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Report of the Comptroller and Auditor General of India

for the year ended March 1997

Union Government (**Civil**)

Performance Appraisals

No. 3 of 1998

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PREFACE

This Report for the year ended 31 March 1997 has been prepared for submission to the President under Article 151 of the Constitution.

The audit observations on Union Finance Accounts and Union Appropriation Accounts for the financial year 1996-97 and the matters arising from test audit of the financial transactions and accounts of Union Ministries and of Union Territories have been included in Comptroller and Auditor General's Reports No. 1 and 2 of 1998.

The present Report includes matters arising from performance appraisals of the following Centrally Sponsored/ Funded Schemes. These All-India audit reviews incorporate the result of test check of records conducted by Accountants General of various States and Union Territories.

1.	Production and Distribution of Seeds and Crop Development Schemes	Ministry of Agriculture (Department of Agriculture and Co-operation)
2.	Total Literacy Campaign	Ministry of Human Resource Development (Department of Education)
3.	National Renewal Fund	Ministry of Industry (Department of Industrial Development)
4.	Issuance of Photo Identity Cards to Electors	Election Commission of India
5.	Member of Parliament Local Area Development Scheme (MPLADS)	Ministry of Planning and Programme Implementation (Department of Programme Implementation)
6.	National Drinking Water Mission	Ministry of Rural Areas and Employment

Separate Reports are also issued for Union Government-Other Autonomous Bodies (No.4), Scientific Departments (No.5), Post and Telecommunications (No.6), Ministry of Defence-Army and Ordnance Factories (No.7), Air Force and Navy (No.8), Railways (No.9), Receipts of the Union Government-Indirect Taxes-Customs (No.10), Central Excise (No.11) and Direct Taxes (No.12).

The cases mentioned in this Report are among those which came to notice in the course of audit during 1996-97. For the sake of completeness, matters which relate to earlier years but not covered in the previous reports, are also included. Similarly results of audit of transactions subsequent to 1 April 1997 have been mentioned, wherever available and relevant.

OVERVIEW

This volume of the Audit Report for the year ended 31 March 1997 contains six reviews. The major finding are summarised below:

Ministry of Agriculture

Department of Agriculture and Co-operation

Production and distribution of seeds and crop development schemes

With a view to accelerating the agricultural production and productivity and its sustenance to meet the ever increasing demand propelled by population growth, the Ministry of Agriculture launched various schemes to develop and disseminate latest technology and high yielding varieties of seeds of various crops amongst the farmers. The schemes, however, failed to boost up agricultural production and productivity during 1990-97. There was lax dissemination of latest improved varieties of seeds and crop development technologies, with the result the crop yield in the country was far less than those notified by the Indian Council of Agricultural Research/obtained in other countries.

The state governments continued to place indents on the Ministry for breeder seeds evolved as back as 12 to 28 years against the contemplated production and use of new improved varieties of seeds.

The Ministry and the state governments did not keep systematic account of production of foundation and certified seeds and there was wide variation between the reported production of foundation seeds and the quantity that could have been produced from breeder seeds on the basis of multiplication ratio.

Quality of seeds sold in the country was not ensured as the Quality Testing Laboratories were working far below the capacity. Over 10 *per cent* of the samples tested by the laboratories were found non-standard and of which, 74 *per cent* were allowed to be sold in the market.

Lax control and lackadaisical approach by the Ministry and state governments led to distribution and utilisation of older, truthfully labelled and sub-standard seeds under 'Seed Minikits' and 'Demonstrations of Certified Seeds' components defeating the end-objective of enthusing the farmers for adopting the latest varieties of seeds.

The state governments paid inadmissible subsidies of Rs 39.43 crore on distribution of certified seeds, sprinkler sets and other farm implements.

Financial shortcomings noticed in many states included inflating of financial achievement by treating amount of advances as final expenditure though not actually spent, diversion of funds to other schemes/activities not connected with the schemes and keeping of amounts in Personal Ledger Accounts and Civil/Revenue Deposits. Thus, implementation and execution of the various schemes was oriented towards incurring of expenditure rather than achieving the end-objective and impact thereof on agricultural production and productivity.

(Chapter I)

Ministry of Human Resource Development

Department of Education

Total Literacy Campaign

Total Literacy Campaign (TLC), a Central Plan Scheme, was first launched in Ernakulam district, Kerala in January 1989. Under the scheme, functional literacy was to be imparted to adults in the age-group of 15-35 years; children in the age-group of 9-14 years were also to be covered wherever the non-formal education scheme was either not operational or its coverage was inadequate. The objective of the TLC was to achieve 80-85 *per cent* literacy in each of the target group i.e. separately among women and men, scheduled castes and scheduled tribes. The overall objective was to make 10 crore citizens functionally literate in the preferred age-group of 9-35 by the end of Eighth Five Year Plan (1996-97). The projects were implemented through a registered society Zila Saksharata Samiti set up in each district for this purpose.

No year-wise and state-wise targets were fixed under TLC. Target set for covering 10 crore persons by the end of 1996-97 was extended up to the end of 1998-99. Against targeted coverage of 11.84 crore learners, only 4.48 crore (38 *per cent*) persons were made literate as on 31 March 1997 although 71 *per cent* of TLC funds were utilised.

As a sequel to TLC, Post Literacy Campaign (PLC) was to be implemented to ensure continuity in the programme and to prevent the neo-literates relapsing into illiteracy due to break in the learning process.

Out of total release of Rs 737.22 crore by the Centre and the States to the Zila Saksharata Samities, Rs 218.28 crore constituting 30 *per cent* could not be utilised by 20 States under TLC and PLC during the period 1992-97.

Test check revealed delay in commencement of projects ranging from one to 32 months and non-completion of the projects even after delays ranging from one to 63 months from the stipulated month of completion. The shortfall in training of personnel ranged up to 70 *per cent*. The per learner cost varied widely from district to district.

During test check, cases of avoidable expenditure on purchase of material, material lying idle, unadjusted advances, diversion of funds and wasteful etc., aggregating to Rs 35.23 crore were also noticed.

No physical targets and achievements were fixed under PLC. Out of 419 TLC projects, only 168 projects constituting 40 *per cent* moved to PLC. Further, against the proposed number of 3.56 crore neo-literates to be covered under PLC, only 1.53 crore constituting 43 *per cent* of the neo-literates were covered under Post Literacy Campaign as of 31 March 1997. Material lying idle in six States and cases of diversion of funds for purposes not covered under PLC in seven States aggregated Rs one crore. Infructuous expenditure of Rs 4.77 crore due to break in continuity of TLC and PLC was noticed in five states.

The monitoring and review system in the Ministry was not adequate and effective as major parameters like enrolment and coverage of learners from non-formal education; sex-wise and category-wise coverage of learners; coverage of drop-outs from school system and of children from school-less habitations under PLC; and training of various functionaries which were necessary to assess the effective implementation of the programme, were not being monitored.

Procedures of both external and internal evaluation were required to be tightened up as the external evaluations of TLC were found deficient in sample size, coverage, sample design, estimation procedure and in following NLM norms for neo-literates by the expert group headed by Prof. Arun Ghosh. The concept of concurrent evaluation had been introduced only recently by the Ministry.

(Chapter II)

Ministry of Industry

Department of Industrial Development

National Renewal Fund

With the objective of making the industry efficient and internationally competitive, the Ministry of Industry, created a National Renewal Fund in the Public Account in February 1992 for providing assistance to cover the cost of retraining, redeployment and compensation to employees affected by restructuring, modernisation and technology upgradation. Scrutiny of operation of the fund disclosed that out of the total expenditure of Rs 1892.48 crore during 1992-97, Rs 1695.14 crore was spent only on Voluntary Scheme in Central Public Sector undertakings which accounted for about 90 *per cent* of the total expenditure. The expenditure on other components viz VRS in State Public Sector Undertakings, counselling, retraining etc. was negligible. Employment Generation Fund the second part of NRF which was to regenerate employment opportunities in areas affected by industrial restructuring and employment generation scheme for the unorganised sector in defined areas did not come into existence.

NRF assistance of Rs 190.73 crore was provided to 12 profit making companies in violation of the criteria laid down by Empowered Authority. NRF assistance of Rs 47.74 crore was misused for making payment of arrears of provident fund/dearness allowance in five CPSUs and for meeting operational needs of six CPSUs.

Department of Heavy Industry released Rs 3.09 crore in March 1993 to Mining and Allied Machinery Corporation out of NRF for making payment of arrears of Employers' contribution to provident fund for pre-NRF period without the approval of Empowered Authority. Despite the decision of the Empowered Authority, in November 1993, the Department of Heavy Industry did not recover the amount as of April 1998.

(Chapter III)

Election Commission of India

Issuance of Photo Identity Cards to Electors

The ultimate objective of completing the work of preparation and issue of Photo Identity Cards (PICs) up to the finally extended date of 31 March 1996 was not achieved due to delay and deficiencies in award of contracts to the agencies, delay in allocation of State's share by certain State Governments, delay in taking up the work in few States and huge amounts of Central share remaining unutilised in some States. Not even a single State could complete the work within the milestone set by the Election Commission. Only 32.80 *per cent* voters were issued the photo identity cards by the extended date of March 1996 and by March 1997 only 53.22 *per cent* had been covered.

The deficiencies in contracts, agreements, non-observances of instructions issued by Election Commission from time to time and other reasons were responsible for excess/avoidable expenditure, diversion of funds, infructuous expenditure on defective cards/printed material, non-levy of penalty/fine, unauthorised withdrawals, etc.

The Governments of Andhra Pradesh, Assam, Kerala, Madhya Pradesh, Mizoram, Nagaland, Tamil Nadu and Tripura had not started the work till May 1995. In other States/UTs, the work was going at extremely slow pace except in Gujarat, Maharashtra, and to some extent in Haryana and Meghalaya. Thus, in view of the varying degrees of progress made by the States, the Election Commission had to issue orders in March 1996 for non-insistence upon the use of PICs in the General Elections 1996. The PICs were not used even in Lok Sabha Elections held in 1998 thereby defeating the very purpose of introduction of the scheme.

(Chapter IV)

Ministry of Planning and Programme Implementation

Department of Programme Implementation

Member of Parliament Local Area Development Scheme

Under this Scheme introduced from December 1993, non-lapsable funds are released by the Ministry directly to the District Collectors(DCs).

During 1993-97, Rs 2324.55 crore was released to DCs against which Rs 1285.45 crore was spent leaving heavy balance of Rs 1039.10 crore with them as of March 1997. The implementing agencies did not refund unspent balances and failed to furnish utilisation certificates against the completed works. Percentage charges were levied ranging between one to 24 *per cent* in contravention of Scheme provisions.

Out of the 120242 works recommended by MPs, District Collectors sanctioned 105959 works. 98695 works were actually taken up and only 60698 works were completed as of March 1997. Rs 5.75 crore was wasted on account of works abandoned midway without creation of durable assets. Inadmissible works such as construction of office/residential buildings etc. valued at Rs 4.06 crore, works belonging to commercial organisations, trusts, cooperative institutions, registered societies valued at Rs 1.53 crore, repair and maintenance works for Rs 4.86 crore were carried out and purchase of store/stock items of Rs 2.05 crore etc. were made in disregard of the guidelines. Works were even entrusted to contractors in some cases sponsored by MPs. Many works were executed without recommendation of MPs and some other were executed on the recommendation of representatives of MPs in violation of letter and spirit of the Scheme.

Most of the DCs did not maintain inventory of assets created under the Scheme, making it difficult to verify their existence. The DCs were either not inspecting the 10 *per cent* of the works every year or they did not maintain record of inspection in most cases.

The accounting procedure for the Scheme funds has not yet been finalised though the Scheme came into existence with effect from December 1993. Nodal department was not designated in six states.

(Chapter V)

Ministry of Rural Areas and Employment

National Drinking Water Mission

The Ministry of Rural Areas and Employment launched National Drinking Water Mission in February 1986 to supplement the efforts of the state governments in providing safe and potable drinking water to rural habitations. The scheme covered in its ambit centrally sponsored Accelerated Rural Water Supply Programme and 55 Mini-Missions and five Sub-Missions besides State schemes under Minimum Needs Programme.

Rs 15229.24 crore had been spent on the scheme during VII Plan onwards, yet 62 thousand habitations were still without any source of water and 3.78 lakh habitations were covered partially. There was re-emergence of habitations with no source for drinking water due to large scale in-operative water supply schemes and hand pumps on account of their non-maintenance, which negated the impact of the scheme.

Deficiencies in planning and un-scientific identification of water sources resulted in time over-run ranging between 2-16 years and cost over run of Rs 116.58 crore and mid-way abandonment of schemes in many states.

The Ministry and the state governments did not ensure the monitoring of quality of water supply. In most of the states, the performance of testing water samples in the laboratories was very low. In many states laboratories were not provided with technical staff resulting in low output. 2811 water treatment plants in various states installed to control fluorosis, removal of excess iron and salinity were non-functional resulting in continued supply of unsafe drinking water to the rural population.

In 16 states materials worth Rs 84.86 crore were purchased in excess of requirement and were lying idle.

The implementation and execution of the scheme was oriented towards incurring of expenditure rather than achieving the results and impact thereof. Financial shortcomings relating to diversion of funds to other schemes/activities not connected with the scheme, expenditure met out of ARWSP funds instead of state plan funds, advances treated as final expenditure though not actually spent, suspected mis-appropriation of funds, inadmissible payment of departmental charges were noticed during audit.

Thus, improper and deficient execution and implementation of the activities of the scheme, selection of sites on ad-hoc basis, poor operation and maintenance of created sources and other shortcomings has led to a never-ending programme of providing adequate drinking water to the rural population even after continued efforts of over five decades and huge investment. Working Group for IXth Plan has now recommended the outlay of Rs 40255 crore for covering left over works, provision of water to 26000 'no source' habitations and 3.03 lakh partially covered habitations, 1.32 lakh quality affected habitations and other related activities.

(Chapter VI)

1 Production and Distribution of Seeds and Crop Development Schemes

1.1 Introduction

Acceleration of agricultural production and its sustenance are critical for meeting ever-increasing demand, propelled by population growth. In order to boost agricultural production and productivity, Ministry of Agriculture (Department of Agriculture & Co-operation) launched nine programmes on cereals, pulses and oilseeds. The objectives of the schemes were to :

- develop and disseminate latest technology in high yielding varieties of seeds; and
- educate the farmers on optimum farming techniques through demonstration and distribution of minikits of seeds, fertilisers and pesticides.

1.2 Seed programme in India

Development of genetically superior seeds goes through a four-stage process. It begins with development of the initial nucleus seed which is multiplied as breeder seeds. Breeder seeds are then multiplied to foundation seeds and finally to certified seeds ready to be distributed to farmers.

1.3 Organisational set up

At the National level, Ministry was responsible for planning, release of funds, implementing and monitoring the financial and physical progress. The production of breeder seed is organised through Indian Council of Agricultural Research (ICAR) and its Institutes and Centres besides Agriculture Universities.

At the State level, the overall responsibility for planning, release of funds and monitoring the implementation of various programmes rested with the State Directors of Agriculture while District Agriculture Officers were executing the activities under various programmes at the district level.

The State Seed Certification Agencies were responsible for certification of quality of foundation and certified seeds while State Seeds Testing Laboratories were engaged in testing and ensuring quality of certified seeds sold to farmers. The National Seeds Corporation (NSC), State Seeds Corporation (SSC) and State Farm Corporation of India (SFCI) were involved in production of foundation and certified seeds and distribution thereof.

1.4 Scope of Audit

Performance review of various programmes during 1992-97 was conducted in 116 districts spread over 20 states and their Agriculture Departments, State Seeds Corporations and Ministry of Agriculture through sample check of documents to examine if the programmes were executed in the manner they were planned; compare actual yield in selected crops with yields claimed by Indian Council of Agricultural Research and world standards; assess whether programmes were successful in achieving their objectives; etc.

Following programmes were covered under the scope of performance review.

- Seeds Development Programme
- National Pulses Development Project (NPDP)
- Oilseeds Production Programme (OPP)
- Integrated Cereals Development Programme (ICDP) for Wheat, Rice and Coarse Cereals; and
- Minikit Demonstration Programmes for Wheat, Rice and Coarse Cereals.

1.5 Highlights

- **Schemes of production and distribution of high yielding varieties of seeds and other crop development schemes failed to boost up agricultural production in the post green revolution period. Yields in major crops remained almost stagnant or the increases were not significant during 1990-96.**

  (Paragraph 1.7)
- **Despite investment of Rs 413 crore during 1992-97 on dissemination and distribution of seeds aimed at popularising new high yielding varieties, 36 to 90 per cent of the seeds indented and distributed were of varieties older than 10-25 years.**

  (Paragraph 1.8)

- **Financial achievements reported by the states to the Ministry were inflated. It included Rs 98.27 crore of unadjusted advances treated as final expenditure, Rs 92.63 crore kept in Personal Ledger Accounts or Civil Deposits and Rs 20.86 crore diverted to other schemes.**

  (Paragraph 1.6.1)
- **Production of certified seeds by National Seeds Corporation fell short of targets by as much as 72 per cent in major crops during 1992-97.**

  (Paragraph 1.9.1)
- **Wide variation between the reported production of foundation seeds and the quantity that could have been produced out of breeder seeds supplied by ICAR on the basis of multiplication ratio is indicative of deficient control and monitoring of seeds producing agencies.**

  (Paragraph 1.10)
- **74 per cent of samples were declared sub-standard by the quality testing laboratories, the seeds were, however, allowed to be sold in the market.**

  (Paragraph 1.12.1)
- **Inadmissible payment of subsidy of Rs 38.04 crore during 1992-97 was made on distribution of certified seeds, sprinkler sets and farm implements.**

  (Paragraphs 1.13.1, 1.13.2 and 1.13.3)
- **In seven States, District Agricultural Officers conducted demonstration programmes at a cost of Rs 6.45 crore with older/ established/ non-certified seeds, thus, defeating its objectives of disseminating latest technology and seeds.**

  (Paragraph 1.14.1)
- **In seven States, Directors of Agriculture distributed minikits of older/sub-standard/non-certified seeds at a cost of Rs 2.57 crore during 1992-97. Incomplete minikits costing Rs 12.65 crore were distributed in five other States during 1992-97.**

  (Paragraph 1.14.2)
- **Results of demonstration schemes and minikits were not compiled and publicised to enthuse the farmers to adopt the techniques.**

  (Paragraphs 1.14.1 and 1.14.2)

1.6 Financial releases and expenditure

Seeds Development Programmes and Minikits distribution programmes are fully funded by the Ministry. Other five schemes are funded on a 75:25 sharing basis by the Central and state governments. Financial outlay and expenditure incurred during 1992-97 were as under:

(Rupees in crore)

	Programme	Release	Expenditure
A.	**Seeds Development Programme**	172.98	160.37
B.	**Oilseeds Production Programme**	622.32	612.03
C.	**National Pulses Development Project**	199.84	185.36
D.	**Integrated Cereals Development Programme**		
	a. Rice	274.80	270.93
	b. Wheat	165.22	154.76
	c. Coarse Cereals	100.05	88.47
E.	**Minikits Distribution Programme**		
	a. Rice	3.52	2.28
	b. Wheat	5.00	3.85
	c. Coarse Cereals	5.00	2.37
	Total	1548.73	1480.42

1.6.1 Errors in reporting

It was noticed in Audit that the financial achievements were not reported correctly as under:

Financial achievements reported by state governments were inflated by Rs 107.39 crore.

i) Advances of Rs 98.27 crore given to various executing agencies were treated as final expenditure though the amounts were either not actually spent or utilisation certificates thereof were not received as detailed in Appendix I.

There was diversion of Rs 113.49 crore.

ii) Rs 20.86 crore were diverted on activities not connected with the programmes as detailed in Appendix II (A).

iii) Rs 92.63 crore were kept in Personal Ledger, Civil and Current Deposits Accounts as detailed in Appendix II (B).

iv) Expenditure of Rs 25.6 crore was pending reconciliation with the figures booked by Accountants General in four States.

v) The Government of Bihar reported inflated expenditure of Rs 9.12 crore.

These findings were based on test check in only 116 districts in the country; actual inflation in financial achievements for the entire country is likely to be much higher.

1.6.2 Delays in release of fund

There was delay in release of funds to the executing agencies by two to 19 months.

There were delays at various levels in release of fund to the executing agencies creating uncertainties in planning and execution at the field level.

1.6.2.1 State Governments delayed release of Rs 7.65 crore by two to 19 months to the executing agencies in Assam, Nagaland and West Bengal. In West Bengal, Director of Agriculture did not release 45 *per cent* (Rs 1.54 crore) and 78 *per cent* (Rs four crore) of the total Central assistance received in 1992-93 and 1993-94 respectively, because areas of utilisation had not been identified.

1.6.3 Failure to release matching funds

Governments of Andhra Pradesh, Uttar Pradesh and Madhya Pradesh did not release their share of Rs 12.60 crore.

State Governments of Andhra Pradesh in three schemes , Madhya Pradesh in four schemes and Uttar Pradesh in one scheme did not release their matching share of Rs 12.60 crore during 1992-97 under various programmes.

1.6.4 Rush of expenditure

There was rush of expenditure ranging between 31 to 100 *per cent* of the total expenditure at the fag end of year.

State Governments released large amounts at the fag end of the year between 1992-93 and 1996-97 to the executing agencies in Arunachal Pradesh (Rs 73.49 lakh), Bihar (Rs 29.15 crore), Jammu & Kashmir (Rs 43.32 lakh), Haryana (Rs 14.40 crore), and Uttar Pradesh (Rs 31.91 crore). In Nagaland generally the entire amount was released in the month of March each year. There was rush of expenditure at the fag end of the financial year in Arunachal Pradesh, Haryana, Jammu & Kashmir, Kerala, Nagaland, Karnataka and Maharashtra (Akola district), where expenditure in the last quarter/March ranged between 31 *per cent* and 100 *per cent* of the total expenditure between 1992-93 and 1996-97. The delayed release of funds and the resultant rush of expenditure at the fag end of the year led to cascading delays in execution of activities under various programmes.

1.6.5 Other financial irregularities - individual cases

Bihar : Director of Agriculture maintained only one cash book for all the programmes. As a result, the accounts of each scheme were difficult to identify. Many field officers did not render their monthly expenditure reports to the Director. Excess drawal of funds from the treasury resulted in huge cash balances with the Director at the end of each year as shown below:

31 March 1993	Rs 6.3 crore
31 March 1994	Rs 17.0 crore
31 March 1995	Rs 12.4 crore
31 March 1996	Rs 8.6 crore
31 March 1997	Rs 12.6 crore

The District Agriculture Officer (DAO), West Singhbhum adjusted Rs 3.99 lakh against 1208 vouchers pertaining to 1983-95 in September 1996 without allotment of funds for meeting past liabilities.

DAO, Hazaribagh adjusted 769 vouchers of period 1987-93 in April 1995 without receipt of allotment. These vouchers were not found entered in the Contingent Register of the Office. The DAO stated, in May 1997, that the matter would be investigated .

Punjab : Against the outlay of Rs 4.10 crore for distribution of herbicides during 1992-93, the State Government spent Rs 5.17 crore resulting in an excess expenditure of Rs 1.07 crore.

Inadmissible payment of Rs 1.47 crore was made towards margin money.

Tamil Nadu : Director of Agriculture purchased agricultural implements through Tamil Nadu Co-operative Oilseeds Growers Federation Limited which acted as middleman and collected margin money of Rs 1.47 crore (ranging 10 to 40 *per cent* of the cost) during 1994-97. The direct purchase by the Director would have saved the avoidable outgo of Rs1.47 crore.

West Bengal : Director of Agriculture, instead of releasing the funds directly to District Level Officers (DLOs) routed Rs 46.85 lakh through the West Bengal State Seeds Corporation. The Corporation instead of releasing the fund to various DLOs, adjusted Rs 16.20 lakh with their arrear claims and kept the remaining Rs 30.65 lakh in its current account till August 1997.

Government of West Bengal spent Rs 3.07 crore in excess of releases without specifying source from which it was met.

The State Government reportedly spent Rs 5.73 crore during 1995-96 against central release of Rs 2.66 crore under Oilseed Production Programme. The sources from which additional expenditure of Rs 3.07 crore was met and the causes leading to excess expenditure were not stated to Audit.

1.7 Impact

In the first seven years of the decade, annual rate of growth of food grains production was only 1.70 *per cent*, which was much lower than current population growth.

Yields in major crops remained stagnant.

The area, production and yield of the major agricultural crops in the country during 1990-96 were as detailed in Appendix III.

Yield of various crops was far below than those claimed by ICAR/ other countries.

From the data, it would be apparent that while the yield per hectare obtained in respect of wheat and paddy had increased only marginally the yield of Jowar, Bajra, Gram, Arhar, Groundnut, Rapeseed and Mustard had been stagnating.

The yield of various agricultural crops in India was far below those notified by the ICAR/Agricultural Universities and as obtained in other countries as shown below:

Yield in kg. per hectare								
Crop	Yield						Yield claimed by ICAR	World average in comparable countries
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96		
Wheat	2281	2394	2327	2380	2559	2493	4200-5800	3318-4475
Paddy	1740	1751	1744	1888	1911	1855	4500-7500	4344-6770
Jowar	814	655	982	898	783	834	1500-6500	3799-4072
Bajra	658	465	836	521	707	576	1800-4000	1027-1667
Ground-nut	904	818	1049	941	1042	1014	1926-4000	1770-2995
Rapseed/ mustard	904	895	776	847	944	911	1200-2800	1249-2639

The Ministry stated, in February 1998, that yield levels of wheat and rice achieved in India may not be comparable with yield levels of these crops in other countries. However, the data and facts above suggested a vast scope for increasing the yield. It would be pertinent to mention here that the increase in yield in wheat and paddy crops in India and the consequential Green Revolution in 1967-68 was possible only after evolving hybrid seed of these crops from seeds brought from Mexico and Philippines despite a wide variation in the agro-climatic condition between India and the above countries. While other countries had made significant strides in increasing the yields of various crops, the increase in yield in India was insignificant despite the fact that the yield of various crops as estimated from the latest varieties of seeds evolved by the ICAR/State Agricultural Universities compared well with those obtained in other countries.

The ICAR stated, in June 1997, that the present yield levels at the farmers' fields could almost be doubled in most cases by adoption of new varieties and related production technology. It would be apparent from the analysis in the review that either the efforts made to disseminate the latest

technologies and high yielding varieties of seeds evolved in the country were not adequate or the quality of latest variety evolved through research in the country was not to the notified standard, which affected the yield.

1.8 Gap in technology dissemination

Most of the state governments indented breeder seeds of very old varieties.

Ministry collects the indents for breeder seeds of various crops from State Governments and send them to Indian Council of Agricultural Research for production at least 18 months in advance. Analysis of indents for breeder seeds for five major crops during 1995-97 disclosed that substantial portion of the breeder seeds indented were of 12-28 years old and were popular varieties as shown below:-

Percentage of the total demand met by variety of seeds and their period of evolution					
Crop	1969-85	1986-90	1991-95	Year of evolution unknown	Total
Wheat	**54.03**	4.47	23.74	17.76	100
Paddy	**55.76**	23.91	16.10	4.23	100
Groundnut	**77.96**	18.42	2.36	1.26	100
Rapseed	**90.27**	0.50	3.61	5.62	100
Gram	**36.23**	20.04	15.22	28.51	100

Although 1738 varieties of various crops have been notified in the country, State Governments continued to place indents for older varieties of seeds and the Ministry accepted these indents. This was counter to Ministry's own seed policy announced in 1988 to secure to the farmers high quality seeds of various crops available anywhere in the world to maximise their yield and enable them to increase their farm income.

In Andhra Pradesh, 92 *per cent* of seeds of groundnuts indented and supplied by OILFED were of old variety due to non-availability of latest varieties with the State Seeds Corporation.

Similar instances were also noticed in 12 States, where 6.65 lakh quintal of older varieties of breeder and certified seeds were procured (Appendix IV). In four of them, for which data was available, it involved inadmissible subsidy of Rs 10.13 crore.

Despite investment of Rs 413 crore, latest technology/varieties of seeds had not percolated to the field level.

From the above, it would be evident that technological know-how had not percolated at the farmers' level despite investment of Rs 413 crore during 1992-97 on seed distribution, demonstration and distribution of

minikits of seeds implemented for disseminating the latest variety of seeds and technology.

1.9 Shortage of certified seeds

Production of certified seeds fell short by four to 72 *per cent*.

1.9.1 The Seed Policy Review Group observed in April 1997 that certified and quality seeds constituted less than 15 *per cent* of the consumption of seeds in the country. Production of certified seeds by National Seeds Corporation fell short of targets ranging between four to 72 *per cent* of different crops as shown in Appendix V.

1.9.1 (i) Short Supply of certified seeds

Funds earmarked for distribution of certified seeds were diverted to non-priority components.

Test check of records revealed shortfall in supply of certified seeds of various crops against the targets in Andhra Pradesh (27-98 *per cent*), Gujarat (21-92 *per cent*), Jammu & Kashmir (87 *per cent*), Punjab (12 to 99 *per cent*), Tamil Nadu (16 *per cent*) and West Bengal (49 *per cent*) between 1992-93 and 1996-97. Due to short supply of certified seeds there was saving under 'Distribution of Seeds', which was the pre-requisite for ensuring increase in agricultural production and productivity. Most of the states diverted these savings to other components viz. purchase of equipment, material, and other agricultural inputs and implements, etc. as brought out in Appendix VI. Thus, it would be evident that various seeds and crop development activities were given less priority which is one of the main causes of lower productivity of various crops in the country. The shortfall in supply of certified seed was partly met by sale of truthfully labelled seeds which were not certified in the laboratories for quality assurance as shown below:

Quantity of seeds distributed

(In lakh quintal)

Year	Certified seeds	Truthfully labelled seeds	Total
1992-93	45.04	15.29	60. 33
1993-94	47.00	14.00	61.00
1994-95	52.00	13.00	65.00
1995-96	54.60	14.20	68.80
1996-97	56.00	14.00	70.00

30.71 lakh quintal truthfully labelled seeds were distributed in Andhra Pradesh, Gujarat, Karnataka, Orissa, Assam, Madhya Pradesh and Rajasthan during 1990-97. In Tamil Nadu supply of truthfully labelled

seeds ranged between 63572 and 82025 quintal and supply of certified seeds covered only eight to 12 *per cent* of the seed distributed for oilseeds. In Arunachal Pradesh, only truthfully labelled seeds were produced in seven Government Farms.

1.9.1 (ii) Sub-standard/condemned seeds

In Uttar Pradesh sale of condemned seeds resulted in loss of Rs 1.23 crore

In Andhra Pradesh 1946.98 quintal seeds were found sub-standard due to poor germination. The Director of Agriculture, Government of Uttar Pradesh and NSC declared 4484.35 quintal and 13490.23 quintal of seeds as condemned and auctioned at a loss of Rs 36.50 lakh and Rs 86.96 lakh respectively. In Haryana seeds worth Rs 1.9 crore were declared condemned during 1992-96. In Punjab, seeds involving payment of subsidy of Rs 92 lakh were distributed after sowing season during 1995-96.

1.9.1(iii) Un-utilised stock of breeder seeds

State governments of Bihar, Haryana, Karnataka and Madhya Pradesh did not lift 17477 quintal of breeder seeds of various crops from the ICAR/Agriculture Universities during 1992-97. Three Seed Farms in Madhya Pradesh had unutilised stock of 39.4 quintal of breeder seeds supplied to them.

1.10 Low seed multiplication ratio

Breeder seeds are multiplied into foundation and the latter into certified seeds by Seeds Corporations and their agencies under controlled conditions. The multiplication ratio, in which foundation and certified seeds could be produced out of the breeder seeds supplied by ICAR, could not be achieved. There was a wide variation between the reported production of foundation seeds and quantity that should have been produced on the basis of multiplication ratio. In three years 1992-95, there was shortfall of 3.86 lakh quintal of foundation seeds of 18 crops which were not accounted for.

1.11 Seed Village Programme

Shortfall in production of seeds by 39 to 84 *per cent* occurred under seed village component.

Ministry approved Seed Village Programme under Oilseeds Production Programme and National Pulses Development Project to meet the demand for certified seeds locally and to ensure timely availability of seed. Directors of Agriculture were to identify the fields in which certified seed would be produced. Only progressive farmers with adequate

infrastructure were to be involved for production of certified seeds under the programme. An assistance of Rs 200 per quintal on certified seeds produced by farmers was provided.

There was shortfall ranging between 39 and 84 *per cent* in production of certified seeds against the target under the programme between 1992-93 and 1996-97 in Andhra Pradesh, Gujarat, Jammu & Kashmir, Karnataka and Uttar Pradesh. In Andhra Pradesh 0.88 lakh quintal of seeds of groundnut supplied in 1994-97 were of older and established variety.

Haryana : The Haryana Seeds Development Corporation did not pay assistance of Rs 22.73 lakh under Oilseeds Production Programme and Rs 14.82 lakh under National Pulses Development Project to the farmers producing seeds during 1992-96.

Madhya Pradesh : 19 to 80 *per cent* of cultivators did not supply seed produced out of foundation seeds given to them for multiplication during 1994-97. Director of Agriculture took no action against the erring cultivators. The cultivators were also given 90 *per cent* advance payment of cost of seeds, of which Rs 39.22 lakh remained unrecovered.

Bihar : The State Government paid Rs 59.04 lakh towards assistance for production of 30000 quintal of seeds in seed villages to Bihar Rajya Beej Nigam. The Nigam, however, distributed only 7720 quintal of seeds. 22280 quintal remained undistributed resulting in an infructuous payment of assistance.

Punjab : Rs 31.72 lakh was spent on imparting training to farmers in seed production techniques in seed villages during 1993-97, but Seed Village programme was not taken up rendering the entire expenditure wasteful.

1.12 Quality control

Certified seeds can be sold only if they conform to the minimum standards of germination and purity prescribed in Seed Act 1966. Certification of seed is optional and is a purely voluntary measure. It covered only notified varieties of seeds. Responsibility for seed law enforcement is vested in the state governments which have notified inspectors to ensure the sale of good quality seeds. The Seed Act empowers the seed inspectors to draw seed samples from the seeds of notified varieties on sale and to get them tested in a notified laboratory. There are 20 State Seeds Certification Agencies and 96 Seed Testing Laboratories in the country which certify and test the quality of seeds respectively.

1.12.1 Appendix VII shows the status of samples drawn, tested and action taken by the State Governments on the quality test reports. On an average, 10 *per cent* of samples tested were found sub-standard. In West Bengal, it was, however, higher i.e. 10 to 24 *per cent*.

Sub-standard seeds were sold in the market.

Of 29197 samples found sub-standard all over the country, stock was forfeited and stop sale orders issued only in respect of 7637 samples. Thus, in 74 *per cent* of the cases, sub-standard seeds were allowed to be sold in the market. Dealers were let off with a warning in 31 *per cent* of the cases and 7 *per cent* of the cases were pending in the court of law.

Seeds Testing Laboratories were working far below their capacity.

1.12.2 In Haryana, Jammu & Kashmir and Madhya Pradesh, Laboratories were working at far below their capacity. Test check of records revealed that in Himachal Pradesh, 1289 of 9291 samples drawn were found sub-standard but the test results were not intimated to the Director of Agriculture to ban the sale of the rejected seeds. In Punjab seven to 12 *per cent* of samples drawn during 1993-97 were found sub-standard. Instead of seizing entire stock of sub-standard seeds, the dealers were let off with simple warning and the stock was sold to the farmers by these dealers. In Uttar Pradesh out of the samples of 54.51 lakh quintal of seeds taken over for certification from seed producing agencies, 7.02 lakh quintal were rejected during 1992-96.

1.12.3 Certification of seeds is not mandatory under Seeds Act 1966. Seed Policy Review Group observed in April 1997 that a system of compulsory registration of varieties, which is an absolute must for effective quality control and for prevention of exploitation of farmers, had not been introduced even after the recommendations made by Seed Review Team nearly three decades ago.

1.13 Subsidies

With a view to providing seeds, farm implements, plant protection chemicals and other inputs at reasonable cost to farmers, State Governments paid Rs 508.1 crore as subsidies during 1992-97 under the following heads.

(Rupees in crore)

Component	
Certified seeds distribution	208.3
Sprinkler sets, plant protection chemicals, farm implements and other inputs	299.8
Total	**508.1**

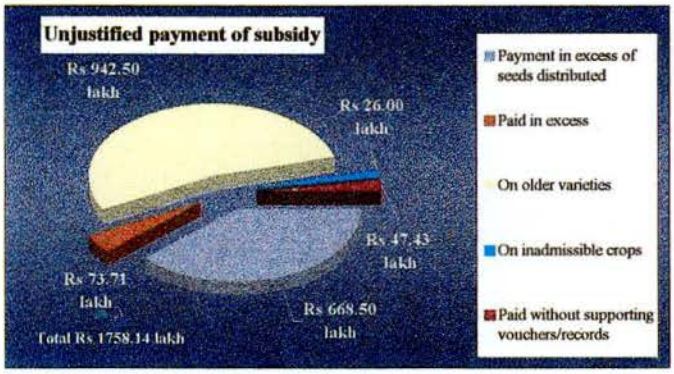
The above expenditure was shared between Central and State Governments in ratio of 75:25.

Subsidies on certified seeds

1.13.1 The guidelines on various crop development programmes contemplated grant of subsidy at varying rates of Rs 200-Rs 500 per quintal to the seeds producing agencies. Subsidies on certified seeds are restricted to seeds distributed by public sector agencies on varieties of seeds for a period of 15 years (reduced to 10 years) after it is notified, to popularise "new varieties". Certified seeds account for less than 10 *per cent* of the total seeds used in the country. While another five *per cent* is contributed by the private sector, the seeds used predominantly are farmer-saved seeds.

Unjustified payment of subsidy of Rs 17.58 crore made on certified seeds and payment of subsidy on older varieties.

The objective of the subsidies to popularise new varieties had failed, as 54 to 90 *per cent* of the seeds of major crops supplied during 1995-97 were of 15-25 years old varieties. Test check in Audit disclosed unjustified payment of Rs 17.58 crore as subsidies during 1992-97.



Subsidies on distribution of sprinkler sets

1.13.2 To economise use of water resources, the Ministry allowed subsidised distribution of sprinkler sets to farmers. The assistance was to be given to farmers after ascertaining the size of their land holding and on their having permanent source of water. Sprinkler sets were permitted to be distributed throughout the country without demarcating rainfed or unirrigated areas. It was also provided for paddy-growing areas which were mostly irrigated . There are 587179 villages with 62.87 crore rural population in the country as per 1991 census.

With meagre average annual outlay of Rs 310 crore made under various programmes, assistance at such a highly subsidised cost could be provided to only few farmers and would not meet the end-objective of conserving water resources. Subsidy was limited to Rs 10000 per hectare

of pipeline in earlier years and Rs 15000 per hectare in 1995-96. This was hiked to Rs 25000 per hectare or 90 *per cent* of total cost, which ever is less for small, marginal, SC/ST and women farmers and 70 *per cent* of the total cost or Rs 25000 per hectare, whichever is less for other farmers. The expenditure on this component was shared between Government of India and State Governments on 75:25 funding pattern. The increase was announced in September 1996 with retrospective effect from April 1996. This led to a sudden spurt in subsidy bill on sprinkler sets during 1995-97 as shown below :

Year	Rs in crore
1992-93	9.0
1993-94	10.45
1994-95	19.25
1995-96	67.0[1]
1996-97	98.1

Test check in audit showed inadmissible payment of Rs 11.05 crore as subsidy on sprinkler sets.

Inadmissible payment of subsidy of Rs 11.05 crore was made on distribution of sprinkler sets.

		Amount (Rs in lakh)
(i)	Paid on sets distributed to farmers with no identified sources of water	11.17
(ii)	On sprinkler sets not supplied	42.90
(iii)	On crops not covered	60.43
(iv)	Subsidies paid without purchase vouchers	959.04
(v)	Excess subsidy	31.26
	Total	**1104.80**

1.13.3 Subsidy on other components

Subsidy on power tillers was enhanced from 25 *per cent* of cost, limited to Rs 12000 to 50 *per cent* of cost limited to Rs 30000 in 1996-97. Ministry also identified three firms from which these were to be purchased.

Test check in audit showed inadmissible payment of Rs 9.41 crore on subsidies in states.

[1] *In 1995-96, subsidies were extended to sprinklers for coarse cereals, rice and wheat.*

Inadmissible payment of subsidy of Rs 9.41 crore was made on power tillers, agricultural implements,etc.

		Amount (Rs in lakh)
(i)	Subsidies on undisbursed implements	93.90
(ii)	Subsidies paid without supporting details	32.14
(iii)	Paid to agencies ineligible for subsidy	176.70
(iv)	Excess subsidy	612.48
(v)	Paid on unapproved items including pesticides which received adverse reports	13.50
(vi)	Paid on sub-standard items	12.11
	Total	**940.83**

1.13.4 Other irregularities in distribution of farm implements

In four states of Karnataka, Maharashtra, Tamil Nadu and Assam, implements worth Rs 63.68 lakh purchased during 1992-97, were lying in stock for lack of demand.

District Agriculture Officers in Assam did not maintain account of distribution of farm implements worth Rs 28.73 lakh during 1992-97. Adjustment account from Assam Agro-Industries Development Corporation for advance payment of subsidy of Rs 64.45 lakh paid during 1992-97 could not be ascertained due to non-maintenance of records.

In Assam, against 100 power tillers actually distributed at a cost of Rs 12 lakh in 1993-94, Director of Agriculture reported distribution of 720 power tillers at a cost of Rs 86.4 lakh in order to claim excess subsidy. Similarly, in Nagaland, Director of Agriculture obtained subsidy of Rs 15 lakh in February 1997 against reported distribution of 50 power tillers, which were not actually distributed as of June 1997.

1.14 Demonstration

Demonstration is a tool for effective dissemination of improved technologies evolved in research, use of recommended dose of fertilizers, weed control and plant protection chemicals - all tailored for local conditions and also rhizobium culture which helps in the fixation of free elemental nitrogen from the atmosphere and increases the production of pulses and oilseeds. Scientists and extension functionaries were expected to closely supervise these demonstrations, results of which were to be compiled by executing agencies to assess the impact.

1.14.1 Demonstration of certified seeds

Results of demonstration were not obtained and publicised amongst the farmers to induce them to use the latest varieties.

State Governments reported expenditure of Rs 111.13 crore in demonstration of certified seeds during 1992-97. The following shortcomings came to notice in holding demonstrations in the States.

- Technical support and supervision on demonstration by scientists/ technical staff was missing or records thereof not furnished to Audit in Assam, Bihar, Tamil Nadu, Tripura and West Bengal. Eleven State Governments did not quantify the results of demonstration and publicise it to enthuse the farmers to adopt the latest technology.
- For successful demonstration, seeds and all the basic inputs are required to popularise the technology. State Governments of Andhra Pradesh, Assam, Haryana, Jammu & Kashmir, Karnataka, Kerala and West Bengal adopted piece-meal approach. In 14 blocks in Karnataka, District Agriculture Officer distributed inputs worth Rs 21.37 lakh during 1992-97, without providing seeds for demonstrations. In seven districts of Andhra Pradesh, only seeds were distributed without other inputs, thus, defeating the purpose of demonstration conducted at a cost of Rs 1.49 crore during 1992-97. In Assam and Haryana, District Agriculture Officers did not maintain records of inputs supplied. Five zones and Udhampur sub-division in Jammu & Kashmir received fertilisers/pesticides only and no seeds under Oilseeds Production Programme/National Pulses Development Project (NPDP) and Integrated Cereals Development Programme-Wheat during 1994-97 while only seeds were issued without any other inputs in 1995-96 to another zone under NPDP. Since the District Agricultural Officer did not compile and compare the yields in demonstration, impact of this piece-meal approach in demonstration could not be quantified.

Demonstration of more than 10 years old varieties of seeds rendered the expenditure infructuous.

- District Agriculture Officers in seven districts of Karnataka distributed popular seeds of varieties evolved more than ten years back in demonstrations conducted at a cost of Rs 88.58 lakh. Similar instances were found in Madhya Pradesh (one district), Gujarat (seven districts), Maharashtra (four districts), Rajasthan (three districts), Sikkim and West Bengal, where District Agriculture Officers spent Rs 5.56 crore in demonstrating popular and established varieties of seeds, rendering the entire exercise futile.
- In 10 blocks of Karnataka, two districts of West Bengal and Gurdaspur district of Punjab, District Officers spent Rs 29.41 lakh in

demonstrating truthfully labelled, unapproved and sub-standard seeds during 1992-97.

- In Rajasthan, the State Seeds Corporation provided a variety of seeds not permitted and also not suitable for cultivation in State. On adverse reports from four districts, which used these seeds, it compensated the farmers by providing alternate seeds worth Rs 10.92 lakh.
- While demonstrations were conducted, supporting records of procurement and distribution of seeds and inputs were not available in 14 District Agriculture Offices of Bihar, three in Assam and one in Rajasthan. Against 2761 hectare of land available in Chittor Block of Palkad District in Kerala for cultivation of groundnuts, District Officer claimed demonstration on 3415-5000 hectares of land during 1994-97 in order to claim excess payment of Rs 10 lakh.

The above findings highlight the lackadaisical manner in which States conducted demonstration programmes; a pointer to why the gap between lab to land remained unbridged.

1.14.2 Distribution of seed minikits

Distribution of minikits were made with older varieties of seeds/ incomplete inputs.

Seed minikits, with seeds, seed treating chemicals, rhizobium culture and pamphlet containing package of practices, are distributed to identified farmers at nominal cost with the objective to popularise the latest high yielding varieties. A monitoring committee appointed by the respective state governments was to closely supervise the programme. Government of India spent Rs 93.70 crore on distribution of seed minikits during 1992-97.

