ii) Bargarh Co-operative Sugar Mills	0.03
10.	Madanpur-Rampur	.. 1964-65	Madanpur-Rampur Mills Co-operative Society	0.50
		1972-73	Tribal Development Co-operative Society	0.25
11.	Lanjigarh	.. 1972-73	Orissa State Tribal Development Corporation	0.75
12.	Soroda	.. 1964-65	Co-operative Cold Storage ..	0.20
		1966-67	Co-operative Cold Storage ..	0.02
		1967-68	Co-operative Cold Storage ..	0.01
		1968-69	Co-operative Cold Storage ..	0.01
Total				7.17

APPENDIX XIV

(Reference: Paragraph 7.2.8, page 169)

Details of expenditure on Panchayat Samiti works lying incomplete for 5 to 15 years

Sl. No.	Name of the Samiti	Number of works	Year of commencement of work	Estimated cost	Expenditure incurred	
(In lakhs of rupees)						
(1)	(2)	(3)	(4)	(5)	(6)	
1.	Narasingpur	..	70	1960-61 to 1965-66	1.39	0.65
2.	Bargaon	..	4	1968-69 to 1969-70	0.19	0.01
3.	Barchana	..	172	Prior t o 1967	2.52	1.33
4.	Chatrapur	..	25	1957-58 to 1969-70	0.39	0.10
5.	Ganjam	..	38	1960-61 to 1964-65	1.22	0.14
6.	Tirtol	..	29	1964-65 to 1969-70	1.20	--
7.	Nandapur	..	11	1961-62 to 1971-72	1.09	0.66
8.	Bhuban	..	152	1957-58 to 1967-68	2.57	1.07

APPENDIX XIV—(Concl'd)

(1)	(2)	(3)	(4)	(5)	(6)
9.	Subdega	..	3 Prior to 1969-70	0·10	0·03
10.	Bonai	..	165 1961-62 to 1967-68	5·43	2·93
11.	Tihidi	..	42 Prior to 1970-71	0·99	0·47
12.	Kotpad	..	3 1967-68 to 1968-69	0·84	0·57
13.	Delang	..	7 1964 to 1967	0·17	0·10
14.	Chakapada	..	30 1956-57 to 1971-72	1·30	0·75
15.	Soroda	..	3 1964-65 to 1969-70	0·32	01·3
				—————	—————
				19·72	8·94
				—————	—————