Following irregularities were found in distribution of seed minikits:

- Though only new and latest varieties of certified seeds were to be distributed, Directors of Agriculture in Haryana, Gujarat, Karnataka, Madhya Pradesh, Rajasthan and West Bengal distributed 4.25 lakh minikits containing older, sub-standard or truthfully labelled seeds at a cost of Rs 2.57 crore. Minikits costing Rs 12.65 crore were distributed in five States in 1996-97 which were not containing all the contemplated inputs like seed treating chemicals, rhizobium culture, package of practices, etc. The results and impact of minikits distribution were also not compiled and publicised so as to convince the farmers to adopt the technology in 14 States.
- State Governments in Assam, Haryana, Arunachal Pradesh, Jammu & Kashmir and Tripura did not follow a system for identification of

farmers, a crucial factor, since progressive farmers with adequate infrastructure could bring out promising results, essential to popularise the technology.

Seeds worth Rs 57.79 lakh were distributed after the sowing period rendering the expenditure futile.

- In three districts of Maharashtra, three in West Bengal, Gujarat and nine agricultural sub-divisions of Tripura, 45240 minikits and 7760 kg of gram seeds worth Rs 57.79 lakh were distributed after the sowing period rendering the expenditure futile. Director of Agriculture in Rajasthan distributed soyabean minikits costing Rs 6.84 lakh in Alwar District though the climatic condition was not favourable for soyabean cultivation. Contrary to the guidelines, minikits were distributed free of cost without charging nominal charges fixed by the governments in Arunachal Pradesh, Bihar, Nagaland, Uttar Pradesh and West Bengal.

Dated acknowledgement of the farmers were not made available to Audit in four states. District Agricultural Officers did not maintain records of distribution of 49000 minikits in Assam. In West Midnapore district of West Bengal actual dates of distribution of 61315 minikits were not on record.

1.15 Award to Gram Panchayats

To create a competitive atmosphere, Ministry introduced an award scheme in 1994-95, under which Rs 50000 were payable to the Gram Panchayats which reported the highest productivity in a Block. The award money was to be utilised for creation of farmers' information centre and developing common property resources. Gram Panchayats in four districts of Maharashtra and six Blocks in Karnataka did not furnish utilisation certificates for Rs 38.50 lakh and Rs 2.80 lakh respectively given to them between 1994-95 and 1996-97. While in Haryana there was no record to show that award money aggregating Rs 54.50 lakh paid to Panchayats during 1994-96 was utilised for creating common property/assets. In Tamil Nadu Rs 21.81 lakh given to Tamil Nadu Agro Engineering and Service Cooperative Federation Limited during 1994-96 for disbursement to Panchayats were lying unutilised. In Himachal Pradesh Rs 13.75 lakh remained unutilised as of July 1997. Similarly in Nagaland the Director of Agriculture withdrew Rs 23.4 lakh during 1994-97 and reported that as spent in the progress report though the amount was not actually paid to the Gram Panchayats as of May 1997.

1.16 Monitoring and evaluation

Systematic and result oriented monitoring is necessary for effective implementation of crop development programmes. Departments of Agriculture in the States were to streamline the arrangements at State, District, Block and village levels for regular monitoring and review of various programmes and to take timely corrective measures. Various guidelines issued by the Ministry from time to time envisaged intensified field monitoring of activities through visits by Agriculture Officers and supervision by technical staff, scientists of ICAR/State Agricultural Universities. Monitoring mechanism by Central and State Governments failed to gear up and achieve the objectives.

1.17 Conclusion

Schemes of seeds production and various crop development programmes failed to boost agriculture production and productivity during 1992-97 mainly due to lax dissemination of latest improved varieties of seeds and crop development technology. The yield of various crops in the country was far less than those notified by Indian Council of Agriculture Research (ICAR)/obtained in other countries even though the ICAR had stated that the present yield levels at the farmers' fields could almost be doubled in most cases by adoption of new varieties of seeds and related production technology.

2 Total Literacy Campaign

2.1 Introduction

The National Literacy Mission (NLM), aiming at imparting functional literacy to eight crore adult illiterates in 15-35 age group by 1995, was launched in May 1988. The centre piece of the multipronged strategy of NLM is the implementation of area specific, time bound programme in the campaign mode where the learning needs of the clientele are to be given primacy and implementation is with peoples' voluntary participation. Such area specific, time bound programmes under Total Literacy Campaign (TLC), a Central Plan Scheme, was taken up under NLM, the first such one being launched in Ernakulam district, Kerala in January 1989.

Under TLC, functional literacy was to be imparted to adults in the age group of 15-35 years; children in the age group of nine-14 years were also to be covered wherever the non-formal education scheme was either not operational or its coverage was inadequate. Special target groups under TLC are women and girls, scheduled castes and scheduled tribes. The objective of TLC is to achieve 80-85 *per cent* literacy in each of the target group i.e. separately among women and men, scheduled castes and scheduled tribes.

The overall objective of NLM was to make 10 crore citizens functionally literate in the preferred age group of nine-35 by the end of the Eighth Five-Year Plan (1996-97). This target was, however, extended up to the end of the year 1998-99. The TLC was to be implemented at the district level through projects approved by NLM.

The components of TLC were as follows:

- Motivation and mobilisation of learners and volunteers;
- Identification of learners and volunteers;
- Training plan and curricula of training of functionaries;
- Development, production and distribution of teaching learning material; and
- Monitoring and evaluation.

Each project was normally to be completed in a year. The actual implementation of TLC in each project was to be in three rounds of training through primers I, II and III.

As a sequel to TLC, Post Literacy Campaign (PLC) was to be implemented to ensure continuity in the programme and to prevent the neo-literates relapsing into illiteracy due to break in the learning process.

2.2 Scope of Audit

The present review is based on test check of records of Department of Education, Ministry of Human Resource Development of the Union Government and Zilla Saksharata Samities (ZSSs) of 125 districts selected out of 399 districts in 21 states[1] and covers the Eighth Five-Year Plan period i.e. 1992-97.

2.3 Organisational setup

The Ministry is responsible for budgetary control and overall administration of the scheme at the central level. The Executive Committee of NLM was headed by the Union Education Secretary. The Joint Secretary in charge of the Bureau of Adult Education of the Ministry was designated as the Director General of NLM, and was the ex-officio Member Secretary of the Executive Committee of NLM. At the apex national level, the scheme was implemented by NLM in partnership with the State Governments through ZSSs or District Literacy Societies specially registered for the purpose and headed by the district collectors. The projects proposed under TLC were to be approved by the Project Approval Committee of NLM.

2.4 Highlights

- **During the Eighth Five Year Plan, against an outlay of Rs 1000 crore, Rs 553.40 crore were provided in the annual budget of the Ministry. Of this, Ministry released Rs 497.58 crore during the five years leaving a saving of Rs 55.82 crore. Out of the funds released by the Centre and the States, Rs 218.28 crore remained unspent with 20 States under TLC and PLC during the period 1992-97.**

  (Paragraphs 2.5.2 and 2.5.3)
- **Neither year-wise nor state-wise targets were fixed under TLC. Target set for covering 10 crore persons by the end of Eighth Plan was extended up to the end of 1998-99. Against 11.84 crore learners identified after survey, the number of persons made**

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[1] *The term States includes Union Territories.*

literate as on 31 March 1997 under TLC was only 4.48 crore which constituted only 38 per cent of the target, while 71 per cent of TLC funds were utilised.

(Paragraph 2.6)

- **Delay in commencement ranging from one to 32 months was noticed in 93 districts in 15 states. In 50 districts of 14 states projects were not completed even after delays ranging from one to 63 months from the stipulated month of completion. Delay in completion of projects in 14 states (75 districts) was also noticed.**

  (Paragraphs 2.9.1 and 2.9.2)

- **In 58 districts in 11 states, against the approved cost of Rs 38 to Rs 114 per learner, the actual cost per learner ranged from Rs 39 to Rs 140 and Rs 55 to Rs 5206 with reference to enrolment and to achievement in number of learners respectively. Increase in per learner cost resulted in extra expenditure of Rs 3.63 crore and Rs 34.93 crore as per the number of learners enrolled and achieved respectively.**

  (Paragraph 2.12)

- **Out of 419 TLC projects, 168 projects only moved to PLC. Further, against the proposed number of 3.56 crore neo-literates to be covered under PLC, only 1.53 crore were covered in post literacy centres as on 31 March 1997. Infructuous expenditure of Rs 4.77 crore due to delay in starting the PLC after completion of the TLC was noticed in five states.**

  (Paragraphs 2.14 and 2.18)

- **Non-revision of the project cost on the basis of the number of learners identified after survey resulted in approval of the projects at a cost in excess by Rs 4.99 crore in three states and release of excess grant of Rs 2.89 crore in four states.**

  (Paragraph 2.8)

- **In nine states, percentage shortfall in training of personnel ranged from one to 70, six to 50 and 14 to 16 in respect of volunteers, master trainers and resource persons.**

  (Paragraph 2.10)

- **Avoidable expenditure of Rs 4.52 crore on account of purchase of material in excess of requirement in 12 states and Rs 2.14 crore on account of purchase of inadmissible items in seven states was noticed. Further, in 15 states learning material worth Rs 7.31 crore was lying undistributed/idle.**

  (Paragraphs 2.11.2 and 2.11.3)

- **In 14 states advances of Rs 10.83 crore were lying unadjusted with Block Development Officers, Sub-Divisional Officers and other government and non-government officials. Also, Rs 8.59 crore were diverted towards purchase of assets and towards purposes not covered under TLC.**

  (Paragraphs 2.13.1 and 2.13.2)
- **Out of total wasteful expenditure of Rs 1.84 crore in five states, expenditure of Rs 1.66 crore was incurred in West Bengal alone. Retention of entire funds/surplus funds in saving bank/current account resulted in loss of interest of Rs 0.47 crore in five states.**

  (Paragraphs 2.13.3 and 2.13.4)
- **In Andhra Pradesh and Karnataka unfruitful expenditure of Rs 4.77 crore was incurred due to taking up the entire programme afresh under "Operation restoration of TLC".**

  (Paragraph 2.13.7)
- **External evaluation of some of the projects under TLC revealed number of deficiencies e.g. improper conduct of survey for identification of learners and other functionaries, inadequate training of key functionaries, low motivation of both learners and instructors, inadequate system of monitoring and supervision etc. The external evaluations of TLC were found deficient in sample size, coverage and sample design, estimation procedure and in following NLM norms for neo-literates by the report of the expert group headed by Prof. Arun Ghosh. Thus, procedures of both external and internal evaluation required tightening up.**

  (Paragraph 2.22)

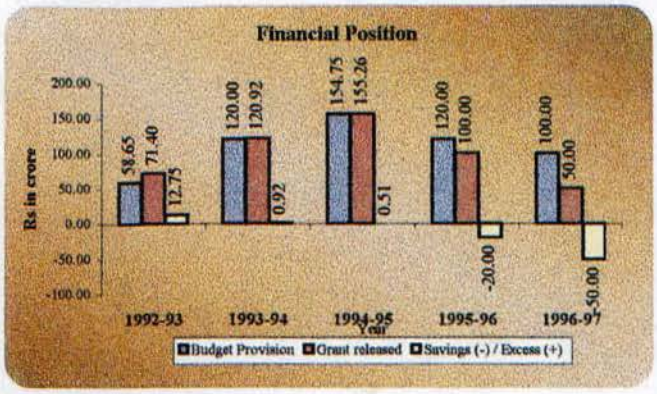
2.5 Financial arrangements

2.5.1 The implementing agencies were the ZSSs, specially registered for the purpose and usually headed by the District Collector. The Central grant was released direct to the ZSSs after the project was approved by NLM. The cost of each project was borne by the Central and the respective State Governments in the ratio of 2:1, the ratio being 4:1 for districts under Tribal sub-plan areas.

2.5.2 Budget provision and grants released by the Ministry during the period 1992-93 to 1996-97 for both TLC and PLC were as under:

Table 2.5.2 : Budget provision and grants released during 1992-97

(Rupees in crore)



Year	Budget provision	Grant released	Saving (-) Excess (+)
1992-93	58.65	71.40	(+) 12.75
1993-94	120.00	120.92	(+) 0.92
1994-95	154.75	155.26	(+) 0.51
1995-96	120.00	100.00	(-) 20.00
1996-97	100.00	50.00	(-) 50.00
Total	**553.40**	**497.58**	**(-) 55.82**

Out of budget provision of Rs 553.40 crore, Rs 497.58 crore were released during 1992-97.

The Eighth Five-Year Plan had envisaged an outlay of Rs 1000 crore on the scheme against which Rs 553.40 crore were provided in the annual budgets. Out of this Rs 497.58 crore were released. The Ministry stated, in July 1997, that shortfall in expenditure during 1995-96 and 1996-97 was due to the slow progress of the campaign in Hindi-speaking States. The State Governments released another Rs 205.34 crore as their share.

2.5.3 Release of funds to ZSSs

Out of Rs 737.22 crore, only Rs 516.99 crore were spent under TLC and PLC during 1992-97.

Out of Rs 737.22 crore released to ZSSs for TLC and PLC by Centre and States an expenditure of Rs 516.99 crore was incurred (excluding Jammu & Kashmir for which the figure was not available); the details are given in Appendix VIII.

The position of statewise utilisation of funds against total grants released is summarised below :

Table 2.5.3 : Position of utilisation of funds

Funds utilised	States/UTs
26 to 50 *per cent*	Bihar, Meghalaya and Punjab.
51 to 75 *per cent*	Assam, Delhi, Haryana, Maharashtra, Orissa, Rajasthan, Tripura, Uttar Pradesh and Chandigarh.
Above 75 *per cent*	Andhra Pradesh, Goa, Gujarat, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Tamil Nadu, West Bengal, Daman & Diu and Dadra & Nagar Haveli.

(A) Total Literacy Campaign

2.6 Physical target and achievements

Targets to cover 10 crore persons by 1996-97 was extended by two years.

The Ministry did not fix state-wise and year-wise targets under TLC. At the time of launching of NLM in May 1988, the target was to cover eight crore persons, covering 345 districts by the end of 1995. The overall objective of NLM was revised for the Eighth Plan to cover 10 crore persons in 15-35 age group including children in the age group nine-14 who were not covered in the non-formal education stream, by the end of 1996-97. The target year for coverage was subsequently revised, based on the progress made, to the end of 1998-99.

The reasons for not achieving the target by March 1997 were attributed to the fact that initially TLCs were implemented in the southern States where the educational infrastructure and Non-Government Organisation (NGOs) support were sound and the literacy rates were quite high. Subsequently, on extension of the campaigns to the northern parts of the country where the support services were weak, the performance was not upto the mark and the targets set in these areas could not be achieved.

Against the target of 11.84 crore learners identified, 4.48 crore persons were made literate upto 31 March 1997.

Against the overall objective of coverage of 10 crore persons, the target number of learners identified after survey was 11.84 crore persons as on 31 March 1997. Against this, the number of persons made literate up to 31 March 1997 under TLC was 4.48 crore which constituted only 38 *per cent* although 71 *per cent* of TLC funds were utilised.

The achievement in terms of number of persons made literate against the target number of learners identified after survey in various states is summarised below [2] :

Table2.6(i) : State-wise percentage achievement

Percentage of achievement	States
Upto 25 *per cent*	Assam, Bihar, Delhi, Haryana, Rajasthan, Tripura and Uttar Pradesh
26 to 50 *per cent*	Andhra Pradesh, Chandigarh, Goa, Karnataka, Madhya Pradesh, Orissa and Punjab
51 to 75 *per cent*	Gujarat, Himachal Pradesh, Kerala,Maharashtra, Tamil Nadu and West Bengal
Above 75 *per cent*	Pondicherry

Daman & Diu and Meghalaya reported no achievement.

[2] *State wise details are given in Appendix IX.*

Against 419 projects sanctioned till the end of 1996-97 for TLC 341 projects after excluding projects sanctioned during the last 18 months i.e. October 1995 to March 1997 were to report on achievement of project objectives after completion of project. The position of achievement in these 341 projects was as under[3] :

Table 2.6(ii) : Project-wise percentage achievement

Percentage achievement	No. of projects
Above 60	128
Between 40 to 60	34
Between 20 to 39	47
Less than 20	59

No achievement was, however, reported by 73 projects (21 *per cent*) even after 18 months of their sanction.

2.7 Release and utilisation of funds

Out of funds of Rs 589.26 crore, Rs 418.30 crore were spent by ZSSs under TLC.

During 1992-97, against Rs 589.26 crore released to ZSSs in 23 States for TLC, Rs 418.30 crore were spent by the various states (excluding Jammu & Kashmir for which the figure was not available). State-wise position of release of funds and their utilisation is given in Appendix XI.

19 States did not utilise substantial portion of the funds released. The extent of utilisation was between 26 to 50 *per cent* in three states of Bihar, Meghalaya and Punjab, 51 to 75 *per cent* in eight states of Assam, Delhi, Haryana, Maharashtra, Orissa, Rajasthan, Tripura and Uttar Pradesh and above 75 *per cent* in 11 states of Andhra Pradesh, Chandigarh, Goa, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Tamil Nadu, West Bengal, Daman & Diu and Dadra Nagar Haveli.

2.8 Excess project cost/ release of grant

Failure to revise the project cost resulted in excess release of Rs 2.89 crore.

The project reports for TLCs were prepared by ZSSs on the basis of 1991 census figures. These figures were later on revised on the basis of actual survey conducted by the district authorities. Grants were to be released by the Ministry after approval of the project, based on these revised figures. Where the survey was conducted after the approval of the project, the project cost was to be revised by the Ministry on the basis of actual survey figures.

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[3] *State-wise/ project-wise breakup is given in Appendix X.*

It was, however, observed by Audit that the project cost was not revised on the basis of the lower number of learners identified after the actual survey, resulting into excess project cost and release of excess grant in the following cases:

Table 2.8: Excess project cost/ release of excess grant

Sl. No.	Name of the State	Extent of test check (In district)	No. of learners as per census/ preliminary survey	No. of learners identified after survey	Excess No. of learners	Excess project cost	Excess release of grants
			(Number in lakh)				(Rupees in lakh)
1	Himachal Pradesh	4	2.91	2.11	0.80	61.03	23.62 (Central : 14.44; State : 9.18)
2	Jammu & Kashmir	1 (Jammu)	2.62	0.57	2.05	-	-
3	Karnataka	2	7.63	6.85	0.78	-	25.81 (Central : 8.84; State : 16.97)
4	Tripura	1 (South Tripura)	2.89	1.83	1.06	76.40	34.39
5	West Bengal	4	50.39	41.56	8.83	361.39	205.39 (Bankura and Midnapur)
	Total					**498.82**	**289.21**

2.9 Commencement/completion of the projects

2.9.1 Delay in commencement of projects

Delay in commencement of projects ranged from one to 32 months in 15 states.

While projects were not started even after lapse of a period up to three years from the stipulated date of commencement in four districts of three states (Jammu & Kashmir : Rajouri and Udhampur; Assam : Dhubri and Gujarat :Rajkot Municipal Corporation), there was delay in commencement ranging from one to 32 months in 93 districts test checked in 15 states as detailed below :

Table 2.9.1: Delay in commencement of projects

Sl. No.	Name of State	Extent of test check (N0. of districts)	Period of delay in months
1	Andhra Pradesh	3	11 - 24
2	Assam	4	1- 24
3	Dadra & Nagar Haveli	1	4
4	Gujarat	9	1- 23
5	Haryana	7	1 - 11
6	Himachal Pradesh	4	2 - 8
7	Karnataka	10	1 - 24
8	Madhya Pradesh	11	1 - 18
9	Maharashtra	14	3 - 22
10	Orissa	7	3 - 24

Sl. No.	Name of State	Extent of test check (N0. of districts)	Period of delay in months
11	Punjab	3	1 - 4
12	Rajasthan	3	5 - 10
13	Tamil Nadu	5	1 - 8
14	Uttar Pradesh	8	2 - 32
15	West Bengal	4	3 - 14
	Total	**93**	

The delays were attributed by the ZSSs to late receipt of funds, elections, natural calamities, delay in environment building etc.

2.9.2 Completion of projects

Projects not completed even after delays ranging from one to 63 months in 14 states.

The duration of a TLC project was generally of 12 months staggered in suitable phases depending upon the terrain and state of development of a district and number of learners etc. Further, the entire project was required to be completed by the deadline indicated in the sanction, unless extension was granted by the Ministry on a formal request from the organisation.

50 Projects in 14 States remained incomplete, while 75 were completed after a delay of up to 42 months. The incomplete projects had overshot the scheduled period of completion by up to 63 months as per details given below :

Table: 2.9.2 (i) : Incomplete projects

Sl. No.	Name of the State	Name of District	Stipulated month of completion	Period of delay as on 31 March 1997 (In months)	Whether extension sought	Reasons advanced for incomplete projects
1	2	3	4	5	6	7
1	Assam	Kokrajhar	October 1995	17	No	
		Kamrup	March 1996	12	Yes	
		Sibsagar	June 1995	21	No	
2	Bihar	Darbhanga	February 1997	1	No	
		Jamui	April 1995	23	No	
		Khagaria	August 1994	31	No	
		Madhubani	August 1996	7	No	
3	Dadra & Nagar Haveli	Dadra & Nagar Haveli	April 1995	23	No	
4	Gujarat	Surat Municipal Corporation	August 1996	7	NA	Primers yet to be printed and demolition of slums.

1	2	3	4	5	6	7
5	Haryana	Hissar & Kurukshetra	April 1995	23	Yes	Flood and elections.
		Mohindergarh & Rewari	June 1996	9	Yes	
6	Jammu & Kashmir	Jammu (Two blocks)	May 1996	10	NA	
7	Karnataka	Mysore Ph-II	January 1995	26	NA	
		Gulbarga	December 1994	27		
		Bangalore (Rural)	March 1994	36		
		Raichur	December 1991	63		
		Hassan	June 1995	21		
8	Madhya Pradesh	Raigarh Ph-II	April 1995	23	Not available	Late receipt of funds and elections.
		Hosangabad	March 1995	24		
		Guna and Sarguja	May 1996	10		
		Jhabua Ph-I	February 1995	25		
		Mandla, Dhar, Chhindwara and Balaghat	March 1996	12		
		Mandsaur	November 1995	16		
		Bilaspur Ph-III and Seoni	August 1996	7		
		Shahdol	January 1997	2		
		Jhabua Ph-II	April 1996	11		
		Damoh	October 1996	5		
		Morena	June 1996	9		
9	Maharashtra	Buldhana	July 1996	8	Yes	Water scarcity, examination, general elections and late commencement.
		Mumbai	December 1995	15	Yes	
		Nagpur	June 1996	9	Yes	
		Nasik	May 1995	22	Yes	
		Satara	January 1996	14	Yes	
10	Orissa	Ganjam	August 1992	55	No	Lack of motivation, non-provision of remuneration, irregular attendance, migration and unwillingness of learners and volunteers.
		Keonjhar	September 1993	42	No	
		Rourkela	March 1992	60	No	
		Dhenkanal and Kalahandi	March 1994	36	No	

1	2	3	4	5	6	7
11	Rajasthan	Jodhpur	June 1996	9	No	
12	Tamil Nadu	Madras (Chennai)	September 1996	6	NA	
13	Tripura	Paschim ZSS Uttar ZSS Dakshin ZSS	December 1996	3	NA	Series of elections in the State, non-release of staff by Government. Departments, lack of people's participation and shortfall in training programme.
14	West Bengal	Darjeeling (Siliguri Sub-Division)	March 1996	12	NA	Delay in mobilising learners.
	Total	**50 Districts**				

While the information regarding seeking extension of time for completion was not available in respect of 25 districts, no time extension was sought in respect of 13 districts. In Orissa, excess expenditure of Rs 59.77 lakh was incurred on account of administrative cost due to delay in completion of the projects.

Table 2.9.2 (ii): Delay in completion of projects

Sl. No.	Name of State	Extent of test check (No. of districts)	Period of delay in months	Whether extension was obtained	Extra expenditure if any	Reasons advanced for delay
1	2	3	4	5	6	7
1	Andhra Pradesh	6	7 – 24	5 districts did not obtain extension	Rs 18.03 lakh (Khammam and Visakha--patnam)	Learners engaged in agriculture operation, election and shortage of volunteers.
2	Assam	1	15			
3	Bihar	1	15	No		
4	Chandigarh	1	11	No		Migratory labour problem.
5	Gujarat	12	2 – 26			Delay in release of grant and natural calamities.
6	Himachal Pradesh	4	11 – 42	No		Late receipt of funds, difficult terrain, frequent transfers of staff and lack of motivation.
7	Karnataka	9	1 – 23	-	Rs 69.70 lakh (Mysore Ph.I)	Election, natural calamities and preparation of learning material.
8	Madhya Pradesh	3	4 – 9			Slow progress, grant received late and receipt of grant in parts etc.
9	Maharashtra	12	5 – 30	5 districts (Amravati, Aurangabad, Latur, Pune and Sindhudara) did not obtain extension		Riots on account of demolition of Babri Masjid and renaming Marathwada University, heavy rains, floods, assembly election, annual examination and summer vacation.
10	Punjab	1	3	No	Rs 5.27 lakh	Less progress in field work due to lack of motivation and environment building.
11	Rajasthan	4	13 – 24	2 districts (Ajmer and Bharatpur) did not obtain extension	-	Delayed printing of primers, flood and elections etc.

1	2	3	4	5	6	7
12	Tamil Nadu	4	5 – 24		Rs 37.63 lakh (Thiruvannamalai : Rs 5.29 lakh, South Arcot :Rs 16.70 lakh, Madurai : Rs 4.50 lakh and Thanjavur : Rs 11.14 lakh)	Delay in enrolling learners and identification of volunteer instructors, delay in survey and delay in supply of primer books.
13	Uttar Pradesh	14	6 – 37	12 districts did not obtain extension		
14	West Bengal	3	11 – 14	No		
	Total	**75 districts**			**Rs 130.63 lakh**	

Delay in completion of the above projects resulted in delay in achieving the targets fixed by the Ministry. Extra expenditure of Rs 1.31 crore in four states of Andhra Pradesh, Karnataka, Punjab and Tamilnadu was incurred towards payment of honorarium and fixed traveling allowance etc.

2.10 Training

As per the guidelines, the success of the TLCs depended on the volunteers, master trainers and resource persons involved and their training required meticulous care at all levels. On an average, the number of persons required to be trained at each level was to be calculated in the following manner :

- One volunteer for every 10 learners.
- One master trainer for 25-30 volunteers.
- One resource person for 25-30 master trainers.

These trainers were to be imparted training for nine days spread over four rounds (4+2+2+1) covering three primer courses and the final evaluation phase.

Substantial shortfall in training of personnel were noticed in nine states.

State-wise position of physical targets and shortfall/ achievement in imparting training in test checked districts was as under :

Table 2.10 : Targets and shortfall/achievement in number of persons trained

Sl. No.	Name of State	Extent of test check (In district)	Volunteers		Master trainers		Resource persons		Excess trained			Shortfall (Figures in brackets are in percentage)		
			To be trained	Actually trained	To be trained	Actually trained	To be trained	Actually trained	Vis	MTs	RPs	Vis	MTs	RPs
1	Delhi	Over all	70000	32341	4000	2944	150	150	-	-	-	37659 (54)	1056 (26)	-
2	Haryana	7	147300	43836	6450	5151	450	387	-	525 (1 Dist.)	-	103464 (70)	1824 (28)	63 (14)
3	Kerala	3	172590	237650	17259	26135	1726	2500	65060	8896	774	-	-	-
4	Madhya Pradesh	16	440062	383348	24394	22978	1316	1316	-	-	-	56714 (13)	1416 (6)	-
5	Orissa	5	245919	224593	16500	23901	710	2531	2551 (1 Dist.)	7401	1821	23877 (10)	-	
6	Punjab	3	55800	46035	6720	3352	457	740	-	-	283	9765 (18)	3368 (50)	-
7	Rajasthan	5	155101	175174	6204	8258	312	1046	21882	2054	734	1809 (1 Dist.) (1)	-	-
8	Tamil Nadu	5	182800	143141	7312	8169	240	469	552 (1 Dist.)	1488	229	40211 (22)	631 (1 Dist.) (9)	-
9	Tripura	3	65000	26614	3252	1643	462	389	-	-	-	38386 (59)	1609 (50)	73 (16)

Percentage shortfall in training of personnel ranged from one to 70, six to 50 and 14 to 16 in respect of Volunteers, Master Trainers and Resource persons respectively. The shortfall was attributed to drop out of volunteers, resource persons not being available and funds not being received at the appropriate time.

In Delhi, out of 2944 and 150 trained Master Trainers and Resource persons, 1525 (52 *per cent*) and 90 (60 *per cent*) were not working. Also against 32341 trained volunteers, 41760 were working. Thus, 9419 untrained volunteers were working. In Madhya Pradesh, against 383348 and 22978 trained Volunteers and Master Trainers, 37334 and 1848 respectively were not working. In Orissa, extra expenditure of Rs 9.01 lakh was incurred on training of excess number of Master Trainers and Resource Persons.

2.11 Teaching and learning material

According to guidelines for TLC, materials developed by the State Resource Centres (SRCs) on the Improved Pace and Content of Learning (IPCL) pattern in accordance with the guidelines was to be used. Printing of such material was to be undertaken at the district level. In addition to the 3-graded primers, learners were also to be provided with a slate and lead pencil. Volunteers were also to be provided with volunteers' guide in addition to a set of learning material. The guidelines further envisaged distribution of a complete set of learning material to each learner in a time-bound manner.

Test check of records in various states revealed as under:

2.11.1 Shortcomings in the distribution of material

Shortcomings in distribution of material were noticed in four states.

Cases of excess distribution and delay in distribution were noticed in the following states:

Andhra Pradesh : In Kurnool and East Godavari districts, there was delay ranging from three to 15 months in supplying learning material to the learners. While delay in Kurnool district was stated to be due to short release of funds by the State Government, no reasons were furnished for East Godavari district.

Haryana: The Gian Jyoti Literacy Society Kurukshetra distributed Primer II and III to all 53748 learners along with Primer I while the number of learners enrolled for Primer II and III were 20193 and 10584 respectively. Thus 33555 Primer II and 43164 Primer III were issued to ineligible learners resulting in a waste of Rs 2.66 lakh.

Himachal Pradesh: In four test checked districts of Hamirpur, Kangra, Kinnaur and Sirmour, there were 186110 learners and 19852 volunteers who were to be supplied 558330 books and 59556 books respectively on the basis of prescribed norms. However, 947150 books were distributed during 1992-94 resulting in excess distribution of 329264 books costing Rs 11.45 lakh. Similarly, against the required number of 162110 slates, 208126 slates were issued to learners by ZSS Kangra, Kinnaur and Sirmour, resulting in excess issue of 46016 slates costing Rs 2.27 lakh .

In Hamirpur, Kangra and Kinnaur no slates or pencils were issued to 17624 volunteers.

Tamil Nadu : In three test checked districts of Madurai, South Arcot and Thiruvannamalai learning materials were supplied after two to 10 months from the commencement of teaching phase due to belated placement of orders, delayed supply by the supplier and piecemeal assessment.

2.11.2 Avoidable expenditure on purchase of material

Avoidable expenditure of Rs 6.66 crore was incurred on purchase of material.

Avoidable expenditure of Rs 6.66 crore was disclosed on account of purchase of material in excess of requirement and purchase of inadmissible items as per details given below :

Table 2.11.2 : Avoidable Expenditure on Purchase of material

Sl. No.	Name of State	Avoidable expenditure on account of						Reasons for excess purchases
		Purchase in excess of requirement			Purchase of inadmissible items			
		Extent of test check (In district)	Number of items (No. in lakh)	Amount (Rs in lakh)	Extent of test check (In district)	Number of items (No. in lakh)	Amount (Rs in lakh)	
1	Andhra Pradesh	5	40.55	109.57	7	NA	87.08	
2	Assam	2	-	29.28	1	0.05	10.45	
3	Bihar	4	11.68	NA	-	-	-	
4	Gujarat	2	1.92	26.75	-	-	-	
5	Haryana	4	NA	35.35	2	-	4.18	
6	Himachal Pradesh	4	12.65	42.58	4	2.29	5.53	
7	Jammu & Kashmir	-	-	-	1	0.82	3.05	
8	Karnataka	2	5.39	50.36	2	6.45	19.53	Due to interruption in the campaign from September 1994 to November 1995, the learning material supplied was lost and fresh purchases were made.
9	Maharashtra	3	NA	7.51	-	-	-	Due to wear and tear and emergency use.
10	Orissa	5	NA	32.71	5	NA	84.37	Learning material was purchased before survey.
11	Punjab	1	NA	6.13	-	-	-	
12	Rajasthan	1	2.00	7.45	-	-	-	Purchase was made in June 1995 after closure of TLC in November 1992.
13	Tamilnadu	1	0.53	2.62	-	-	-	
14	West Bengal	4	20.53	74.66	-	-	-	
	Total			**424.97**			**214.19**	

Other types of irregularities involving avoidable expenditure were also noticed in the following cases:

Gujarat: The ZSS Ahwa-Dangs received 0.26 lakh primers free of charge from State Resource Centre (SRC) for distribution amongst 0.26 lakh learners. However, another batch of 0.28 lakh primers was purchased at a total cost of Rs 4.20 lakh for distribution amongst these learners which resulted in avoidable expenditure of Rs 4.20 lakh.

The ZSS stated that another 0.28 lakh primers were purchased as the primers supplied free of charge by SRC were destroyed.

Orissa: In ZSS Dhenkanal and Kalahandi TLC projects were started in January 1992 and October 1991 respectively and primers and learning material were purchased according to requirement. However, ZSS Angul and Nuapada, recognised as separate districts w.e.f. April 1993, also purchased learning material worth Rs 14.39 lakh and Rs 4.23 lakh respectively in addition to the purchase made by their respective original districts of Dhenkanal and Kalahandi leading to excess purchase of learning material worth Rs 18.62 lakh.

West Bengal: In Malda, in spite of sufficient closing stock of 1.75 lakh copies of primer II, ZSS got printed another one lakh copies of these primers at a cost of Rs four lakh. This resulted in idling of Rs four lakh which might subsequently prove infructuous as none of 1.32 lakh enrolled learners could complete even primer I as of March 1997.

2.11.3 Material lying undistributed/idle

Material worth Rs 7.31 crore was lying undistributed/idle.

In 15 states learning material e.g. exercise books, primers, pencils and slates worth Rs 7.31 crore was lying undistributed/idle as per details given below:

Table 2.11.3 :Teaching and learning material lying undistributed/idle

Sl. No.	Name of the State	Extent of test check (In district)	Number of items (No. in lakh)	Value (Rs in lakh)	Reasons stated by the agencies
1	Andhra Pradesh	3	Not available	32.71	-
2	Assam	4	4.52	42.03	Due to non starting of teaching process and supply of primers in advance of actual requirement.
3	Bihar	6	28.61	46.08	-
4	Dadra & Nagar Haveli	1	Not available	10.65	-
5	Delhi	2	Not available	19.21	Lying undistributed for period ranging from two to 33 months.

Sl. No.	Name of the State	Extent of test check (In district)	Number of items (No. in lakh)	Value (Rs in lakh)	Reasons stated by the agencies
6	Gujarat	1	0.79	3.95	Due to change and reprinting of third primer.
7	Himachal Pradesh	4	3.73	12.05	-
8	Karnataka	7	11.78	77.59	Due to drop-out and non-availability of volunteers.
9	Kerala	3	0.74	0.22 (Printing charges)	Value excludes the cost of paper which was not available.
10	Madhya Pradesh	13	Not available	325.59	-
11	Maharashtra	3	Not available	6.81	-
12	Orissa	7	Not available	22.13	-
13	Punjab	4	3.89	16.24	-
14	Rajasthan	6	19.61	75.72	-
15	Uttar Pradesh	1	Not available	39.59	Due to fall in number of learners enrolled.
			Total	**730.57**	

2.12 Per learner cost

As per the scheme the cost per learner per year was prescribed as Rs 65. Enhanced per learner cost of upto Rs 100 was provided for subsequently during the Eighth Plan taking into account conditions prevailing in some areas.

Ministry had not monitored this important aspect of the scheme. Test check in 58 districts of 11 states revealed that the actual cost per learner exceeded the prescribed/approved cost per learner as detailed below:

Table 2.12 : Per learner cost

Sl. No	Name of State	Name of district	Approved cost per learner (Rupees)	Target after survey	Number of learners		Total expenditure incurred (Rs in lakh)	Actual cost per learner		Extra expenditure as per	
					Enrolled*	Achieved**		Based on Enrolment	Based on Achievement	Enrolment	Achievement
								(In Rupees)		(Rupees in lakh)	
1	Andhra Pradesh	Over all (23 Dist.)	65.00	140.23 lakh	121.11 lakh	68.24 lakh	5745.24	47.44	84.20	-	1310.21
2	Assam	Jorhat	65.00	114513	114500	92000	89.00	77.80	96.74	14.72	29.20
3	Haryana	Hissar	60.47	350000	182470	32236	148.00	81.11	459.11	37.66	128.50
		Kurukshetra	64.00	80146	54022	5618	51.31	94.98	913.31	16.74	47.41
		Panipat	76.40	161000	154617	42587	60.60	39.19	142.30	-	28.06
		Bhiwani	56.76	212724	96322	1050	54.66	56.75	5205.71	-	54.06
		Rewari	72.00	89834	89834	12680	52.21	58.12	411.75	-	43.08
4	Himachal Pradesh	Hamirpur	69.40	24000	24000	21000	18.19	75.80	86.62	1.54	3.62
		Kinnaur	114.15	5468	5468	5250	7.65	139.90	145.71	1.40	1.66
		Sirmour	65.00	100700	86080	45322	62.07	72.10	136.95	6.11	32.61
5	Karnataka	10 Districts	65.00	N.A.	N.A.	32.89 lakh	2236.64	N.A.	68.00	-	98.00
6	Madhya Pradesh	Bilaspur (Phase-I)	65.00	N.A.	N.A.	1.30 lakh	143.89	N.A.	110.30	-	58.89
7	Orissa	Dhenkanal	68.00	2.31 lakh	2.31 lakh	1.76 lakh	233.76	101.19	132.82	76.67	114.08
		Kalahandi	75.62	2.64 lakh	1.80 lakh	1.14 lakh	244.47	135.82	214.45	108.36	158.27
		Keonjhar	57.14	3.83 lakh	3.11 lakh	1.44 lakh	146.62	47.14	101.82	-	64.34
8	Punjab	Hoshiarpur	70.00	1.11 lakh	0.89 lakh	70000	81.00	91.00	115.71	18.69	382.00
		Ropar	78.00	0.75 lakh	0.56 lakh	0.47 lakh	58.00	104.00	123.40	14.56	21.34
9	Rajasthan	Alwar	65.00	401502	349091	0.84 lakh	195.00	55.86	232.14	-	140.00
		Dungarpur	90.00	283801	224943	1.40 lakh	159.00	70.68	113.57	-	32.99
		Bhilwara	67.00	282627	248563	1.93 lakh	156.00	62.76	80.83	-	26.69
		Jodhpur	71.00	495157	384988	0.11 lakh	179.00	46.49	1627.27	-	171.19
		Udaipur	65.00	555662	450220	0.46 lakh	269.00	59.75	584.78	-	239.10
10	Tripura	PZSS	70.31	2.16 lakh	1.86 lakh	1.38 lakh	103.34	55.56	74.88	-	6.31
		UZSS	75.00	0.69 lakh	0.55 lakh	0.35 lakh	49.70	90.36	142.00	8.45	23.45
		DZSS	72.06	1.47 lakh	1.32 lakh	0.97 lakh	90.83	68.81	93.64	-	20.93
11	West Bengal	Bankura	38.48	7.43 lakh	6.53 lakh	5.00 lakh	276.72	42.38	55.34	25.47	84.30
		Murshidabad	51.28	12.73 lakh	8.04 lakh	5.30 lakh	444.50	55.29	83.87	32.24	172.73
	Total	58 Districts								362.61	3493.02

* *Number of learners enrolled for imparting functional literacy.*

** *Number of learners made literate after completing all the primers.*

Increase in per learner cost resulted in extra expenditure of Rs 3.63 crore and Rs 34.93 crore as per enrolment and achievement of learners.

Thus, against the approved cost per learner ranging from Rs 38 to Rs 114 the actual cost per learner ranged between Rs 39 to Rs 140 and Rs 55 to Rs 5206 with reference to enrolment and achievement respectively. Further, due to increase in the cost per learner, an extra expenditure of Rs 3.63 crore in 13 districts and Rs 34.93 crore in 58 districts was incurred as per number of learners enrolled and as per number who achieved literacy respectively.

The Ministry stated, in March 1998, that ZSS undertakes a campaign for an identified target and has to spend money on different components like survey, environment building in the entire area, part of teaching learning material based on survey figures, training of functionaries for all learners, monitoring and supervision of the campaign using the extra network in the district, administrative structure and evaluation. Thus, it should be calculated on the basis of enrolment made in a district campaign.

The reply was not tenable as the actual cost per learner as per enrolment had increased on account of heavy shortfall in enrolment against the targeted number of learners due to lack of motivation/environment building by ZSSs indicating that the expenditure incurred on the component "environment building" was not fruitful. Further, heavy expenditure incurred by the ZSSs towards purchase of excess/inadmissible items of teaching learning material, purchase of assets and for the purposes not covered under the scheme had also escalated the cost per learner.

2.13 Other financial irregularities

2.13.1 Unadjusted advances

Advances of Rs 10.83 crore were lying unadjusted.

Large amount of advances were given to Block Development Officers (BDOs), Sub-Divisional Officers (SDOs) and other Government and Non-Government officials for implementation of the campaign. In 14 States, these advances were lying unadjusted with the above officers/ officials as per details given below:

Table 2.13.1: Unadjusted advances

Sl. No.	Name of the State	Extent of test check (In districts)	Amount (Rs in lakh)	To whom paid	Remarks
1	Andhra Pradesh	6	156.28	Mandal Development officers, Revenue development officers, and voluntary organisations.	-
2	Assam	4	37.91	B.D.Os and Anchalik Panchayats.	The advances were booked under final head of expenditure and were awaiting adjustment for a period ranging from five to 54 months.
3	Bihar	4	103.76	Various agencies	This advance was treated as expenditure by ZSSs
4	Dadra & Nagar Haveli	1	0.76	Officer in charge (Patelads).	-
5	Delhi	2	9.10	SCERT and DDES.	-
6	Gujarat	1	12.81	Taluka Development Officer.	This advance was treated as expenditure by ZSS.
7	Himachal Pradesh	3	16.26	SDOs, BDOs and other field agencies.	-
8	Karnataka	2	50.18	Bangalore University BDO's and other implementing officers	Amount paid for external evaluation to Bangalore University.
9	Kerala	1	4.99	Officials of State centre of the Samiti and District Samiti.	-
10	Madhya Pradesh	8	208.00	Education Officers, Project directors and other officials.	Amount outstanding for a period ranging from three to 60 months.
11	Orissa	5	77.43	BDOs and other implementing agencies.	-
12	Rajasthan	7	135.11	BDO, SDOs and firms.	-
13	Uttar Pradesh	13	258.79	BDOs, Sub District Magistrates and other officials.	Amount treated as expenditure without receiving the adjustment bills.
14	West Bengal	4	11.74	Govt. and Non-Govt. Officials.	-
	Total		**1083.12**		

2.13.2 Diversion of funds

Rs 8.59 crore were diverted towards purchase of assets and for purposes not covered under TLC.

TLC funds were to be utilised for the components viz. survey, environment building, teaching/learning material and training. The funds were not to be used for purchase of capital assets. However, Rs 8.59 crore were diverted towards purchase of assets and for purposes not covered under TLC as per details given in the following table:

Table 2.13.2 : Diversion of funds

Sl. No.	Name of the State	Funds diverted for						Reasons
		Purposes not covered under the scheme			Purchase of assets			
		No. of Districts	Amount (Rs in lakh)	Purpose of Diversion	No. of districts	Amount (Rs in lakh)	Brief particulars of items purchased	
1.	Andhra Pradesh	16	105.13	Printing of pension pass books, cost of seedlings, planting of trees, payment to private clubs, installation of electronic telephone exchange and contribution for building fund etc.	11	29.34	Computers, jeeps, xerox machines, generators and digital scanner cum printer.	Digital scanner cum printer purchased in September 1993 by ZSS Warangal at a cost of Rs 5.15 lakh remained idle as of March 1997.
2.	Assam	2	0.41	Litigation expenses and purchase of tyre-tubes.	-	-	-	-
3.	Bihar	2	8.60	Agriculture loan, telephone charges, pulse-polio programme and preparation of video film etc.	3	47.06	Building, cycle, vehicles, copy-printer, portable generator, VCP, VCR, projector, document binders, furniture, petromax etc.	-
4.	Haryana	-	-	-	2	4.80	Vehicles	-
5.	Himachal Pradesh	-	-	-	4	8.96	Electronic type writers and furnitrues etc.	-
6.	Kerala	-	-	-	1	1.60	Jeep	-
7.	Madhya Pradesh	10	70.66	For the scheme "Lok Sampark Abhiyan" under "Rajiv Gandhi Mission" and to other agencies.	10	85.96	Jeep, motor cycles, photo copy machines, typewriters, musical instruments and duplicating machine etc.	-

Sl. No.	Name of the State	Funds diverted for						Reasons
		Purposes not covered under the scheme			Purchase of assets			
		No. of Districts	Amount (Rs in lakh)	Purpose of Diversion	No. of districts	Amount (Rs in lakh)	Brief particulars of items purchased	
8.	Orissa	3	11.60	Celebration of independence day, purchase of prize materials, repair of Government vehicles and payment to families of deceased drivers.	-	-	-	-
9.	Punjab	2	23.88	Paid to Additional Deputy Commissioner for printing of yellow cards i.e. an identity card issued to the individual whose annual income is less than Rs11,000/- and purchase of calenders and momentos.	1	4.18	Jeep, computer and typewriter.	-
10.	Rajasthan	3	1.74	Printing of pass books, coupons and repair of vehicles.	-	-	-	-
11.	Tamilnadu	4	15.68	Creation of corpus fund (Rs15.28 lakh) and organising trade fair (Rs0.40 lakh).	2	23.79	Air conditioner and construction of petitioner's hall and children park.	Despite Govt. of India instructions the amount of corpus fund was not refunded (April 1997).
12.	Tripura	-	-	-	1	1.37	Electronic duplicating machine, furniture and conference table etc.	-

Sl. No.	Name of the State	Funds diverted for						Reasons
		Purposes not covered under the scheme			Purchase of assets			
		No. of Districts	Amount (Rs in lakh)	Purpose of Diversion	No. of districts	Amount (Rs in lakh)	Brief particulars of items purchased	
13.	Uttar Pradesh	4	375.47	Deposited in small saving schemes (Rs355 lakh), expenditure on plantation and purchase of vikas calenders related to development schemes such as JRY, NRY, IRY and IRDP.	-	-	-	-
14.	West Bengal	4	24.84	Rs10 lakh given as loan to Krira Utsav Committee and District youth officer for organising fair and youth sports festival. The remaining amount was diverted for electric installation at D.Ms residence, repair works of college and rest house, cost of fuel and hire charges of vehicles used at DM's office and bungalow and purchase of spectacles for some learners who had poor vision.	4	13.96	Xerox machine, invertor, typewriter TV, cooking gas, oven and furniture etc.	The entire loan remained unrecovered (June 1997). Out of assets of Rs 13.96 lakh item valued at Rs4.59 lakh were acquired by D.M. for his office, bungalow, circuit house and Zila Parishad Office in Bankura and Midnapur.
	Total :		638.01			221.02		

2.13.3 Wasteful expenditure

Wasteful expenditure of Rs 1.84 crore was noticed in five states.

Out of total wasteful expenditure of Rs 1.84 crore in five States, expenditure of Rs 1.66 crore was incurred in West Bengal alone. State-wise details are given as under :

Table 2.13.3 : Wasteful expenditure

Sl. No.	Name of the State	Name of the district	Amount involved (Rupees in lakh)	Reasons
1.	Chandigarh	Chandigarh	1.08	Non utilisation of primers II and III due to non-imparting of training of second and third rounds of training to master trainers and volunteers.
2.	Haryana	Panipat	3.16	Due to payment of honorarium, rent of office and travelling allowances etc after discontinuation/termination of TLC and PLC.
3.	Karnataka	Chitradurga	2.25	Due to award of the work of external evaluation of the same project to two evaluating agencies.
4.	Tripura	Overall	11.81	Due to excess purchase of learning material in Kokbarak language for scheduled tribe learners.
5.	West Bengal	Malda	165.58	The first phase of the TLC taken up in December 1993 became non-functional in June 1994 due to dropout of learners, absence of volunteers and non-participation of people at all levels. The programme, however, completely collapsed in March 1996.
	Total		**183.88**	

2.13.4 Loss of interest of Rs 46.55 lakh

Amount not required for immediate expenditure was to be deposited in fixed term deposits and amount required for day to day expenses was to be kept in saving bank accounts. However, the entire fund/surplus funds were kept in saving bank/current account resulting in loss of interest of Rs 46.55 lakh as detailed below: :

Table 2.13.4 : Loss of interest

Sl. No	Name of the State	No. of districts	Nature of Account in which amount retained	Amount involved	Amount of loss of interest
				(Rupees in lakh)	
1.	Haryana	2	Savings Bank	212.00	10.89
2.	Karnataka	1	Savings Bank	104.01	5.79
3.	Madhya Pradesh	1	Savings Bank	32.00	2.08
		1	Current Account	--	3.00
4.	Maharashtra	2	Current Account	--	15.38
5.	Tripura	1	Savings Bank	46.00	9.41
	Total				**46.55**

2.13.5 Excess expenditure on purchase of learning material

Extra expenditure of Rs 2.07 crore was incurred on purchase of learning material.

Financial rules provide that purchases be made in the most economical manner. When the material/stores are purchased from the open market, the system of open tender is to be adopted and the benefit of competitive rate is to be availed of. Rules, *ibid*, further provide that no expenditure should be incurred in anticipation of its approval.

Cases of extra expenditure due to not inviting tenders or due to purchase of materials at rates higher than the lowest were noticed in the following states :

Assam: State Directorate of Adult Education incurred an expenditure of Rs 216.31 lakh for printing of 23.24 lakh copies of Primers/guide books without inviting tenders. This resulted in extra expenditure of Rs 82.93 lakh, calculated on the basis of the rates fixed on tender basis paid by ZSS Kamrup for printing these books.

Himachal Pradesh: Although TLC had already been completed in October 1993 in ZSS Sirmour, 10000 books at the rate of Rs 9.35 per book were got printed from a private firm although these books at the rate of Rs 3.38 per book were already available with Directorate of Adult Education resulting in extra/avoidable expenditure of Rs 0.94 lakh.

Madhya Pradesh: Conditions of the contract/agreement provided for imposition of penalty in the form of forfeiture of EMD and recovery of extra cost from defaulting supplier. In four districts of Guna, Hoshangabad, Jhabua and Mandla Rs 7.41 lakh was not recovered in terms of the conditions provided in the contract. Further in three districts of Balaghat, Bilaspur and Seoni books, forms, primers, pamphlets, teaching and learning material etc. worth Rs 34.70 lakh were purchased without inviting tenders/quotations.

In 10 districts of Damoh, Dhar, Guna, Hoshangabad, Mandla, Mandsaur, Morena, Raigarh, Sarguja and Shahdol purchase of learning and teaching material were made at higher rates without any recorded reasons than the lowest rates quoted by the tenderers resulting in extra expenditure of Rs 55.90 lakh.

Maharashtra: In Mumbai district, 10000 sets of Hindi primers were got printed at the rate of Rs 30 per set through a private agency without calling for quotations/tenders. Considering the rate of Rs 11.25 per set at which SRC Indore supplied the Hindi primers, an extra cost of Rs 1.87 lakh was incurred.

The District Adult Education Officer stated that the primers were got printed after obtaining written permission from SRC Indore.

Punjab: The Secretary ZSS, Sangrur purchased 60000 books consisting of Primer I : 50000 and Guide I : 10000 during September 1995 each at the rate of Rs 5.99 and Rs 12.10 respectively from a firm of Patiala without giving wide publicity in the press.

The ZSS purchased 300000 Primer I from the same firm in January 1996 at the rate of Rs 4.96 after negotiating the already quoted rate of Rs 5.99 per book. Another book i.e. Guide Book numbering 30000 was, however, purchased from a different firm of Sangrur in January 1996 after negotiation at the rate of Rs 3.25 per book. The purchase of books in the first instance in September 1995 at much higher rates resulted in excess expenditure of Rs 1.40 lakh.

Tamil Nadu : In Thiruvannamalai, 4.72 lakh books were purchased from Tamil Nadu Text Book Society at a higher rate of Rs 4.72 per book instead of the lower rate of Rs 4.25 per book quoted by SRC, resulting in extra expenditure of Rs 2.22 lakh. In Pudokkottai, 2.90 lakh slates were procured at a higher rate of Rs 3.80 per slate instead of at a lower rate of Rs 2.25 per slate voluntarily offered by SIDCO resulting in extra expenditure of Rs 4.49 lakh.

Tripura : Initially State Literacy Mission Authority procured six lakh exercise books, six lakh wooden pencils and 3.30 lakh copies of primer I in Bengali language at the rate of Rs 1.53 per copy, Rs 0.62 per pencil and Rs 3.70 per copy respectively from a Government of West Bengal Undertaking Shilpa Batra Printing Press Ltd. However, subsequently the ZSSs purchased 4.64 lakh exercise books, 2.21 lakh wooden pencils and 1.45 lakh copies of Primer I from a local firm at higher rate varying from Rs 2.10 to Rs 3.50 per copy of Exercise book, Rs 0.93 to Rs 1.10 per pencil

and Rs 4.80 per copy of the Primer I respectively without inviting tenders resulting in extra expenditure of Rs 6.38 lakh.

West Bengal: In four districts, out of total expenditure of Rs 2.24 crore incurred on printing of Primers, contract for printing for Rs 1.50 crore was given to a single firm i.e. Shilpa Batra Printing Press without availing benefit of competitive rate. Further, in Malda district, the above said press charged rates much in excess of SRC price which resulted in extra expenditure of Rs 7.91 lakh.

In Midnapur, 50 thousand copies of primers were printed through a private press at a cost higher than the SRC rate resulting in excess expenditure of Rs 50 thousand.

Further, 8.99 lakh exercise books valuing Rs 11.66 lakh were purchased from Sharda printing press without inviting tenders. Of these 3.53 lakh books were supplied at enhanced rate of Rs 1.37 per book resulting in extra expenditure of Rs 0.42 lakh.

2.13.6 Inadmissible payment of honorarium

Inadmissible payment of honorarium of Rs 0.56 crore was made.

As per the scheme, honorarium was to be paid to Project Co-ordinators and Assistant Co-ordinator at the district and block level. Cases of inadmissible payment of honorarium were noticed in the following States:

Table 2.13.6 : Inadmissible payment of honorarium

Sl. No.	Name of the State	Name of the districts	Amount involved (Rupees in lakh)	Reasons
1.	Bihar	Dumka	0.33	Paid to library superintendent although there was no library..
2.	Haryana	Rewari	1.96	Paid to 74 cluster coordinators though there was no provision of their appointment in the project report.
3.	Kerala	Idukki	2.43	27 Panchayat Coordinators were retained for nine months beyond the expiry of the project
4.	Madhya Pradesh	Sarguja	5.72	305 part time and 28 full time sector coordinators were appointed in September 1995 where as the project started in January 1996.
		Guna	1.05	Paid to 35 sector coordinators for idle period i.e. February 1997 to July 1997.
5.	Punjab	Faridkot, Hoshiarpur and Sangrur	44.72	Paid to Joint Project Coordinators, Sub Project Coordinators, Area Project Coordinators and messengers although the Ministry did not provide for these posts in the sanction.

2.13.7 Excess approval of project cost due to revision/ restoration of project

Unfruitful expenditure of Rs 2.70 crore was incurred due to taking up the project under "Operation restoration of TLC".

Andhra Pradesh: In Adilabad, TLC was launched in October 1993, where 2.63 lakh learners out of 6.11 lakh identified illiterates could complete primer I. Subsequently the centres were closed and the programme came to a standstill due to continuous election schedule in 1994-95, frequent breakdown of electricity supply and inaccessibility of villages during rainy season etc. The ZSS Adilabad proposed to take up the entire programme afresh in its proposal submitted to the Ministry in October 1996. The Samiti launched first phase "Operation restoration of TLC" in May 1997 in 28 mandals of the district after obtaining the approval of NLM. Thus , the expenditure of Rs 2.70 crore already incurred on TLC became unfruitful.

Additional project cost of Rs 2.07 crore was approved due to revision/restoration of the project.

Karnataka: In Raichur district, the project cost was initially sanctioned in December 1990 at Rs 3.23 crore with cost per learner of Rs 54.65 . Even though the campaign was launched in January 1991, it could not be completed until May 1994 when the original project was revised /restored with an enhanced budget in May 1994 at Rs 5.30 crore resulting in additional cost of Rs 2.07 crore and increased project cost per learner of Rs 83.07.

2.13.8 Miscellaneous shortcomings

Several other shortcomings in the implementation of TLC were noticed in various states as mentioned below:

Assam : The ZSS, Jorahat procured 22008 lanterns for Rs 10.45 lakh between March and April 1993. Of this 17547 lanterns were issued to learning centers, leaving a balance of 4461 lanterns worth Rs 2.12 lakh in stock as of May 1997.

DC and other officers claimed inadmissible TA out of TLC fund in Dumka.

Bihar: In Dumka district, Rs 0.61 lakh was paid out of the TLC fund to Deputy Commissioner-cum- Chairman and four other officials as T.A. claims which were inadmissible. Besides, Rs 0.12 lakh was paid on account of duplicate T.A claim to the Deputy Commissioner-cum-Chairman.

ZSSs in Haryana paid advances to outside sources to buy vehicles etc. and then hired them.

Haryana: In two districts, Rs 16.25 lakh (Hissar : Rs 14 lakh and Gurgaon : Rs 2.25 lakh) was paid to District Red Cross Societies during July 1994 to December 1994 as advance against hire charges for a period of 15 months of capital items like one jeep, 20 motorcycles, one gypsy, two electronic typewriters and one computer. Out of this payment, the societies purchased the above mentioned items and handed over the same to ZSSs

on rent/hire basis. No rent/hire charges bills were, however, raised by the Red Cross Societies till March 1997 and the above amount was still outstanding as advance. Besides, incurring expenditure on petrol and lubricants as well as on driver of the jeep, the ZSS Hissar, spent Rs 2.45 lakh on maintenance of the vehicles. Advance payment against hire charges of vehicles was not judicious . The ZSS Hissar stated that the reasons for making such advance payment were best known to the then Chairman of the ZSS.

Nutan Jyoti Saksharta Samiti purchased a vehicle on 50:50 basis with the Bal Kalyan Officer, Narnaul. The Saksharta Samiti paid Rs 1.26 lakh to District Bal Kalyan Officer as 50 *per cent* cost of the vehicle. During August 1996, the Samiti took the vehicle on rent/hire basis since the scheme did not permit purchase of vehicle. The above vehicle had run 2645 kms during July 1995 to March 1996 for which payment of Rs 0.13 lakh was adjusted against Rs 1.26 lakh.

Jan Saksharata Samiti, Gurgaon paid Rs two lakh to District Red Cross Society as loan during November 1995 for purchase of a computer for NLM project. The expenses for the work to be done for NLM project were to be adjusted against the above loan. However, neither any work was got done from the Red Cross Society nor the above amount alongwith the interest accrued got refunded from the society.

The Gian Uday Saksharata Samiti, Rewari paid advances of Rs 5.87 lakh to two firms during 1995-96. Against these advances material worth Rs 4.81 lakh was received and the balance amount was not refunded. However, against the receipt of material worth Rs 4.81 lakh, the full amount of advance of Rs 5.87 lakh was adjusted in April 1996 leading to incorrect adjustment of excess amount of advance of Rs 1.06 lakh.

The Chairman Bharat Gian Vigyan Samiti Panipat withdrew Rs 1.60 lakh from Punjab National Bank, Panipat in May 1995 and converted it into a bank draft in favour of a firm of New Delhi for purchase of computers. However, the schemes of TLC/PLC were discontinued during January 1993 and December 1994 respectively. Neither the Executive of the Samiti had ever approved purchase of computers nor the scheme provided for its purchase. The. computers had also not been received by the Samiti till March 1997. The Samiti stated, in January 1997, that the consent of the Samiti for purchase of computers was not obtained by the Chairman and the matter stood referred to NLM/Director Secondary Education Haryana, Chandigarh.

The guidelines issued by the Ministry for motivation and mobilisation provide that environment building media forms which could be used are posters, banners, hoardings, wall writing, cinema slides, padyatras and kalajathas etc. In contravention of these provisions, the ZSS, Hissar published a fortnightly paper 'Chopal' and spent Rs 4.60 lakh on printing/publishing of the paper during July 1994 to October 1995.

Madhya Pradesh: Against the approved project cost of Rs 1.79 crore, 80 *per cent* share of the grant, i.e. Rs 1.43 crore was to be released to ZSS Jhabua Ph.-I by the Ministry as the area was under tribal sub-plan. However, Rs 1.47 crore was released in March 1995/May 1997 which resulted in excess release of Rs 4.28 lakh. Total project cost submitted by the ZSS Shahdol worked out to Rs 3.80 crore instead of Rs 3.90 crore shown in the project report. Thus, the project cost was sanctioned in excess by Rs 10 lakh. ZSS, Shahdol however did not take any action to get the sanction revised.

Excess payment of Rs 6.50 lakh on fictitious certificate was recovered at the instance of Audit.

West Bengal: Murshidabad Zilla Parishad printing press was paid Rs 10.73 lakh in December 1992 for supply of 7.50 lakh exercise books and the stock entry certificate was also recorded on the body of the bill. However, 2.95 lakh exercise books were accounted for in the stock register against the supply of 7.50 lakh exercise books. The bill was thus passed on the basis of a fictitious stock entry certificate resulting in overpayment of Rs 6.50 lakh. Zilla Saksharta Samiti recovered the amount in October 1997 at the instance of Audit.

D.M. Bankura retained Rs 60 lakh in PLA for three years.

In Bankura, Rs 60 lakh drawn by D.M. Bankura in March 1992 was retained by him in his P.L. Account. This amount was transferred in favour of ZSS Bankura in March 1995 resulting in loss of interest of Rs 18 lakh.

(B) Post Literacy Campaign

The TLC is followed by PLC to consolidate the literacy gains of neo-literates to facilitate their transition from guided learning to self-learning. The PLC, is also funded like the TLC. Drop-out of school system and children in school-less habitations were also to be covered under PLC.

2.14 Physical targets and achievements

No pysical targets were fixed.

No physical targets had been fixed by the Ministry. The Ministry stated, in July 1997, that since the objectives of PLCs were qualitative in nature, no quantitative targets could be set to capture and assess the

achievements of the programme. As regards achievements, the Ministry stated, in September 1997, that it was difficult to indicate the stage by which a learner was supposed to complete PLC as Post Literacy activities were only meant to consolidate and sustain the learning skills acquired by learners during TLC. As the PLC aimed at preventing neo-literates from relapsing into illiteracy and the objectives of the programme were qualitative, the achievements could not be quantified.

Out of 419 TLC projects, 168 projects moved to PLC. Against 3.56 crore neo-literates, 1.53 crore were covered under PLC.

The Ministry further added, in July 1997, that Post Literacy Campaigns were being monitored by it with reference to the extent of participation of neo-literates in Post Literacy Centres. The scrutiny in audit, however, revealed that out of 419 TLC projects, 168 projects only moved to PLC. Further, against the proposed number of 3.56 crore neo-literates to be covered under PLC, only 1.53 crore were covered by the end of March 1997. The extent of participation of neo-literates in Post Literacy Centres was 26 to 50 *per cent* in 11 States of Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan and West Bengal and 51 to 75 *per cent* in four States of Gujarat, Pondicherry, Tamil Nadu and Uttar Pradesh. However, there was no participation of neo-literates in PLC in three States of Chandigarh, Haryana and Kerala. The State-wise details are given in Appendix XII.

The Ministry stated, in November 1997, that the shortfall in coverage of the projects under PLC was due to slow progress of literacy campaign in the northern parts of the country, especially in the four major Hindi-speaking states of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh.

2.15 Financial targets and achievement

Out of funds of Rs 147.95 crore, only Rs 98.68 crore were spent by ZSSs.

Out of Rs 147.95 crore released by the Ministry and the State Governments for PLC an expenditure of Rs 98.68 crore was incurred by the various states during 1992-97. State-wise position of release of funds and their utilisation is given in Appendix XIII.

The extent of utilisation of funds was only 20 *per cent* in Bihar, 45 *per cent* in Assam, 51 to 75 *per cent* in eight states of Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and West Bengal and above 75 *per cent* in five states of Himachal Pradesh, Kerala, Punjab, Tamilnadu and Uttar Pradesh. The Union Territory of Chandigarh did not utilise the funds at all.

2.16 Commencement of the project

As per the scheme, Post Literacy Campaign was to be implemented as a sequel to TLC and the prescribed duration for the PLC was 24 months.

Test check revealed cases of delay in commencement of the projects as under:

Table 2.16 : Delay in commencement of projects

Sl. No.	Name of State/UT	No. of districts	Period of delay (in months)
1	Assam	1	17
2	Chandigarh	1	3
3	Gujarat	5	10 to 21
4	Himachal Pradesh	3	1 to 5
5	Karnataka	7	1 to 24
6	Madhya Pradesh	2	7 to 9
7	West Bengal	12	2 to 24

The Ministry stated, in November 1997, that the delay in commencement of the projects was due to social factors, natural calamities, general elections and frequent transfer of District Collectors and other key functionaries in the ZSS.

2.17 Post Literacy material lying idle

Material worth Rs 29.64 lakh was lying idle in six states.

In six states literacy material worth Rs 29.64 lakh was lying idle as per details given below :

Table 2.17 : Post Literacy material lying idle

Sl. No.	Name of the State	Number of districts	Numberof items (In lakh)	Amount involved (Rupees in lakh)	Reasons
1.	Andhra Pradesh	1	0.10	17.56	Books purchased after completion of PLC.
2	Haryana	1	0.26	1.34	Due to non-distribution of books to neo-literates.
3	Himachal Pradesh	3	0.36	1.92	- do-
4.	Karnataka	12	1.26	5.80	- do-
5.	Kerala	4	0.40	2.20	- do-
6	Rajasthan	1	0.22	0.82	- do-
	Total			**29.64**	

2.18 Infructuous expenditure due to break in continuity of TLC and PLC

Taking up the PLC after a long gap of time pushed the neo-literates into illiteracy in many states.

According to the scheme, Post Literacy Campaign was to be implemented as a sequel to TLC so that there was a continuity in the programme, and the problem of neo-literates relapsing into illiteracy due to break in the learning process was avoided. However, it was noticed that, due to break in continuity of TLC and PLC, expenditure of Rs 4.77 crore already incurred on TLC as well as the expenditure being incurred on PLC did not prove fruitful in the following cases

In Kurnool district the entire amount of Rs 92.50 lakh was kept in the personal deposit account.

Andhra Pradesh: In Kurnool district, the PLC was to be taken up with effect from July 1992 and completed by June 1994 covering 2.53 lakh neo-literates. Rs 92.50 lakh (Government of India share: Rs 72.50 lakh and State Government share: Rs 20 lakh) were received in June 1994 and July 1994 for implementing the project. However, the entire amount of Rs 92.50 lakh was kept in the personal deposit account which remained unutilised.

Though the PLC was to be started immediately on completion of TLC in June 1992, the programme was not started as of March 1997 for various reasons like elections and drought etc. In the meantime, in view of relapsing of the neo-literates into illiteracy due to long gap of three years after completion of the TLC, the ZSS proposed taking up of the entire TLC afresh under "Operation Restoration of TLC" at an estimated cost of Rs 4.63 crore in August 1995, approval for which was awaited. Thus, the expenditure of Rs 1.70 crore already incurred on TLC had become unfruitful.

Chandigarh: The TLC was over in February 1994 whereas PLC was started from January 1997 i.e. after about three years of completion of TLC programme. Due to this gap of about three years the expenditure of Rs18.70 lakh incurred on the implementation of TLC programme proved infructuous.

Delhi: Though the TLC project in Ambedkar Nagar was completed in March 1993, the PLC programme could not be started even as of June 1997 i.e. even after a period of more than four years. There are chances of the neo-literates relapsing into illiteracy rendering the expenditure of Rs 34.35 lakh incurred on this TLC project unfruitful.

Himachal Pradesh: In four districts of Hamirpur, Kangra, Kinnaur and Sirmour PLC was taken up after gaps ranging from five months to 14 months from the date of completion of TLC, purportedly due to late processing of PLC projects, late receipt of funds, non/delay in building of

necessary environment, frequent transfers of staff on secondment basis, etc. As a result of this gap, the possibility of neo-literates relapsing into illiteracy could not be ruled out.

Madhya Pradesh : Though the TLC was completed in Shivpuri and Raigarh Ph.-I in December 1996 and December 1993 respectively the PLC was not taken up as of April 1997 in Shivpuri and it was started after a gap of one year (December 1994) in Raigarh Ph.-I. Thus, due to large gap, the learners made literate in TLC relapsed into illiteracy resulting in infructuous expenditure of Rs 2.54 crore (Shivpuri: Rs 1.35 crore and Raigarh Ph.-I: Rs 1.19 crore).

2.19 Diversion of funds

Rs 70.23 lakh were diverted for the purposes not covered under PLC.

Cases of diversion of PLC funds aggregating Rs 70.23 lakh for the purposes not covered under the PLC were noticed in the following states :

Table 2.19 : Diversion of funds

Sl. No.	Name of the State	Name of the district	Amount involved (Rupees in lakh)	Purpose of diversion/Reasons
1.	Bihar	Dumka	1.21	Payment of agriculture loan.
2.	Gujarat	Sabarkantha	16.39	Purchase of items not specified in the sanction order.
3.	Karnataka	Dharwar	10.00	Funds diverted to TLC without approval of competent authority.
4.	Kerala	Overall	2.18	Publication of inadmissible souvenir "Gothrasmrithi".
5.	Orissa	Nuapada	3.69	Funds diverted to TLC.
6.	Rajasthan	Dungarpur	12.51	Spent on repair and maintenance and on other equipments.
7.	Uttar Pradesh	Kanpur Dehat	24.25	Excess expenditure of TLC Phase II adjusted against the assistance received under PLC without seeking permission of NLM.
	Total		**70.23**	

2.20 Other financial irregularities

Miscellaneous financial irregularities were also noticed in six states.

Cases of other financial/miscellaneous irregularities were noticed as under:

Andhra Pradesh: In Karimnagar district, 5.50 lakh books titled "Upavachakam" were printed as against only 5.08 lakh neo-literates enrolled for PLC resulting in excess expenditure of Rs 1.45 lakh on printing of 0.42 lakh extra copies. Similarly, an extra expenditure of Rs 1.41 lakh was incurred on procurement of titles in excess of requirements and these sets were kept undistributed. Similarly, maps and hand books valued at Rs 24.62 lakh were purchased by ZSS Chittoor after completion of PLC rendering the expenditure unfruitful.

Gujarat: The activities of Jana Sikshan Nilayan (JSN) ceased functioning with effect from 1 April 1996. The amount of Rs 1.76 crore was lying unutilised with 12 ZSSs in their PLA.

According to the orders issued by the Directorate of Adult Education on 19 December 1995, JSN was to close with effect from 1 April 1996. However, purchase of books and sports articles for Rs 2.17 lakh were made by ZSS Jamnagar on 30 March 1996 i.e. just two days before the close of JSN and were lying unutilised resulting in wasteful expenditure of Rs 2.17 lakh.

Though there was no provision in the sanction order issued by Government of India for incurring expenditure on incentives to volunteers in PLC, expenditure of Rs 7.75 lakh was incurred on purchase of utensils towards incentives to 15000 volunteers by ZSS Jamnagar.

Haryana: Bharat Gyan Vigyan Samithi, Panipat had a closing balance of Rs 29.88 lakh in December 1994 when the scheme of PLC was discontinued. However, the entire closing balance was kept in a saving bank account instead of refunding the same.

Kerala: 20000 copies of books titled "Thenthullikal", supplied to the District Saksharata Samities at a cost of Rs one lakh were not distributed due to protest from certain sections of society against the contents of the book resulting in wasteful expenditure of Rs one lakh. Further, 85.304 tonne paper valued at Rs 20.05 lakh was lying unused in a rented godown and with the printing presses. The rent of the godown for the period from October 1994 to March 1997 amounted to Rs 2.52 lakh.

Madhya Pradesh: In Raigarh district, after completion of TLC Phase I in December 1993, closing balance of Rs 51.30 lakh was transferred to PLC Phase I. Further, Rs 43.84 lakh were released for PLC by NLM.

However, PLC Phase I was also completed in September 1996 leaving a closing balance of Rs 40.92 lakh, which was still lying with the ZSS.

Maharashtra: In four out of five districts where PLC was completed during January 1995 and December 1996, out of the grant of Rs 3.13 crore, Rs 44.69 lakh remained unspent with the districts. This amount was, however, not refunded to the Ministry.

2.21 Monitoring and Supervision

Monitoring system was not found adequate and effective as major parameters of the scheme were not being monitored even through the new monitoring and review system.

The Central Directorate of Adult Education which was a subordinate office of the Department of Education of the Union Government had been assigned the responsibility of monitoring the district-wise TLCs and PLCs on behalf of NLM. The progress of implementation of the scheme was to be watched by the Ministry through monthly progress reports (MPRs) to be submitted by district authorities before the 20th of the following month. Subsequently, the system of monitoring was decentralised and the State Directorates of Adult Education were required to send the progress reports to the Central Directorate of Adult Education within 7-10 days after holding monthly monitoring meeting with the Secretaries of the respective ZSSs on pre-determined dates.

Monthly Progress Reports received from the States could not be examined in audit since these had been weeded out. In the absence of this, authenticity of data shown in the status report could not be assessed.

Further, the Ministry observed, in October 1996, that the present monitoring system laid excessive emphasis on statistical information with practically no basis available to understand whether that information had been cross checked. The monitoring system in operation was found by the Ministry to have the following major deficiencies which needed to be eliminated:

- The information received was considerably delayed.
- The information received did not reflect correct and complete factual position.
- There was no cross-verification of information from other concerned agencies of the State level.
- Credibility of the reported information was often questionable.

Broad guidelines on the new monitoring and review system were issued by the Ministry in October 1996.

Though, the Ministry had monitored the data/information regarding survey and coverage of the districts; overall targets, enrolment and achievement of learners and achievement level of districts in terms of

percentage of learners having completed primer III, major parameters like enrolment and coverage of non-formal education learners; sex-wise and category-wise coverage of learners, coverage of drop-outs from school system and of children from school-less habitations under PLC; and training of various functionaries which were necessary to assess the effective implementation of the programme, were not being monitored by it.

The Ministry admitted, in July 1997, that they were not collecting and compiling the above information. The monitoring of these aspects was being attended to by the officials and voluntary workers working at the State/district/block/panchayat level. As regards non-monitoring of sex-wise and category-wise coverage of learners, it was stated that the columns for this purpose were introduced in the monitoring proforma. The need for collecting this information had been emphasised time and again to the State Governments and this issue was also raised in the Executive Committee meeting at national level and in the monthly monitoring meetings held at State level.

2.22 Evaluation

As per the evaluation system evolved by the Ministry, both TLCs and PLCs were to be subjected to external and concurrent evaluation.

External evaluations were to be got conducted by ZSS at the end of each campaign and project -wise evaluation reports were to be submitted to NLM. External evaluation was to be carried out by agencies outside the State nominated by the Director General NLM. This evaluation mainly focused on learning outcomes, success rate vis-a-vis the target and impact of the campaigns on the social, cultural and economic environment of the project area.

Concurrent evaluation was to be done by agencies external to the district but located within the state. A panel of such agencies was to be maintained by the State Director of Adult Education. This was an important evaluation as it provided quick feed-back for policy planning and decision making on the performance of the projects and was to help in removing bottlenecks, shortfalls and deficiencies in project implementation.

2.22.1 External evaluation

External evaluation of Post Literacy Campaigns was not conducted.

The Ministry did not conduct any external evaluation of the Post Literacy Campaigns. It was stated, in July 1997, that workshops/meetings of experts were yet to be organised to identify areas/aspects on which evaluations were to be conducted. As regards external evaluation of TLC projects, out of 251 completed TLC projects, evaluation of 119 projects

was completed as of March 1997 and the evaluation of the remaining 132 projects was yet to be undertaken. Further, out of 119 evaluations conducted, 111 reports were submitted to NLM and the evaluation reports of eight projects were yet to be submitted.

Evaluation conducted in respect of Total Literacy Campaign in selected districts of following states revealed the following main deficiencies/ findings:

Table 2.22.1 : Deficiencies found in external evaluation

Sl. No.	State	District	Brief findings
1.	Andhra Pradesh	(i) Nizamabad	Guidelines issued by NLM were not strictly adhered to in organisation of the survey to determine the number of illiterates/literates as the analysis was restricted to the identification of illiterates, problems arose in the estimation of the number who were already literate in the selected target group.
		(ii) East Godavari	Special efforts were needed to cover dropouts and unenrolled learners.
2.	Gujarat	(i) Rajkot	In some of the Talukas the participation of SCs/STs was very low and it needed to be seen whether this was proportionate to population. The MIS was relatively weak.
		(ii) Bhavnagar city	The ZSS had not kept their records in a systematic manner. No information was available about the training of volunteers or their refresher training.
		(iii) Kheda	The training of environment building group at all the levels was found to be weak.
3.	Goa		The motivation of both learners and instructors/organisers was generally low.
4.	Haryana	(i) Panipat	There was a large dropout of the learners i.e. upto 64 per cent at various stages of the programme.
		(ii) Yamuna Nagar	Internal evaluation which was an inseparable part of the learning process had not been conducted by ZSS. Groups like Nomads in Bilaspur block and other clusters in urban areas were not covered. Monitoring system at district level was not satisfactory.
5.	Karnataka	(i) Bidar	The primary survey should have been more objective and authentic. The volunteers and resource persons should have been provided adequate training.
		(ii) Dakshina Kannada	The training of volunteers had been diluted at each level due to high incidence of dropout amongst trained volunteers.
		(iii) Shimoga	The monitoring and information system was not strong.

Sl. No.	State	District	Brief findings
6.	Orissa	(i) Rourkela city	Volunteers were not provided adequate training to conduct the survey and the survey was conducted in a hurry. There was lack of motivation in many of the volunteers and master trainers. Internal evaluation was not done in a systematic manner.
		(ii) Sundergarh	A re-survey should be conducted immediately to assess properly the number of illiterates, semi-literates and literates, so that the real literacy status of the district is ascertained. Training system needed to be improved.
7.	Pondicherry		The monitoring system was found to be weak.
8.	Uttar Pradesh	(i) Almora	Environment building activities were ineffective. There was lack of interest in volunteers. The teaching was inadequate as after 15 months of teaching in the first phase, only 11 per cent of the learners could complete Primer-III. The project proposal also included learners from the upper age-group who had little interest in literacy.
		(ii) Fatehpur Ph.I	There was a need to curtail proxy learners.. The distribution system of teaching learning material was faulty. MIS and method of teaching needed improvement.
9.	West Bengal	South 24 Parganas	The machinery for training, monitoring and interim evaluation required reorganisation and strengthening. Special steps needed to be taken to reduce the number of dropouts.

External evaluations of TLCs were found deficient in sample size, coverage and sample design, estimation procedure and following NLM norms.

For the overall evaluation of the scheme, the Ministry had set up an expert group headed by Prof. Arun Ghosh in 1993. This expert group was assigned the study-cum-impact evaluation of the TLCs launched in different parts of the country since 1990-91. This evaluation report was published in 1994. The expert group observed that a large number of external evaluation reports were deficient in coverage and sample design, size of sample, following NLM norms for neo-literates and, above all, in the estimation procedures adopted to arrive at the district level estimates.

Thus, it was concluded that the claims of percentage success achieved in regard to literacy were not reliable and the procedures of both external and internal evaluation required to be tightened up.

Test check of record in the states revealed that :

While no external evaluation was conducted in the States of Haryana, Kerala and Chandigarh, it was conducted only partially in eight

States of Andhra Pradesh, Himachal Pradesh, Karnataka, Madhya Pradesh, Orissa, Punjab, Rajasthan and Tamil Nadu. Evaluation reports were either awaited from the evaluating agencies or the same were not submitted to NLM in the states of Andhra Pradesh (five out of 13 districts), Himachal Pradesh (three out of four districts), Maharashtra (four out of 15 districts) and Tripura.

In the case of the following states, observations as under were noticed:

Himachal Pradesh: External Evaluation Reports of two districts of Hamirpur and Kangra revealed that only 3031 out of 91562 learners constituting three *per cent* were evaluated. Only three *per cent* sample checking was not enough to establish the actual level of achievement of the projects.

Maharashtra: The external evaluation in three districts of Amravati, Aurangabad and Ratnagiri was conducted on sample neo-literates of eight to 11 *per cent* selected at random. The evaluation reports of the three districts revealed that there were malpractices like dummy candidates, neo-literates being helped by others and evaluation of the candidate without supervision of evaluation teams.

Tripura: In North Tripura, the achievement in number of learners was inflated and in South Tripura against 14248 learners enrolled, 15196 were declared successful.

Uttar Pradesh: The percentage of proxy learners ranged from 15 to 39 in five districts of Agra, Almora, Fatehpur, Ghaziabad and Moradabad.

West Bengal: Though three graded primers was developed by SRC for TLC, achievement was declared on the basis of Primers I & II only. Further in Bankura district, the external evaluation team declared 1.35 lakh learners successful even though they were not provided with Primer II. Also, the achievement in number of learners was inflated by 0.10 lakh in the evaluation report of this district.

2.22.2 Concurrent evaluation

The Ministry stated, in July 1997, that the concept of concurrent evaluation had been introduced recently and the evaluation reports were yet to be received except in case of TLC Chittorgarh in Rajasthan.

3 National Renewal Fund

3.1 Introduction

The Statement on Industrial Policy laid down by the Government on the table of both the Houses of Parliament on 24 July 1991 sought to bring about technological upgradation and modernisation in Indian industry with the objective of making the industry efficient and internationally competitive. In furtherance of this objective and to enable the labour force to remain active as production partners in the process of modernisation, Government of India created a National Renewal Fund (NRF) in the Public Account of the Union Government, a non-statutory fund in February 1992. This is constituted in two parts. The objectives of NRF are:-

- to provide assistance to cover the cost of retraining and redeployment of employees arising as a result of modernisation, technology upgradation and industrial restructuring;
- to provide funds, where necessary, for compensation to employees affected by restructuring or closure of industrial units, both in public and private sector;
- to provide funds for employment generation schemes both in the organised and unorganised sector in order to provide a social safety net for labour needs arising from the consequences of industrial restructuring.

While the first two were met out of the National Renewal Grant Fund, the last was to be met out of the Employment Generation Fund.

The Department of Industrial Development in the Ministry of Industry is responsible for administering the fund. The Ministry issued guidelines for operation of the National Renewal Fund in December 1992.

3.2 Financial arrangement

The NRF is of non-statutory nature and was to include contributions *inter-alia* from the Government of India, State Governments, financial institutions, insurance companies and industrial undertakings, besides from disinvestment of public sector equity and proceeds from multinational and bilateral aid sources.

As of now the fund is supported only by budgetary allocation in the grant for Department of Industrial Development from which the amounts are transferred to the NRF in the Public Account. While individual ministries/departments controlling the respective Public Sector Undertaking (PSU) also provide in their grant the funds for implementation of the Voluntary Retirement Scheme (VRS), an identical amount is debited from the NRF in the Public Account per contra credit to the 'deduct expenditure' in the grants of the respective ministries. Thus, while the VRS Scheme of PSUs is funded out of the balance in the NRF in the Public Account, it is operated through the system of provision in the grants of the controlling ministries.

Pay and Accounts Officer, Ministry of Industrial Development maintains a proforma account of the NRF.

3.3 Scope of Audit

The operation of NRF for the period 1992-97 was reviewed by Audit during June-July 1997 through test check of records in the Ministry.

3.4 Highlights

- **Out of total expenditure of Rs 1892.48 crore, Rs 1695.14 crore, representing ninety per cent of the expenditure from NRF were utilised for the existing Voluntary Retirement Scheme (VRS) introduced in 1988 for Central Public Sector Undertakings (CPSUs) only. No expenditure was incurred for VRS in State PSUs as envisaged in the scheme.**

  (Paragraph 3.6.1)

- **The Empowered Authority permitted misuse of NRF assistance of Rs 18.34 crore for payment of arrears of provident fund, dearness allowance, etc. which is not envisaged in the scheme.**

  (Paragraph 3.6.2.3)

- **Despite the decision that NRF assistance would be considered only if the equity capital/net worth of the PSUs was eroded by 25 per cent or more, controlling ministries released Rs 190.73 crore to twelve profit earning CPSUs for VRS.**

  (Paragraph 3.6.2.1)

- **Six CPSUs in the years 1992-93 to 1995-96 diverted Rs 29.06 crore out of the funds released to them for VRS and utilised the same for meeting their operational needs.**

  (Paragraph 3.6.3.1)

- **Department of Heavy Industry released Rs 3.09 crore to Mining and Allied Machinery Corporation out of NRF for making payment of arrears of Employers' contribution to provident fund for the pre-NRF period which was not covered under the scheme.**

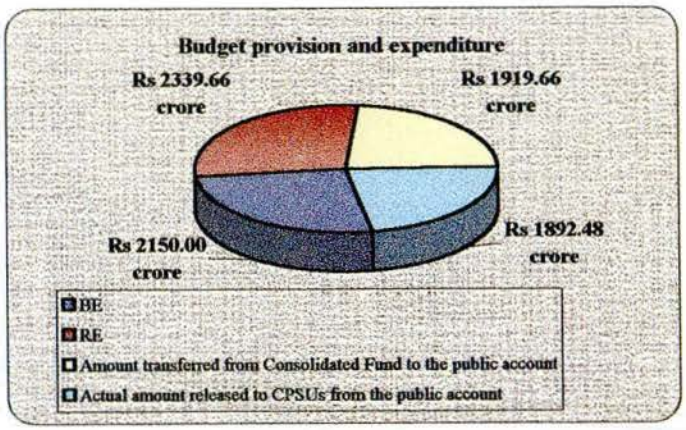
(Paragraph 3.6.2.4)

3.5 Budget provision and expenditure

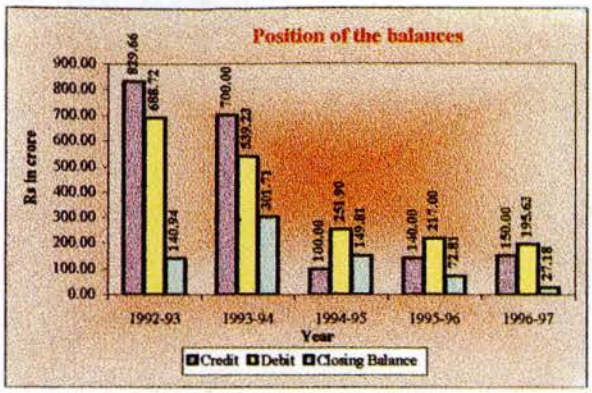
Year-wise details of amount allocated for transfer to NRF in the budget of Department of Industrial Development, amount actually transferred to the Public Account and the actual expenditure incurred from the Public Account are as under :

(Rupees in crore)

Year	Budget Allotment		Amount transferred from the Consolidated Fund to the Public Account	Actual amount released to CPSUs from the Public Account
	BE	RE		
1992-93	200.00	829.66	829.66	688.72
1993-94	700.00	1020.00	700.00	539.23
1994-95	700.00	200.00	100.00	251.90
1995-96	300.00	140.00	140.00	217.00
1996-97	250.00	150.00	150.00	195.63
Total	**2150.00**	**2339.66**	**1919.66**	**1892.48**



The position of the balances in the Public Account during 1992 to 1997 was as under :-



(Rupees in crore)

Year	Opening Balance	Credit	Debit	Closing Balance
1992-93	—	829.66	688.72	140.94
1993-94	140.94	700.00	539.23	301.71
1994-95	301.71	100.00	251.90	149.81
1995-96	149.81	140.00	217.00	72.81
1996-97	**72.81**	**150.00**	**195.63**	**27.18**

Out of a total budget provision of Rs 2339.66 crore during 1992-97, only Rs 1919.66 crore were transferred to the Public Account out of which Rs 1892.48 crore were released to various Central Public Sector Undertakings (CPSUs). The details of actual amount utilised and the unspent balance remaining with these CPSUs were not available with the nodal Ministry responsible for overall administration of the fund. However, as per the details obtained from seven CPSUs under the administrative control of the Ministries of Textiles and Chemicals and Petro-chemicals, Rs 18.20 crore were lying unutilised with the seven CPSUs at the end of March 1997.

3.6 Operation of the fund

At the time of creation of NRF in 1992, guidelines duly approved by the Cabinet were issued in December 1992. As a part of these guidelines, an Empowered Authority consisting of Secretary (Industrial Development) as its Chairman and the Secretaries of the concerned Ministries/Experts as its members was appointed in December 1992 for considering and approval of proposals for disbursement of funds on the basis of the schemes proposed by BIFR and administrative ministries. This Empowered Authority was to devise its own rules and procedures. However, the Ministry of Finance did not approve the delegation of powers to the Empowered Authority and insisted that the existing delegation of powers for approval of plan schemes to the ministries including EFC, PIB procedures should be followed. Thus, the original concept of Empowered Authority to speed up the process was not established. The Department of Industrial Development sought powers

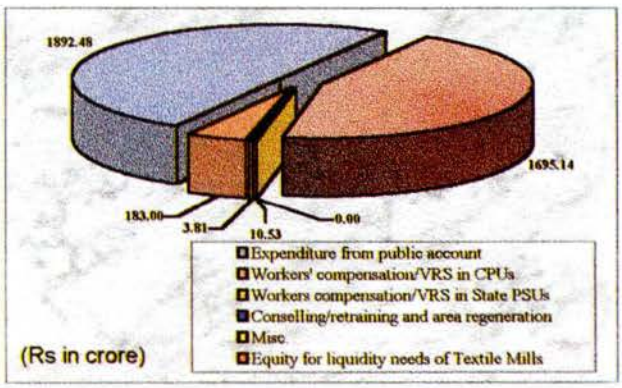
from CCEA for the Empowered Authority in November 1995 to approve the schemes up to Rs 100 crore. The decision of the CCEA was awaited as of July 1997. Thus, while Rs 1892.48 crore have already been spent under the NRF, the Empowered Authority continues to be only a recommendatory body.

Test check of the records relating to release of funds under NRF in the Departments of Industrial Development, Heavy Industry, Ministry of Chemicals and Petro-chemicals and the Ministry of Textiles revealed the following :-

3.6.1 Excessive focus on Voluntary Retirement Scheme

There was excessive focus on VRS, which consumed 90 *per cent* of the expenditure from the NRF.

The VRS had been in existence since October 1988. With the setting up of NRF in 1992, some other activities/schemes like counselling, retraining and redeployment of employees, etc. were also to be implemented under the National Renewal Fund. The payments made from NRF during 1992-97 mainly related to VRS which accounted for about 90 *per cent* of the total expenditure. The expenditure on other components of the programme such as workers' compensation/ VRS in State Public Sector Undertakings, counselling/retraining, area regeneration, etc. was negligible as would be evident from the following:



(Rupees in crore)

Year	Expenditure from Public Account	Expenditure incurred for				
		Workers' compensation / VRS in CPSUs	Workers compensation /VRS in state PSUs.	Counselling /retraining and area regeneration	Misc.	Equity for liquidity needs of Textile Mills
1992-93	688.72	566.72	NIL	NIL	NIL	122.00
1993-94	539.23	478.06	NIL	0.12	0.05	61.00
1994-95	251.90	250.81	NIL	1.00	0.09	NIL
1995-96	217.00	209.59	NIL	3.76	3.65	NIL
1996-97	195.63	189.96	NIL	5.65	0.02	NIL
TOTAL	**1892.48**	**1695.14**	**NIL**	**10.53**	**3.81**	**183.00**

Ministry stated, in July 1997, that proposals about operational modalities of NRF including extension of the scheme to State PSUs and Private Sector, had not yet been approved.

3.6.2 Inadmissible payments

In violation of decision of Empowered Authority payments from NRF were made to profit making companies/ corporations.

3.6.2.1 Payment to companies/corporations running into profit

The Empowered Authority decided in February 1993 that NRF assistance should only be considered for the sick units if the net worth of the CPSU had been eroded by 25 *per cent* or more. Test check disclosed payments of Rs 190.73 crore from NRF to the following profit making companies/corporations in violation of the criteria laid down by Empowered Authority.

(Rupees in crore)

Sr.No.	Name of the company/ corporation	Approval by the administrative ministry/deptt.	VRS assistance paid		
			1993-94	1994-95	1995-96
1.	Hindustan Machine Tools	Heavy Industry	30.00	-	-
2.	Andrew Yule & Co.	Heavy Industry	3.85	3.30	3.30
3.	Bharat Heavy Plates Vessels Ltd.	Heavy Industry	0.52	1.25	-
4.	Bridge and Roof Co. Ltd.	Heavy Industry	1.25	0.25	-
5.	Tungbhadara Steel Product Ltd.	Heavy Industry	0.32	0.60	-
6.	Indian Tourism Development Corporation	Civil Aviation and Tourism	8.64	-	-
7.	Mazagaon Docks Ltd.	Defence	-	15.00	4.00
8.	Bharat Earth Movers Ltd.	Defence	10:00	2.50	-
9.	Hindustan Copper Ltd.	Mines	48.20	-	-
10.	Bharat Aluminium Company Ltd.	Mines	1.00	2.50	-
11.	Hindustan Zinc Ltd.	Mines	10.00	22.00	9.25
12.	Electronic Corp. of India	Atomic Energy	5.00	5.00	3.00
	Total		**118.78**	**52.40**	**19.55**

3.6.2.2 Payment for notice period

Test check disclosed unauthorised payment of Rs 82.70 lakh by four PSUs for notice period.

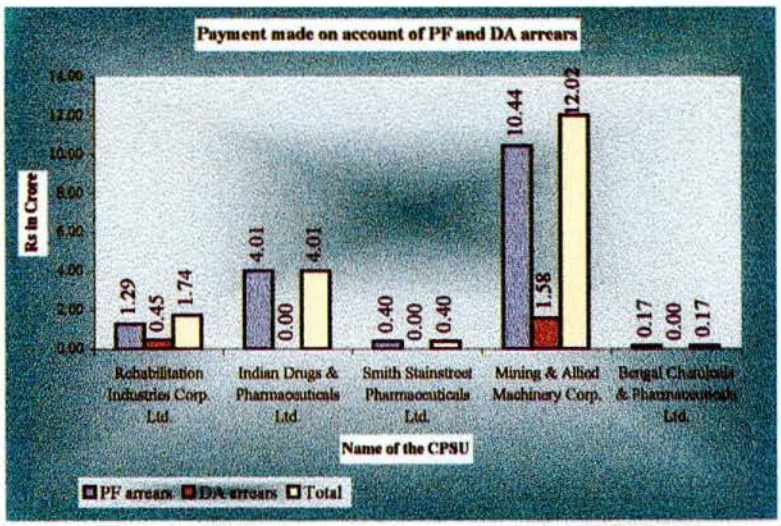
The Voluntary Retirement Scheme formulated by the Bureau of Public Enterprises (BPE) provided for payment of notice period pay for one/three months in accordance with the conditions of service of the employees. The Department of Public Enterprises clarified in May 1992 that where management takes time to decide upon an application for VRS and allows the notice period to lapse or the employee draws full salary during notice period served by him, the notice period pay would not be admissible.

During the period July 1992 to February 1994, four Public Sector Undertakings namely IDPL, NSC, HSL and HZL paid Rs 82.70 lakh towards notice period salary out of the National Renewal Fund in contravention of the instructions of the Department of Public Enterprises.

3.6.2.3 Payment towards arrears of PF/DA

Payment not covered under scheme, made on account of arrears of PF/DA.

As per the approved Voluntary Retirement Scheme 1988, Arrears of provident fund as well as DA, etc. were not to be paid out of NRF. Empowered Authority in its meeting of February 1993, however, allowed the payment of arrears of CPF, DA, etc. to a few PSUs for protecting the workers interest. Subsequently, the Empowered Authority in its meeting of March 1994 approved that such payments should not be made from NRF and this concession was withdrawn in April 1994. Thus, the injudicious decision taken initially by Empowered Authority in February 1993 resulted in expenditure of Rs 18.34 crore up to March 1994 by the following five CPSUs, which was against the spirit of the scheme.



(Rupees in crore)

Sr.No.	Name of the CPSU	Payment made on account of	
		PF arrears	DA arrears, etc.
1.	Rehabilitation Industries Corp. Ltd.	1.29	0.45
2.	Indian Drugs & Pharmaceuticals Ltd.	4.01	-
3.	Smith Stainstreet Pharmaceuticals Ltd.	0.40	-
4.	Mining & Allied Machinery Corp.	10.44	1.58
5.	Bengal Chemicals & Pharmaceuticals Ltd.	0.17	-
	Total	**16.31**	**2.03**

Bengal Chemicals and Pharmaceuticals Ltd. paid Rs 0.34 crore in 1994-95 out of NRF as arrears of CPF in contravention of the decision taken by the Empowered Authority in March 1994. But neither the nodal Ministry nor the Department of Industrial Development took any action for refund of the amount.

3.6.2.4 Payment for Pre-NRF period

Department of Heavy Industry made payment for the period not covered under the scheme.

Department of Heavy Industry released Rs 3.09 crore to Mining and Allied Machinery Corporation in March 1993 out of NRF for making payment of arrears of Employers' contribution to provident fund for the Pre-NRF period, without approval of the Empowered Authority. The Empowered Authority in its sixth meeting held on 10 November 1993 rejected the proposal of Department of Heavy Industry for regularising this expenditure. Despite this, the Department of Heavy Industry did not recover the amount as of April 1998.

3.6.2.5 Extra payments due to alteration of date of birth of workmen

Revision of the date of birth resulted in inadmissible expenditure of Rs 50.76 lakh..

As already reported in the report of the Comptroller and Auditor General of India for the year ended March 1996 : No.3 of 1997: Union Government (Commercial), Cycle Corporation of India Ltd. (CCIL) revised the date of birth of 123 workmen who opted for Voluntary

Retirement Scheme although the same had already been recorded and finalised at the time of their appointment. This alteration of dates of birth in contravention of rules resulted in extra payment of Rs 50.76 lakh under VRS.

3.6.3 Diversion of funds

3.6.3.1 Diversion of funds for meeting operational needs

Inadequate monitoring led to diversion of Rs 29.06 crore for other items of expenditure.

The following CPSUs in the year 1992-93 to 1996-97 diverted Rs 29.06 crore out of the funds released to them for VRS from NRF and utilised the same for meeting their operational needs.

(Rs in crore)

SL.No.	Name of the PSU	Name of the Ministry	Year	Amount diverted
i	IDPL	Chemicals and Petro-chemicals	1992-93 to 1995-96	6.50
ii	SSPL	Chemicals and Petro-chemicals	1993-94 1994-95	0.51 0.26
iii	BIL	Chemicals and Petro-chemicals	1992-93 to 1996-97	0.69
iv	JCI	Textiles	1995-96	0.73
v	NTC	Textiles	1992-93 1993-94	8.48 5.06
vi	NJMC	Textiles	1994-95	6.83
	Total			**29.06**

The administrative ministries/department of these CPSUs were aware of diversion of VRS funds and failed to take appropriate action against them.

3.6.4 Expenditure under "miscellaneous contingency"

The Ministry of Industry, Department of Industrial Development spent Rs 3.81 crore out of the NRF under the head 'miscellaneous contingency expenditure' during 1992-97 as per the details given below:

(Rupees in crore)

Year	*Expenditure incurred*
1992-93	NIL
1993-94	0.05
1994-95	0.09
1995-96	3.65
1996-97	0.02
Total	**3.81**

Out of total expenditure of Rs 3.81 crore, expenditure of Rs 3.65 crore took place in 1995-96 alone.

The NRF fund could not be used by the Ministry for contingent expenditure. The correctness and bonafide of the expenditure, however, could not be verified since the Ministry did not produce the related documents for audit.

3.7 Workers counselling, retraining and redeployment

Counselling, retraining and redeployment of voluntarily retired workers remained neglected.

As per the guidelines of NRF, workers counselling, retraining and redeployment was one of the objectives of 'Voluntary Retirement Scheme' which came into force with effect from April 1992. But this component of the scheme was implemented from 14 October 1993, by which date more than 55000 workers had already left CPSUs under VRS without receiving counselling, retraining and redeployment assistance as envisaged in the scheme. Out of 104299 workers who left CPSUs under VRS during April 1992 to March 1997, only 20925 workers were retrained and 5962 workers were redeployed up to March 1997. Thus retraining and redeployment has not attracted the desired attention.

3.8 Non-implementation of employment generation Component

Employment generation component of the scheme was yet to be taken up.

The following schemes of the second part of NRF, i.e. Employment Generation Fund (EGF) had not so far been implemented even after more than four years since the NRF is in operation.

i.) Special programmes designed to regenerate employment opportunities in areas affected by industrial restructuring.

ii.) Employment Generation Scheme for the unorganised sector in defined areas.

The Ministry stated, in July 1997, that the note on operational modalities of NRF which seeks to operationalise the schemes under EGF, was yet to be approved by the CCEA.

3.9 Conclusion

Thus, operation of NRF during 1992-97 was restricted to VRS in CPSUs and other activities like counselling, retraining, redeployment of employees, etc. were insignificant. NRF assistance of Rs 47.40 crore was misused for payment of arrears of PF and DA and for meeting the operational needs of CPSUs.

The matter was referred to the Ministry in September 1997; their reply was awaited as of March 1998.

4 Issuance of Photo Identity Cards to Electors

4.1 Introduction

With a view to preventing impersonation of electors and facilitating their identification at the time of poll, the Election Commission of India directed all the State Governments and their respective Chief Electoral Officers (CEO) in August 1993 to issue photo identity cards (PICs) to all electors in all Parliamentary constituencies throughout the country. Simultaneously, the Election Commission of India also decided that no polling at elections for which it was responsible and for which poll was to take after 1 January 1995, would be taken unless all eligible electors had been supplied with PIC which were to be prepared as per the specification and format decided by it. The PIC containing photograph and personal details of voters was to be laminated, sealed and made water proof and tamper proof. The process of delivery of PICs was to be completed by 30 November 1994. The deadline was later, relaxed by the Commission from time to time due to slow progress in many States and UTs and finally it was fixed as 31 March 1996. However, the Election Commission decided in March 1996 not to insist upon the use of PICs in the Lok Sabha elections held in 1996 because of varying degrees of progress made by the States implementing the scheme. The PICs were not used even in the Lok Sabha elections held in 1998. The Central Government and the State Governments were to share the expenditure on the first issue of PICs to electors on 50:50 basis The Ministry of Law and Justice released the funds in advance to the State Governments to meet the expenditure.

4.2 Organisational set up

The Election Commission was to monitor the progress of various stages of the implementation of the project initially through monthly progress reports and later through fortnightly and weekly progress reports to be submitted by CEOs.

At the State level, the Chief Electoral Officer was responsible for planning , execution and monitoring of the project.

4.3 Scope of Audit

The review is based on the results of test check of records of Chief Electoral Officers and selected District Electoral Officers of 17 States out of the 26 States earmarked under the scheme. These test checks were carried out with a view to ascertaining in particular whether:

(i) the State Governments and the Election Commission planned and executed the work with a view to completing them within the prescribed time frame; and

(ii) the State Governments executed the project in the most cost effective manner.

4.4 Highlights

- **The work of issue of the PICs was envisaged to be completed by 30 November 1994, which was extended finally to 31 March 1996; upto which only 32.80 per cent PICs were issued, even by March 1997 only 53.22 per cent voters had been covered.**

  (Paragraph 4.6)

- **Disbursements of Rs 422.93 crore were made to 26 States/Union Territories during 1994-97 as 50 per cent Central share of expenditure on preparation of PICs. Central funds of Rs 121.76 crore were not utilised as of March 1997.**

  (Paragraph 4.5)

- **In eight States excess/avoidable expenditure of Rs 3.16 crore was noticed due to non-observance of instructions issued by Election Commission.**

  (Paragraph 4.8)

- **Rs 10.06 crore drawn by six State Governments remained unutilised, some of which were drawn unauthorisedly.**

  (Paragraph 4.10)

- **Penalty/fine of Rs 16.43 lakh for defective/missing cards/non-supply of miniature cards, etc. was not levied.**

  (Paragraph 4.13)

4.5 Release of funds and expenditure

Out of Rs 422.93 crore released by the Ministry towards Centre's share, Rs 121.76 crore remained unutilised.

For the implementation of the scheme, Ministry of Law and Justice released Rs 422.93 crore to 26 States/Union Territories during 1994-95 (Rs 223.32 crore), 1995-96 (Rs 194.61 crore) and 1996-97 (Rs five crore) as Central share of expenditure.

The details of funds released and expenditure incurred during 1994-97 to 26 States/Union Territories are given in Appendix XIV The consolidated positon of funds released by Central Government and expenditure incurred is as under :-

(Rupees in crore)

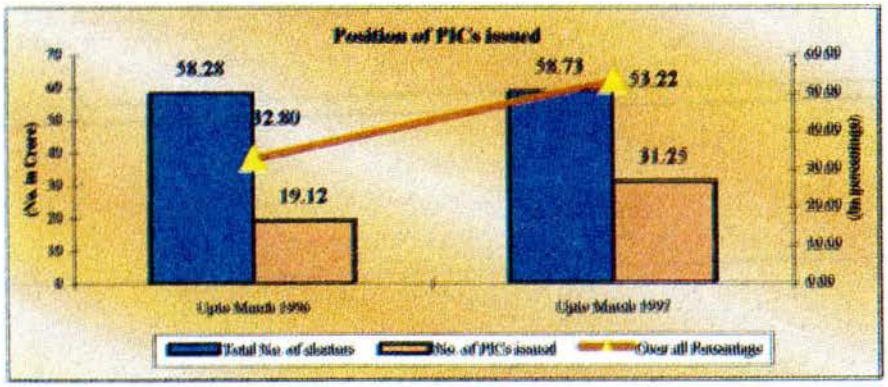
Funds released by the Central Government	Total expenditure incurred	Central share	Un-utilised funds with States
422.93	604.69	*301.17	121.76

* *The Central Government released Rs 22.51 crore to Government of Gujarat against which the State Government spent Rs 47.36 crore. Thus 50 per cent share of Central Government was less by Rs 1.17 crore.*

4.6 Physical achievement

The percentage of PICs issued upto March 1997 was only 53.

The Chief Electoral Officers were to enter into a contract with agencies for execution of the work of issue of the PICs. They were not to purchase the system and undertake the work themselves. The Electoral Registration Officer was responsible for preparation and issue of PICs within his constituency with overall responsibility and accountability being that of the State Governments and Chief Electoral Officer. The work was initially to complete by November 1994. The State Governments of Andhra Pradesh, Assam, Kerala, Madhya Pradesh, Mizoram, Nagaland, Tamil Nadu and Tripura had not started the work till May 1995. In other States/UTs, the work was going at extremely slow pace in Gujarat, Maharashtra and to some extent in Haryana and Meghalaya. Accordingly, the Election Commission extended the deadline in May 1995 and February 1996 to December 1995 and March 1996 respectively. The position of PICs issued upto March 1996 and March 1997 is indicated in the graph:-



The progress of issue of PICs ranged between 0.57 and 85 *per cent* upto March 1996 as indicated in Appendix XV and between 0.57 and 87 at the end of March 1997 as indicated in Appendix XVI. The Statewise position of physical target is summarised below:-

Issue of PICs (in percentage)	States	
	Up to March 96	Up to March 97
Up to 25	Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Karnataka, Kerala, Mizoram, Manipur, Nagaland, Tamil Nadu, Tripura and Uttar Pradesh	Assam, Kerala, Mizoram, Nagaland and Tamil Nadu
26 to 50	Madhya Pradesh and Rajasthan	Bihar and Uttar Pradesh
51 to 75	Arunachal Pradesh, Delhi, Goa, Gujarat, Meghalaya, Orissa, Punjab, Sikkim and West Bengal	Andhra Pradesh, Arunachal Pradesh, Delhi, Goa, Himachal Pradesh, Karnataka, Madhya Pradesh, Meghalaya, Orissa, Punjab, Rajasthan, Tripura and West Bengal
76 to 100	Haryana, Maharashtra and Pondicherry	Gujarat, Haryana, Manipur, Maharashtra, Pondicherry and Sikkim

The performance of most of the States was poor inspite of two extensions allowed by the Election Commission.

The main factors for poor performance were :-

- Delay in award of contracts
- Incorrect feeding of data of electors
- Poor performance by the contractors
- Poor response of the electors at the time of photography
- Delay in field verification by Election Department of States
- Delay in supply of holograms by contractor

The preparation of PICs was not even started in 10 states up to the deadline of November 1994.

In 10 States of Andhra Pradesh, Bihar, Delhi, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Nagaland, Tamil Nadu and Uttar Pradesh, the work of preparation and distribution of PICs was not started uptil the end of November 1994, the date initially fixed by the Election Commission for completion of distribution of PICs to electors.

In seven States of Haryana, Gujarat, Maharashtra, Manipur, Orissa, Punjab and West Bengal, the work of preparation of PICs was taken up during February 1994 to September 1994 i.e. late by five to 13 months

from the date of issue of orders in August 1993. The Election Commission stated, in December 1997, that the Scheme was started with an assumption that it was a project with a beginning and an end. The Commission also assumed that all eligible electors will be given defect free identity card by a deadline. The Election Commission, thus, failed to anticipate the ground realities, which resulted in frustration of the basic objective even after repeated extensions.

4.7 Unauthorised expenditure

Expenditure incurred in contravention of orders.

Election Commission's orders of February 1994, prohibits expenditure on purchase of any inventory and assets equipment for the preparation of PICs.

The Governments of Bihar, Gujarat, Haryana, Karnataka, Nagaland, Punjab, Rajasthan and West Bengal spent Rs 1.51 crore on inventories and assets viz., fax machines, photocopiers, typewriters, furniture, motor vehicles, etc.

4.8 Excess expenditure

Non-observance of instructions resulted in excess/avoidable expenditure.

Eight States of Goa, Haryana, Karnataka, Maharashtra, Manipur, Nagaland, Punjab and Rajasthan incurred excess expenditure of Rs 3.16 crore due to non-observance of instructions issued by the Commission as under:

4.8.1 Avoidable expenditure on account of accepting quotations at higher rates

The rates at which the different State Governments entered into agreements with the vendors for the supply of PICs ranged widely between Rs 7.20 per card in Karnataka and Rs 33.30 per card in Nagaland as indicated in Appendix XVII.

Negligence in recording the rates led to extra expenditure of Rs 30.28 lakh in Haryana.

- In Haryana, State Electronics Development Corporation Ltd., Chandigarh was awarded a contract in May 1994 for preparation of PICs at Rs 14 per card. A Delhi based firm 'Modi Olivetti' had quoted Rs 13.60 per card but some employee preparing the comparative statement, noted it as Rs 26.94 per card in the document. This led to an excess expenditure of Rs 30.28 lakh at the differential rate of 40 paise per card.
- In Karnataka, the award of contracts for preparation of PICs to the firms in Mandya and Bijapur districts at higher rates varying between Rs 8.35 and Rs 9.80 per card as against the lower quoted and negotiated

rates varying between Rs 8.15 and Rs 8.34 per card resulted in an extra expenditure of Rs 11.88 lakh.

Government of Manipur spent an extra expenditure Rs 1.57 crore on duplicate PICs.

- As per Election Commission's orders of 9 February 1994, miniature identity cards on A-4 size paper containing 100 miniature cards was to be collectively pouch laminated instead of laminating the duplicate PICs individually. However, the Manipur Government got the duplicate PICs prepared individually at Rs 18.50 each from 'MANITRON' a Government of Manipur undertaking though another firm was prepared to execute the work of preparation at Rs two per miniature record copy. The failure to do so resulted in avoidable expenditure of Rs 1.57 crore on 9.53 lakh PICs issued upto March 1996. In addition, the Government made excess payment of Rs 0.22 crore for 9.53 lakh PICs issued to voters including the duplicates as the total payment admissible was Rs 3.53 crore only up to June 1996.

Government of Nagaland spent an extra expenditure of Rs 28.85 lakh due to higher rate.

- In Nagaland, the Government incurred avoidable expenditure of Rs 28.85 lakh on preparation of 8.74 lakh PICs due to payment at higher rate of Rs 33.30 per card instead of the lower rate of Rs 30 per card. Incidentally, this rate was 4.6 times higher than the lower rate of Rs 7.20 in Karnataka. Even in comparison to the neighbouring State of Manipur, it was higher by 80 *per cent*.

4.8.2 Excess expenditure due to incorrect PICs

Government of Punjab incurred extra expenditure of Rs 20.32 lakh on duplicate miniature PICs.

The Election Commission directed that duplicate copies of PICs to be issued to the electors, be retained to prevent any foul play and ensure longer life. To implement these directions, Government of Punjab awarded a contract for preparation of PICs including duplicate miniature PICs at Rs 12.43 per card and at Re. 0.50 per card for retention of computer discs of PICs. As the preparation of computer discs was not envisaged in the Scheme when duplicate miniature was already prepared, this resulted in an expenditure of Rs 20.32 lakh for 40.63 lakh PICs up to 25 March 1996 which was not contemplated in the design of the project.

4.8.3 Avoidable expenditure due to belated execution of work

Government of Goa prepared colour PICs against the instruction of Election Commission for black and white PICs.

In Goa, the work of preparation of black and white PICs was entrusted to a firm at Rs 9.67 per card in August 1994 with a condition to complete the work by 30 November 1994. As the firm could not complete the work within the extended time, the contract was terminated in February 1996. A fresh contract was entered into with another agency in February 1996 for colour PICs at Rs 19.50 per card for new and leftout voters. As the Commission's orders of August 1993 provided that the frontal photo

would be in black and white, the execution of the fresh contract for colour PICs, instead of black and white resulted in avoidable expenditure of Rs 7.60 lakh on 77284 coloured PICs delivered till March 1996.

Error in data feeding led to extra expenditure of Rs 17.76 lakh in Karnataka.

4.8.4 Extra expenditure due to mistakes in electoral rolls

- In pursuance of Election Commission's orders of 28 August 1993, 15 December 1993 and 09 February 1994, the work of preparation of PICs of electors consisting of taking black and white frontal photos, printing, pasting of holograms, miniature of 100 photos on both sides of RA-4 sheet and lamination, was entrusted by the Government of Karnataka to the agencies in December 1994 at rates varying between Rs 7.20 to Rs 10.30 per card with a condition to rectify the mistakes in PICs free of cost. However, on noticing large number of mistakes with regard to age, sex etc. of electors in the PICs due to feeding of incorrect electoral rolls , the Government of Karnataka, in order to avoid mistakes, entrusted to the same agencies, the work of draft miniatures consisting of 25 photos in RA-4 sheets to the agencies in seven districts of Bangalore, Mangalore, Mandya, Kolar, Bijapur, Dharwad and Gulbarga by offering additional charges ranging between Rs 3.34 and Rs 10 per sheet for 72.33 lakh PICs prepared in these districts as on 31 March 1996. Thus, incorrect feeding of data in the computers resulted in excess expenditure of Rs 17.76 lakh.
- The Government of Maharashtra had incurred additional expenditure of Rs 10.19 lakh in Nanded district alone on printing of 1.90 lakh extra PICs due to mistakes in electoral rolls.

Re-scheduling of videography led to additional expenditure of Rs 10.17 lakh in Rajasthan.

- In two districts of Jhalawar and Jaipur in Rajasthan, the State Government re-scheduled the videography programme due to deployment of inadequate number of videography teams at appointed places and also failure of the teams to be on spot on the appointed dates. As a result, the Government had to incur extra expenditure of Rs 10.17 lakh on staff, vehicles, publicity and other administrative arrangements.

4.9 Non-recovery of interest on advance

Government of Bihar did not recover interest of Rs 3.57 crore on advance payment to the vendor.

In Bihar, a contract was awarded to Electronic System Punjab Limited (ESPL) for preparation of PICs and mobilisation advance of Rs 18.07 crore was paid in November 1994. The advance carried an interest of 16 *per cent per annum* on outstanding balance. Rs 12.20 crore was adjusted upto March 1996, but interest of Rs 3.57 crore was not recovered.

4.10 Unutilised/double drawals of funds

Test checks disclosed premature drawals of amount leading to unspent balance of Rs 10.06 crore in six states.

In six States of Bihar, Kerala, Nagaland, Orissa, Punjab and West Bengal, Rs 10.06 crore released by the State Governments to District Election Officers remained unutilised as detailed below :-

- In Bihar, out of Rs 3.13 crore advanced to 12 District Election Officers, Rs 1.08 crore was lying unutilised in cash.
- In Kerala, an amount of Rs 2.45 crore withdrawn in March 1996 from the treasury and was kept in saving bank account of Kerala State Electronics Development Corporation Limited, an agency which was entrusted with the job work, but no expenditure was incurred till August 1996. Subsequently, the operation of account was frozen.
- In Nagaland, an amount of Rs one crore was unauthorisedly kept under civil deposit out of Rs 1.62 crore drawn from treasury in March 1996.
- In Orissa, Rs 3.90 crore deducted from the bills towards securities was kept in civil deposit.
- In Punjab, out of Rs two lakh drawn from Ludhiana treasury in September 1995, Rs 1.39 lakh was lying unspent.
- In West Bengal, Rs 1.31 crore and Rs 28.92 lakh were drawn in advance by the District .Magistrate, Murshidabad and District Election Officers respectively without any authorisation for advance drawal of funds for meeting administrative costs, etc. The unauthorised drawal of Rs 1.31 crore was included in the expenditure statement by DM, Murshidabad which was actually retained in personal ledger account for meeting the agency's payment. The advance drawals of Rs 28.92 lakh by the District Election Officers were yet to be adjusted as per records of the districts.

Further, Government of West Bengal allotted in January 1995 Rs 2.09 lakh for meeting administrative costs in connection with preparation and issue of PICs. Subsequently, in February 1995 Government. authorised District Magistrate, Murshidabad to withdraw an advance of Rs 0.42 lakh out of Rs 2.09 lakh sanctioned in January 1995. However, DM Murshidabad withdrew Rs 4.18 lakh by presenting both these Government Orders as separate orders in three advance contingent bills for Rs 1.94 lakh, Rs 0.15 lakh and Rs 2.09 lakh on 31 March 1995 against the allotment of Rs 2.09 lakh only. The DM refunded Rs 2.09 lakh in April 1997 after being pointed out by Audit.

4.11 Infructuous expenditure on defective cards/printed material

4.11.1 Defective cards

As per the guidelines, the payment to the agency was to be made only for supply of defect free and completed PICs including supply of laminated A-4 sheet for the office.

Examination of documents revealed infructuous expenditure of Rs 2.22 crore on preparation of defective PICs in the States of Bihar, Gujarat, Punjab, Rajasthan and West Bengal.

Government of Bihar incurred wasteful expenditure of Rs 30.74 lakh on defective cards.

- In Bihar, the physical progress of PICs issued, rejected and reprepared etc. up to February 1996 showed that 2.32 lakh PICs prepared by the ESPL were defective. But these defective cards were not returned to the agency for supplying rectified cards. Thus, the expenditure of Rs 30.74 lakh on the defective cards at Rs 13.25 per card was rendered infructuous.
- In Gujarat, an agency at Surat rejected 2.16 lakh holograms in February 1995 as they were not usable for affixing on PICs. This resulted in unfruitful expenditure of Rs 0.52 lakh. Out of 1.99 crore PICs issued to the voters, 9.97 lakh defective cards were returned by the voters up to March 1996. No action was taken for rectification of mistakes as of June, 1996.

In Punjab 63 thousand defective PICs were not returned after rectification.

- In Punjab, 4.37 lakh PICs prepared by ESPL at Rs 12.93 per card were found defective. These cards were sent back to the firm for carrying out the necessary corrections. 63 thousand PICs for which payment of Rs 8.08 lakh was made had not been received back till May 1997.
- The lamination of PICs was to have an inbuilt hologram with an approved logo of the State as prescribed in February 1994 by Election Commission of India. However, in Rajasthan, out of 1.73 crore PICs delivered, 7.82 lakh cards embossed with the hologram were defective. In addition, 0.58 lakh defective PICs also were found returned by the electors in Sriganganagar, Jalore, Tonk, Alwar, Sikar and Jaisalmer districts. As the holograms were not removable and such cards were to be replaced by the contractors after affixing holograms afresh, the entire expenditure of Rs 1.18 lakh being the cost of 8.40 lakh holograms was rendered wasteful.

In West Bengal 3.13 defective cards made at Rs 35.05 lakh were not rectified.

- In Bankura district of West Bengal, payment of Rs 1.46 crore was made for 12.70 lakh PICs delivered without ensuring the supply of laminated miniature in A-4 paper. In addition, payments of Rs 35.05 lakh were made to the agencies in Murshidabad, Midnapore, 24 Parganas (North) and Bankura districts of West Bengal for 3.13 lakh defective PICs. These defective PICs were not replaced by the agencies with fresh cards,

rendering the entire expenditure of Rs 35.05 lakh as infructuous. In Murshidabad district, 46.76 thousand defective PICs were not even taken back by the agency.

4.11.2 Printed material

- The Government of NCT of Delhi got printed 1.63 crore letters at a cost of Rs 25.45 lakh for intimating the electors the date, time and place of photography in first, second and third rounds. However, 61.78 lakh letters valuing Rs 9.88 lakh were lying unutilised in stock. Similarly, 115 lakh letters were got printed at a cost of Rs 15.84 lakh in February 1995 for intimating to the electors the date of collection of their identity cards from the specified places. However, the procedure for intimating individual voters was later on discontinued. Thus, 113.45 lakh letters printed at a cost of Rs 15.62 lakh remained unused.
- In Kota district of Rajasthan, Government sustained a loss of Rs three lakh on account of short supply of printed electoral rolls by the contractor on the allotted date of photography. Similarly, in Jaipur district the expenditure of Rs 4.33 lakh was not made good by the contractor on printing of electoral rolls departmentally due to his failure to supply the finally printed rolls in time.

4.12 Deficiencies in award of work

Shortcomings in the award/execution of contracts were noticed in Himachal Pradesh and Manipur as under:-

- Himachal Pradesh State Electronics Development Corporation (HPSEDC) entered into a sub contract in November 1994 with the Himachal Videographers Association, Mandi for getting videography of eligible voters and made payment of Rs 51. 01 lakh to them without written approval of State Government, in violation of contractual clause prohibiting sub letting of contract.
- In Manipur, no formal agreement was made with Manitron, being a State Government undertaking though it was obligatory/compulsory.

4.13 Non-levy of penalty/fine

Penalty/fine of Rs 16.43 lakh leviable as per the agreements was not levied in the States of Bihar, Gujarat, Goa, Haryana and Karnataka

- In Goa, penalty leviable as per the agreement at Rs five per defective/missing card was not levied in respect of 1.33 lakh defective PICs

supplied by the contractor. This resulted in penalty aggregating to Rs 6.63 lakh not having been levied.

- In Bihar, Gujarat and Karnataka, penalty clause of the contract agreement was not invoked for not completing the work of preparation of PICs by the stipulated dates even after a lapse of 18 months up to March 1996. The currency of the contract was also not extended in Karnataka.
- In Haryana, penalty of Rs 9.80 lakh was leviable on supply of 35 lakh miniature cards by the contractors after due date. The penalty was, however, not levied by the State Government.

4.14 Other Shortcomings

4.14.1 Non-deduction of Income Tax

Under the provisions of Income-Tax Act, 1961, income tax at two *per cent* was required to be deducted out of payments made to a contractor in pursuance of a contract between the contractor and Government.

In Haryana and Rajasthan, tax amounting to Rs 20.92 lakh and Rs 14.21 lakh respectively was either not deducted or short deducted from the payments made to contractors during 1994-96.

The reply of Haryana Government that the contract was for supply of goods, was not tenable as preparation of PICs was not supply of goods but a case of execution of work.

4.14.2 Bank guarantee

In West Bengal, 15 agencies furnished security deposits aggregating Rs 1.49 crore towards bank guarantees, the validity of which had expired before the completion of work. No steps were taken to obtain fresh security deposits or to revalidate the bank guarantees till the satisfactory completion of work. The Government issued instructions in August 1997 to the concerned District Officers, after being pointed out by Audit, to freeze an equivalent amount of bank guarantee against the dues of the agencies.

4.14.3 Undue benefit to agencies

In West Bengal, price preference of 15 *per cent* over and above the accepted rate is admissible to only registered Small Scale Industries (SSI) units. But such benefit ranging from nine to 15 *per cent* was allowed to

seven unregistered SSI units, resulting in excess payments of Rs 214.31 lakh.

4.15 Monitoring

Many States delayed in taking up the PICs project and in most of them where it was taken up, there was considerable delay. As brought out in preceding para 4.6, against the original target of completion by November 1994, less than 33 *per cent* work were completed by March 1996 and only 53 *per cent* had been completed by March 1997. This was despite an elaborate system of weekly, fortnightly and monthly progress reports prescribed by the Election Commission. Many States, did not send the reports as envisaged.

The Election Commission stated, in December 1997, that the election machinery in the States is common for the conduct of elections, revision of electoral rolls and the implementation of the scheme of identity cards. As such the pace of progress of identity cards was affected whenever general elections are held and revision of rolls is taken up. The reply of the Election Commission, however, underscores the unrealistic targets set by them.

The matter was referred to the Ministry in October 1997; their final reply was awaited as of March 1998.

5 Member of Parliament Local Area Development Scheme (MPLADS)

5.1 Introduction

"Member of Parliament Local Area Development Scheme (Scheme)" was announced in the Parliament on 23 December 1993 by the Prime Minister to enable the Members of Parliament (MPs) to identify small works of capital nature in their constituencies. The Scheme provides for a member of Rajya Sabha to select works for implementation in one or more districts of his/her choice from the State from which he/she has been elected and for the nominated MP to select works for implementation in any one district of any State/Union Territory of his/her choice. The Scheme was initially administered by the Ministry of Rural Development and from October 1994 by the Department of Programme Implementation, Ministry of Planning and Programme Implementation.

Under the Scheme each MP could suggest to the District Collector (DC), works up to Rs one crore *per annum* for being taken up in his/her constituency.

The salient features of the Scheme are as under:

- Each MP is to furnish to the collector of the district, works selected by him/her for implementation under the Scheme.
- The DC is to get them implemented through Government agencies such as Public Works, Irrigation, Agriculture, Health and Education Departments, Panchayati Raj Institutions, Area Development Authorities, Water Supply and Sewerage Boards, etc., after following the established procedures.
- Individual works of developmental nature based on locally felt needs costing up to Rs 10 lakh could be taken up under this Scheme. The works are to lead to creation of durable assets and are to be completed in one or two working seasons.

- Repair and maintenance works, completion of other incomplete works, sharing of funds of the Scheme with other projects, purchase of equipment, etc. are not permitted under the Scheme.
- The works to be taken up under this Scheme include construction of buildings for schools, hostels, libraries and educational institutions belonging to Government or local bodies, construction of tubewells, roads, bridges, drains, public toilets, cremation grounds, etc.
- The funds released under the Scheme do not lapse.

5.2 Organisational set up

The Ministry of Planning and Programme Implementation, Department of Programme Implementation is responsible for overall administration and budgetary control of the Scheme at the Centre.

The State Planning Department was to issue general instructions to all the planning and implementing agencies at the district level to cooperate and assist in the Scheme and to implement the works referred to them under the Scheme by DCs.

At district level DCs of the respective districts were the nodal agencies for co-ordination and overall supervision of the works under the Scheme.

5.3 Scope of Audit

The implementation of the Scheme from 1993-94 to 1996-97 was reviewed in 24 States and six Union Territories through sample check in 165 of the 488 districts. The relevant records maintained by the DCs and in the Department of Programme Implementation were examined. The details of sample selected from each State and Union Territory are given in Appendix XVIII.

The main objective of the review was to find out how far the Scheme had been implemented economically, efficiently and in an effective manner and to assess how far the objectives had been fulfilled.

5.4 Highlights

- **During 1993-97 Ministry released Rs 2324.55 crore against which District Collectors (DCs) spent only Rs 1285.45 crore. Unspent amount of Rs 1039.10 crore was lying in account with commercial**

banks. The percentage of shortfall in utilisation of funds ranged between 0.01 to 92.40 per cent.

(Paragraphs 5.5.1 and 5.5.2)

- **In 332 districts of 24 States and six UTs, MPs recommended 120242 works during 1993-97. DCs sanctioned 105959 works, 98695 works were taken up for execution out of which only 60698 works were completed as of March 1997. 4569 works were executed and Rs 51.52 crore were spent without the recommendation of MPs in 28 districts of 13 States. Rs 24.89 crore were sanctioned on the recommendations of MP's representatives in five States.**

(Paragraphs 5.6, 5.7.1 and 5.7.2)

- **Implementing agencies in 37 districts of eight States/ UTs did not refund unspent amount of Rs 3.08 crore even though works were completed/cancelled/not taken up as of March 1997. Utilisation certificate for Rs 339.57 crore had not been received in 150 districts of 16 States and three UTs. 11 cases of suspected fraud involving Rs 50 lakh came to notice in six States.**

(Paragraphs 5.5.4, 5.5.5 and 5.5.6)

- **Rs 5.75 crore was wasted as 802 works in 33 districts of 15 States were abandoned midway.**

(Paragraph 5.6.1)

- **Percentage charges of Rs 3.90 crore were debited at rates ranging from one to 24 per cent in violation of guidelines. An expenditure of Rs 2.72 crore was incurred on 182 works entrusted to contractors sponsored by MPs/DCs in nine districts of four States in violation of Scheme guidelines.**

(Paragraphs 5.5.8 and 5.7)

- **The accounting procedure for the Scheme funds has not yet been finalised though the Scheme came into existence with effect from December 1993.**

(Paragraph 5.8)

- **In 40 districts of 15 States/UTs, loss of interest was Rs 3.67 crore due to operating non-interest bearing account, non-refund of interest earned by implementing agencies, transfer of funds to Revenue Deposit/Civil Deposits of State governments.**

(Paragraph 5.8.1)

- **In 15 districts of nine States, Rs 46.70 lakh was utilised for assets and consumables out of interest earned in contravention of Ministry's instructions prohibiting such utilisation. In 29 districts**

of 14 States, Rs 2.05 crore were spent on purchase of stock items in violation of Scheme provisions.

(Paragraphs 5.8.2 and 5.9.5)

- **Rs 4.06 crore were spent on 229 works not admissible under the Scheme for construction of office buildings, residential buildings, etc. Besides, Rs 1.53 crore were spent in 17 districts in seven States on 93 inadmissible works belonging to commercial organisations, trusts, co-operative institutions, registered societies, etc.**

(Paragraphs 5.9.1 and 5.9.2)

- **Grants and loans involving Rs 17.02 crore were sanctioned from out of the funds for MPLADS in utter disregard of the guidelines.**

(Paragraph 5.9.4)

- **Contrary to the guidelines, in 14 districts of six States, Rs 58.75 lakh were spent on 64 works relating to religious places.**

(Paragraph 5.9.6)

- **In 28 districts of 10 States, 2190 works with total outlay of Rs 20.44 crore were executed without obtaining technical sanction and administrative approval.**

(Paragraph 5.11.1)

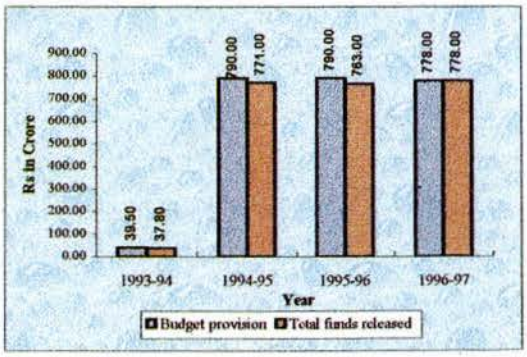
5.5 Financial arrangement

Ministry releases funds under the Scheme directly to DCs without routing them through State Governments. During 1993-94, however, the Ministry released the funds through the respective State Governments.

The budget provision and funds released by the Government of India during 1993-97 were as under:-

(Rupees in crore)

Year	Funds released per MP	Budget provision	Total funds released
1993-94	5 lakh	39.50	37.80
1994-95	1 crore	790.00	771.00
1995-96	1 crore	790.00	763.00
1996-97	1 crore	778.00	778.00
Total	–	–	**2349.80**



Funds are normally to be released by the Ministry twice a year on the basis of physical and financial progress of works. Examination disclosed that the Ministry by and large released the funds without

reference to progress of works resulting in accumulation of funds with DCs. The Ministry stated that for 1996-97 it was initially decided to release funds after adjusting balances available with DCs up to 1995-96. However, the MPs demanded release of total amount for the year and the Speaker Lok Sabha advised release of the entire amount of Rs one crore.

5.5.1 Financial outlay and expenditure

The Department of Programme Implementation, the nodal agency at the centre, failed to provide details of yearwise release of funds to States/UTs and expenditure incurred by them for the period under review. However, 26 State/Union Territory level nodal agencies furnished such details as under whereas four State nodal agencies did not provide the same.

(Rupees in crore)

Year	Opening balance	Funds received from GOI	Expenditure incurred	Closing balance	Percentage of funds utilised
1993-94	--	33.19	19.14	14.05	57.66
1994-95	14.05	696.94	438.03	272.96	62.85
1995-96	272.96	687.25	503.46	456.75	73.25
1996-97	456.75	674.42	221.33	909.84	32.81
(a) Sub-Total		2091.80	1181.96	909.84	56.50
(b) For 4 States*		232.75	103.49	129.26	44.46
Grand Total		**2324.55**	**1285.45**	**1039.10**	**55.29**

**Assam, Meghalaya, Punjab and Orissa.*

It would be evident from the above that utilisation of funds during 1993-97 was only 55.29 *per cent*.

State/Union Territory wise details of funds received and expenditure incurred during 1993-94 to 1996-97 are given in Appendix XIX.

5.5.2 Shortfall in utilisation of funds

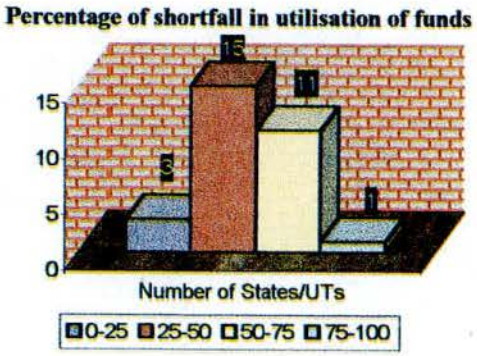
Against available funds of Rs 2324.55 crore only Rs 1285.45 crore were utilised leaving an unspent balance of Rs 1039.10 crore.

Heavy balance of Rs 1039.10 crore was lying unspent with the District Collectors as of March 1997 as detailed in Appendix XX. The major States having large unspent balances were : Andhra Pradesh (Rs 98.74 crore), Bihar (Rs 100.64 crore), Gujarat (Rs 75.35 crore), Karnataka (Rs 69.95 crore), Kerala (Rs 57.50 crore), Maharashtra

(Rs 109.83 crore), Orissa (Rs 56.83 crore), Tamil Nadu (Rs 74.04 crore), Uttar Pradesh (Rs 104.07 crore) and West Bengal (Rs 74.57 crore).

Percentage of shortfall in utilisation of funds ranged between 0.01 to 92.40 *per cent* in different States/Union Territories as detailed below:-

S.No.	Percentage shortfall	Number of States/ UTs	States/UTs
1.	0-25	3	Arunachal Pradesh, Haryana and Nagaland.
2.	25-50	15	Bihar, Himachal Pradesh, Madhya Pradesh, Mizoram, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, A & N Islands, D & N Haveli, Daman & Diu and Delhi.
3.	50-75	11	Andhra Pradesh, Assam, Goa, Gujarat, Karnataka, Kerala, Maharashtra, Manipur, Meghalaya, Orissa and Chandigarh
4.	75-100	1	Pondicherry



5.5.3 Unspent balance shown as expenditure

The expenditure figures reported were erroneous.

In 158 districts of nine States the expenditure reported during 1993-97 included amounts not actually spent as under:-

(Rupees in crore)

Year	*Total expenditure reported*	*Expenditure booked but not actually incurred*
1993-94	8.57	0.17
1994-95	232.18	35.33
1995-96	247.28	72.68
1996-97	100.99	60.00
Total	**589.02**	**168.18**

Yearwise break up is given in Appendix XXI.

5.5.4 Unspent balances not refunded by implementing agencies

Unspent amount of Rs 3.08 crore were not refunded by implementing agencies.

Implementing agencies in 37 districts of eight States/UTs did not refund Rs 3.08 crore lying unspent with them as of March 1997 even though the works awarded were completed or cancelled or had not been taken up. The details are given in Appendix XXII.

5.5.5 Non-submission of utilisation certificates

Utilisation certificates for Rs 339.57 crore not submitted.

(i) The implementing agencies were required to submit utilisation certificates in prescribed forms to District Collectors after completion of works for onward submission to the Ministry.

Utilisation certificates for Rs 339.57 crore had not been received as detailed in Appendix XXIII.

(ii) In Faridabad district of Haryana, against the actual expenditure of Rs 1.41 crore during 1993-96, ADC submitted utilisation certificates for Rs 1.81 crore.

5.5.6 Cases of suspected fraud

Cases of suspected fraud involving Rs 50 lakh were noticed.

Test check disclosed 11 cases of suspected fraud involving Rs 50 lakh as per the details given below:-

(a) Nagaland:

(i) DC, Kohima paid Rs 1.50 lakh in February 1995 for construction of a bridge over a seven feet nullah across a footpath in Khuzama village after approving the work recommended by the MP, without preparing any estimate. Examination of documents disclosed that the DC made payment on the basis of a certificate from the Block Development Officer, Kohima about completion of the bridge alongwith an attested photograph of the bridge which clearly indicated that the bridge consisted of only six local bamboo laid horizontally across the nullah alongwith side railings supported by wooden poles which *prima facie* could not be expected to cost more than Rs four to five thousand. The DC released the total payment of Rs 1.50 lakh without examining the correctness of the cost/claims.

(ii) DC, Kohima sub-allotted and remitted Rs 39.50 lakh during 1995-96 to the ADC Dimapur. However, as per the latter's records only Rs 38.75 lakh were shown to have been received. Similarly, DC Kohima remitted Rs 5.75 lakh to DC Mon during the same year but in the latter's records only Rs 5.44 lakh were accounted for. The

difference of Rs 1.06 lakh was suspected to have been mis-appropriated.

(b) Bihar

(i) Block Development Officer, Nirsa in Dhanbad district paid Rs 1.05 lakh during June 1995 to July 1996 towards carriage charge of morrum for construction of two roads, one in Potdih village and another from Kurkuri gate to Patherkuia. Audit scrutiny through cross-verification of records in local transport office revealed that the truck numbers shown in vouchers for carriage of morrum were that of motor cycle and public bus. Thus, actual carriage of morrum was fictitious.

(ii) Under the same works, BDO Nirsa paid Rs 0.30 lakh as hire charge of road roller to a driver of Rural Engineering Organisation Division, Dhanbad. However, there was no record of its receipt in the division.

(iii) BDO Nirsa also paid Rs 1.25 lakh through muster rolls to 45 labourers working on the same date at two different places 12 km apart rendering the expenditure doubtful.

(c) Himachal Pradesh

Rs 0.70 lakh transferred in March 1995 by DRDA Shimla to BDO Mashobra were not traceable in the books of the latter.

(d) Manipur

(i) DRDA, Urkhul, executed four works in 1995-96 through beneficiary committees. 380 muster roll labourers were shown to have been engaged but actual payees receipts were obtained in respect of 79 labourers only. Payment of Rs 2.08 lakh to 301 labourers was not supported by payees receipts.

(ii) During 1995-96, DRDA, Churachandpur executed 33 works through beneficiary committees. 1161 muster roll labourers were shown to have been engaged and Rs 10.35 lakh paid as wages. The payment was not supported by payees receipts.

(iii) DRDA, Churachandpur withdrew Rs 5.08 lakh during November 1995 to April 1996. Of these, he disbursed only Rs 3.56 lakh. The remaining amount of Rs 1.52 lakh was not accounted for.

(e) Karnataka

In Bidar district, out of Rs 102.30 lakh released to the Executive Engineer Zilla Panchayat Engineering Division, Rs 99.80 lakh only was accounted for and deposited into the bank account. There was no account of the remaining Rs 2.50 lakh.

(f) West Bengal

In two different cases, nine works costing Rs 5.14 lakh and four works costing Rs 1.95 lakh were shown as completed and the BDO Bijanbari furnished utilisation certificates to the DM Darjeeling. But entries recorded in the Measurement Books indicated that the works had not been completed at all and fake UCs were furnished.

5.5.7 Sharing of funds

The Scheme funds were shared with those of other Schemes in contravention of the provisions.

According to provisions of Scheme, DCs were to undertake the works only against the funds provided for this Scheme. Resources of this Scheme or funds provided under other Schemes were not to be mixed for sharing the expenditure on any works. Test check, however, disclosed cases in nine States where expenditure on 66 projects was partly charged to this Scheme and partly met from other sources as indicated in Appendix XXIV.

5.5.8 Supervision/centage charges

Centage charges of Rs 3.90 crore at the rate ranging between one to 24 *per cent* were levied during 1993-97.

The Minister of State for Planning and Programme Implementation addressed a letter in August 1995 to all the Chief Ministers requesting them to consider MPLADS as an exception for levy of supervision/centage charges by implementing departments. The Ministry reiterated this in the revised guidelines of February 1997.

Test check, however, disclosed cases where centage charges of Rs 3.90 crore were charged at rates ranging from one to 24 *per cent* during 1993-97 as detailed in Appendix XXV.

The Ministry stated, in March 1998, that some of the States/UTs like Andhra Pradesh, A & N Islands, Himachal Pradesh, Meghalaya, Mizoram, etc. had acceded to their request whereas some others had expressed their inability to do so. Some had, however, reduced their centage charges. The levy of supervision/centage charges reduced the funds available for use on the Scheme.

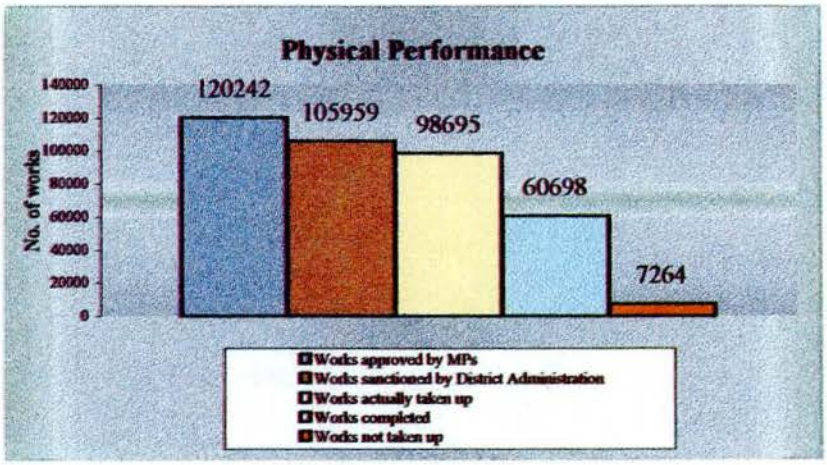
5.6 Physical performance

(a) The Scheme envisaged that works taken up should be such as could be completed in one or two working seasons. Examination of documents disclosed the following:

In 122 districts of 12 States and two UTs, where the value of works were available, the MPs recommended 44151 works at an estimated cost of Rs 463.52 crore during 1993-97. The District Collectors sanctioned

38564 works at an estimated cost of Rs 408.68 crore which works out to 88.16 *per cent* of value of the works recommended by MPs. The number of works actually taken up was 35694 at an estimated cost of Rs 368.58 crore which was 90.19 *per cent* of value of total works sanctioned.

Only 20219 works costing Rs 220.93 crore were completed as of March 1997 representing 54.07 *per cent* of value of total works sanctioned. 2870 works at expected value of Rs 39.02 crore were not taken up as of March 1997, though these were recommended by MPs and sanctioned by DCs concerned. The Statewise details are given in Appendix XXVI (A).



(b) In another 210 districts of 12 States and four UTs, where the values were not available, MPs recommended 76091 works during 1993-97, against which 67395 works (88.57 *per cent*) were sanctioned by the District authorities. 63001 works (93.48 *per cent* of sanctioned works) were taken up for execution and only 40479 works (60.06 *per cent* of sanctioned works) were completed and 4394 works could not be taken up for execution as of March 1997. The details are given in Appendix XXVI (B).

5.6.1 Incomplete/abandoned works

Works were abandoned after spending Rs 5.75 crore on them.

During the period 1994-97, 802 works in 33 selected districts of 15 States were either abandoned or left incomplete midway due to dispute over title to land, insufficient provision of funds, wrong selection of executing agency, etc. An amount of Rs 5.75 crore had been spent as shown in Appendix XXVII on these works prior to their abandonment.

Scrutiny revealed that with this expenditure no durable asset, as required under the Scheme, was created and the entire expenditure was a waste.

Rs 2.72 crore spent on 182 works entrusted to contractors sponsored by MPs/DCs.

5.7 Entrustment of works to contractors

The guidelines prohibit engagement of contractors. DCs are required to get the works done departmentally except where the established procedures of the respective State Governments permit engagement of contractors.

Test check disclosed 182 cases valued at Rs 2.72 crore where the works were entrusted to the contractors, some of them sponsored by MPs as under.

(Rupees in crore)

Sl. No	State	District	No. of works	Year	Expendi-ture	Remarks
1.	Bihar	Dumka	43	1994-97	0.64	Works allocated by the Collector to contractors
		Katihar	39	1994-97	0.58	
		Madhepura	17	1994-97	0.40	
		Madhubani	1	1994-97	0.29	
		Ranchi	60	1994-97	0.47	
2.	Andhra Pradesh	Medak	2	1994-95	0.07	Works were sanctioned by the collector in February 1995 and entrusted to the contractors sponsored by MP.
		Adilabad	8	1994-97	0.15	All these works were executed by entrusting to the contractors sponsored by MP.
3.	Tamil Nadu	Sivaganga	6	1994-96	0.09	Works were entrusted to private individuals recommended by MP.
4.	Orissa	Bhawanipatna	6	1995-96	0.03	Works were awarded to contractors recommended by MP.
	Total	9	182		2.72	

5.7.1 Works executed without recommendation by MPs

Rs 51.52 crore spent by DCs on 4569 works not recommended by MPs.

Works, permissible under the Scheme, recommended by MPs are only to be taken up for execution by DCs concerned. In 28 districts in 13 States, DCs incurred an expenditure of Rs 51.52 crore on execution of 4569 works, which were not recommended by MPs concerned. The details of such works are as under:

(Rupees in lakh)

Sl. No.	State/UT	District	No. of works	Year	Expenditure incurred	Nature of work
1.	Andhra Pradesh	Kurnool	11	1995-96	5.75	Providing additional distribution transformers
2.	Bihar	Patna	13	1996-97	52.70	Renovation of roads, special repair to Dargah path, etc.
3.	Haryana	Ambala	84	1994-95	97.64	Drilling and commissioning of tube wells, renovation of old water supply line, providing new sewerage line, etc.
		Gurgaon	30	1995-96	46.48	Construction of school buildings, cricket pavilion, Panchayat Ghar, metalled road, pavement of streets, etc.
4.	Himachal Pradesh	Shimla	10	1995-96	12.75	Water supply scheme, mahila mandal/yuvak mandal bhavans, roads, etc.
		Solan	1	1995-96	1.00	Water supply scheme.
5.	Mizoaram	Saiha	12	1994-95	10.35	Jeepable roads, irrigation channels, school buildings, etc.
6.	Manipur	Ukhrul	3	1994-95	3.00	Construction of playground, youth club, village authority court, etc.
7.	Maha-rashtra	Nanded	2	1995-96	0.96	Construction of bridges and approach roads.
		Mumbai city	3	1995-96	9.61	Beautification of Custom House building
8.	Orissa	Cuttack	144	1995-96	36.20	Improvement of roads, construction of buildings of cultural centres, library-cum-community centres, high schools and colleges, etc.
		Khurda	32	1995-96	100.00	Construction of roads, drains, drinking water supply schemes, etc.
9.	Punjab	Patiala	8	1994-96	43.92	Construction of roads and bridges.
10.	Tamil Nadu	Tiruchira-palli	4	1995-97	9.19	Construction of school building, etc.
		Madurai	17	1995-96	18.23	Construction of school buildings, metalling of roads etc.
11.	West Bengal	Calcutta	4	1993-94	12.00	Construction of library, indoor sports complex, health centre and repair work of school building.
12.	Madhya Pradesh	11 Districts (Bhopal, Sehore, Indore, Ujjain, Chhindwara, Jabalpur, Satna, Bilaspur, Raipur, Bastar, Gwalior)	4123	1993-97	4522.94	Yearwise Break up Year — Works — Rs in lakh 1993-94 — 116 — 91.26 1994-95 — 1768 — 1977.48 1995-96 — 1846 — 1995.38 1996-97 — 393 — 458.82 Totals — 4123 — 4522.94
13.	Sikkim	Gangtok	68	1994-97	168.91	Construction of link roads, minor irrigation channel, footpath, etc.
	Total	28	4569		5151.63	

The Collector, Patna in Bihar sanctioned 13 Schemes unauthorisedly during 17 January 1997 to 12 May 1997 at an estimated cost of Rs 95.86 lakh and released Rs 52.70 lakh during 08 April 1997 to 28 May 1997 to the executing agency i.e. Executive Engineer, Road Division, Patna City, out of funds received for 1996-97 for Shri I.K.Gujral MP Rajya Sabha though the MP had not recommended these Schemes. The Chief Minister performed the foundation laying ceremony for these Schemes on which the DM spent Rs 5.30 lakh during January and February 1997 from funds received by him under Urban Basic Service for Poor Scheme.

5.7.2 Works recommended by MPs representatives

Rs 24.89 crore were sanctioned on recommendations of representatives of MPs in violation of the guidelines of the Scheme.

Under the Scheme recommendations made by the MP on his letter head and under his signature alone is to be entertained by DCs and recommendations made by any representative of the MP is not to be considered even if such representative may have been authorised by the MP concerned.

It was, however, noticed that in following five States works amounting to Rs 24.89 crore were sanctioned by the DCs on the recommendation of the representatives of the MPs. Details are given below:

5.7.2.1Maharashtra

Nine works involving expenditure of Rs 33 lakh were recommended by Shri Ashok Chavan on behalf of his father Shri S.B.Chavan, MP Rajya Sabha during 1994-95. The works were accepted and approved by the Collector, Nanded.

5.7.2.2Haryana

Shri Dinesh Singh, MP, Rajya Sabha authorised the Chief Minister, Haryana to utilise Rs one crore released for 1994-95 anywhere and on any works. The Chief Minister recommended works at estimated cost of Rs 51 lakh in Ambala district and authorised five MLAs of Ambala district to suggest works for the remaining amount of Rs 49 lakh against which an expenditure of Rs 46.44 lakh had been incurred.

5.7.2.3Orissa

(i) In Cuttack district Rs 36.20 lakh were sanctioned during 1995-96 by the Collector, Cuttack for 144 works on the recommendation of

MLAs, ex-ministers and ex-speaker of Orissa Legislative Assembly on behalf of Shri Narendra Pradhan, MP, Rajya Sabha.

(ii) The Collector, Khurda sanctioned (1994-95) works worth Rs one crore forwarded by the Resident Commissioner, Government of Orissa on behalf of Shri S.R. Bommai, Member Rajya Sabha, though the same did not bear the signature of Shri Bommai. The Collector released funds to various implementing agencies for execution of 28 out of 32 projects forwarded to him.

5.7.2.4 Tamil Nadu

Seventeen works for Rs 18.30 lakh suggested by Shri K.V.V. Rajamanickam MLA on behalf of Shri A.G.S. Rambabu MP Lok Sabha were sanctioned by DC Madurai in 1995-96 and were completed at a cost of Rs 18.23 lakh.

5.7.2.5 Uttar Pradesh

The District Magistrates of Allahabad, Lucknow and Sonebhadra sanctioned 920 works costing Rs 22.01 crore on the basis of recommendations made by representatives of the MPs concerned.

5.8 Accounting procedure

The Scheme came into existence from December 1993. The accounting formats for the Scheme were to be finalised by the office of the Controller General of Accounts in consultation with the office of the Comptroller & Auditor General of India. The accounting procedure has not yet been finalised.

The Ministry stated, in October 1997, that an inter-departmental committee had been constituted for the purpose which had its first meeting in September 1997. Further progress was awaited.

5.8.1 Loss of interest

Operation of non-interest bearing accounts, non-refunding of interest by implementing agencies etc. resulted in loss of interest of Rs 3.67 crore.

Test check disclosed large number of cases in 40 districts of 15 States/UTs, indicating operation of non-interest bearing account, non-refunding of interest earned by executing agencies to the Scheme funds, transfer of funds to Revenue Deposits/Civil Deposits of State Governments on the instruction of State Government which resulted in loss of interest aggregating Rs 3.67 crore during 1993-97. (Andhra Pradesh: Rs 80.09 lakh in six districts; Assam: Rs 2.12 lakh in two districts; Haryana: Rs 9.35 lakh in three districts; Kerala: Rs 57.82 lakh in five

districts; Maharashtra: Rs 55.31 lakh in four districts; Meghalaya: Rs 2.28 lakh in two districts; Mizoram: Rs 8.23 lakh in two districts; Tamil Nadu: Rs 18.17 lakh in six districts; West Bengal: Rs 70.79 lakh in five districts and Delhi Rs 52.33 lakh). Details are given in Appendix XXVIII.

5.8.2 Interest accrued and its utilisation

Rs 46.70 lakh, out of interest earned, were utilised, though prohibited.

The Ministry issued instructions that interest accrued on the funds released under the Scheme should not be utilised till a decision was taken by the Government in that regard.

In three Union Territories and 72 districts of nine states, Rs 11.06 crore was earned as interest on the Scheme funds during 1993-97. Details are given in Appendix XXIX.

Information regarding accrual of interest on Scheme funds during 1993-97 in remaining States was neither provided by Ministry nor by the concerned State nodal agencies.

Test check disclosed that out of the interest, Rs 46.70 lakh were utilised as under in 15 districts of nine States in contravention of the instructions of the Ministry.

(Rupees in lakh)

Sl. No.	State/UT	Name of the Districts	Period	Amount	Purpose
1.	Arunachal Pradesh	Lohit (Tezu)	1995-96	4.44	Utilised towards construction of boys' hostel on the recommendation of MP
2.	Assam	Kamrup	1994-96	4.65	Details not provided by the DC office.
		Nagaon	1994-96	0.30	Purchase of petty articles in DC office without approval from MP.
3.	Karnataka	Bidar	1996-97	1.82	On the tour programme of Prime Minister in August 1996 on order of DC and without MP's recommendations.
4.	Kerala	Alappuzha	1995-96	5.24	Purchase of two jeeps in Collectorate on the order of DC without MP's approval.
				0.10	Installation of telephone in the Collectorate on the orders of DC without MP's approval.
5.	Manipur	Imphal	1994-97	1.20	Utilised as office contingencies on orders of DC.
		Bishnupur	1994-97	0.68	-do-
6.	Orissa	Cuttack	1995-96	2.00	Construction of TLC building approved by DC and not by MP.

Sl. No.	State/UT	Name of the Districts	Period	Amount	Purpose
		Jharsuguda	1995-96	1.49	Construction of Sanchaya Bhavan/temporary residence for Collector approved by DC and not by MP.
		Phulbani	1996-97	3.40	Construction of stand posts, purchase of pump set, establishment of book bank, repair of furniture in circuit house etc.
7.	Tamil Nadu	Chengai Anna	1995-97	7.52	Construction of roads on the recommendation of MP.
8.	Uttar Pradesh	Jaunpur	1995-96	0.65	Construction of Sumitra Nandan park without approval from MP.
		Ghazipur	1996-97	4.10	On purchase of Gypsy and its maintenance without approval from MP.
9.	West Bengal	Murshid-abad	1994-96	8.75	Purchase of furniture and other accessories for conference hall in administrative block. without approval from MP.
		Burdwan	1995-96	0.36	Contingent charges to meet the expenses of meetings at block level, no approval was obtained from concerned MP.
	Total	15	-	46.70	

5.9 Execution of works not covered under the Scheme

In the following cases works not permissible under the Scheme were carried out:-

5.9.1 Construction of office buildings, residential buildings, etc.

Rs 4.06 crore was spent on inadmissible works of construction of office/residential buildings.

Funds released under the Scheme were not to be utilised for construction of office buildings, residential buildings and other buildings relating to Central or State Governments, agencies or organisations. In the test check districts, Rs 4.06 crore was spent on 229 works relating to construction of residential units for weaker sections, Gram Panchayat office buildings, shopping complex, building for village extension office, guard's room attached to DC's Inspection Bungalow, rest houses, Railway rest houses, buildings for Bar Association, Camp office for District Magistrate, etc. The details are given in Appendix XXX.

5.9.2 *Works relating to commercial organisations, trusts, registered societies, private institutions or cooperative institutions*

Rs 1.53 crore was spent on works belonging to commercial organisations, trusts etc. in violation of the guidelines.

Expenditure on works belonging to commercial organisations, trusts, cooperative institutions, registered societies etc. were not allowed under the Scheme. It was, however, noticed that an amount of Rs 1.53 crore was spent in 17 districts selected in seven States on 93 such works as detailed below. All the works except the works in Kurnool district of Andhra Pradesh, were recommended by the MP concerned.

(Rupees in lakh)

Sl. No.	*State/UT*	*District*	*No. of works*	*Amount*	*Year*	*Name of Trust/commercial institutions etc.*
1.	Andhra Pradesh	Kurnool	2	10.90	1995-96	Work relating to Nandyal Cooperative Sugars Ltd. was done without the approval of MP
		Medak	1	0.48	1994-95	Labour Service Cooperative Society.
2.	Assam	Kamrup	25	25.34	1993-97	Works for private institutions.
		Sibsagar	16	16.55	1993-97	Private institutions like Sanghas, Clubs, Ashrams etc.
3.	Mizoram	Aizawal Lunglei	13	34.30	1994-97	Construction of buildings for Registered Society & Private Christian Hospital
4.	Maha-rashtra	Latur	1	10.00	1995-96	Work relating to charitable trust hospital buildings.
		Pune	3	10.60	1996-97	Roads of a Housing Society
5.	Orissa	Balasore	2	0.34	1995-96	Building at Sai Nritya Sangeet Vidyalaya at Padhuenpada and Fishermen's cooperative house at Kashphal (Commercial institutes).
		Cuttack	18	2.37	1995-96	Construction of Private club Bahuda Das club, Jawahar youth club, Netaji Sangram club, etc.
6.	Punjab	Ferozepur	1	10.00	1995-96	Construction of cane yard at Kissan Sugar Mill Ltd., a commercial unit.
		Amritsar	1	5.00	1994-95	Building for cultural and sports activities of Aviation club at Raja Sansi International Airport.

Sl. No.	State/UT	District	No. of works	Amount	Year	Name of Trust/commercial institutions etc.
		Ludhiana	2	7.00	1995-97	Library of District Bar Association, Bhagwan Ram Charitable Trust Hospital.
7.	Tamil Nadu	Coimbatore	3	11.52	1995-97	Post literary-cum-vocational training centre at Vaikalpalayam, a registered charitable trust.
		Madurai	2	2.75	1995-97	Mandapam at Vadipatti owned by Temple Trust Board.
		South Aroot	2	4.50	1995-97	Godown at Perumathur for handloom weavers cooperative society & fishermen cooperative society.
		Chennai	1	1.56	1995-97	Compound wall to YMCA playground at Gray nagar, a private institution.
	7	17	93	153.21		

5.9.3 Repair and maintenance works

Rs 4.86 crore was spent on repair and maintenance works which were not permissible.

Expenditure on repair and maintenance works of any type other than special repairs for restoration/upgradation of any durable asset is not permissible under the Scheme. In 45 districts in 13 States expenditure of Rs 4.86 crore was incurred for repair and maintenance of 675 works as detailed in Appendix XXXI in disregard of the guidelines. The works done included repairs of roads, resurfacing of roads, maintenance work of metalling of roads, repair of irrigation channels and drains, repair of drinking water supply lines etc.

5.9.4 Grants and loans

Grants and loans amounting to Rs 17.02 crore were sanctioned out of MPLADS fund.

The Scheme prohibits the utilisation of funds for giving loans/grants to other organisations. However, in the following cases, DCs sanctioned loans/grants in contravention of Scheme provisions.

(i) The Deputy Commissioner, Imphal, Manipur paid Rs 10 lakh to Project Officer, IWDP in January 1995 and Rs 2.77 lakh to the Project Officer, Jawahar Rozgar Yojna (JRY) in March 1995 as a short term loan. The loans, however, were received back on 30 March 1995.

(ii) In Tamil Nadu, DCs of Kancheepuram, Trichy, Coimbatore, Sivaganga and Madurai diverted Rs 16.09 crore to various other

Schemes like Jawahar Velai Vaipu Thittam (JVVT), Integrated Rural Development Programme (IRDP), SIDA assisted projects etc. during 1993-97. Rs 13.46 crore was, however, recouped after 20 days to 19 months leaving an amount of Rs 2.63 crore unrecouped as of March 1997.

(iii) In Andhra Pradesh, DC, Chittoor, based on the recommendations of MPs from Tirupati and Chittoor, sanctioned a grant of Rs 19.90 lakh duirng 1996-97 for the purchase of computers to two private educational institutes run by a Trust at A.Rangampeta.

(iv) In Nagaland, grant of Rs 59.70 lakh was given to different institutions, cultural, sports, student bodies and cash relief to poor and sick etc.

5.9.5 Purchase of stock

Store/stock costing Rs 2.05 crore were purchased in violation of guidelines.

Purchase of store or stock was not permissible under the Scheme. In 29 districts of 14 States, Rs 2.05 crore were spent on the purchase of generators, submersible pumpsets, stabilizers, furniture items, fixtures with tube lights and lamps, water cooler, tractor with dozer, boats, books, TV, VCR, duplicating machine, electric typewriter, deep freezer, air conditioner etc. as per details given in Appendix XXXII.

5.9.6 Places of religious worship

Rs 58.75 lakh was spent on works relating to religious places.

Incurring of expenditure on places of religious worship is not permissible under the Scheme. 64 works costing Rs 58.75 lakh in 14 districts of six States relating to religious places were carried out in violation of the provisions as per details given below:

(Rupees in lakh)

Sl. No.	State/UT	District	No. of works	Amount	Year	Remarks
1.	Andhra Pradesh	Adilabad	1	0.32	1996-97	The work "construction of compound wall to Edgah" in Nirmal Town was recommended by MP of Adilabad Lok Sabha constituency.
		Medak	1	0.25	1995-97	The work "construction of platform to Edgah" at Medak town was sanctioned by DC on the recommendation of MP of Medak Lok Sabha constituency.
2	Manipur	Imphal	1	1.00	1994-95	"Construction of community Hall" in the complex of ISKON (a religious body) was recommeded by an MP.

Sl. No.	State/UT	District	No. of works	Amount	Year	Remarks
3.	Nagaland	Kohima Mon Mokok-chung	3	10.64	1993-97	Construction of churches, approach roads and boundary walls for churches recommended by MP
4.	Orissa	Balasore	21	1.88	1994-96	Construction of compound wall of Sahaspur Mosque Construction of Sankeswar Mahadev Temple. Construction of Alekh Brahma Math at Khurda. Construction of Mahalakshmi Mandap. Construction of Kali Temple at Tikarapada etc.
		Cuttack	11	8.05	1995-96	Construction of Mandap near Hansanath Temple. Dharmshala near Nilakantha Mahadev Pandal near Bodhkant Mandir. Sri Ram Dharmshala
		Phulbani	4	3.60	1995-96	Construction of boundary wall of Mahadev Bari, Kailashahar. Construction of community centre at Jagannath Mandir, Phulbani. Community centre near Rama Mandir at Hatapada.
5.	Tripura	DM-North	2	2.53	1995-96	Construction of Manipuri Mandap at Ichabpur
		DM-West	14	24.09	1995-96	Construction of pucca ghatla on the tank of Manipuri Nat mandir at Radhnagar Block at Kumilla Iswar Pathsala Agartala. Protection wall at Balak Baba Anath Seva Ashram Bishalgarh etc.
		DM-South	1	1.55	1995-96	Construction of community hall in the Mahamuni Tilla Budhist Temple complex.
		DM-Dhalai	4	4.04	1995-96	Community hall at Anantha Ashram building Boundary wall at Anantha Ashram Community hall at Kamapur Kalibari.
6.	Uttar Pradesh	Almora	1	0.80	1995-96	Beautification of Ram Mandir.
	Total	14	**64**	**58.75**		

5.10 Failure to maintain asset register

The works undertaken under the Scheme were to be of developmental nature, based on the locally felt needs which should lead to creation of durable assets. In support of the existence of assets created, nodal authorities are required to maintain an Asset Register. In 23 States/UTs, asset registers were not maintained for the completed works as detailed below:-

(Rupees in crore)

Sl. No.	State/UT	District	No. of completed works	Amount
1.	Andhra Pradesh	Adilabad	162	2.02
		Chittor	421	1.99
		Kurnool	144	3.56
		West Godavari	279	3.06
		Medak	214	2.55
2.	Assam	Barpeta	10	0.05
		Sonitpur	12	0.15
		Nagaon	14	0.12
3.	Bihar	11 districts	1915	*
4.	Daman & Diu	1	25	0.72
5.	Delhi	2	129	*
6.	Gujarat	4 districts	2995	9.78
7.	Goa	North Goa, South Goa.	21	1.05
8.	Haryana	Ambala	167	0.93
		Faridabad	386	2.81
		Karnal	668	2.38
		Hissar	555	2.79
		Sirsa	171	2.08
9.	Himachal Pradesh	10 districts	650	3.42
10.	Karnataka	Bangalore rural, Bellary, Shimoga	*	8.23
11.	Kerala	8 districts	816	0.16
12.	Manipur	8 districts	758	2.51
13.	Meghalaya	East Khasi Hills, Shillong, West Garo Hills, Tura.	336	*

Sl. No.	State/UT	District	No. of completed works	Amount
14.	Madhya Pradesh	40 districts	8331	94.54
15.	Nagaland	7 districts	686	5.06
16.	Punjab	Amritsar, Ferozepur, Hoshiarpur, Ludhiana, Patiala.	1112	*
17.	Pondicherry	1	5	0.07
18.	Rajasthan	12 districts.	1876	22.15
19.	Sikkim	East Gangtok	90	2.11
20.	Tripura	West Tripura, South Tripura, North Tripura, Dhalai.	370	3.22
21.	Tamil Nadu	Chennai	446	5.12
		Chengai Anna	752	8.18
		Villupuram	269	4.03
		Coimbatore	537	7.28
		Trichy	655	7.06
		Madurai	781	3.75
		Sivaganga	575	6.60
22.	Uttar Pradesh	14 districts	15266	*
23.	West Bengal	11 districts	1990	32.25

***Information not available with nodal agencies.*

2190 works with total estimated cost of Rs 20.44 crore were executed without technical/administrative approval.

5.11 Miscellaneous shortcomings

5.11.1 Irregular sanction of works

In 28 districts of 10 States, 2190 works with total outlay of Rs 20.44 crore were carried out without technical sanction and administrative approval. The details are given below:

(Rupees in lakh)

Sl. No.	State/UT	Name of the District	Year	No. of works	Amount	Remarks
1.	Assam	4 districts (Nagaon, Sonitpur, Barpeta & Kamrup).	1994-97	105	90.39	Without administrative sanction.
2.	Haryana	5 district (Hissar, Sirsa, Ambala, Karnal, Faridabad).	1994-96	750	618.00	Without obtaining technical sanction.

Sl. No.	State/UT	Name of the District	Year	No. of works	Amount	Remarks
3.	Maharashtra	1 district (Nagpur)	--	5	71.70	-do-
4.	Madhya Pradesh	2 districts (Raipur, Ujjain)	--	709	337.48	-do-
5.	Mizoram	2 districts (Chamka, Lunglei)	1995-96	2	18.00	Without soil testing & technical sanction.
6.	Rajasthan	2 districts (Bikaner, Rajasamand)	1993-97	155	234.00	Without technical sanction.
7.	Sikkim	4 districts (East, West, North & South)	1994-97	177	448.89	Without administrative and technical sanction.
8.	Karnataka	4 districts (Bangalore rural, Bidar, Dharwar & Tumkur)	1995-97	12	20.35	-do-
9.	Meghlaya	1 district (East Khasi Hills)	1996-97	13	8.79	-do-
10.	Tripura	3 districts (North Tripura, South Tripura, Dhalai).	1995-97	262	196.80	-do-
		28		2190	2044.40	

5.11.2 Transfer of land not ensured

The Scheme provided for construction of building for Government aided educational institutions subject to the ownership of land being transferred in favour of Government during the life of the building. DM, West Tripura sanctioned Rs 58.98 lakh to 15 Government aided schools between June 1995 and March 1996. In no case, the ownership of land was transferred to the Government as required in the Scheme.

Director of School Education stated, in July 1997, that the department had asked the schools concerned to hand over the land to the Government.

5.11.3 Works completed but not useful in providing drinking water

Four Schemes to provide drinking water were taken up during October 1995 to April 1996 at an estimated cost of Rs 24.78 lakh in Bangalore (Urban) district in Karnataka. The works were completed during 1996-97 at a cost of Rs 16.95 lakh. However, the water was not supplied to the locality due to insufficient water to conduct hydraulic

testing, incomplete linking works, lack of feeder mains etc. rendering the expenditure on the works infructuous.

5.12 Monitoring, Evaluation and Reporting

5.12.1 Monitoring

The Department of Programme Implementation, Government of India is the nodal authority for this Scheme at the Centre. For effective implementation of the Scheme, each State Government/UT Administration was required to designate one nodal department for physical monitoring through field inspections and for coordination with the Department of Programme Implementation.

The DCs were required to visit and inspect atleast 10 *per cent* of works under the Scheme every year. Senior officers of implementing agencies, were to visit work spots regularly to ensure satisfactory progress. Officers of the districts at sub-division and block level were required to closely monitor implementation through visits to work sites.

The DCs were to involve the Member of Parliament in such inspections and monitoring to the extent possible. They were also required to furnish monitoring reports once in two months to the MPs and to the Department of Programme Implementation. A schedule of inspections prescribing the minimum number of field visits for each supervisory level functionary of the implementing agencies was to be drawn up by the Department of Programme Implementation.

The DCs were required to communicate information on the progress of works under the Scheme on the internet for which connectivity was available in the Parliament. Copies of such reports were also to be forwarded to MPs. Software required for reporting were to be furnished by the Department of Programme Implementation in co-ordination with the Lok Sabha Secretariat and Rajya Sabha Secretariat for instantaneous monitoring of the Scheme.

A senior Commissioner level officer at the State Headquarters was to conduct an annual meeting involving DCs and MPs to assess the progress of works once in a year.

Despite the above envisaged mechanism for monitoring the Scheme, test check of records in the Ministry and various States revealed following weaknesses/shortcomings:-

- Nodal department was not designated in the States of Meghalaya, Manipur, Arunachal Pradesh, Himachal Pradesh, West Bengal and Mizoram.
- Inspection of 10 *per cent* of works every year by DCs was either not conducted or relevant records of such inspection not maintained/furnished in test checked districts. In four States of Maharashtra, Bihar, Tamil Nadu and Orissa, it was stated that necessary inspections were conducted but no supporting records could be made available to audit.
- The Department of Programme Implementation has not laid down schedule of inspection prescribing the minimum number of field visits for each supervisory level functionary of the implementing agency as envisaged in the Scheme though the Scheme is in operation for more than three years

5.12.2 Reporting

Initially six monitoring formats were devised by the Department of Programme Implementation for the purpose of reporting by the DCs. On the district authorities expressing reservations, the Department later prescribed two forms for reporting. The reports in the revised proforma were not submitted regularly. The Department, however, stated that a net work based information system has been devised wherein the details of each work would be directly entered into the computers at NIC District Cells. The same would be transmitted to them as well as to the concerned States through NIC net work.

The system was still at pilot testing stage.

5.12.3 Evaluation

The Scheme has been in operation since 1993-94 but no evaluation has been done on achievement of the objectives of the Scheme.

The Department stated, in March 1998, that a detailed proposal was formulated to get the MPLADS evaluated through a reputed organisation but neither the Finance Ministry nor the Planning Commission had agreed to provide additional resources for the review.

6 National Drinking Water Mission

6.1 Introduction

To supplement the efforts of the State Governments in providing safe drinking water to rural population, the Ministry of Rural Areas and Employment launched National Drinking Water Mission in February 1986, to cover in its ambit an on-going centrally sponsored scheme, viz., Accelerated Rural Water Supply Programme (ARWSP), 55 Mini-Missions and five Sub-Missions. Mini Missions were intensive area based drinking water projects while Sub-Missions dealt with specific water quality problems and scientific location of sources adopting scientific and technological approaches.

6.2 Organisational set up

The Ministry was responsible for planning, policy formulation, financing, providing guidelines and review of the implementation and impact of the programme. The Ministry had set up National Drinking Water Mission Authority in December 1995 with Prime Minister as chairman. Simultaneously the Ministry had also set up an Empowered Committee headed by the Cabinet Secretary to review the progress of the implementation of the activities under the Mission.

At the State level the Public Health Engineering Department (PHED), Rural Development Departments, etc. were executing the activities. The State Governments were also to set up State Level Authority, Empowered Committee under the Chief Secretary and District Level Committee for taking appropriate decision and for helping in speedy formulation and effective implementation of programmes/ projects for ensuring benefits to all the rural areas on a sustainable basis. In Gujarat, Kerala, Maharashtra, Tamil Nadu and Uttar Pradesh the programme was executed through Gujarat Water Supply and Sewerage Board, Kerala Water Authority, Maharashtra Water Supply and Sewerage Board, Tamil Nadu Water Supply and Drainage Board and Jal Nigam respectively.

6.3 *Objectives*

The objectives of the programme are to provide safe and potable drinking water in identified problem villages where 40 litre of potable water per capita per day was not available; and to solve area-specific problems of excess salinity, fluoride and iron content through Mini-Missions and Sub-Missions.

6.4 *Scope of Audit*

Implementation of the programme during 1992-97 was reviewed by test check of documents in the Ministry and Public Health Engineering Departments and other line departments in 304 divisions spread over 24 States, with a view to examining the execution and its impact in achieving the primary objective of providing potable and safe drinking water in problem villages in the most cost-effective manner.

6.5 *Highlights*

- **Re-emergence of villages with no source for drinking water negated the impact of the scheme, even after an investment of over Rs 15229 crore in the scheme during VII Plan onwards. About 62000 habitations did not still have any source of drinking water and 3.78 lakh habitations were partially covered.**

  (Paragraphs 6.6.1 and 6.7.1)

- **Water treatment plants, installed at a cost of Rs 5.47 crore to control fluorosis, remove excess iron and salinity were non-functional resulting in continued supply of unsafe drinking water to the rural population.**

  (Paragraphs 6.12.2, 6.12.3 and 6.12.4)

- **Financial achievement reports were inflated by over Rs 384 crore since these included advances, funds diverted to other scheme and those kept in Personal/Revenue Deposits, etc.**

  (Paragraph 6.6.2)

- **In 17 States, excess expenditure of Rs 348.43 crore was met out of ARWSP funds instead of from State Plan funds in disregard of the guidelines.**

  (Paragraph 6.6.3)

- **In seven States suspected misappropriation of fund/stores amounting to Rs 3.77 crore was reported.**

  (Paragraph 6.6.4)

- **Application of funds without adequate planning and scientific identification of water sources resulted in significant time over run of two to sixteen years and cost over-run of Rs 116.58 crore in 3553 schemes test checked in 19 States. 6048 other schemes were abandoned mid-way/or became in-operative after spending Rs 230.71 crore.**

(Paragraphs 6.9.2 and 6.9.3)

- **Inadequate maintenance rendered water sources set up at a cost of Rs 685 crore defunct and non-operational.**

(Paragraph 6.10.3)

- **Materials worth Rs 84.86 crore were purchased in excess of requirement which were lying idle in stores.**

(Paragraphs 6.11)

- **Water quality testing laboratories were ill-equipped with inadequate facilities and untrained manpower.**

(Paragraph 6.12.1)

- **Monitoring of the implementation of the scheme was deficient both at the Central and State levels.**

(Paragraph 6.15)

6.6 Financial Outlay

The Union Government provided assistance to the State Governments for Accelerated Rural Water Supply Programme of a matching amount provided for rural water supply schemes by them under the State sector Minimum Needs Programme (MNP). Mini-Missions were funded entirely by the Central Government. Expenditure for Sub-Missions was shared by the Centre and State on 75:25 basis.

6.6.1 During the seven years 1985-92, the Central and State Governments spent Rs 6587.03 crore on this programme. During 1992-97, further expenditure of Rs 8642.21 crore was incurred as under:

(Rs in crore)

Year	ARWSP		Provision made under MNP by State Government	Total available funds	Expenditure
	Allocation	Release			
1992-93	460.00	459.00	804.83	1263.83	1282.74
1993-94	740.00	737.02	913.09	1650.11	1465.45
1994-95	810.00	809.97	942.07	1752.04	1626.11
1995-96	1110.00	1039.73	1238.25	2277.98	2096.55
1996-97	1110.00	1093.02	1413.90	2506.92	2171.36
Total	**4230.00**	**4138.74**	**5312.14**	**9450.88**	**8642.21**

6.6.2 *Incorrect reporting*

The Ministry and State Governments did not ensure the correctness of figures of expenditure.

Correctness of reported financial achievements for 1992-97 could not be vouchsafed in Audit due to:

(i) Advances of Rs 151.62 crore given to various executing agencies were treated as final expenditure though not actually spent or utilisation certificates thereof were not received as detailed in Appendix XXXIII.

Financial achievements were inflated by Rs 384.82 crore.

(ii) Rs 83.17 crore were diverted on activities not connected with the scheme as detailed in Appendix XXXIV (A).

(iii) Rs 151.97 crore were diverted and kept in Personal /Revenue/Civil Deposit Accounts, etc. of which Rs 7.43 crore were reportedly utilised and balance were lying unutilised as shown in Appendix XXXIV (B).

(iv) In Jammu and Kashmir, Rs 119.03 crore were reported as spent during 1992-96 against the actual expenditure of Rs 113.54 crore only.

The Ministry and the State Governments did not maintain proper control to ensure the correctness of actual expenditure incurred. However, the Ministry stated, in February 1998, that the format of utilisation certificates was to be amplified to ensure that the amount indicated as utilised did not include advances, diversion of funds, amount kept in Personal and Revenue Deposits Heads, etc.

6.6.3 *Expenditure met out of ARWSP funds in disregard of guidelines*

In violation of the guidelines, excess expenditure of Rs 348.43 crore over the provision was met from ARWSP funds instead of from State Plan funds.

The guidelines envisaged that expenditure in excess of sanctioned cost/provisions was to be met from State Plan Funds. However, 17 State Governments met excess expenditure of Rs 348.43 crore from ARWSP funds as detailed in Appendix XXXV.

At the instance of Audit, Ministry deducted Rs 47.13 crore from various State Governments from out of the release of second instalment of funds for 1997-98 and assured to adjust the balance out of the first instalment for 1998-99.

6.6.4 *Mis-appropriation of fund/stores*

Lax control led to misappropriation of fund/stores of Rs 3.77 crore.

In seven States, suspected mis-appropriation of fund/stores amounting to Rs 3.77 crore was reported as discussed below:

Assam : A Section Officer incharge of the stores in PHED, Dibrugarh, defalcated materials worth Rs 55 lakh. Absence of control mechanisms for physical verification and proper accounting of stock, allowed the officer to continue the defalcation undetected over a period of

seven years 1987-1994. Finally he was placed under suspension in August 1994. Final action/recoveries were awaited as of March 1997.

In another division Hazo, Junior Engineer incharge of the store did not hand over charge of materials worth Rs one crore kept at 16 sites at the time of his transfer and was absconding since September 1994.

Karnataka : Stock verification in June 1992 in two Zila Panchayat Engineering Departments showed shortage of materials valued at Rs 27.85 lakh. Action to fix responsibility was awaited as of May 1997.

Tripura : Executive Engineer, Rural Development, Dhalai, withdrew Rs 41.73 lakh from the treasury during January to June 1997 which he neither accounted for in the cash book, nor maintained accounts of its transactions.

Orissa : Executive Director, Koraput Mini-mission released Rs 20 lakh for Piped Water Scheme in 1991-93. As the source finding work was not taken up as of April 1997, the entire amount was shown as spent by way of fictitious adjustment of stock materials.

Andhra Pradesh : In East Godawari district, Executive Engineer (Panchyati Raj) reportedly transferred Rs 1.5 lakh from a bank at Rajamundry to State Bank of India. The amount was neither accounted for in the cash book nor credited in SBI Account. The State Government stated, in February 1998, that action against the persons responsible was being initiated.

West Bengal : Stock verification of two stock yards under Resource Division showed shortage of material worth Rs 43.55 lakh. No action was taken to fix responsibility.

Uttar Pradesh : Rs 86.95 lakh released by the Central Government to DRDA, Banda during 1988-90 was not received by the DRDA.

6.6.5 Stolen materials

In 16 Divisions of four States of Goa, Meghalaya, West Bengal and Orissa, material worth Rs 79.49 lakh was reported stolen during 1985-96, which could not be recovered.

6.6.6 Delay in release of funds

Delay in release of funds upto eleven months to executing agencies affected physical progress.

In Bihar, Jammu & Kashmir, Orissa and Tamil Nadu State Governments released Rs 100.74 crore to the implementing agencies with a delay up to 11 months during 1992-97. Delayed release of funds at the fag end of the year affected the planning and execution process and

resulted in rush of expenditure at the State/district levels besides keeping the amount under PLA, Advances, Deposits Heads.

6.6.7 Short release of Central funds and matching share to the implementing agencies

Governments of Jammu & Kashmir and Orissa did not release Central funds of Rs 10.49 crore and Rs 4.59 crore respectively during 1992-97 to the implementing agencies.

Government of Punjab did not provide its contribution of Rs 2.11 crore under Sub-Mission during 1994-97. The Ministry stated, in February 1998 that the State Government had released Rs two crore during 1997-98.

Government of Nagaland did not provide Rs 13.69 crore under MNP towards its matching share.

6.6.8 Rush of expenditure

In violation of norms, there was rush of expenditure upto 90 *per cent* at the fag end of the year in six States.

According to provisions in the General Financial Rules, rush of expenditure particularly in the closing months of the financial year is a breach of financial regularity and was to be avoided. The guidelines of the scheme contemplated that not more than 35 *per cent* of available funds should be utilised during the last quarter of the year.

In six states, executing agencies spent 36 to 90 *per cent* of the total expenditure in a year in the last quarter/March as indicated in Appendix XXXVI in violation of the instructions. The Ministry stated, in February 1998, that the State Governments had been asked to avoid rush of expenditure during the last quarter of the financial year to the maximum extent.

6.6.9 Inadmissible payment of departmental charges

State Governments claimed inadmissible departmental charges and establishment charges of Rs 48.95 crore.

Ministry's instructions did not permit payment of departmental charges to implementing agencies. However, in Karnataka, Tamil Nadu and Uttar Pradesh implementing agencies charged departmental charges during 1992-97 resulting in excess debit of Rs 27.54 crore to the Central funds while in Gujarat and Tamil Nadu, establishment/engineering charges of Rs 21.41 crore in excess of prescribed ceiling of five *per cent* of cost of the work, were charged to expenditure. The Ministry stated, in February 1998, that the inadmissible payments would be adjusted in the first instalment of release of funds for 1998-99.

6.6.10 Other financial irregularities

Gujarat: Gujarat Water Supply and Sewerage Board retained unspent balance of Technology Mission Fund of Rs 46.11 lakh, remitted by two divisions, in May 1992 and July 1993 to General Funds of the Board instead of in Technology Mission Fund. The interest earned on the amount retained was required to be remitted to the government account or should be adjusted at the time of further release of funds.

Bihar : The expenditure of Rs 52 lakh incurred during July 1992 to November 1994 in Giridih PHE Division and Rs 5.97 lakh in Jamtara Division for March 1997 could not be verified in the absence of relevant documents.

Tamil Nadu : There was unreconciled difference of Rs 43.35 lakh in reported release by DRDAs, Cuddalore and Salem districts and its accounting by the divisions of Tamil Nadu Water Supply and Drainage Board.

6.7 Impact of the programme

Despite spending Rs 15229.24 crore during VII plan onwards, 62000 habitations were still without any source of drinking water and 3.78 lakh habitations were only partially covered.

6.7.1 Out of 13.19 lakh habitations in the country, 7.47 lakh were reported to have been fully covered in the survey conducted in 1994. 1.41 lakh habitations had 'no source' of water within 1.6 km of area[1] which were termed 'not covered' habitations. 4.3 lakh habitations were stated to be partially covered, which did not get the minimum prescribed 40 litres of water per capita per day. Of these 2.62 lakh habitations were covered in the scheme at a cost of Rs 4730 crore during 1994-97 covering 7.99 crore people. The Ministry stated, in February 1998, that on the basis of fresh survey as of April 1997, 3.78 lakh partially covered and 0.62 lakh 'not covered' habitations out of the total 14.31 lakh habitations were to be provided with potable drinking water . The Working Group on Rural Water Supply and Sanitation for IX Plan had recommended outlay of Rs 40255 crore for covering left over work, provision of water to 26000 'not covered' and 3.03 lakh partially covered habitations, 1.32 lakh quality affected habitations and other related activities during IX Plan.

6.7.2 Re-emergence of 'No Source' villages

A comprehensive survey got conducted by the Ministry during 1993 showed that there were about 65000 villages (main habitations)

[1] *except in hilly area.*

which would fall in 'No Source' category as of April 1993. The Expert Committee on Rural Water Supply Programme observed in April 1994 that this estimate was abnormally higher than 750 such villages identified in another survey conducted in 1985. In Maharashtra, a survey conducted in 1995-96 identified 50806 problem habitations, against 35216 problem habitations found in an earlier survey conducted in 1991-92 showing re-emergence of 15590 problem habitations. Programme Evaluation Organisation of Planning Commission attributed high incidence of re-emergence of 'no source' villages to unsustainability of water sources due to depletion of water table, contamination of sources and defunct modes due to major system failures, etc.

Failure of the scheme in its inability to provide the entire population with adequate potable and safe drinking water, despite large investment was due to:

- Funds spent on non-priority areas;
- Shortcomings in the mechanism of identifying potential water sources;
- Inadequate operation and maintenance of water supply modes;
- Substantial time over-run in schemes.

These are discussed in detail in subsequent paragraphs.

6.8 Physical achievements

6.8.1 Failure to prioritise activities

Rs 17.85 crore were spent on non-priority areas at the cost of 'No source' habitations.

Habitations were classified into 'not covered' and 'partially covered' on the basis of extent of shortage of drinking water. The Empowered Committee observed in February 1996 that some States were covering 'partially covered' habitations while habitations with no source of water were still remaining uncovered. Test check in Audit brought to light that in seven States Rs 17.85 crore was spent on non-priority areas, at the cost of population residing in habitations with no provision for drinking water.

PHED in Gumla and Simdega divisions in Bihar spent Rs 2.30 crore under ARWSP, although these areas were covered under Bihar Plateau Development Project under implementation since December 1992 and ARWSP and MNP ceased to operate in these areas.

In Orissa, 2109 extra tubewells in six Rural Water Supply and Sanitation Divisions were provided in habitations which had adequate drinking water facilities, at a cost of Rs 8.44 crore in 1995-96, while a population of 5.27 lakh had no drinking water facilities. Similar instances

were found in Goa, Karnataka and West Bengal where 221 'fully covered' habitations and 47 'non-problem' villages were covered under the scheme at Rs 6.84 crore, at the cost of habitations having no drinking water facilities. In Bankura district of West Bengal, PHED dug 98 rig bored tubewells in 'no problem' villages at a cost of Rs 27.44 lakh. In Manipur, there was persistent tendency to cover habitations only partially to achieve physical targets, while in Tripura priority was given to 2002 partially covered habitations instead of 188 'not covered' habitations.

In Assam, four District Rural Development Agency spent Rs 3.3 crore on installing 791 RCC ringwells and seven hand tube wells under Jawahar Rozgar Yojana and Employment Assurance Scheme without any prior coordination or intimation to the PHE Department. The coverage of habitations could not be cross checked in the DRDAs due to non-maintenance of habitation-wise records to ascertain extent of overlapping in coverage.

6.9 Execution of schemes

6.9.1 Unapproved works/expenditure

Rs 46.50 crore were spent on unapproved schemes.

Test check of records revealed that implementing agencies executed 287 schemes/works costing Rs 46.50 crore without obtaining administrative approval from the competent authority during 1992-97 in eight States.

6.9.2 Time and cost over-run

Time over-run of two to 16 years led to cost over-run of Rs 116.58 crore.

Ministry permitted only those works to be taken up for execution which were expected to be completed within two to three years of the commencement of work to avoid cost escalation over the approved estimates. The cost escalation, if any, was to be met out of State funds. Appendix XXXVII analyses the status on execution of schemes in 19 States. There was time over-run beyond the project time cycle ranging between two and 16 years in most of the schemes test checked in Audit, resulting in cost over-run of Rs 116.58 crore in 3553 schemes. State Governments attributed motley of reasons for delay, which included delay in grant of sanction and release of funds, delay in completion of associated works, non-availability of power, drying up of wells, and non-feasibility of works, etc. The Ministry stated, in February 1998, that cases of cost over-run would be reviewed separately.

6.9.3 Abandoned schemes

Midway abandonment of 6048 schemes led to wasteful expenditure of Rs 230.71 crore.

Test check of records in 18 States showed that 6048 schemes, as detailed in Appendix XXXVIII, were abandoned midway by the implementing agencies after spending Rs 230.71 crore. Reasons given were defective and sub-standard works, low discharge of water, depletion of water table, unsuccessful borings, etc.

6.9.4 Performance of rigs

Poor performance of departmental rigs necessitated use of private rigs.

645 Departmental and 162 UNICEF supplied rigs of different types were available in 22 States and one Union Territory for drilling bore-wells. Test check of performance of 214 rigs disclosed that 76 rigs were lying defunct/in-operative in Assam (23), Bihar (31), Gujarat (16), Jammu & Kashmir (2), Manipur (3) and Meghalaya (1) between 1992-93 and 1996-97. In Purulia Mechanical Division of West Bengal 35 to 53 *per cent* of 17 rigs remained in-operative during 1992-97.

The performance of rigs in terms of drilling of bores was far below their capacity. It ranged between 17 and 98 *per cent* during 1992-97 in 14 States, reportedly due to delay in repairs resulting in idling of rigs, lack of funds, etc. Despite availability of departmental rigs, PHE Departments got bore-wells drilled through private drillers in Gujarat, Karnataka, Maharashtra, Meghalaya and Rajasthan during 1992-97. In Karnataka, Rajasthan, Maharashtra and Meghalaya, PHE Departments paid Rs 36.22 crore to the private drillers during 1992-97.

In Assam, Gujarat and Mizoram, the failure of borings ranged between 19 and 34 *per cent*. In Gujarat, out of 13726 bores drilled through private drillers, 2638 bore wells drilled at a cost of Rs 3.77 crore failed. In Karnataka 291 bore-wells drilled by private drillers at a cost of Rs 1.07 crore, the water yield was reported inadequate resulting in location of alternative source for ensuring sufficient water supply.

In seven Divisions in Bihar extra expenditure of Rs 2.13 crore was incurred during 1991-97 due to excessive drilling beyond prescribed depth of tubewells, excessive use of UPVC casing pipes, purchase of spares and repairs of rigs, compressors, etc.

6.10 Selection of sites and sustainability of water sources

Sources were selected without adequate planning and scientific identification.

6.10.1 Sustainability of water sources was sought to be achieved through scientific identification of sources, qualitative improvement of materials used in water supply systems, improved operation and maintenance and elaborate monitoring. The Ministry had launched a special Sub-Mission

on 'Conservation of Water and Recharging of Ground Water Aquifers' for location and development of sustainable drinking water sources with the help of remote sensing techniques, hydrogeological surveys and geophysical exploration. Sustained supply of water was sought to be achieved through conjunctive use of surface and ground water resources and augmentation thereof. The Sub-Mission was to collaborate its activities with National Geophysical Research Institute, Department of Space, National Remote Sensing Agency, Space Application Centres, State Ground Water Departments, District Rural Development Agency, Zilla Parishads, Village Panchayats, etc.

The Expert Committee on Rural Water Supply Programme observed in April 1994 that the emphasis was more on coverage of villages with one safe water source. The sustainability aspect did not get priority and water conservation measures taken were marginal. Scrutiny of records in Audit revealed that sites were selected on *adhoc* basis and without using satellite images and hydrogeological maps and coordination with other agencies resulting in failure of schemes in Arunachal Pradesh, Bihar, Himachal Pradesh, Manipur, Nagaland, Punjab, Tripura, Maharashtra and Orissa. In Karnataka there was hardly any tie-up with other line departments for taking up water supply schemes.

6.10.2 Operation and maintenance

Appropriate maintenance of water supply schemes/assets created under the programme was crucial for ensuring continued drinking water supply to the rural population. The guidelines contemplated priority for proper upkeep and maintenance of the drinking water sources. 10 *per cent* of ARWSP funds released to the State Government supplemented by 10 *per cent* out of State sector MNP funds were earmarked for operation and maintenance of water supply schemes. The State Governments were to train two community volunteers as handpump caretakers/mechanics to attend to immediate and minor repairs at local community level on payment basis. Each village Panchayat, Block and District was required to maintain Inventory and Assets registers for effective control on operation and maintenance system for different water supply schemes. An Expert Committee on Rural Water Supply Programme observed in April 1994 that State Governments, faced with a shortage of Non-Plan resources for operation and maintenance, found it convenient to create new assets using plan funds instead of rehabilitating existing systems resulting in wastage of resources and re-emergence of 'No Source' villages.

Inventory of assets was not maintained.

Test check of records revealed that in Assam, Jammu & Kashmir, Karnataka, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Sikkim and Uttar Pradesh, PHEDs/executing agencies did not prepare inventory of assets created under the programme. In Jammu & Kashmir, Mizoram and Tamil Nadu, the executing agencies did not provide funds for maintenance of water supply schemes during 1992-97. Rs 28.16 crore were spent in excess of allotment of 10 *per cent* on operation and maintenance under ARWSP in Punjab and Rajasthan. In Karnataka the expenditure on operation and maintenance ranged between 15 and 18 *per cent* during 1993-97 . In Meghalaya despite expenditure of Rs 47.44 crore, being 34 *per cent* of the total expenditure of Rs 140.35 crore during 1990-97 on operation and maintenance, 13 to 28 *per cent* of installed handpumps remained non-functional and 200 iron removal plants had been dismantled due to non-maintenance

6.10.3 A survey in 1994 showed that upto 26 *per cent* of piped water schemes were unserviceable for want of repairs, 459887 handpumps (22 *per cent*) required repair and 2.54 lakh were lying defunct.

Technology/ Alternatives	Total installed	Unserviceable for want of repair	Percentage
Handpumps	2071569	459887	22.2
Piped Water schemes	172732	44565	25.8
Stand posts	1528000	278000	18.2

Water harvesting structures had been taken up in isolation and not integrated with general rural water supply schemes. Against Rs 24.63 crore of provision made for water harvesting scheme in 1987-95, only Rs 19.83 crore were utilised showing slow implementation .

The Ministry stated that as of March 1997, of 27.35 lakh handpumps installed, 2.74 lakh handpumps costing about Rs 685 crore[1] were not working/lying defunct depriving 8.22 crore persons of potable water, worked out at the rate of 300 persons per hand pump. As regards piped water schemes and stand posts no fresh survey had been conducted as of February 1998 and as such population deprived of safe drinking water could not be assessed in Audit.

Test check in Audit further disclosed that handpumps/bore-wells/ pipelines in 17 States dug at a cost of Rs 12.41 crore failed due to poor maintenance, blockage of pipes, drying up of aquifers, low yield of water,

[1] *Calculated on the basis of approximate cost of Rs 25000 per handpump.*

absence of power connection, and faulty digging as detailed in Appendix XXXIX.

6.10.4 Training of personnel

No training programme was conducted.

State PHEDs were expected to impart training in collaboration with training organisation like State Institutes of Rural Development, Technical Teachers Training Institution and Academic Research Institution to build up the capacity and capabilities of rural beneficiaries, equip the officers handling the rural water supply programmes with the latest technologies developed in the field and impart training to the personnels and beneficiaries at the grass root levels. An Expert Committee found in 1994 that only ad-hoc efforts were seen in the field and that even in the case of new treatment technology applications, formal training was delayed. Test check of records in Audit revealed that in 14 States no training programme was conducted and in three States training imparted was inadequate.

6.10.5 Other miscellaneous findings

Bihar : PH (Mechanical) Division, Ranchi incurred extra cost of Rs 23.24 lakh on drilling 1030 borewells by changing specifications.

Rs 9.44 crore were provided to PH Divisions for transfer to different Gram Panchayats for repairs and maintenance of tubewells during 1991-95. The details of funds transferred by the Divisions to Panchayats and utilisation certificate thereof were awaited. PH Division also did not obtain physical progress reports of the repairs and maintenance works carried out by Panchayats.

Maharashtra: Maharashtra Water Supply and Sewerage Board spent Rs 53.82 lakh on repairs in Pune district necessitated due to maintenance of 26 rural water supply schemes by unskilled workers during 1995-96.

Government of Orissa incurred extra expenditure of Rs 1.13 crore on purchase of 15943 hand pumps at higher rates.

Orissa: Director, Export Promotion and Marketing, Orissa spent an extra amount of Rs1.13 crore in purchase of 15943 handpumps from four firms, at rates higher than the prevailing approved rates of DGS&D although two of these firms were registered against the rate contract of DGS&D.

6.11 Material Management

Test check of records in States revealed following shortcomings in purchase and management of materials. Details are given in Appendix XL.

Materials worth Rs 108.24 crore were purchased without adherence to financial propriety and rules.

- In 16 States, materials worth Rs 84.86 crore were lying idle for considerable period due to purchase in excess of requirement. In Rajasthan, materials worth Rs 18.19 lakh were purchased even though not provided in the scheme.
- In Bihar and Maharashtra, materials worth Rs 4.49 crore and Rs 3.64 lakh respectively were purchased without approval of the competent authority. In Nagaland, Tripura and West Bengal, materials valuing Rs 1.41 crore were purchased without inviting open tender and following the codal provisions.
- The existence and value for money of materials costing Rs 15.61 crore purchased during 1992-97 in Bihar, Karnataka, Tripura and West Bengal could not be verified in the absence of material account and related documents.
- In Karnataka, materials valuing Rs 27.85 lakh were found short.
- In Rajasthan, extra expenditure of Rs 1.02 crore was incurred due to increase in price of material between the period of administrative and technical sanction.
- Materials worth Rs 13.98 lakh were issued to contractor in Orissa without entering into agreement. The cost of the materials was pending recovery as of August 1997.

6.12 Quality of water

6.12.1 Water quality testing laboratories

Constant monitoring of water quality supplied in rural areas was essential for safeguarding potable drinking water from chemical and biological contamination. It was proposed to set up one laboratory with capacity for testing 6000 samples per year with service area of two or three districts by the end of VIII Plan.

Test check of records revealed following shortcomings/ weaknesses:

- 345 stationary laboratories were sanctioned for testing the quality of water as of January 1998, of which, only 198 laboratories were set up in various States/UTs.

Performance of water testing laboratories was very low.

- In almost all the States where records of 78 laboratories were test checked, the performance of testing water samples was very low and had ranged between negligible to 40 *per cent* as detailed in Appendix XLI.
- 32 laboratories in Arunachal Pradesh, Assam, Bihar, Gujarat, Karnataka, Manipur, Orissa and Tripura, were not provided with technical staff and were manned by unqualified/temporary staff resulting in very low output, much below the targets and also hampering testing of quality of drinking water.
- Nine laboratories were non-functional or lying defunct in Arunachal Pradesh, Jammu & Kashmir, Nagaland and Uttar Pradesh. With the result the quality and supply of safe drinking water could not be ensured. In Karnataka five laboratories were not functioning. Instead of taking action for rejuvenation of these laboratories, the State Government proposed setting up of four new laboratories.

6.12.2 Control of fluorosis

A comprehensive programme was taken up for chemical treatment of water with excess fluoride and supply water within permissible limit by providing alternative sources. 427 plants both 'fill and draw type' and 'hand pump attached' were commissioned in 11 States as of March 1997 through National Industrial Development Corporation (NIDC), which did not have expertise of its own and acted as an intermediary. An Expert Committee on Rural Water Supply Programme had also observed in April 1994 that handpumps attached de-fluoridation plants were not working properly and required modifications.

Test check of records in various States revealed that of 427 plants, 341 installed at a cost of Rs 4.87 crore were lying defunct/in-operative/ abandoned/non-commissioned in Andhra Pradesh (252), Gujarat(13), Haryana(1), Maharashtra(2), Rajasthan(52), Karnataka (1) Tamil Nadu (8) and Uttar Pradesh(12) resulting in supply of unsafe drinking water to the rural people in the affected area. Other findings were:

- Two plants in Mehasana district of Gujarat and one plant in Rajasthan were installed at a cost of Rs 15.32 lakh and Rs 3.87 lakh respectively in areas not affected by fluorosis resulting in an unfruitful expenditure. These plants were not transferred to other areas as of August 1997. In three districts of Punjab, PHEDs spent Rs 6.7 crore during 1994-97 for

removal of excess fluoride in 66 villages, which were not identified as affected by fluoride thereby resulting in wasteful expenditure.

- In Jammu & Kashmir although three cases of excess fluoride in drinking water were noticed in Doda district in 1991-92, PHED did not take up de-fluoridation of drinking water as of May 1997 for want of sanction of the plant and funds.
- In Orissa, despite identification of 56 villages affected by excess fluoride in water in nine districts, State Government did not install any de-fluoridation plant or alternate piped water supply scheme as of July 1997.

6.12.3 Control of excess iron

2362 Iron Removal Plants remained non-functional due to poor maintenance and mishandling.

Excess iron causes corrosion of tubewells, water supply installation and encourages growth of iron bacteria. Out of 16316 Iron Removal Plants approved for 16 States with problem of excess iron, only 9227 plants were commissioned as of March 1997. Test check of records in eleven States by Audit revealed that of the 9227 plants commissioned, 2362 (26 *per cent*) costing Rs 0.60 crore were non-functional in Arunachal Pradesh (21), Assam (1562), Maharashtra (33), Manipur(117), Meghalaya (200), Pondicherry (3), Tamil Nadu (5), Tripura (117), Mizoram (67) and Uttar Pradesh (237) due to lack of maintenance and mishandling resulting in supply of unsafe drinking water to large section of rural people.

In Meghalaya, six plants were completed at an exorbitant cost of Rs 97.23 lakh in West Garo Hills district at per unit cost of Rs 16.2 lakh. The high cost calls for a special investigation. 23 other plants estimated to cost Rs 2.43 crore were at different stages of completion after incurring expenditure of Rs1.30 crore. In adjoining State of Mizoram 67 plants were constructed at a cost of Rs 8.50 lakh at per unit cost of Rs 12687 only. All these plants in Mizoram were non-functional.

6.12.4 Control of brackishness

108 desalination plants were lying inoperative/ defunct.

Excess salinity in drinking water was prevalent in 15 States and two Union Territories. To treat excess brackishness, 194 desalination plants were approved, out of which 174 plants were installed in seven States and two UTs.

108 plants constituting, 66 *per cent* of the total were lying defunct/ in-operative in Andhra Pradesh (6), Gujarat (28), Rajasthan (58), Tamil Nadu (8), West Bengal (3), Pondichery (3) and Lakshadweep (2).

6.13 Solar Photo Voltaic Pumping System

Solar Photo Voltaic Pumping System was used for lifting water by tapping the solar energy. Against 425 systems approved, 225 had been installed as of March 1997 at an approximate unit cost of Rs four lakh. Test check revealed that 28 Solar Photo Voltaic Pumping Systems were lying defunct/idle in Assam(2), Gujarat(1), Karnataka(3), Maharashtra(2), Meghalaya(1), Orissa(2), Rajasthan(13) and Tripura(4).

6.14 Multilateral and bilateral assisted project

There were 21 projects with aggregate value of Rs 2103.73 crore implemented in 12 States in the country through bilateral and multilateral aid from Netherlands, Denmark, Germany, United Kingdom and World Bank. Test check of projects in Andhra Pradesh, Gujarat and Karnataka revealed following shortcomings :

6.14.1 Andhra Pradesh

N A P - AP- II- Project in Kurnool, Mahabubnagar, Prakasam and Medak districts : expenditure Rs 40.45 crore

(i) Reimbursement claims for Rs 9.80 crore were pending realisation from Royal Netherlands Government. The State Government stated, in January 1998, that the claim had been submitted to Royal Netherlands Government.

(ii) Materials worth Rs 49.75 lakh were purchased in excess of requirement resulting in heavy inventory and idle expenditure for over one to seven years in Kurnool (Rs 28.58 lakh), Mahabubnagar (Rs 2.27 lakh), Medak (Rs 3.51 lakh) and Prakasam (Rs 15.39 lakh) districts.

Against the designed supply of water of 50 litres per capita per day (lpcd), actual supply ranged only between 10 lpcd and 35 lpcd in all the four projects, due to fluctuating power supply, break down of the pumping main, etc. 15 targeted villages were not provided water at all.

(iii) Rs 1.46 crore were spent in excess over the grants for operation and maintenance. The amount was incorrectly debited to capital cost of the projects.

Infrastructure created at Rs 9.80 crore was not put to use due to faulty design.

(iv) In Prakasam district, the project was to supply drinking water to Parchur and 69 other villages. The project was completed at a cost of Rs 9.80 crore in 1993. The scheme was designed to draw raw water from Nagarjuna Sagar and Khammamuru for 215 days in a year to meet requirement of water for 365 days. Against this, raw water from these

sources was available only for 30 to 100 days due to location of the project at the tail end of the canal resulting in extra expenditure on creating infrastructure like storage tanks, pipelines, erection of pump sets, etc. for storage of water for 215 days. To meet the requirement and improve functioning of the project, another line project at an estimated cost of Rs 2.90 crore was prepared in January 1996 and Rs 48.77 lakh was spent as of March 1997. Thus, due to faulty design of the infrastructure created in 1993, at a cost of Rs 9.80 crore, failed to achieve the objectives of supply of water to the targeted villages.

(v) There was delay of eight and six years in completion of comprehensive piped water supply schemes at Sathanur and Halvi villages respectively resulting in non-supply of drinking water to the rural population besides cost escalation of Rs 53 lakh. The scheme was made functional only in April 1997.

(vi) 76 chlorinators costing Rs 10.32 lakh were found defective and not functioning since their installation. The State Government reported in January 1998 that the action against the officer responsible for the procurement of chlorinators without foreseeing operation and maintenance aspects had been initiated.

6.14.2 Gujarat

(i) Sami-Harij Regional Water Supply Scheme, Mehsana

The project was completed in 1992 at a cost of Rs 19.70 crore. However, water quality testing reports relating to April 1992 to January 1997 disclosed that content of fluoride was higher than the permissible limit of 1.50 parts per million. Thus, non-potable water was supplied to the people without adequate treatment from April 1992.

(ii) Bunny Regional Water Supply Scheme in Kachchh district

Despite completion of project at a cost of Rs 6.93 crore (cost of part II and III of the project) in June 1987, 25 villages out of 117 villages targeted to be covered under the scheme were not getting water till September 1996 due to their location at the tail end of the project. These villages were, however, provided water with hired tankers after incurring an expenditure of Rs 27.31 lakh.

Contrary to envisaged construction of staff quarters at work sites to enable the staff to attend to the operation and maintenance works expeditiously, 37 quarters were constructed far away from work sites in Bhuj City at a cost of Rs 36.47 lakh.

6.14.3 Karnataka

Integrated Rural Water Supply Project in Bijapur, Chitradurga and Kolar-Danish International Development Assistance

The project was completed in November 1996 against the contemplated completion by December 1994, which resulted in an extra expenditure of Rs 31.32 lakh towards cost of establishment and other operative expenses. The water supply was not to the extent of requirement. 54 bore wells failed and 24 bore wells yielded less water in three Talukas resulting in unfruitful expenditure of Rs 13.27 lakh. Of the 794 water sources tested in Bagepalli and Jagalur taluks, 324 sources were found to be contaminated with fluoride in excess of permissible limit of 1.5 milligram per litre and water having fluoride content up to three milligram per litre was being supplied.

6.15 Monitoring

Ministry is responsible for planning, implementation and monitoring the activities under the programme. Rajiv Gandhi National Drinking Water Mission Authority and the Empowered Committee of the Ministry were also to review the progress of the implementation of the programme. The Authority was to meet once a year and the Empowered Committee as often as necessary but not less than once in three months to review the progress of the Scheme. The guidelines also envisaged submission of periodical physical and financial progress reports by the State Governments.

At the State level, the implementation of the programme was to be monitored by State Level Authorities and Empowered Committees. A special monitoring cell was envisaged to be set up for collecting information from the executing agencies and maintenance of data. An investigating unit for monitoring ground water data, details of different technologies developed by institutions for tackling problem areas, was also to be set up at State headquarters. Field inspections of districts by the officers from State headquarters for efficient implementation of the programme was envisaged .

At District Level, District Co-ordination Committee was to be set up to monitor and review the execution of the works in the districts.

The Expert Committee on Rural Water Supply Programme observed in April 1994 that monitoring of the whole programme was

routine. Despite stress on monitoring and evaluation, only the conventional method of monitoring was followed concentrating on physical and financial targets. Contrary to Mission's aim at promoting cost effectiveness, no monitoring of costs was done. Conventional physical and financial progress reports were much delayed . Even where reports were received, the mechanism to compile, analyse and prepare necessary feed back for policy makers and follow-ups of the decisions, was quite weak.

Test check of records in the Ministry and various States revealed inadequate monitoring of the programme reportedly due to non-positioning of sanctioned posts and inadequacy of funds allocated to the Mission. The Authority at the Central level had not met even once. In Jammu & Kashmir, Nagaland, Punjab, Sikkim and Uttar Pradesh no monitoring was done. Monitoring of the programme was not adequate/effective in Andhra Pradesh, Bihar, Kerala, Manipur, Mizoram, Sikkim, Tamil Nadu and Tripura. The periodical progress reports were not submitted/submitted regularly in Arunachal Pradesh, Haryana, Manipur and Uttar Pradesh. In Assam, monitoring cell was not created.

In Andhra Pradesh (six test checked districts) District Level Committees were not formed. In Maharashtra (10 districts test checked), District Co-ordination and Monitoring Committee did not meet regularly. In Manipur no meetings of Empowered Committee and District level committees were conducted.

The investigating units in Meghalaya did not make any investigations about the status of water supply but were engaged in execution of works. In Himachal Pradesh, Meghalaya, Mizoram and Rajasthan inspection was not carried out/was inadequate while schedule of inspection was not drawn in Jammu & Kashmir, Karnataka and Sikkim.

Weaknesses like large scale water sources lying abandoned, poor operation and maintenance, excessive purchase of materials lying in stock, heavy cost and time over-run, heavy diversion of funds, unutilised advances treated as final expenditure, etc., evidently indicate laxity in implementation, execution and monitoring of activities under the programme. Accent of State Governments was on purchase of material in excess of requirement and in setting up of new modes without maintaining the created sources thereby rendering huge investments on these assets infructuous and not on achieving the end objectives of providing safe drinking water to rural people. Even after five decades of independence, despite launching several Central/State sector rural water supply schemes and spending Rs 15229.24 crore during VII plan onwards, 62000 habitations did not have any source of water and over 3.78 lakh

habitations were yet to be provided with safe drinking water of 40 litres per capita per day. The Ministry stated, in February 1998, that State Governments would be instructed to avoid laxity in implementation, execution and monitoring of activities under the scheme.

6.16 Evaluation

The Central and State Governments were to undertake evaluation studies from time to time to assess the extent to which the programme had been successful in improving the performance and in ensuring the sustained availability of adequate quantity of safe drinking water to rural people. The central and state governments, however, did not conduct evaluation studies of the impact of the programme.

6.17 Conclusion

The scheme failed to achieve its end objective of providing safe drinking water to rural population despite spending over Rs 15229 crore since 1985 onwards as 62 thousand habitations were still without any source of water and 3.78 lakh habitations were partially covered. There were re-emergence of villages due to large scale in-operative water supply schemes and hand pumps for want of maintenance which negated the impact of the scheme. Inadequacy in planning and unscientific identification of location of sources resulted in time and cost over run and midway abandonment of schemes in many states. Quality monitoring of water supply was also not ensured.

(A.L. GANAPATHI)

Director General of Audit
Central Revenues

New Delhi
Dated : 25.5.1998

Countersigned

V. K. Shunglu

(V.K. SHUNGLU)

Comptroller and Auditor General of India

New Delhi
Dated : 25.5.1998

APPENDIX I
(Refers to paragraph 1.6.1)

Advances treated as final expenditure though not actually spent

(Rs in lakh)

State		District/ Block	Period	Amount of advance	To whom advance	Remarks
Rajasthan		Director of Agriculture	(i)1992-94	45.18	Various suppliers/agencies	Amount advanced for purchase of PP equipment. Utilisation certificates for Rs 45.18 lakh outstanding from agencies/suppliers even after three years.
			(ii)1994-96	194.54	RSSC	Advanced for creation of infrastructural facilities. Adjustment was pending for want of detailed vouchers/account for reported expenditure of Rs 149.61 lakh. Rs 44.93 lakh were lying unutilised with the Corporation
Andhra Pradesh	(i)	Joint Director of Agriculture in 12 districts	March 1995	32.12	APSSDC	Advanced for supply of seeds minikits to avoid lapse of grant. Rs 26.32 lakh lying unutilised as of May 1997.
	(ii)	Commiss-ioner and Director of Agriculture,Andhra Pradesh	1992-97	865.80	APSSDC	APSSDC reportedly incurred expenditure of Rs 691.51 lakh under Oilseeds Production Programme but as per document of the Department only Rs 345.53 lakh was spent. The difference was not reconciled. The details of actual expenditure was also not available with the Department.
	(iii)	-do-	1992-97	456.18	APSSDC, OILFED and AGROS	Adjustment particulars of advances made under NPDP and ICDP were not on record of the Department.
	(iv)	Joint Director of Agriculture ,Anantapur	March 1996	20.08	APAGROS	Amount was drawn on proforma invoices for purchase of PP chemicals and kept as demand draft. Entire amount of advance was treated as final expenditure.
Gujarat	(i)	Director of Agriculture	1992-93 1994-95	91.23 134.72	Various executing agencies	Shown as final expenditure though Rs 57.89 lakh were lying unutilised as of May 1997.
	(ii)	Director of Agriculture	1992-96	113.71	District Panchayat and GROWFED	Advance for development of infrastructure. Rs 26.13 lakh were spent, Rs 69.58 lakh and Rs 15 lakh were lying unutilised with District Panchayat and GROWFED respectively. GROWFED reportedly diverted Rs 15 lakh for their own activities.

(Rs in lakh)

State		District/ Block	Period	Amount of advance	To whom advance	Remarks
	(iii)	Director of Agriculture	1992-96	2969.44	Various executing agencies	Utilisation certificates were awaited as of March 1997.
Kerala		Director of Agriculture and DDA of 4 districts	1994-97	131.06	Various executing agencies	Advances were treated as final expenditure.
Assam		Three districts of Director of Agriculture	1992-96	276.85	AAIDC Ltd, ASC Ltd and STATEFED	Amount drawn on the basis of proforma bill. Rs 124.33 lakh were lying unutilised as of March 1997.
Bihar	(i)	Director of Agriculture	1992-97	1125.00	Executing agencies and Suppliers	No register was maintained to watch recovery/ adjustment.
	(ii)	Department of Agriculture	March 1993	368.31	DRDAs	Utilisation certificates awaited as of August 1997.
West Bengal		Director of Agriculture	1992-97	677.46	WBSSC	Advances were made for supply of inputs under ICDP-Rice. Rs 380.61 lakh were lying outstanding as of August 1997.
Karnataka	(i)	Department of Agriculture	1992-97	167.05	Various Suppliers	Amount drawn on the basis of proforma invoices. Supplies were received for Rs 80.83 lakh. Supplies for Rs 45.18 lakh were not received as of August 1997and Rs 41.04 lakh were held in the form of demand draft.
	(ii)	-do-	1982-87	115.00	KSSC	Entire amount was pending adjustment as of August 1997.
	(iii)	-do-	1993-97	520.21	KLAC,KSC OSGFL,KS SC and two Universities of Agriculture Science .	Utilisation certificates for Rs 262.39 lakh were pending.
Tamil Nadu		Director of Agriculture	1992-97	1316.54	Various executing agencies	Entire amount of advance was treated as final expenditure.
Madhya Pradesh		Director of Agriculture and Dy.Director of Agriculture of 4 districts	1990-97	206.73	Various executing agencies	Advances were treated as final expenditure.
		Total		**9827.21**		

APPENDIX II (A)
(Refers to paragraph 1.6.1)

Diversion of funds

A. Amount spent on activities not connected with programmes

State	By whom diverted	Year	Amount (Rs in lakh)	Remarks
Tamil Nadu	Director of Agriculture	1993-94	109.91	Cyclone Relief Scheme - Free distribution of zinc sulphate under ICDP-Rice without approval of Government of India.
	-do-	1993-96	58.34	Diverted to 13 State Seeds Farm for creating infrastructure under Oilseeds Production Programme. These farms did not deal with oilseeds.
	-do-	1993-94	49.25	Inadmissible purchase of tractors, provision of fencing, drip irrigation facilities and other works.
	-do-	1995-96	89.99	Spent on 4 seed processing units though not covered under OPP.
	-do-	1993-96	120.46	Amount advanced to Tamil Nadu Cooperative Oilseeds Growers' Federation Limited which diverted the fund on construction of office building, fencing, land development works, etc.
	-do-	1994-96	32.30	Amount was given to Tamil Nadu Agricultural University for supply of breeder seeds though it was to be met out of fund of ICAR.
Himachal Pradesh	DDA, Kangra	---	0.43	Supply of inadmissible agricultural implements.
	DDA, Hamirpur and Mandi	1994-97	1.24	Irregular payment of transportation charges under various programmes.
Jammu & Kashmir	Director of Agriculture	1994-97	50.57	Other state scheme, irregular coverage of 2 ineligible districts and purchase of unapproved materials.
Gujarat	Director of Agriculture (13 districts)	1992-95	--	Rs 381.90 lakh were distributed among 16 districts including 3 eligible districts.
Haryana	Director of Agriculture (108 Blocks)	1994-95	32.22	Amount was spent in 53 non-identified blocks under Integrated Cereal Development Programme - Wheat.
West Bengal	Director of Agriculture (11 districts)	1992-97	57.41	The National Pulses Development Project was implemented in eight non-identified districts without justifying their pulses development potential.
	-do- (2 districts)	1994-97	112.93	Oilseeds Production Programme was implemented in 2 non-identified districts.
Punjab	Director of Agriculture, Gurdaspur	1992-97	19.26	Gurdaspur district was not selected for coverage under. Oilseeds Production Programme.
Tripura	Dy Director of Agriculture, 3 districts and 9 Agri-sub divisions	1992-95	34.02	Oilseeds Production Programme fund utilised for other schemes such as Agriculture Extension Service/Training, Project for dryland/ rainfed agriculture, etc.
	Director of Agriculture (2 districts)	1994-97	2.56	Purchase of sesamum seeds not covered under OPP.

State	By whom diverted	Year	Amount (Rs in lakh)	Remarks
	Dy. Director of Agriculture West Tripura	1993-94	5.04	State Plan Scheme.
	Dy Director of Agriculture, North Tripura	1993-94	17.17	-do-
Maharashtra	Commissioner of Agriculture, Pune	1995-96	7.27	Purchase of unapproved seeds.
Nagaland	---	1996-97	0.49	Purchase of POL, repair and maintenance of vehicles.
Bihar	Agriculture Production Commissioner	1993-94 1996-97	818.87 466.30	Unauthorised expenditure.
		Total	2086.03	

APPENDIX II (B)
(Refers to paragraph 1.6.1)

B. Amount diverted and kept in Personal Deposits/Civil Deposits/Current Account

State	By Whom diverted	Year	Amount (Rs in lakh)	Remark
Tamil Nadu	Director of Agriculture	1992-96	40.05	Credited as State Receipts instead of the Programme funds.
Uttar Pradesh	Executing Agencies	1992-97	5865.70	Kept in Personal Ledger Account of Director of Agriculture on closing date of financial year.
	-do-	1994-97	4.40	ICDP-Rice fund was kept in PL Account.
	-do-	1995-96	49.80	ICDP-Wheat fund was kept in PL Account.
	-do-	1996-97	184.08	Fund issued under Maize programme was kept in PL Account of Director of Agriculture.
Madhya Pradesh	2 DDA and Director of Agriculture	1990-91 and 1995-97	80.48	Lying in Civil Deposits as of March 1997.
Assam	Director of Agriculture	1993-94	5.00	Revenue Deposits. The amount was released in 1995-96.
	-do-	1993-95	159.96	Revenue Deposits. The amount was drawn on the last date of respective financial years and released after 10-27 months.
	Director of Agriculture	1992-93	0.93	Amount drawn on 31 March 1993 and kept in Revenue Deposit upto 20 July 1995. Rs 25600 was spent on purchase of minikits and balance was refunded to the State Government.
	-do-	1995-96	189.13	Revenue Deposits. The amount was not released as of May 1997
Bihar	Agriculture Production Commissioner	1992-93 and 1994-96	2002.49	Civil Deposits
	District Agriculture Officer in 4 districts	1992-97	59.91	-do-
Gujarat	Director of Agriculture	1992-97	171.07	Kept in current account with the Bank by the executing agencies.
West Bengal	WB State Seeds Corporation	March 1995	221.00	Kept in current account of the bank of WBSSC as of August 1997.
Nagaland	Director of Agriculture	March 1996	43.42	Kept in Civil Deposits to avoid lapse of grant. The amount was withdrawn in June 1996.
	-do-	January and February, 1997	54.58	Kept in Civil Deposits. The amount remained largely unutilised.
Kerala	-do-	1994-97	131.06	PD Account. The amount was lying in account as of March 1997.
		Total	9263.06	

APPENDIX III
(Refers to paragraph 1.7)

A : Area (in million hectare)
P : Production (in million tonne)
Y : Yield (kg per hectare)

Area, production and yield of various crops

	Paddy			Wheat			Jowar			Bajra			Gram			Arhar			Ground nuts			Rapseed/mustard		
Year	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y
1990-91	42.6	74.2	1740	24.1	55.1	2281	14.4	11.7	814	10.5	6.9	658	7.5	5.4	712	3.6	2.4	673	8.3	7.5	904	5.8	5.2	904
1991-92	42.6	74.6	1751	23.2	55.7	2394	12.4	8.1	655	10.0	4.7	465	5.6	4.1	739	3.6	2.1	588	8.7	6.1	818	6.6	5.9	895
1992-93	41.7	72.8	1744	24.5	57.2	2327	13.0	12.8	982	10.6	8.88	836	6.5	4.4	684	3.6	2.3	652	8.2	8.6	1049	6.2	4.8	776
1993-94	42.5	80.3	1888	25.1	59.8	2380	12.7	11.4	898	9.6	4.97	521	6.4	4.9	783	3.6	2.7	762	8.3	7.8	941	6.3	5.3	847
1994-95	42.8	81.8	1911	25.7	65.8	2559	11.5	8.9	779	10.2	7.2	700	7.5	6.4	853	3.3	2.1	644	7.9	8.1	1027	6.1	5.8	950
1995-96	42.9	79.6	1855	25.1	626	2493	11.4	9.6	834	9.4	5.4	576	7.2	5.0	697	3.6	2.4	662	7.7	7.8	1014	6.7	6.1	911

Source : Agricultural Statistics at a Glance-March 1997 published by Directorate of Economics & Statistics - Ministry of Agriculture.

APPENDIX IV
(Refers to paragraph 1.8)

Production/distribution of older varieties of breeder/certified seeds

State	Year	Supplier	Programme	Quantity (in qtl)	Value	Subsidy (Rs in lakh)	Remarks
Andhra Pradesh	(i) 1992-97	OILFED	OPP	71534	-	-	Of the total 76454 quintal of groundnut seeds supplied by OILFED.
	(ii) 1992-97	Various suppliers	OPP	125000	-	-	Of the total 2.72 lakh quintal of groundnut seeds supplied in 3 districts.
	(iii) 1992-97	APSSC	OPP	128000	-	-	Records of improved and older varieties of seeds were not maintained separately.
	(iv) 1994-97	OILFED	OPP	88000	-	-	Under seed village component.
Bihar	1995-97	Bihar Rajya Beej Nigam	All Programme	1073	-	-	Breeder seeds.
Gujarat	1992-97	GSSC	ICDP & OPP	280	-	-	Breeder seeds
Haryana	1992-97	HSDC	All programme	269	-	-	Breeder seeds
Himachal Pradesh	1992-97	-	NPDP & OPP	117	-	-	Breeder seeds supplied in 4 districts
				118	-	-	Breeder seeds supplied in two districts.
Karnataka	1992-97	Department	ICDP & OPP	-	-	-	Only older varieties of seeds were supplied in 7 blocks under ICDP and 2 blocks under OPP.
Madhya Pradesh	(i) 1994-97	Dy.Director of Agriculture in 5 districts	ICDP	32341	-	51.14	
	(ii) -	Beej Nigam & Tulhan Sangh	OPP & NPDP	6988	-	155,85	
	(iii) 1992-97	-do-	-do-	596	-	19.87	Breeder seeds
Nagaland	1992-97	Department of Agriculture	NPDP & ICDP-R	2312.50	-	-	Procured from private sources.
Punjab	1995-97	PUNSEED & NSC	ICDP Wheat	20817	-	416.62	Non-recommended varieties of seeds.
Rajasthan	1994-97	RSSC	ICDP wheat and coarse cereals	181261	-	367.60	
Tamil Nadu	1992-96	TNAU	OPP	610	-	-	Breeder seeds
West Bengal	(i) 1994-95	WBSSC	OPP	1512	-	-	
	(ii) 1994-95	-do-	OPP	920	-	1.84	In Nadia district.
Total				**665195**	-	**1012.92**	

APPENDIX V
(Refers to paragraph 1.9.1)

Shortfall in production of certified seeds by National Seeds Corporation

(In quintal)

	1992-93			1993-94			1994-95			1995-96		
Crop	Target	Achieve-ment	% age shortfall	Target	Achieve-ment	% age shortfall	Target	Achieve-ment	% age shortfall	Target	Achieve-ment	O/o age shortfall
Wheat	221500	212646	4	200000	170191	15	221000	230245	+ 4	215000	128663	40
Paddy	97000	69250	29	97400	77970	20	121000	61005	50	110000	74383	32
Pulses	30800	21920	29	16540	13669	17	40000	23552	41	55050	24876	55
Oilseeds	19125	10274	46	19586	11255	42	40000	17516	56	41900	15339	63
Maize	26250	22834	13	9850	9373	5	27000	13227	51	19000	5258	72
Sorghum (Jowar)	5875	4489	24	4500	2275	49	9200	2929	32	7000	6058	13
Bajra	8800	4833	45	8800	5775	34	10000	3977	60	8000	7598	5

Source: Performance Budget of the Ministry of Agriculture for the years 1995-96 and 1997-98.

APPENDIX VI
(Refers to paragraph 1.9.1 [i])

Inadmissible inter component diversion

State	By whom diverted	Year	Amount (Rs in lakh)	Remarks
Tamil Nadu	Director of Agriculture	1995-97	26.42	From seed component to non-seed component under Oilseeds Production Programme.
Andhra Pradesh	Prakasam district	March 1993 and March 1996	2.47	Funds diverted from seed component to non-seed components under National Pulses Development Project and Oilseeds Production Programme.
Rajasthan	Director of Agriculture	1992-96	20.91	Funds of Oilseeds Production Programme was diverted and utilised under "staff and contingency" head.
	-do-	-do-	37.25	Fund earmarked for production of foundation seed diverted to distribution of "PP equipment and sprinkler sets".
Punjab	Director of Agriculture	1994-95	19.00	Diverted from seed component to purchase and distribution of farm implements
	Director of Agriculture	1992-97	78.00	Inter-component diversion without approval from State Level Sanctioning Committee.
Karnataka	Director of Agriculture (Banglore Rural district)	1995-96	5.99	Amount was diverted from seed component under Oilseeds Production Programme to 'Agricultural Implements'.
	Director of Agriculture	1992-97	424.00	Of total expenditure of Rs 3921 lakh under Oilseeds Production Programme, only Rs 1013 lakh was spent on distribution of seeds, which fell short by Rs 424 lakh (79.14 per cent), and balance was spent on PP measures, spinkler sets and agricultural Implements.
Tripura	Director of Agriculture	1992-94 and 1996-97	2.28	Spent on distribution of power tillers in excess of provision by diverting funds from other component of Integrated Cereal Development Programme-Rice.
Maharashtra	Commiss-ioner of Agriculture	1995-96	39.72 62.61	Diverted from seed village component and certified seed component to distribution of sprinkler sets under OPP. -do-
		Total	718.65	

APPENDIX VII
(Refers to paragraph 1.12.1)

Status of samples drawn, tested and action taken

Year	Number of samples		Cases where			Cases		
	Drawn	Found sub-standard	Warning issued	Stock was forfeited	Stop sale orders issued	Filed in court of law	Where fines and punish-ment awarded	Pending in court
1991-92	35965	4858	1920	7	1555	134	90	37
1992-93	59956	6986	2136	46	2641	260	223	525
1993-94	61509	6262	1543	45	726	79	151	515
1994-95	67193	6142	841	10	559	163	71	544
1995-96 (Provisional)	65429	4949	2674	1	2047	227	288	522
Total	**290052**	**29197**		**109**	**7528**	**863**	**823**	**2143**

Source : Annual Report of the Ministry of Agriculture - 1996-97

APPENDIX VIII

(Refers to paragraph 2.5.3)

Position showing the funds released by the Department of Education and States under TLC/PLC and their utilisation by the States/UTs during 1992-97.

(Rupees in lakh)

Sl No.	Name of the State/UT	Assistance released			Expenditure	Amount not utilised	Percentage of amount utilised
		Central share	State share	Total			
1	Andhra Pradesh	6954.59	3200.48	10155.07	7771.95	2383.12	77
2	Assam	1460.54	253.18	1713.72	1101.66	612.06	64
3	Bihar	4910.07	537.57	5447.64	2342.36	3105.28	43
4	Delhi	428.75	-	428.75	217.01	211.74	51
5	Goa	40.00	-	40.00	40.00	-	100
6	Gujarat	2125.25	1398.14	3523.39	2698.92	824.47	77
7	Haryana	806.39	242.00	1048.39	764.81	283.58	73
8	Himachal Pradesh	385.61	219.56	605.17	513.41	91.76	85
9	Jammu & Kashmir	195.00	-	195.00	NA	NA	-
10	Karnataka	4589.66	2574.21	7163.87	5843.73	1320.14	82
11	Kerala	100.00	-	100.00	100.00	-	100
12	Madhya Pradesh	5323.60	2425.56	7749.16	6558.72	1190.44	85
13	Maharashtra	3362.93	1298.88	4661.81	2830.47	1831.34	61
14	Meghalaya	195.65	38.00	233.65	115.28	118.37	49
15	Orissa	2243.26	853.19	3096.45	2285.82	810.63	74
16	Punjab	807.01	111.03	918.04	461.68	456.36	50
17	Rajasthan	4557.57	2205.37	6762.94	4239.35	2523.59	63
18	Tamilnadu	4700.72	1752.93	6453.65	5459.10	994.55	85
19	Tripura	222.45	126.75	349.20	254.45	94.75	73
20	Uttar Pradesh	7017.58	2006.76	9024.34	4848.71	4175.63	54
21	West Bengal	2697.69	1290.93	3988.62	3202.37	786.25	80
22	Chandigarh	44.50	-	44.50	33.00	11.50	74
23	Daman & Diu	1.40	-	1.40	1.40	-	100
24	Dadra & Nagar Haveli	17.00	-	17.00	14.54	2.46	84
	Total	53187.22	20534.54	73721.76	51698.74	21828.02 (x)	

Note:

1. *Figures as intimated by the Ministry.*
2. *Figures of total release and expenditure includes the grants released and expenditure incurred during the previous Five-Year Plan in respect of some of the States.*

(x) *Excludes the figures of Jammu & Kashmir.*

APPENDIX IX

(Refers to paragraph 2.6)

Position showing the State-wise targets and achievement as on 31st March 1997

Sl No.	Name of the State/UT	Target after survey *	Achievement	Percentage achievement
		(In lakh)	(In lakh)	
1	Andhra Pradesh	141.62	69.26	49
2	Assam	29.50	3.08	10
3	Bihar	85.94	14.36	17
4	Chandigarh	0.53	0.25	47
5	Dadra & Nagar Haveli	-	-	-
6	Daman & Diu	0.02	-	Nil
7	Delhi	6.59	0.42	6
8	Gujarat	69.98	41.45	59
9	Goa	1.01	0.50	50
10	Haryana	19.31	3.06	16
11	Himachal Pradesh	7.05	3.98	56
12	Jammu & Kashmir	-	-	-
13	Karnataka	69.62	34.24	49
14	Kerala	24.17	13.45	56
15	Madhya Pradesh	125.25	32.31	26
16	Maharashtra	59.71	31.08	52
17	Meghalaya	1.38	-	Nil
18	Orissa	51.82	19.41	37
19	Punjab	8.08	2.34	29
20	Pondicherry	1.01	0.89	88
21	Rajasthan	77.38	15.45	20
22	Tamilnadu	86.50	53.07	61
23	Tripura	4.33	0.93	21
24	Uttar Pradesh	170.31	26.35	15
25	West Bengal	143.25	81.95	57
	Total	**1184.36**	**447.83**	**38**

* *Excluding projects/districts which have not reported target after survey.*

APPENDIX X

(Refers to paragraph 2.6)

Position showing the projects-wise achievement as on 31st March 1997

Sl No.	Name of the State/UT	Total No. of projects sanctioned	No. of projects due for achievement (x)	No. of projects showing percentage achievement: Above 60 *per cent*	Between 40 to 60 *per cent*	Between 20 to 39 *per cent*	Less than 20 *per cent*	No achieve-ment
1	Andhra Pradesh	24	24	9	6	8	-	1
2	Assam	19	13	2	-	1	-	10
3	Bihar	35	19	2	1	3	6	7
4	Chandigarh	1	1	-	1	-	-	-
5	Dadra & Nagar Haveli	1	1	-	-	-	-	1
6	Daman & Diu	1	1	-	-	1	-	-
7	Delhi	4	3	-	-	1	2	-
8	Gujarat	20	20 + 6 (A)	22	-	1	1	2
9	Goa	1	1	-	1	-	-	-
10	Haryana	15	13	1	1	1	8	2
11	Himachal Pradesh	12	12	8	3	-	1	-
12	Jammu & Kashmir	5	1	-	-	-	-	1
13	Karnataka	20	20 + 1 (A)	9	3	7	1	1
14	Kerala	2	2	1	1	-	-	-
15	Madhya Pradesh	45	45 + 8 (A)	14	4	6	14	15
16	Maharashtra	30	22	16	1	-	4	1
17	Manipur	1	-	-	-	-	-	No details available
18	Meghalaya	6	-	-	-	-	-	-
19	Orissa	21	17	5	3	6	-	3
20	Punjab	13	4	1	1	-	1	1
21	Pondicherry	1	1	1	-	-	-	-
22	Rajasthan	31	16	4	2	2	5	3
23	Tamilnadu	23	21	17	1	1	-	2
24	Tripura	3	3	-	-	1	2	-
25	Uttar Pradesh	68	49	7	2	6	13	21
26	West Bengal	17	17	9	3	2	1	2
	Total	**419**	**326+15(A)**	**128**	**34**	**47**	**59**	**73**

(A) Due to sanction of projects in different phase.

(X) Excludes the projects sanctioned during October 1995 to March 1997 and not due for achievement/not surveyed.

APPENDIX XI
(Refers to paragraph 2.7)

Statement showing the funds released by the Centre and the States under Total Literacy Campaign and their utilisation by the States/UTs during 1992-97

(Rupees in lakh)

Sl No.	Name of the State/UT	NLM release	State release	Total release	Expenditure incurred	Amount not utilised	Percentage of amount utilised
1	Andhra Pradesh	5152.97	2496.75	7649.72	5944.08	1705.64	88
2	Assam	1318.66	253.18	1571.84	1038.24	533.60	66
3	Bihar	4272.97	524.07	4797.04	2211.44	2585.60	46
4	Delhi	428.75	-	428.75	217.01	211.74	51
5	Goa	40.00	-	40.00	40.00	-	100
6	Gujarat	1340.35	813.37	2153.72	1870.85	282.87	87
7	Haryana	806.39	242.00	1048.39	764.81	283.58	73
8	Himachal Pradesh	295.50	172.87	468.37	392.05	76.32	84
9	Jammu & Kashmir	195.00	-	195.00	N.R.	N.R.	-
10	Karnataka	3357.39	1602.68	4960.07	4534.02	426.05	91
11	Madhya Pradesh	4668.27	2220.35	6888.62	6084.29	804.33	88
12	Maharashtra	2863.73	1064.29	3928.02	2354.60	1573.42	60
13	Meghalaya	195.65	38.00	233.65	115.28	118.37	49
14	Orissa	1633.11	681.02	2314.13	1713.37	600.76	74
15	Punjab	738.29	111.03	849.32	392.96	456.36	46
16	Rajasthan	3812.89	1949.35	5762.24	3569.89	2192.35	62
17	Tamilnadu	3193.32	1261.35	4454.67	3852.68	601.99	86
18	Tripura	222.45	126.75	349.20	254.45	94.75	73
19	Uttar Pradesh	6740.20	1919.47	8659.67	4570.33	4089.34	53
20	West Bengal	1415.63	706.93	2122.56	1861.10	261.46	88
21	Chandigarh	33.00	-	33.00	33.00	-	100
22	Daman & Diu	1.40	-	1.40	1.40	-	100
23	Dadra & Nagar Haveli	17.00	-	17.00	14.54	2.46	86
	Total	42742.92	16183.46	58926.38	41830.39	16900.99 (x)	

Note:

1. *Figures as intimated by the Ministry.*
2. *Figures of total release and expenditure includes the grants released and expenditure incurred during the previous Five-Year Plan in respect of some of the States.*

(x) *Excludes the figures of Jammu & Kashmir.*

APPENDIX XII
(Refers to paragraph 2.14)

Statement showing the State-wise status of Post Literacy Campaigns

Sl No.	Name of the State/UT	No. of TLC projects sanctioned	No. of PLC projects sanctioned	Proposed No. of neo-literates	No. of neo-literates attending PL centres	Percentage of participants
				(In lakh)	(In lakh)	
1	Andhra Pradesh	24	22	64.13	17.44	27
2	Assam	19	2	1.22	0.33	27
3	Bihar	35	8	11.24	4.25	38
4	Chandigarh	1	1	0.35	-	Nil
5	Dadra & Nagar Haveli	1	-	-	-	-
6	Daman & Diu	1	-	-	-	-
7	Delhi	4	-	-	-	-
8	Gujarat	20	17	28.58	16.65	58
9	Goa	1	-	-	-	-
10	Jammu & Kashmir	5	-	-	-	-
11	Haryana	15	2	1.21	-	Nil
12	Himachal Pradesh	12	11	4.02	1.56	39
13	Karnataka	20	15	33.24	13.37	40
14	Kerala	2	1	12.22	-	Nil
15	Madhya Pradesh	45	12	15.63	5.11	33
16	Maharashtra	30	12	18.58	6.72	36
17	Manipur	1	-	-	-	-
18	Meghalaya	6	-	-	-	-
19	Orissa	21	12	23.22	11.61	50
20	Punjab	13	3	4.27	1.40	33
21	Pondicherry (UT)	1	1	0.89	0.58	65
22	Rajasthan	31	8	14.59	4.72	32
23	Tamilnadu	23	18	41.27	28.24	68
24	Tripura	3	2	-	-	-
25	Uttar Pradesh	68	8	10.21	7.11	69
26	West Bengal	17	13	70.68	34.30	48
	Total	**419**	**168**	**355.55**	**153.39**	

APPENDIX XIII
(Refers to paragraph 2.15)

Statement showing the funds released by the Centre and the States under Post Literacy Campaign and their utilisation by the States/UTs during 1992-97

(Rupees in lakh)

Sl No.	Name of the State	NLM release	State release	Total release	Expenditure incurred	Amount not utilised	Percentage of amount utilised
1	Andhra Pradesh	1801.62	703.73	2505.35	1827.87	677.48	73
2	Assam	141.88	-	141.88	63.42	78.46	45
3	Bihar	637.10	13.50	650.60	130.92	519.68	20
4	Gujarat	784.90	584.77	1369.67	828.07	541.60	60
5	Himachal Pradesh	90.11	46.69	136.80	121.36	15.44	89
6	Karnataka	1232.27	971.53	2203.80	1309.71	894.09	59
7	Kerala	100.00	-	100.00	100.00	-	100
8	Madhya Pradesh	655.33	205.21	860.54	474.43	386.11	55
9	Maharashtra	499.20	234.59	733.79	475.87	257.92	65
10	Orissa	610.15	172.17	782.32	572.45	209.87	73
11	Punjab	68.72	-	68.72	68.72	-	100
12	Rajasthan	744.68	256.02	1000.70	669.46	334.24	67
13	Tamilnadu	1507.40	491.58	1998.98	1606.42	392.56	80
14	Uttar Pradesh	277.38	87.29	364.67	278.38	86.29	76
15	West Bengal	1282.06	584.00	1866.06	1341.27	524.79	72
16	Chandigarh	11.50	-	11.50	-	11.50	Nil
	Total	10444.30	4351.08	14795.38	9868.35	4927.03	

Note:

1. Figures as intimated by the Ministry.

2. Figures of total release and expenditure includes the grants released and expenditure incurred during the previous Five-Year Plan in respect of some of the States.

APPENDIX XIV

(Refers to paragraph 4.5)

Funds released and expenditure incurred during 1994-97

(Rupees in lakh)

S. No.	Name of the State	Funds released by Central Govt.	Total Expenditure	Central Govt. share (50 per cent)	Unutilised with State Govt.
1.	Andhra Pradesh	3510.00	5823.01	2911.15	598.85
2.	Arunachal Pradesh	128.75	220.46	110.23	18.52
3.	Assam	1247.23	151.82	75.81	1171.42
4.	Bihar	3553.92	4110.65	2055.32	1498.60
5	Delhi	583.32	894.65	447.32	136.00
6.	Goa	55.76	107.20	53.60	2.16
7.	Gujarat	2251.20	4736.28	2251.20	NIL
8.	Haryana	760.85	1302.16	651.08	109.77
9.	Himachal Pradesh	377.77	534.35	267.17	110.60
10.	Karnataka	2209.53	3152.62	1576.31	633.22
11	Kerala	750.00	495.00	247.50	502.50
12	Madhya Pradesh	2500.06	4455.51	2227.75	272.31
13	Meghalaya	249.34	NIL	NIL	249.34
14.	Mizoram	110.35	46.30	23.15	87.20
15	Manipur	279.10	462.02	231.01	48.09
16	Maharashtra	4798.80	8682.37	4341.18	457.61
17	Nagaland	250.00	500.00	250.00	NIL
18	Orissa	1775.00	3196.28	1598.14	176.86
19	Pondicherry	62.75	125.50	62.75	NIL
20	Punjab	1073.52	1872.04	936.02	137.50
21.	Rajasthan	1800.00	2402.66	1201.33	598.67
22	Sikkim	45.64	91.28	45.64	NIL
23	Tamil Nadu	3444.55	5094.96	2547.48	897.07
24	Tripura	115.50	207.52	103.76	11.74
25.	Uttar Pradesh	7368.03	5820.35	2910.17	4457.86
26.	West Bengal	2991.76	5983.53	2991.76	NIL
	Total	**42292.73**	**60468.52**	**30116.83**	**12175.89**

APPENDIX XV

(Refers to paragraph 4.6)

Details of Physical Achievement as on 31 March 1996

S. No.	State	Total No. of Electors	No. of PICs issued	Percentage of PIC issued
1.	Andhra Pradesh	49434945	1407480	2.85
2.	Arunachal Pradeshc	532830	322446	60.52
3	Assam	12269696	NIL	NIL
4	Bihar	57800000	7913539	13.69
5	Delhi	7745000	4962000	64.07
6	Goa	862101	450121	52.21
7	Gujarat	28598056	20135917	70.41
8	Haryana	11086527	8897722	80.26
9	Himachal Pradesh	3507389	20021	0.57
10.	Karnataka	31656853	7553194	23.86
11.	Kerala	20673867	NIL	NIL
12.	Madhya Pradesh	43856194	11538669	26.31
13.	Meghalaya	1086374	573191	52.76
14.	Mizoram	406861	NIL	NIL
15.	Manipur	1285113	NIL	NIL
16.	Maharashtra	54968811	42599709	77.50
17.	Nagaland	847716	NIL	NIL
18.	Orissa	22405980	14659288	65.43
19.	Pondicherry	633598	535765	84.56
20	Punjab	14429668	9625193	66.70
21.	Rajasthan	29913178	13192171	44.10
22.	Tamil Nadu	42097622	NIL	NIL
23.	Tripura	1606117	NIL	NIL
24.	Sikkim	228860	157377	68.77
25.	Uttar Pradesh	100188000	19474000	19.44
26.	West Bengal	44675204	27132493	60.73
	Total	**582796560**	**191150296**	**32.80**

APPENDIX XVI
(Refers to paragraph 4.6)

Details of Physical Achievement as on 31 March 1997

Sr. No.	State	Total No. of Electors	No. of PICs Issued	Percentage of PIC issued
1.	Andhra Pradesh	49501274	29990882	60.59
2.	Arunachal Pradesh	544440	359573	60.04
3.	Assam	12587659	71305	0.57
4.	Bihar	58438317	21377895	36.58
5.	Delhi	8058941	5417000	67.22
6.	Goa	869093	487121	56.05
7.	Gujarat	28529094	24429244	85.63
8.	Haryana	11152856	9306233	83.44
9.	Himachal Pradesh	3536517	2596646	73.42
10.	Karnataka	31810069	20086284	63.14
11.	Kerala	20673867	207730	1.00
12.	Madhya Pradesh	43927252	24621647	56.05
13.	Meghalaya	10,92,753	787392	72.06
14.	Mizoram	408094	NIL	NIL
15.	Manipur	1290990	984823	76.28
16.	Maharashtra	55254414	44232505	80.05
17.	Nagaland	874518	NIL	NIL
18.	Orissa	22419118	15757242	70.28
19.	Pondicherry	633635	554321	87.48
20.	Punjab	14489825	10408623	71.83
21.	Rajasthan	30388357	17154550	56.45
22.	Tamil Nadu	42488022	NIL	NIL
23.	Tripura	1647908	979639	59.45
24.	Sikkim	229160	191245	83.45
25.	Uttar Pradesh	100826305	50243000	49.83
26.	West Bengal	45583054	32269203	70.79
	Total	**587255532**	**312514103**	**53.22**

APPENDIX XVII

(Refers to paragraph 4.8.1)

Details of rate at which work were awarded

S.No	State	Rates (in Rupees)
1.	Andhra Pradesh	7.37 to 11.95
2.	Bihar	13.25
3.	Delhi	9.22
4.	Goa	9.67 1st round 19.50 2nd round
5.	Gujarat	9.90 to 15.00
6.	Haryana	14.00
7.	Himachal Pradesh	19.00
8.	Karnataka	7.20 to 10.30
9.	Madhya Pradesh	10.40
10.	Manipur	18.50
11.	Maharashtra	17.56
12.	Nagaland	33.30
13.	Orissa	14.50 to 15.00
14.	Punjab	12.93
15.	Tamil Nadu	15.00
16.	Uttar Pradesh	11.07 to 14.77

APPENDIX XVIII
(Refers to paragraph 5.3)

Scope of Audit

Sl. No.	State/UT	Total No. of districts in State/UT	No. of districts selected	Names of the districts selected for test check
1.	Andhra Pradesh	23	6	Adilabad, Chittoor, East Godavari, Kurnool, Medak and West Godavari.
2.	Arunachal Pradesh	13	5	Tezu, Pasighat, Along, Ziro and Itanagar.
3.	Assam	17	5	Barpeta, Kamrup, Nagaon, Sibsagar and Sonitpur.
4.	Bihar	55	11	Dhanbad, Dumka, East Singhbhum, Gumla, Katihar, Madhepura, Madhubani, Patna, Ranchi, Samastipur and Vaishali.
5.	Goa.	2	2	North Goa, and South Goa.
6.	Gujarat	19	6	Ahemadabad, Baroda, Bulsar, Godhra, Junagarh and Surat.
7.	Haryana	10	5	Ambala, Faridabad, Hisar, Karnal and Sirsa.
8.	Himachal Pradesh	12	4	Hamirpur, Kangra, Mandi and Shimla.
9.	Karnataka	20	8	Bangalore urban, Bangalore rural, Belgaom, Bellary, Bidar, Dharwar, Shimoga and Tumkur.
10	Kerala	14	8	Alappuzha, Kannur, Kollan, Kottayam, Ernakulam, Kozhikode, Malappuram and Thiruvananthapuram.
11.	Madhya Pradesh	45	11	Bhopal, Sehore, Indore, Ujjain, Chhindwara, Jabalpur, Satna, Bilaspur, Raipur, Bastar and Gwalior.
12.	Maharashtra	31	10	Ahmednagar, Akola, Aurangabad, Nagpur, Nanded, Pune, Sangli, Thane, Mumbai city and Mumbai suburban.
13.	Manipur	8	8	Imphal, Thoubal, Bishnupur, Churachandpur, Chandel, Senapati, Urkhul and Tamauglong.
14.	Meghalaya	7	2	East Khasi Hills, Shillong and West Garo Hills, Tura.
15.	Mizoram	3	3	Aizawl, Lunglei and Seha.
16.	Nagaland	7	3	Kohima, Mon and Mukokcheng.
17.	Orissa	30	6	Balasore, Cuttak, Kalahandi, Khurda, Phulbani and Puri.
18.	Punjab	11	5	Amritsar, Ferozpur, Hoshiarpur, Ludhiana and Patiala.
19.	Rajasthan	31	12	Alwar, Bharatpur, Bikaner, Dausa, Dholpur, Jodhpur, Hanumangarh, Jaipur, Rajasamand, Sawai Madhopur, Sriganganagar and Udaipur.
20.	Sikkim	4	1	Gangtok East.
21	Tamil Nadu	24	7	Chennai, Chengalpattu, Villupuram, Coimbatore, Tiruchirapalli, Madurai and Sivaganga
22	Tripura	4	4	West Tripura, North Tripura, Dhalai and South Tripura.

Sl. No.	State/UT	Total No. of districts in State/UT	No. of districts selected	Names of the districts selected for test check
23	Uttar Pradesh	68	14	Almora, Ghazipur, Jaunpur, Pratapgarh, Lucknow, Mirzapur, Bhadoi, Kanpur, Hamirpur, Mahoba, Allahabad, Fatehpur, Banda, Muzaffarnagar.
24	West Bengal	17	11	North 24 parganas, Midnapore, Bankura, Calcutta, Howrah, Hooghly, Burdwan, Dakshin Dinajpur, Jalpaiguri, Murshidabad and Darjeeling.
25	A & N Islands	2	2	Andaman and Nicobar.
26	Chandigarh	1	1	Chandigarh.
27	D & N Haveli	1	1	D & N Haveli, Silvassa.
28	Daman & Diu	1	1	Daman & Diu
29	Delhi	7	2	East and Outer Delhi.
30	Pondicherry	1	1	Pondicherry.
	Total	**488**	**165**	

APPENDIX XIX
(Refers to paragraph 5.5.1)

Financial outlay and expenditure

(Rupees in crore)

S.No	State	1993-94				1994-95				1995-96				1996-97			
		O.B.	Release	Expdr.	Cl.Bal	O.B.	Release	Expdr.	Cl.Bal	O.B.	Release	Expdr.	Cl.Bal	O.B.	Release	Expdr.	Cl.Bal.
1.	Arunachal Pradesh	-	0.15	0.10	0.05	0.05	3.00	2.99	0.06	0.06	3.00	2.65	0.41	0.41	3.00	1.94	1.47
2.	Andhra Pradesh	-	2.95	2.09	0.86	0.86	60.00	33.43	27.43	27.43	58.00	33.54	51.89	51.89	59.00	12.15	98.74
3.	Bihar	-	3.60	–	3.60	3.60	75.00	5.20	73.40	73.40	76.50	65.51	84.39	84.39	73.50	57.25	100.64
4.	Goa	-	0.15	–	0.15	0.15	3.00	–	3.15	3.15	3.00	2.80	3.35	3.35	3.00	1.19	5.16
5.	Gujarat	-	1.85	1.36	0.49	0.49	37.00	21.98	15.51	15.51	37.00	13.64	38.87	38.87	37.00	0.52	75.35
6.	Haryana	-	0.65	0.59	0.06	0.06	14.05	12.87	1.24	1.24	13.50	13.66	1.08	1.08	15.00	7.67	8.41
7.	Himachal Pradesh	-	-	–	–	–	6.30	3.01	3.29	3.29	8.00	8.62	2.67	2.67	6.00	2.88	5.79
8.	Karnataka	-	1.85	1.35	0.50	0.50	39.00	26.89	12.61	12.61	38.00	20.58	30.03	30.03	41.00	1.08	69.95
9.	Kerala	-	1.45	–	1.45	1.45	28.00	2.22	27.23	27.23	29.00	11.90	44.33	44.33	29.00	15.83	57.50
10.	Maharashtra	-	3.28	3.05	0.23	0.23	69.00	50.09	19.14	19.14	68.00	39.11	48.03	48.03	68.50	6.70	109.83
11.	Madhya Pradesh	-	2.70	2.05	0.65	0.65	57.00	53.41	4.24	4.24	55.00	45.23	14.01	14.01	56.25	21.32	48.94
12.	Manipur	-	0.15	–	0.15	0.15	3.00	0.24	2.91	2.91	3.00	2.31	3.60	3.60	3.00	0.99	5.61
13.	Mizoram	-	0.10	–	0.10	0.10	2.00	0.88	1.22	1.22	2.00	2.09	1.13	1.13	2.00	0.88	2.25
14.	Nagaland	-	0.10	–	0.10	0.10	2.00	2.10	–	–	2.00	1.99	0.01	0.01	1.00	0.98	0.03
15.	Rajasthan	-	1.75	–	1.75	1.75	35.00	3.96	32.79	32.79	35.00	27.44	40.35	40.35	20.08	20.51	39.92
16.	Sikkim	-	0.10	–	0.10	0.10	2.00	0.40	1.70	1.70	2.00	2.94	0.76	0.76	2.00	1.15	1.61
17.	Tamil Nadu	-	3.04	2.79	0.25	0.25	65.06	57.07	8.24	8.24	62.76	44.84	26.16	26.16	60.18	12.30	74.04
18.	Tripura	-	0.15	–	0.15	0.15	3.03	0.62	2.56	2.56	4.37	5.57	1.36	1.36	3.74	1.82	3.28
19.	Uttar Pradesh	-	5.90	5.66	0.24	0.24	119.00	114.33	4.91	4.91	117.50	101.52	20.89	20.89	118.50	35.32	104.07
20.	West Bengal	-	2.62	–	2.62	2.62	59.50	45.90	16.22	16.22	54.62	43.78	27.06	27.06	56.67	9.16	74.57
21.	A& N Islands	-	0.05	0.05	–	–	1.00	0.20	0.80	0.80	1.00	0.94	0.86	0.86	1.00	0.48	1.38
22.	Chandigarh	-	–	–	–	–	1.00	–	1.00	1.00	1.00	0.39	1.61	1.61	1.00	0.47	2.14
23.	Daman & Diu	-	0.05	–	0.05	0.05	1.00	0.05	1.00	1.00	1.00	1.15	0.85	0.85	1.00	0.65	1.20
24.	D & Nagar Haveli	-	0.05	0.05	–	–	1.00	0.02	0.98	0.98	1.00	0.61	1.37	1.37	1.00	1.12	1.25
25.	Delhi		0.45	–	0.45	0.45	9.00	0.17	9.28	9.28	9.00	10.44	7.84	7.84	10.00	6.72	11.12
26.	Pondicherry		0.05	–	0.05	0.05	2.00	–	2.05	2.05	2.00	0.21	3.84	3.84	2.00	0.25	5.59
	Total		33.19	19.14	14.05	14.05	696.94	438.03	272.96	272.96	687.25	503.46	456.75	456.75	674.42	221.33	909.84

Note: Neither Ministry nor State Government could provide the year- wise details of release/expenditure of funds in respect of Assam, Meghalaya, Punjab and Orissa.

APPENDIX XX
(Refers to paragraph 5.5.2)

Shortfall in utilisation of funds

(Rupees in crore)

S.No	State/UT	Release 1993-97	Expenditure 1993-97	Unspent amount as on 31 March 1997	Percentage shortfall in utilisation of funds
1.	Andhra Pradesh	179.95	81.21	98.74	54.87
2.	Arunachal Pradesh	9.15	7.68	1.47	16.07
3.	Assam*	66.05	28.32	37.73	57.12
4.	Bihar	228.60	127.96	100.64	44.02
5.	Goa	9.15	3.99	5.16	56.39
6.	Gujarat	112.85	37.50	75.35	66.77
7.	Haryana	43.20	34.79	8.41	19.47
8.	Himachal Pradesh	20.30	14.51	5.79	28.52
9.	Karnataka	119.85	49.90	69.95	58.36
10.	Kerala	87.45	29.95	57.50	65.75
11.	Madhya Pradesh	170.95	122.01	48.94	28.63
12.	Maharashtra	208.78	98.95	109.83	52.61
13.	Manipur	9.15	3.54	5.61	61.31
14.	Meghalaya*	10.15	3.39	6.76	66.60
15.	Mizoram	6.10	3.85	2.25	36.89
16.	Nagaland	5.10	5.07	0.03	0.01
17.	Orissa*	93.50	36.67	56.83	60.78
18.	Punjab*	63.05	35.11	27.94	44.31
19.	Rajasthan	91.83	51.91	39.92	43.47
20.	Sikkim	6.10	4.49	1.61	26.39
21.	Tamil Nadu	191.04	117.00	74.04	38.76
22.	Tripura	11.29	8.01	3.28	29.05
23.	Uttar Pradesh	360.90	256.83	104.07	28.84
24.	West Bengal	173.41	98.84	74.57	43.00
25.	A & N Islands	3.05	1.67	1.38	45.25
26.	Chandigarh	3.00	0.86	2.14	71.33
27.	D & N Haveli	3.05	1.80	1.25	40.98
28.	Daman & Diu	3.05	1.85	1.20	39.34
29.	Delhi	28.45	17.33	11.12	39.09
30.	Pondicherry	6.05	0.46	5.59	92.40
	Total	**2324.55**	**1285.45**	**1039.10**	**44.70**

** Figures in respect of these states have been collected in the Ministry.*

APPENDIX XXI

(Refers to paragraph 5.5.3)

Unspent balances shown as expenditure

(Rupees in crore)

Sl. No.	State/UT	No. of district	1993-94		1994-95		1995-96		1996-97	
			Total expenditure shown by DCs	Amount of expenditure booked but not incurred	Total expenditure shown by DCs	Amount of expenditure booked but not incurred	Total expenditure shown by DCs	Amount of expenditure booked but not incurred	Total expenditure shown by DCs	Amount of expenditure booked but not incurred
1.	Assam	5	0.07	--	4.11	0.15	7.66	0.04	6.27	0.03
2.	Bihar	11	--	--	6.68	0.10	30.24	7.05	17.90	5.48
3.	Goa	2	--	--	--	--	2.80	0.46	1.19	0.36
4.	Haryana	7	0.59	0.02	12.87	1.14	13.66	1.26	7.67	4.84
5.	Madhya Pradesh	45	2.05	0.07	53.41	5.33	45.23	8.78	21.32	13.39
6.	Nagaland	3	--	--	2.10	0.13	1.99	0.09	0.98	0.12
7.	Orissa	6	0.20	--	7.17	2.45	12.22	6.89	4.99	4.78
8.	Uttar Pradesh	68	5.66	0.08	114.33	8.21	101.52	18.42	35.32	25.65
9.	West Bengal	11	--	--	31.51	17.82	31.96	29.69	5.35	5.35
	Total	**158**	**8.57**	**0.17**	**232.18**	**35.33**	**247.28**	**72.68**	**100.99**	**60.00**

APPENDIX XXII
(Refers to paragraph 5.5.4)

Unspent balances not refunded by implementing agencies-Rs 3.08 crore

(Rupees in lakh)

S.No.	State/UT	Districts	Amount released	Amount spent/ refunded	Unspent amount not refunded	Remarks
1.	Andhra Pradesh	Medak	26.40	21.60	4.80	Funds were released for construction of 264 houses for weaker section during February to December 1995. Sanction was cancelled except for 84 houses. Implementing agencies refunded Rs.13.20 lakh and retained unspent balance as of August 1997.
2.	Bihar	10 districts (Dhanbad, Dhumka, East Singhbhum, Gumla, Madhepura, Katihar, Madhubani, Patna, Ranchi and Vaishali)	--	--	52.92	The amount was lying with implementing agencies as of March 1997 even after completion of 510 works during 1993-97.
3.	Maha-rashtra	Nanded	2.11	0.96	1.15	Amount released for construction of bridges. Work completed, unspent balance not refunded by executing agency as of June 1997
		Murobai	2.40	1.78	0.62	Amount released for construction of one overbridge in January 1995. Work completed but excess amount not refunded by executing agency as on July 1997.
		Mumbai city	9.93	7.83	2.10	Amount released for beautification of Custom house building in March 1996,work completed but unspent balance not refunded.
		Mumbai Suburban	6.00	4.45	1.55	Funds released for repair of one jetty in November 1995. Works completed in December 1996, unspent amount not refunded till July 1997

S.No.	State/UT	Districts	Amount released	Amount spent/ refunded	Unspent amount not refunded	Remarks
		Nagpur	1.48	1.22	0.26	Amount sanctioned in March 1996, for repair of road. Work completed, balance amount not refunded as of March 1997.
4.	Manipur	Imphal	3.63	--	3.63	Funds released for 15 works which were not taken up. Unspent amount not refunded till July 1997.
5.	Madhya Pradesh	Bilaspur	17.55	--	17.55	Amount released for 14 works but the same were cancelled during the years 1994-97. Amount not refunded as of March 1997
		4 districts (Indore, Raipur, Sehore, Ujjain)	--	--	8.65	Unspent amount relating to 39 works lying with the executing agencies for more than 2 years.
6.	Tamil Nadu	3 districts (Shivaganga, Changai Anna, Trichy)	--	--	4.62	All works in 3 districts were completed but the excess amount not refunded as of March 1997.
		Sivaganga	1.00	--	1.00	Amount sanctioned during September 1996 for 'laying cremation pathway' was cancelled but amount not refunded till March 1997.
7.	Uttar Pradesh	9 districts (Allahabad, Mirzapur, Muzaffarnagar, Agra, Fatehpur, Kanpur, Lucknow, Sonebhdra ,& Uttarkashi).	169.64	--	169.64	99 works for which funds were released during 1994-96 but were not taken up and amount not refunded till March 1997.
		6 Districts (Allahabad, Agra, Bareilly, Muzaffarnagar, Kanpur, Uttarkashi).	392.00	356.00	36.00	Funds were released during 1994-96 for 125 works. After their completion balance amount not refunded as of May 1997.
8.	A&N Islands	2 districts (Andaman and Nicobar)	22.99	19.61	3.38	Funds released during May 1995 for 16 works. All the works were completed but the unspent amount not refunded as of March 1997
	Total				**307.87**	

APPENDIX XXIII
(Refers to paragraph 5.5.5)

Non-submission of utilisation certificates

(Rupees in crore)

S.No.	*Name of the State*	*No. of districts test checked*	*Period*	*Amount*
1.	Arunachal Pradesh	5	1993-97	1.88
2.	Assam	4	1993-96	2.82
3.	Goa	2	1993-97	0.92
4.	Gujarat	4	1993-97	9.22
5.	Haryana	14	1993-97	23.21
6.	Kerala	11	1993-97	29.95
7.	Karnataka	8	1993-97	46.01
8.	Meghalaya	7	1993-97	7.12
9.	Madhya Pradesh	45(Whole state)	1993-97	78.24
10.	Manipur	1	1994-96	0.38
11.	Orissa	6	1993-97	10.47
12.	Punjab	5	1993-96	15.38
13.	Rajasthan	7	1993-97	7.27
14.	Tamil Nadu	6	1993-97	36.91
15.	Uttar Pradesh	14	1993-97	43.22
16.	West Bengal	11	1993-97	16.29
17.	D & N Haveli	Whole UT	1993-97	1.80
18.	Delhi	Whole UT	1993-97	8.37
19.	Pondicherry	Whole UT	1993-97	0.11
	Total	**150 + three UTs**		**339.57**

APPENDIX XXIV
(Refers to paragraph 5.5.7)

Sharing of funds

(Rupees in lakh)

Sl. No.	Name of State	Name of the district	No. of works	Estimated cost	Amount shared from MPLADS	Year	Remarks
1.	Andhra Pradesh	5 districts (Adilabad Chitoor East Godavary Medak West-Godavary)	9	--	16.10	1995-96	9 works originally taken up under other schemes and not completed due to various reasons, were sanctioned by the District Collectors for being completed from MPLADS funds.
2.	Haryana	Ambala	2	35.66	21.43	1995-96	Construction of community hall and construction of OPD Building of Haryana Institute of Alternative medicines & Research, Panchkula.
		Hissar	2	5.73	4.50	1995-96	Construction of district library, Hissar and laying of Sewar in Durga colony, Hansi.
		Jind	2	41.50	13.50	1992-96	Completion of multipurpose hall in Arjan stadium, Jind & construction of workshop for Vocational Chhotu Ram Kisan Shiksha Samiti, Jind.
3.	Himachal Pradesh	3 districts (Mandi Kullu Shimla)	25	--	85.00	1995-97	25 ongoing works (roads-24:bridges-1) were recommended by the MPs concerned. All these works were already financed from the State budget.
4.	Kerala	Pathanamthitta	1	8.50	3.00	1995-96	Construction of library, balance was met by municipality.
		Kannur	2	19.15	10.00	1996-97	Construction of a ward of Health centre, Kottumugham, balance met by Hospital Development Committee.

Sl. No.	Name of State	Name of the district	No. of works	Estimated cost	Amount shared from MPLADS	Year	Remarks
		Thiruvananthapuram	1	7.25	6.25	1995-96	Construction of bridge across killi river, balance to be arranged by Panchayat.
5	Meghalaya	East Khasi Hills Shillong	5	--	5.75	1994-95	These works were earlier taken up during 1993-94 under Special Rural Works Programme (SRPW) of State MLA scheme.
6.	Punjab	3 districts (Ferozepur Hoshiarpur Patiala)	3	122.00	35.98	1994-95	Shared with District Planning boards, on the recommendation of the Mps
7.	Rajasthan	Bikaner	5	288.80	14.00	1994-97	Construction of Rang munch, Upbhakta bhawan, Water & lighting work at Gokul Prasad circle and construction of a wall of Dr Karni Singh Stadium.
8.	Uttar Pradesh	Almora	1	2.50	1.00	1995-96	Work of construction of light vehicle road shared with Sunischit Rojgar Yojna.
		Lucknow	3	109.99	41.12	1995-96	Shared with Urban Basic Scheme for Poor (UBSP), Nagar Nigam & UNICEF (Bridge & water pump).
		Uttar kashi	1	1.93	1.00	1995-96	Work of water supply shared with Sunishchit Rojgar Yojna.
9	Mizoram	Aizwal	4	3.50	1.50	1995-96	Shared with works already covered under Employment Assurance Scheme and Jawahar Rojgar Yojna.
	9	23	66		260.13		

APPENDIX XXV
(Refers to paragraph 5.5.8)

Supervision/centage charges

(Rupees in lakh)

Sl. No.	State	District	Year	Centage	Amount charged
1.	Assam	Sibasagar	1996-97	3	12.17
		Nagaon	1994-95	3	0.31
2.	A & N Islands	Andaman & Nicobar	1994-97	11.5 to 23.75	10.39
3.	Bihar	Ranchi	1994-96	--	1.70
4.	Gujarat	Amreli	1993-96	1 to 5	0.98
5.	Haryana	Faridabad	1994-97	5	3.83
		Ambala	1994-97	24	0.59
6.	Himachal Pradesh	Kangra	1995-97	--	1.47
		Shimla (Jabbal Block)	1995-97	--	0.06
		Kullu (Kullu Block)	1995-97	--	0.90
7.	Kerala	Allappuzha	1994-96	10	9.54
		Wayanad	1994-97	10	0.52
		Kottayam	1995-97	10	4.37
		Pallakad	1993-96	10	8.92
8.	Karnataka	Bangalore urban	1994-96	17	14.87
9.	Maharashtra	Thane	1994-96	13.04	12.97
		Pune	1994-96	13.04	75.42
		Nagpur	1994-96	13.04	19.99
		Aurangabad	1994-96	13.04	31.49
		Mumbai city	1994-96	2.44 to 13.04	24.10
		Mumbai suburban	1994-96	2.44	23.38
		Nanded	1994-96	13.04	62.62
		Akola	1994-96	13.04	3.39
		Sangli	1994-96	13.04	7.32
10.	Manipur	Imphal	1994-95	--	1.88
11.	Orissa	Bhwanipatna	1994-97	14 to 17	7.29
		Phulbani	1994-97	17	1.08
12.	Rajasthan	Bharatpur	1994-96	10	0.34
		Dausa	1994-96	10	2.56
		Alwar	1994-96	10	0.63
		Jodhpur	1994-96	10	6.04
13.	Uttar Pradesh	Agra	1994-95	--	0.49
		Lucknow	1994-96	--	18.19
		Pratapgarh	1994-96	--	1.41
		Bareily	1995-96	--	0.34
		Kanpur	1995-96	--	5.71
		Banda	1995-96	--	0.34
		Mahoba	1996-97	--	1.90
14.	West Bengal	4 districts (North-24 Pargana Calcutta, Dakshin Dinajpur and Darjeeling).	1994-96	--	10.58
					390.08

APPENDIX XXVI (A)
(Refers to paragraph 5.6[a])

Physical performance

(Rupees in crore)

			Works approved by MP		Works sanctioned by District Administration		Works actually taken-up		Works completed		Works not taken up	
Sl. No.	State/UT	No. of districts	No.of works	Expected value	No.of works	Expected value	No.of works	Expected value	No.of works	Expected value	No.of works	Expected value
1.	Andhra Pradesh	6	4330	52.99	4048	48.26	3575	40.78	2530	25.16	473	7.48
2.	Arunachal Pradesh	13	315	7.80	299	7.68	299	7.68	87	2.18	Nil	Nil
3.	Gujarat	4	5162	26.58	4577	18.31	4577	17.45	2995	9.78	Nil	Nil
4.	Himachal Pradesh	7	2808	16.69	2791	16.65	2749	16.24	712	3.67	42	0.41
5.	Kerala	8	2445	49.08	1930	43.91	1929	43.81	816	16.32	1	0.10
6.	Madhya Pradesh	45	18594	177.15	15098	146.64	13252	121.79	8331	94.54	1846	24.85
7.	Manipur	8	1885	8.79	1661	7.93	1661	7.93	758	2.49	Nil	Nil
8.	Nagaland	3	686	5.08	686	5.08	686	5.08	686	5.07	Nil	Nil
9.	Rajasthan	6	2218	26.37	1877	20.49	1371	14.19	737	6.76	506	6.08
10.	Sikkim	4	177	5.22	177	5.22	177	5.22	164	3.95	Nil	Nil
11.	Tripura	4	563	7.22	540	6.80	538	6.70	370	3.22	2	0.10
12.	West Bengal	11	4796	78.94	4796	78.94	4796	78.94	1990	46.69	Nil	Nil
13.	A & N Islands	2	58	1.61	58	1.61	58	1.61	31	0.60	Nil	Nil
14.	Chandigarh	1	114	*	26	1.16	26	1.16	12	0.50	Nil	Nil
	Total	**122**	**44151**	**463.52**	**38564**	**408.68**	**35694**	**368.58**	**20219**	**220.93**	**2870**	**39.02**

** MPs did not mention the cost of recommended works.*

APPENDIX XXVI (B)
(Refers to paragraph 5.6 [b])

Physical performance

Sl. No.	State/UTs	No. of districts	No. of works approved by MP	No. of works sanctioned by District Administration	No. of works actually taken-up	No. of works completed	No. of works not taken up
1.	Assam	5	3101	2437	2167	888	270
2.	Bihar	55	13932	13406	13406	7785	--
3.	Goa	2	348	95	60	21	35
4.	Haryana	5	2806	2629	2448	1603	181
5.	Karnataka	8	2937	2651	2323	1284	328
6.	Maharashtra	31	13578	7832	7158	4367	674
7.	Meghalaya	7	799	796	719	336	77
8.	Mizoram	4	855	855	838	614	17
9.	Orissa	6	8522	7766	6560	3702	1206
10.	Punjab	5	2180	2175	2175	1122	--
11.	Tamil Nadu	7	4212	4056	4006	3013	50
12.	Uttar Pradesh	68	21680	21680	20200	15266	1480
13.	D & N Haveli	1	552	550	541	207	9
14.	Daman & Diu	1	73	71	71	34	--
15.	Delhi	4	413	344	277	230	67
16.	Pondicherry	1	103	52	52	7	--
	Total	**210**	**76091**	**67395**	**63001**	**40479**	**4394**

APPENDIX XXVII
(Refers to paragraph 5.6.1)

Incomplete/abandoned works

(Rupees in lakh)

Sl. No.	State/UT	District	No. of works	Amount	Year	Remarks
1.	Assam	Kamrup	1	1.00	1996-97	The work of "Khanapara point statue and cross road garden" was got stopped by DC Kamrup (December, 1996)
		Sibasagar	1	1.63	1996-97	The work "Nazira Gosala" was dropped from the scheme as it was an NGO.
2.	Bihar	Katihar	3	2.28	1994-97	Court case, increase in labour and material cost.
		Madhepura	1	0.98	1995-96	Transfer of executing agency.
		Patna	6	7.35	1995-96	Courtcase objection by water Resource Department and Road construction division
		Dhanbad	3	1.02	1995-97	Land dispute
		Vaishali-Hazipur	3	5.80	1995-96	Land dispute, court case.
3.	Himachal Pradesh	Hamirpur	2	0.87	1994-96	Land dispute
		Mandi	2	0.44	1994-96	Land dispute
		Shimla	2	0.49	1994-96	Land dispute
4.	Karnataka	Bidar	1	0.13	1994-95	The work of "Improvement to Murki Karanji Road" was taken under Hyderabad-Karnataka Development Board.
5.	Madhya Pradesh	Bhopal	10	10.08	1994-97	Encroachment of site by public.
6.	Maharashtra	Nagpur	9	10.75	1995-96	Non-availability of water source.
		Mumbai	2	2.61	1995-96	Cancellation by Collector.
		Nanded	2	1.91	1995-96	Protest by local public.
7.	Manipur	Imphal	11	1.70	1994-95	Abandoned after giving advance.
8.	Punjab	4 districts				69 works relating to construction of schools, dharamshalas etc. were not completed due to insufficient amount of grant
		(Amritsar	10	4.46	1994-97	
		Perozepur	42	20.80	1995-96	

Sl. No.	State/UT	District	No. of works	Amount	Year	Remarks
		Ludhiana	10	9.97	1994-96	
		Patiala)	7	3.20	1995-96	
9.	Tamil Nadu	Villupuram	2	0.14	1994-96	Site dispute and wrong selection of agency.
10.	Tripura	North Tripura	1	0.50	1995-96	Local problems.
11.	West Bengal	Howrah	1	4.78	1996-97	The work of re-excavation of Damodar (old course) was abandoned due to public agitation.
12.	Rajasthan	7 districts				Reasons for leaving the work incomplete were not furnished by the DCs concerned.
		(Alwar	119	63.19	1994-97	
		Bayana	77	28.07		
		Bharatpur	182	68.67		
		Bikaner	11	8.23		
		Dausa	20	21.04		
		Jodhpur	117	130.26		
		Udaipur)	108	37.94		
13.	Andhra Pradesh	Karimnagar	11	4.44	1995-97	The work of construction of 11 Ambedkar Community Halls were stopped at different stages as the 50% matching share was not released by State Government.
14.	Goa	South Goa	3	11.48	1995-96	Without clear title and possession of land.
15.	Uttar Pradesh	Mirzapur	22	109.00	1994-96	Remained incomplete as the MP was not re-elected and further funds were not allocated.
		33	802	575.21		

APPENDIX XXVIII
(Refers to paragraph 5.8.1)

Loss of interest

(Rupees in lakh)

Sl. No.	State/UT	District	Amount of lost interest	Remarks
1.	Andhra Pradesh	6 districts Adilabad	4.60	Amount of interest earned and held back by implementing agencies
		Chittoor	13.18	
		East Godavari	18.14	
		Kurnool	4.52	
		Medak	12.00	
		West Godavari	27.65	
2.	Assam	Sonitpur	0.58	DC, Sonitpur transferred Rs.1.40 crores to Revenue Deposit between November 1995 to February 1996 on the instruction of State Government. Amount was recouped during same period.
		Sibsagar	1.54	DC, Sibsagar transferred Rs.2.60 crores to Revenue Deposit between November 1995 to February 1996 on the instruction of State Goverment, amount was recouped during the said period. Temporary diversion resulted in loss of interest.
3.	Haryana	3 districts Ambala	4.62	Interest earned by executing
		Karnal	1.78	agencies but not refunded to
		Hisar	0.29	district authorities
		Ambala	2.66	Interest earned by executing agencies but not accounted for in cash book.
4.	Kerala	5 districts Thiruvana-nthapuram	24.95	Loss of interest due to keeping the funds in non-interest bearing accounts during August 1995 to March 1997
		Kottayam	10.51	
		Kannur	7.05	
		Kozhikode	5.42	
		Malappuram	9.89	
5.	Meghalaya	East Khasi Hills	0.89	DC East Khasi Hills transferred Rupees one crore in December 1994 to Civil Deposit of State Government as per instructions of the State Government. The amount was refunded in February 1995. Loss of interest occured during 6 December 1994 to 15 February 1995.
		East Khasi Hills (Myllium Block)	1.39	Due to operation of current account during 4 February 1995 to 17 December 1995.
6.	Maharashtra	4 districts (Akola	15.10	Due to keeping the funds under JRY from October 1994 to September 1995 but interest earned not transferred to MPLADS funds.
		Nagpur	28.96	-do-
		Pune	4.50	Funds kept under JRY from March 1994 to June 1995 and interest not transferred to MPLADS funds.
		Thane)	6.75	Funds kept under JRY from October 1994 to April 1996. Interest not transferred to MPLADS funds.
7.	Mizoram	Aizwal	7.78	Due to keeping the funds in current account form July 1994 to December 1996.
		Saiha	0.45	The funds were kept in current account.
8.	Nagaland	Kohima	2.52	Due to keeping the funds in current account between May 1994 to October 1996.

Sl. No.	State/UT	District	Amount of lost interest	Remarks
9.	Punjab	Patiala	1.95	Amount released in August 1995 to Zila Parishad for construction of school building. Parishad failed to execute the work and refunded the amount in December 1995.
10.	Tamil Nadu	6 districts (Shivaganga	7.65	During 1994-97, interest earned by 71 executing agencies in 6 districts on the short term deposits not refunded to the respective District Collectors.
		Villupuram	4.26	
		Madurai	0.42	
		Coimbatore	0.99	
		Trichy	3.97	
		Chengai Anna)	0.88	
11.	Sikkim	Sikkim East	1.68	Loss due to keeping the MPLADS fund in current account during 1994-95.
12.	Tripura	Tripura West (one implementing agency)	2.31	Loss due to keeping funds in current account during March 1996 to March 1997.
13.	West Bengal	5 districts (Bankura)	6.23	Due to operating of non-interest bearing accounts for MPLADS funds.
		Calcutta	39.78	
		Howarah	15.37	
		Hooghly	2.94	
		Jalpaiguri)	6.47	
14.	Delhi	Delhi	52.33	Due to non operating of saving bank account.
15.	Chandigarh	Chandigarh	1.71	Rs.44.27 lakh were released in March 1995 to the Panchayat Samiti which deposited the funds in different banks. Interest earned by implementing agencies not refunded to scheme funds.
		40	366.66	

APPENDIX XXIX
(Refers to paragraph 5.8.2)

Interest accrued

(Rupees in lakh)

Sl.No.	State/UT	No. of districts	Amount
1.	Andhra Pradesh	6	80.09
2.	Assam	5	73.44
3.	Bihar	11	166.00
4.	Gujarat	4	88.63
5.	Himachal Pradesh	10	36.20
6.	Manipur	4	27.23
7.	Tamil Nadu	7	190.04
8.	Uttar Pradesh	14	116.00
9.	West Bengal	11	247.00
10.	D & N Haveli	UT	5.51
11.	Delhi	UT	29.29
12.	Pondicherry	UT	46.55
	Total	72	1105.98

APPENDIX XXX
(Refers to paragraph 5.9.1)

Construction of office buildings, residential buildings, etc.

(Rupees in lakh)

Sl. No.	State/UT	District	No. of works	Expdr.	Year	Nature of works
1.	Andhra Pradesh	Medak	84	7.27	1994-96	Construction of residential houses for weaker sections.
		West Godavari	14	13.54	1994-96	Gram Panchayat office buildings.
		Chittoor	5	3.38	1995-96	Gram Panchayat office buildings.
2.	Chandigarh	Chandigarh	10	43.52	1995-97	Construction of Pump-cum-Booster house for HIG flats construction of Anapoorna Sadan in PGI complex.
3.	Delhi	Delhi	1	1.72	1995-96	Construction of remaining boundary wall in Ashok Vihar SFS flats Phase-IV.
4.	Kerala	Alappuzha	1	4.21	1995-97	Construction of shopping complex at Kamalapuram Market Shed.
		Pattanam-thitta	3	7.55	1995-97	Construction of shopping complex at Kalanjoor, Nedumankavu. Building for Aranmula Palliyoda Seva Sangham.
		Kottayam	2	4.47	1995-97	Construction of building for village Extension office, Koodallur and mini shopping centre.
		Mallapuram	2	8.97	1995-96	Construction of library building at Thurakkal and building for Folklore Study Centre.
5.	Meghalaya	4 districts (East Khasi Hills Shillong)	3	11.13	1994-95	Construction of building complex of Arabindo Institute of Indian Culture, garage of Rilbnong Cultural Club, building protection work of Bangia Sahitya Parishad, Shillong.
6.	Mizoram	Lunglei	3	4.50	1995-96	Site preparation for District Guest House, construction of Driver's Dormitory-cum-Guardshed, guard's room attached to DC's Inspection Bungalow.

Sl. No.	State/UT	District	No. of works	Expdr.	Year	Nature of works
		Saiha	3	6.60	1994-95	Construction of Rest Houses at Chakang, Miawhtlang, New Kaisih.
7.	Manipur	4 districts (Imphal, Tamanglong, Senapati, C.C.Pur)	9	12.85	1994-96	Construction of rest houses, inspection bungalows, village Authority-cum-Court building.
8.	Nagaland	Dimapur	2	3.00	1995-97	Construction of Railway rest house and a room at Dimapur Railway Station.
9.	Tripura	DM-W	1	10.00	1995-96	Construction of office building
10.	Uttar Pradesh	Almora	1	1.50	1994-96	Building of Bar Association at Tehsil Bagoshwar.
		Allahabad	2	6.44	1996-97	Boundary wall of the residential colony of the Circuit House, study hall of Bar Association, Allahabad.
		Bhadoi	1	6.00	1995-96	Construction of inspection house.
		Ghazipur	1	4.24	1995-96	Construction of boundary wall
		Lucknow	1	1.00	1995-96	Construction of camp office of District Magistrate.
11.	West Bengal	6 districts (Midnapore Bankura, Calcutta, Howarah, Burdwan, Jalpaiguri)	80	244.14	1994-96	Construction of buildings in hospitals, health centres, development of land at tourist spot, construction of day centres, office buildings and blood banks etc.
			229	406.03		

APPENDIX XXXI
(Refers to paragraph 5.9.3)

Repair and maintenance works

(Rupees in lakh)

Sl. No.	State/UT	District	No. of works	Amount	Year	Nature of works
1.	Andhra Pradesh	Adilabad	1	0.56	1994-95	Repair work
		Chittoor	1	0.60	1995-96	"
		East Godavari	4	5.59	1994-95	"
		Kurnool	3	2.19	1995-96	"
		Medak	1	0.49	1995-96	"
		West Godavari	4	2.90	1995-96	"
2.	Assam	Barpeta	27	8.24	1993-97	Repair & Maintenance of state dispensary, computer room etc.
		Nagaon	37	8.82	1993-97	Repair/maintenance of LP schools, ME schools, timber bridges etc.
3.	Bihar	Dumka	2	12.00	1995-96	Repair of Govt.hospitals at Dumka and Jamtara.
4.	Dadra & Nagar Haveli	--	1	1.08	1996-97	Improvement of existing road by laying soft morrum.
5.	Gujarat	Ahmedabad	35	22.11	1993-97	Resurfacing of roads
		Junagarh	54	33.09	1994-96	Slab & repairing work to Panchayat ghar, renovation and alteration of primary school room, repair & maintenance of roads.
6.	Haryana	Ambala	22	38.07	1993-97	Repairs of chaupals, schools, roads sewer lines, sports complex etc.
		Karnal	22	3.37	-do-	Repair of chaupals, schools, village ponds, parks etc.
		Faridabad	1	1.02	-do-	Repair of village ponds at Alawalpur.
		Hissar	15	7.79	-do-	Repair of school building, chaupal, roads, streets, dharmshalas etc.
		Sirsa	3	5.50	-do-	Repair of school buildings, chaupals, drains, ponds, panchayat ghar etc.
7.	Maha-rashtra	Thane	10	91.22	1995-96	Repairing of roads.
		Mumbai Suburban	1	4.45	1995-96	Repairing of jetty.

Sl. No.	State/UT	District	No. of works	Amount	Year	Nature of works
		Nagpur	1	1.22	1995-96	Repairs and internal roads.
8.	Manipur	3 districts (Imphal Thoubal Bishnupur)	111	17.52	1993-96	Maintenance work for metalling of roads.
		Bishnupur	38	4.93	1994-95	Repair work of irrigation channels & drains.
9.	Mizoram	Lunglei	37	4.51	1993-97	Repairs to roads.
		Saiha	9	1.68	"	"
		Aizawl	7	2.30	"	"
10.	Rajasthan	Bharatpur	3	0.38	1994-95	Repair of well, Govt. Primary school & boundary of Panchayat Samiti Sewar.
		Bikaner	1	1.00	1995-96	Repair of Govt. Secondary School, Bikaner.
		Udaipur	1	0.06	1996-97	Repair of old school building at Kherwara.
11.	Tamil Nadu	6 districts (Changelpattu, Ullupuram, Coimbatoor, Trichirappalli, Maduri, Sivaganga)	123	72.37	1994-96	Formation and gravelling of approach roads without metalling.
12.	Uttar Pradesh	3 districts (Mirzapur, Hamirpur, Kanpur)	16	58.66	1994-97	Repair of city drinking water pipe line, repair work of road, reorganisation of water supply scheme.
13.	West Bengal	5 districts (Bankura, Calcutta, Bardwan, Darjeeling, Midnapore)	51 30 03	44.41 26.70 0.95	1994-95 1995-96 1996-97	Repair to school buildings, bus-stand, Govt. buildings.
	13	43	675	485.98		

APPENDIX XXXII
(Refers to paragraph 5.9.5)

Purchase of stock

(Rupees in lakh)

Sl. No.	State/UT	District	Amount	Year	Type of store/stock
1.	Andhra Pradesh	East Godavari	18.00	1995-97	Generators and submersible pumpsets.
		Kurnool	14.37	1995-97	Stabilizer and generators.
		West Godavari	1.99	1996-97	Purchase of furniture.
2.	Daman & Diu	Daman & Diu	26.48	1996-97	Procurement of sodium vapour fixtures.
3.	Dadra & Nagar Haveli	Dadra & Nagar Haveli	10.32	1995-97	Purchase and installation of fixture with tube lights and HP 5V fixtures with lamps.
4.	Gujarat	Kheda	0.52	1994-95	Providing water cooler in bus-stand.
5.	Haryana	Ambala	4.34	1995-96	Purchase of Tractor with dozer for municipal committee Ambala and books for central state library, Ambala Cantt.
6.	Karnataka	Bangalore Urban	0.50	1996-97	Printing & stationary.
		Belgaum	35.13	1993-97	Purchase of material for stock.
		Dharwar	10.33	1993-97	Purchase of material for stock
		Harappanahally	0.68	1996-97	Purchase of material for stock
7.	Mizoram	Aizawl	1.90	1994-96	Purchase of duplicating machine, steel almirah, furniture for public library.
		Lunglei	0.38	1996-97	making furniture for primary school and making two big boats for public use.
8.	Meghalaya	Shillong	2.80	1994-95	Purchase of books for Netaji pathagar, furniture for creche, musical instruments for club, telescope for Astronomy club, TV, VCR, duplicating machine, electric typewriter for Shillong Academy
9.	Nagaland	3 districts (Kohima, Mon, Mokokchung)	20.92	1994-97	Inventory for setting up Public Call Office, Xerox unit, photo studio, stone crusher unit, bakery.
10.	Punjab	Ferozepur	1.65	1994-96	Purchase of stationary & furniture water cooler.
		Hoshiarpur	0.29	1994-96	Purchase of utencils.
11.	Rajasthan	Alwar	0.51	--	Purchase of 5 electric motors and 7 ceiling fans.

Sl. No.	State/UT	District	Amount	Year	Type of store/stock
12.	Tripura	Dhalai	0.97	1995-97	Purchase of inventory or stock of any type
13.	Uttar Pradesh	Hamirpur	17.06	1993-95	Motor pumps and starters, water switches, tankers etc.
		Bhadoi	1.17	1995-97	Purchase of furniture for Bar Association and cleaning equipments for Nagar Palika.
14.	West Bengal	Darjeeling	2.20	1995-97	Purchase of furniture.
		Murshidabad	8.75	1994-95	Purchase of furniture.
		North 24 Pargana	5.65	1994-95	Purchase of equipments for non-Government institutions.
		Midnapore	3.30	1994-96	-do-
		Hooghly	5.00	1996-97	-do-
		Calcutta	10.00	1995-96	Purchase of deep freeze and Air Conditioner.
	Total	**29**	**205.21**		

APPENDIX XXXIII
(Refers to paragraph 6.6.2[i])

Advances lying unutilised/treated as final expenditure though not actually incurred

(Rupees in lakh)

State	District/ Executing agency	To whom advanced	Period	Amount of advance	Remarks
Assam	(i) Three PW Divisions	PWD	1978-93	157.89	Kept in Public Works Deposits.
Bihar	State Level	---	1991-97	5856.00	---
Andhra Pradesh	Mahabub-nagar	Suppliers	1988-95	36.48	The State Government had reportedly adjusted the advance in 1997-98
Gujarat	Kachchh	---	1995	2.50	Advanced to a NGO, which neither furnished utilisation certificate nor came up for further payment of balance cost of Rs 7.5 lakh.
Haryana	PHED, Fatehabad	---	1990-91	31.51	Booked as final expenditure under various maintenance works. The amount was adjusted only in 1996-97.
Himachal Pradesh	(i) State level	State Civil Supplies Corporation.	March 1997	45.60	Supply of computers, etc.
	(ii) Shimla Division No.1	State Civil Supplies Corporation.	March 1992	1270.00	For supply of galvanised iron pipes, cement and galvanised iron sheets possibly to avoid lapse of grant.
			March 1993	37.26	
	(iii) Kangra and Sirmour districts	-----	1995-96	20.20	Central grant not utilised and was transferred to State Council for Science and Technology and Environment in March 1997.
Jammu & Kashmir	10, PHE Divisions	Procurement Divisions Srinagar/ Jammu	1993-97	906.00	Advances were made between 29-31 March to avoid lapse of grant.
Karnataka	4 districts	---	1996-97	409.00	---
Nagaland	(i) Additional Chief Engineer	---	March 1996	7.50	Advanced to a local firm for supply of 2 pump sets which were not supplied as of March 1997.
	(ii) Additional Chief Engineer	Suppliers	1990-97	801.50	Materials worth Rs 313.11 lakh were pending supply as of February 1998.
Orissa	(i) Four Divisions	---	1992-97	939.39	Retained against booking of material as of May 1997.
	(ii)3 Directors of Water Technology Mission	---	1987-95	244.35	Unutilised amount kept in bank. The amount had reportedly been utilised as of February 1998
	(iii) 13 BDOS		1989-90	2.88	Unutilised fund not refunded.
	(iv) Six test-checked Divisions	Suppliers	Between March 1984 and March 1997	61.48	Supplies not received as of June 1997.

State	District/ Executing agency	To whom advanced	Period	Amount of advance	Remarks
	(v) 2 Divisions	Industrial Development Corporation of Orissa, Ltd.	January 1991 to June 1993	9.62	Lying unadjusted as of June 1997.
Rajasthan	(i) DRDA, Nagaur	---	Upto 1994-95	10.86	Unutilised funds not refunded.
	(ii) PHED	Rajasthan State Agency	March 1996	93.91	
	(iii) 4 Divisions	Drilling Division, Jaipur and Ground Water Department	July 1993 to March 1996	214.09	Rs 59.26 lakh were pending utilisation as of February 1998.
	(iv) ---	DRDA, Barmer and Nagaur	1986-96	12.64	Unutilised money not refunded.
		PHED		42.11	
Uttar Pradesh	(i) 27 Divisions of Jal Nigam	Jal Nigam	1992-96	3799.94	UCs were given without being received from various Divisions of Jal Nigam.
	(ii) State Government and Ministry	DRDAs	1988-90	149.42	Amount released under Mini-Mission lying unutilised with DRDAs. Rs 39.08 lakh were utilised for JRY works by DRDAs and Rs 86.95 lakh were reportedly released to DRDA, Banda which was not received by it.
			Total	15162.13	

APPENDIX XXXIV (A)
(Refers to Paragraph 6.6.2 [ii])

Diversion of funds

A. Diversion to other schemes/activities not connected with programme

(Rupees in lakh)

State	District/Division	Year	Amount	Remarks
Andhra Pradesh	(i) Kurnool	April 1996	10.00	Construction of office building of Superintendant Engineer.
	(ii) -do-	-do-	3.38	Purchase of spare parts of office vehicles, xerox machine, office furniture, etc.
	(iii) Prakasam	September 1993	55.00	Given as loan, reportedly reimbursed as of February 1998
	(iv) Nandyal		62.19	Cost of land for other State scheme.
	(v) -do-		1.90	Paid to technical works inspectors and watch and ward engaged in other scheme.
	(vi) PR Division in Mahabub Nagar	1996-97	13.52	Expenditure was required to be met from State sector scheme.
	(vii) Medak	---	94.28	Establishment of office building of Superintending Engineer, purchase of jeep and office equipment
Arunachal Pradesh	PHED Namsai	1996-97	2.75	Purchase of chain link fencing, GI pipes, etc.
Assam	State level	1995-96	9.89	Purchase of slide projectors, overhead projectors and colour TV sets without administrative approval.
Bihar	(i) PHED, Giridih	1993-94	17.33	Construction of tubewells, purchase of repair material and miscellaneous expenditure.
	(ii) 12 Divisions	1991-96	909.71	Expenditure incurred on tubewells out of ARWSP fund instead of from State funds.
	(iii) EE Mechanical Division, Dhanbad	March 1992 and December 1993	20.40 20.85	Fuel, lubricants, spare parts of rig machines.
	(iv) EE, PHED Latehar	1991-96	90.60	Clearance of old liabilities of contractors.
	(v) PHED, Jamshedpur and PHED Chaibasa	1991-97	6.79 13.69	8 State/District schemes
	(vi) Giridih and Daltonganj	1991-94	23.72	
Haryana	State Government	1995-96	200.00	Funds released to State Sanitary Board for restoration of flood damages.
			57.09	Desert Development Programme
		1996-97	109.00	Restoration of flood damages in Mewat area.
Himachal Pradesh	(i) Arki and Sunni Division	March 1993 to March 1997	213.70	Provision of tap connections in houses not contemplated under ARWSP. The Ministry deducted the amount from 2nd instalment of grant for 1997-98.
	(ii) Nurpur Division	1992-93	6.02	Construction of a rest house including quarter for chowkidar.
	(iii) Sunder nagar Division Mandi district	December 1993 and July 1997	3.38	Addition in Type III government quarter.

State	District/Division	Year	Amount	Remarks
	(iv) 4 Divisions	1992-97	99.91	Extension and augmentation of 28 water supply schemes not envisaged under the programme
	(v) 5 Divisions	1992-97	167.72	State scheme
	(vi) 3 Divisions	1988-96	9.86	Works of other schemes
Jammu and Kashmir	(i) 3 PHE Divisions	1991-97	67.40	12 unapproved water supply scheme.
	(ii) DRDA, Udhampur		10.00	Construction of DRDA complex building.
Karnataka	(i) Gulbarga	1994-96	31.00	Rural Sanitation programme.
	(ii) 4 districts		14.67	State scheme, purchase of material and Nirmithi Kendra, etc.
Kerala	(i) Kerala Water Authority	1994-97	1248.00	Kerala Water Authority claimed establishment charges at the rate of 22 per cent against 5 per cent prescribed by Government of India.
	(ii) Kerala Water Authority	1994-96	35.27	Diverted towards expenditure on the Monitoring and Investigation units in excess of norms.
	(iii) Three Panchayats	1994-95	4.31	Construction of office building at Edathua. The Ministry deducted the amount only in 1997-98
Maharashtra	11 districts	1993-94	671.93	State scheme.
Manipur	8 Divisions	1992-97	31.20	Construction of toilets, installation of EPABX, spare parts, maintenance and POL for vehicles, purchase of furniture and stationery, etc.
Mizoram	(i) PHE II Division Aizawl	June 1994 to May 1995	4.56	Purchase of spare parts of vehicle, furniture, rain coats, gumboots, bookself, tyres of truck and jeep, plastic water tanks, etc.
	(ii) PHE RW circle	1993-97	11.81	Purchase of furniture, typewriter, maintenance of vehicle, etc.
	(iii) PHE Division Aizawal	October 1996 to March 1997	8.30	Supporting vouchers for Rs 4.75 lakh were not on record. Rest of money was spent on POL, remuneration to staff, spares to photo copier for IEC cell though not set up
Nagaland	(i) Kohima and Dimapur Divisions	1992-96	29.97	State scheme.
	(ii) ---	---	1.73	Unauthorised office and travel expenses
	(iii) ---	1990-96	405.00	Other scheme without the approval of the Ministry.
	(iv) 4 PHE Divisions	March 1993 to March 1996	11.53	Purchase of 4 Maruti gypsies.
	(v) Finance Department	1994-95	422.00	Payment of staff salary
	(vi) PHE Division, Dimapur	October 1996 and June 1997	10.68	Purchase of Tata Sumo jeep, repair of Directorate's vehicle, staff and office expenses.
Orissa	(i) Mayurbhanj Division	November 1989	7.07	The amount was to be met from State fund
	(ii) Koraput		7.88	Materials were utilised under State Plan and non-plan schemes.
Punjab	(i) ---	1996-97	27.81	Purchased 5 cars, 4 jeeps and one gypsy and issued to the Minister, State Minister and Secretary (RWS) and Chief Engineer.

State	District/Division	Year	Amount	Remarks
	(ii) PH Division, Amritsar	---	93.00	Procurement of store not related to the programme.
	(iii) 2 RWS Divisions, Ludhiana and Rajpura	---	52.00	State scheme. The Ministry deducted the amount from second instalment of grant for 1997-98.
	(iv) Chief Engineer	1992-93 1995-96 1996-97	224.00 101.00 110.00	
Rajasthan	(i) 3 Schemes	September 1992 and May 1996	56.04	State scheme.
	(ii) 8 Divisions	1991-97	110.20	Urban Water Supply Scheme.
	(iii) Barmer, district		16.04	Construction of quarters in Barmer city.
Uttar Pradesh	(i) DRDA Hamirpur	1988-90	32.14	Jawahar Rozgar Yojana.
	(ii) DRDA Sultanpur	1988-90	6.94	-do-
	(iii) 16 Divisions of Jal Nigam	1992-97	1712.64	Salaries to staff of Jal Nigam. The Ministry deducted the amount from second instalment of grant for 1997-98.
	(iv) Jal Nigam	1994-97	17.21	Payment of pension, gratuity, etc. Deducted by the Ministry.
Tamil Nadu	(i) 3 Division in 2 districts	1991-94	45.74	State schemes. The Ministry deducted the amount from second instalment of grant for 1997-98
	(ii) TWAD Board	upto 1993	162.00	-do-
West Bengal	(i) 10 Schemes	1984-97	293.00	Expenditure incurred in non-problem villages.
	Total		**8316.75**	

APPENDIX XXXIV (B)
(Refers to Paragraph 6.6.2 [iii])

B. Funds kept in Revenue/Personal Deposit/Bank Account

(Rupees in lakh)

State	District	Year	Amount	Remark
Assam	State Government	1993-96	1894.09	Lying in Revenue Deposits as of January 1998.
Bihar	(i) State Government	-	8517.81	Kept in Civil Deposits to improve its ways and means position as of March 1997.
	(ii) 22 Division	-	744.60	Kept in Civil Deposits as of March 1997.
	(iii) PH Patna West	-	1100.51	-do-
	(iv) EE (Mechanical) Dhanbad	July 1992	5.49	Kept in Civil Deposits as of February 1997.
	(v) Daltonganj Division	March 1995	166.70	Lying in Civil Deposits as of May 1997.
	(vi) PH Division Patna West	March 1991 December 1993	715.29 71.75	As of March 1997 Rs 110.55 lakh was still lying unutilised.
Himachal Pradesh	Shimla Division I	1992-93 1993-94	720.86 22.40	Public Works Deposits. Amount was reportedly utilised in subsequent years.
Karnataka	Dharwad and Gulbarga	February 1997	16.09	Deposited in Saving Bank Account. Amount was kept till May 1997.
Kerala	4 District collectors	1995-97	196.00	FD Account/Bank Account as of July 1997.
Punjab	---	1995-96	12.12	Deposited in Bank. Lying unutilised as of March 1997.
Rajasthan	Zilla Parishad in 4 districts	March 1996 March 1997	44.80 44.80	Personal Deposit. Lying unutilised as of May 1997.
Tamil Nadu	TWAD Board	1992-97	38.34	Personal Deposit. Ministry deducted the amount from 2nd instalment of grant for 1997-98.
Tripura	(i) 3 Divisions and 7 Blocks (ii) -do- (iii) -do-	1992-97 -do- -do-	55.00 545.29 66.34	PL Account, Bank Account and in cash. These amounts had reportedly been adjusted. Ministry had asked the details of adjustments.
Orissa	(i) Koraput and Phulbani	Between 1992-93 and 1995	12.36 10.00	Lying in Civil Deposits as of May 1997.
	(ii) Mayurbhanj	March 1996	89.72	Lying in Civil Deposits as of July 1997.
Uttar Pradesh	Four districts	March 1996 March 1997	53.50 53.50	Kept in PL Account of Panchayati Raj Officer, Lucknow. Lying unutilised as of May 1997.
	Total		**15197.36**	

APPENDIX XXXV
(Refers to paragraph 6.6.3)

Expenditure in excess of provisions irregularly met from ARWSP funds instead of State Plan Budget

(Rupees in lakh)

State	District	Year	Amount	Remarks
Bihar	12 Divisions	1991-96	909.71	
Gujarat	3 Divisions		629.00	The Ministry deducted the amount from the second instalment of grants for 1997-98.
Assam	(i) 347 Schemes in 9 Divisions		1250.12	
	(ii) 430 PWSS in 9 Divisions		6363.36	
	(iii) State Government	1990-96	3325.91	Excess expenditure against budget provision on operation and maintenance.
Himachal Pradesh	(i) Engineer -in - chief	1992-97	36.96	Extra expenditure was due to payment of additional DA and interim relief to staff. The Ministry deducted the amount from 2nd instalment of grant for 1997-98.
	(ii) Dalhousie Division	1992-97	40.68	
	(iii) Arki and Sunni Divisions	1993-97	203.83	Deducted by the Ministry from 2nd instalment of grant for 1997-98.
	(iv) Engineer in Chief PHED	1995-97	1050.00	
Jammu and Kashmir	4 PHE Divisions	1992-97	810.00	
Karnataka	153 Works		193.00	
Kerala	Kerala water Authority 126 Schemes	1972-93	4639.00	
Maharashtra	(i) 9 Districts		1092.49	
	(ii) Pune		33.82	
	(iii) Malegaon		110.36	
Manipur	8 Divisions	1987-97	144.34	
Orissa	5 Divisions	1990-97	150.62	Execution of PWS schemes.
Punjab	(I) 5 Divisions		157.00	Minisitry deducted the amount from 2nd instalment of grant for 1997-98.
	(ii) 7 RWS Divisions	1993-94	257.00	
Rajasthan	At State level		1412.00	
Sikkim	154 Schemes	1992-97	32.88	
Tamil Nadu	At State level	1992-97	2572.00	The Ministry adjusted the amount from the 2nd instalment of grant for 1997-98.
Uttar Pradesh	(i) 7 Districts	1992-97	312.42	The Ministry deducted the amount from the second instalment of grant for 1997-98.
	(ii) Unnao District	1994-96	363.12	
Nagaland	(i) PHED	1992-97	7047.00	Operation and maintenance expenses.
	(ii) Wokha (Lotha Middle Range)		33.27	Execution of scheme.
West Bengal	6 Districts		1673.09	
		Total	34842.98	

APPENDIX XXXVI

(Refers to paragraph 6.6.8)

Rush of expenditure

(Rupees in lakh)

State	Year	Total expenditure during the year	Expenditure during March /Last Quarter	Percentage
Arunachal Pradesh (10 divisions)	1996-97	1510.14	549.81	36
Bihar (8 divisions)	1992-96	383.41 (amount alloted at the fag end of year)	202.41	53
Himachal Pradesh	1992-97	1658.04	1006.13	61
Rajasthan	1990-97	53525.00		11-88
Maharashtra	1993-94	2635.61	1033.07	39
	1994-95	1819.39	1029.21	57
	1995-96	1475.59	1321.03	90
Manipur	1993-94	304.59	182.15	60
	1995-96	329.53	189.31	57
	1996-97	637.82	345.63	54

APPENDIX XXXVII
(Refers to paragraph 6.9.2)

Time and cost over-run in execution of works

(Rupees in lakh)

State	No. of schemes test-checked	No.of spill over scheme			Time over-run (in months)	Cost over-run	Reasons, if any
		Completed	In progress	Total			
Andhra Pradesh	78	2	76	78	36 to 84	54.50	48 schemes could not be commissioned for want of power supply, 35 RWS schemes not commissioned due to non - feasibility, non-accessibility and existence of sufficient number of shallow wells.
Arunachal Pradesh	251	147	104	251	3 to 36	48.40	Schemes lying incomplete due to paucity of funds.
Assam	(i) 347 in 9 Divisions	278	69	347	12 to 120	1250.12	Cost over-run in completed schemes was Rs. 1121.77 lakh and Rs 128.35 lakh for incomplete schemes.
	(ii) 11		11	11	upto 72 months	---	
Bihar	(i) 889	420	469	889	---	---	361 schemes were not working due to electrical and mechanical reasons and leakages of pipes. 108 schemes remained incomplete as of March 1997.
	(ii) 7		7	7	Upto 120 months	---	Lying incomplete due to paucity of funds, dryness of water source, mechanical defects, etc.
Gujarat	4	-	4	4	12 to 24	322.00	Delay in completion was mainly due to processing of cases.
Himachal Pradesh	152	104	48	152	3 to 133	443.04	46 schemes sanctioned between 1977-96 were lying incomplete.
Jammu and Kashmir	145	141	4	145	upto 192	965.48	---
Karnataka	212	17	195	212	Upto 132		---
Kerala	129	32	97	129	---	4639.00	15 schemes sanctioned during 1994-96 at an estimated cost of Rs 4350 lakh were not taken up as of July 1997 due to problem in land acquisition, delay in getting power connections, etc.
Maharashtra	238	238	---	238	---	1092.49	---
Manipur	(i) 66	66		66	12 to 108	144.34	---
	(ii) 89	19	70	89	12 to 120	68.34	70 schemes were lying in-complete due to non availability of materials, GI pipes, etc. and dispute over water sources.

State	No. of schemes test-checked	No.of spill over scheme			Time over-run (in months)	Cost over-run	Reasons, if any
		Completed	In progress	Total			
Meghalaya	(i) 312	---	312	312		---	Rs 10.56 crore were spent upto March 1997.
	(ii) 43		43	43	36 to 168		Lying incomplete after incurring expenditure of Rs.374.04 lakh due to dispute over the water sources (7 schemes), slow execution of work by contractors (9 schemes), non-providing of power line (8 schemes), shortage of materials (9 schemes), etc.
Nagaland	(i) 60	35	25	60	---	40.80	10 schemes were abandoned midway.
	(ii) 38	28	10	38	48 to 84	68.51	
Orissa	2	--	2	2	Upto 48 months	---	---
Punjab	(i) 24	24	-	24	12 to 24	157.00	---
	(ii) 59	59		59		257.00	
Rajasthan	(i) 31		31	31	upto 144 months	401.46	In 3 schemes, the original estimates was revised from Rs 709.73 lakh to Rs 1203.88 lakh
	(ii) 26	1	25	26			Three defluoridation plants though completed at a cost of Rs 13.52 lakh were not commissioned. 22 plants lying incomplete since 1991 after incurring expenditure of Rs 98.14 lakh.
Sikkim	(i) 154	92	62	154	1 to 29	32.88	The cost over-run relates to only 31 schemes sanctioned during 1992-97.
	(ii) 4	-	4	4	24-25		The works were got executed from 7 Gram Panchayat nominees, issuing 10 work orders valuing Rs 11 lakh and more, instead of line departments.
Tripura	21		21	21	Upto 48 months		
West Bengal	161	71	90	161	48 to 168	1673.09	Delay in land acquisition and supply of power.
Total	**3553**	**1774**	**1779**	**3553**		**11658.45**	

APPENDIX XXXVIII

(Refers to paragraph 6.9.3)

Schemes abandoned/inoperative

(Rupees in lakh)

State	District/Scheme	No.of scheme	Period from which abandoned/in-operative	Expenditure incurred	Remark
Andhra Pradesh	(i) Kurnool	One Summer storagae tank	December 1994	78.83	Defective and sub-standard works.
	(ii) Kurnool	4 PWSS	---	3.43	
	(iii) Kurnool	One CPWSS	March 1977	326.22	In-operative for want of water sources.
	(iv) Prakasam	Parchur project	1993	980.00 48.77	Partially failed, mop-up activities taken up at a cost of Rs 290 lakh, and Rs 48.77 lakh had been incurred as of March 1997.
	(v) -do-	1185 borewell	—	237.00	Non-functional.
Arunachal Pradesh	Tezu, PHED	Schemes for Nonglaw, Khamti and Chingtow	—	10.29 6.55	Works taken up without ascertaining sustainability of water sources. Sources of water dried up.
Assam	(i) 9 Divisions	34 Pws	in-operative between June 1991 to January 1997	506.79	In-operative due to non-supply of power connection and less discharge of water, etc.
	ii) Tezpur PHED II	1	February 1992	11.61	In-operative.
	(iii) 9 Division	1278 Spot sources	--	---	In-operative.
Bihar	PHEDs	361 RWSS	---	---	Not working due to electrical and mechanical reasons, leakage of pipes,etc.
Gujarat	(i) Sabarkantha Scheme	One scheme	As of February 1997	329.00	
	(ii) Various Works	146 PWSS	Completed upto August 1996	353.00	Cost relates to 130 schemes. Cost of 16 schemes was not available.
Haryana	Rewari	1		1.11	
Jammu & Kashmir	(i) 2 Divisions	67	Completed during 1992-97	1536	In-operative due to decrease in discharge of water sources..
	(ii) PHED, Reasi	Reasi scheme	August 1992	136.00	
	(iii) PHEDs	6	1990-95	161.00	
Karnataka	(i) ...	78 works	Between February 1995 to March 1995	117.00	Not commissioned for want of power connection
	(ii) Gulbarga	1 PWS	January 1997	3.83	Abandoned due to absence of clear title and transfer of land to government.

State	District/Scheme	No.of scheme	Period from which abandoned/in-operative	Expenditure incurred	Remark
Kerala	(i) Kasaragod	Scheme for Chengala Panchayat	October 1996	4.54	Abandoned.
	(ii) Idukki	Scheme for Kudayathur	March 1996	64.69	Terminated/not taken up as of August 1997.
Maharashtra	(i) 2 Districts	65	As of April 1997	28.81	Not retaining water.
	(ii) Pune	3	-do-	84.56	
	(iii) 18 Divisions and 9 district offices.	2351	-do-	12835.63	Additional expenditure of Rs 293.34 crore was incurred further for rejuvenation
	(iv) Parbhani	One	March 1990	23.73	In-operative.
	(v) 5 Districts	65			Water sources inadequate.
Manipur	(i) Chandel	One	May 1996	11.13	Abandoned. GI pipes worth Rs 5.32 lakh were stolen.
	(ii) 2 District	11	1990-1995	27.41	Sources dried up reportedly due to large scale deforestation.
	(iii) 5 Division	27	1994-96	33.54	Villagers shifted/ migrated.
Mizoram	Aizawl	One	1990-91	7.41	
Nagaland	(i) 5 PHED	60			Of 60 schemes, 10 were abandoned.
	(ii) Wokha	Lotha Middle Range		153.00	Details of expenditure of Rs 13.02 lakh were not produced. Stores worth Rs 99.96 lakh were lying at sites. No physical verification carried out.
	(iii) 3 districts	10		88.92	Abandoned. Accounts for material salvaged not maintained. Though the work was abandoned, Rs 25.28 lakh were further unauthorisedly spent.
Orissa	28 districts	229 PWSS	1991-97	4449.77	Non-operational.
Tamil Nadu	Salem	2 works	1994	5.81	Due to public objection, court cases, etc.
Tripura	(i)PHE circle and 2 PHEDs	15			Defunct due to low discharge of water, etc.
	(ii) PHE circle	17 tubewells		53.14	Nine were abandoned and eight were not commissioned.
Uttar Pradesh	(i) Balia (ii) Unnao	5 7 tubewells	March 1994 March 1997	45.76 64.94	For want of funds.
West Bengal	(i) Purulia	Chekya, WSS	As of June 1997	100.84	
	(ii) 24 Paraganas (south) and Midnapore	4 schemes	-do-	128.00	Due to shortage of water.
	(iii) North 24 Paraganas	2 Tubewells	-do-	13.00	Non-functional.
	Total	**6048**		**23071.06**	

APPENDIX XXXIX
(Refers to paragraph 6.10.3)

Handpumps/tubewells/borewells not functioning/failed

State	District	No.of handpumps/ tubewells/ borewells	Since when lying defunct	Expenditure incurred(Rs in lakh)	Remarks
Andhra Pradesh	Prakasam	1185 borewells	---	237.00	
Arunachal Pradesh	---	35 handpumps	1985-86	---	Due to defects in head cylinder and draw down pipes.
Assam	(i) 9 divisions (ii) PHED	1278 water sources 19894 water sources and 297 PWS schemes	---- ---	---- ---	Due to paucity of funds. ---
Goa	North Goa	15 tubewells	1 to 13 years	---	---
Gujarat	(i) Gujarat Water Supply and Sewerage Board	3637 handpumps	---	---	Dried up water sources.
	(ii) Dharampur Taluka	205 bores and 3 wells	---	32.50	Failed.
Karnataka	(i) Haveri ZPED	355 handpumps	1994-95	88.75	Lack of repairs and maintenance
	(ii) 10 ZPEDs	485 borewells	-	100.68	Failed
	42 ZPEDs	291 borewells	-	107.00	Less yield of water.
Maharashtra	State Governme -nt	12971 handpumps and 2328 power pumps	1992-95	-	Lying in-operative due to non-attendance of repair calls.
Manipur	(i) 6 districts (ii) 8 districts	43 handpumps 189 bores	1985-97 1992-97	4.16 41.18	Blockage of pipes, less yielding of water and drying up of acquifers.
Meghalaya	Executing Divisions	980 handpumps	1992-97	-	13 to 20 *per cent* of the installed handpumps became non-functional due to paucity of funds, non-repair/ replacement of damaged handpumps, etc.
Mizoram	(i) PHED	163 handpumps	---	67.76	Lack of maintenance and repairs.
	(ii) PHED (iii) PHED	307 borewells 107 borewells	1992-97 1992-97	 23.93	Unsuccessful bores. Handpumps were not installed due to collapse of the boreholes and leakage of water inside the boreholes.

State	District	No.of handpumps/ tubewells/ borewells	Since when lying defunct	Expenditure incurred(Rs in lakh)	Remarks
Punjab	Ludhiana district	4 tubewells	---	8.83	
Rajasthan	---	295 km pipelines	1985-94	121.61	The pipelines were non-functional due to non-availability of water at full designed pressure.
	(ii) 5 divisions	17 tubewells	1991-97	64.07	Abandoned due to non-availability of water and low yield in 2 Divisions. Casing pipes were not removed.
	(iii) 3 districts	19 tubewells	1991-96	36.79	7 tubewells not commissioned due to non-obtaining of power connection, one required further improvement and rest were reportedly commissioned as of February 1998.
	(iv) 4 districts	242 handpump	1984-96	-	Casing pipes were not removed.
Orissa	(i) State Governme -nt.	20845 tubewells	upto March 1997	-	Lying defunct due to choking or sources being dry.
	(ii) Six RWSS	371 borewells 417 borewells	1992-97 1992-97	55.16 219.08	Abandoned due to dried up water sources/inadequate discharge of water
Tamil Nadu		4020 handpump 1445 power pump	As of May 1997	-	Non-functional.
Tripura	Rural Develop-ment Depart-ment	3119 water sources	As of March 1997	-	Non-functional due to low discharge of water.
West Bengal	(i) Purulia Mechanical Division	96 tubewells	1992-97	3.49	Lying defunct due to depreciation of boring materials and mishandling of handpumps.
	(ii) North 24 Paraganas	2 tubewells	October 1996	13.00	Non-functional due to non-sinking of tubewells upto the required depth.
Bihar	22 Divisions	1619 borewells	1992-97	16.50	Unsuccessful bores due to non-application of scientific measures in source finding.
	Total	**77279**		**1241.49**	

APPENDIX XL
(Refers to paragraph 6.11)

Excessive purchase of materials resulting in heavy inventory and other shortcomings relating to management

(Rupees in lakh)

State	District (name of project)	Material	Period	Amount	Remarks
Andhra Pradesh	(i) 4 districts	Pipes,collars and cast iron special	---	49.75	Lying unutilised for 1 to 7 years.
	(ii) Anantapur	Pumpsets and accessories	1991-92	8.47	
	(iii) Mahabubnagar	Material	1988-94	1.68	Material purchased without establishing water sources.
Assam	(i) PHED	Mark III handpumps	1995-96	117.42	
	(ii) CPHE, Assam	Laboratory equipment	November 1994	14.32	Laboratory had not been set up.
Bihar	(i) 7 PHEDs	Materials	1991-97	1309.74	Accounts of the material reportedly transferred to various Assistant Engineers were not furnished.
	(ii) PHEDs	46141 Handpumps	1991-97	1789.00	Excess purchase, lying in stock.
	(iii) PHEDs	7800 Handpumps and 3.66 lakh 32 mm GI Pipes	1992-94	449.00	Purchased IM II handpumps though purchase of these were stopped.
Gujarat	11 division	Materials	---	340.00	Lying unutilised for six months to 25 years.
Goa	Pernam Taluka- 8 schemes	CI pipes	December 1990-92	262.08	Materials worth Rs. 40.68 lakh were transferred to other schemes and materials worth Rs. 5.40 lakh were stolen. Materials worth Rs. 216 lakh were lying unutilised.
Himachal Pradesh	3 divisions	Materials	1982-97	31.16	
Karnataka	(i) 8 ZEPDs	Materials	1992-97	---	Closing stocks worth between Rs 2.55 crore and Rs 5.06 crore at the end of each year.Stock verified in September 1992 revealed shortage of material worth Rs 27.85 lakh in Gadag and Haveri.
	(ii) ZPED Shimoga	26 handpumps		1.20	Short accounted for.
	(iii) Shimoga and Sagar, ZPEDs	Materials	As of April 1997	308.00	
Manipur	(i) PHED	300 pump sets	October 1995	22.59	As of February 1998, 277 pump sets were lying in store.

State	District (name of project)	Material	Period	Amount	Remarks
	(ii) PHED	35223 metres of GI Pipes 2.50 lakh metres of polypipes	March 1997	103.26	Pipes were issued to various divisions for utilisation.
Maharashtra	(i) 4 Test - checked districts	Material	March 1996	120.73	Lying in stock.
	(ii) Latur district	PVC pipes	September /November 1995	3.64	Purchased without approval of competent authority.
Meghalaya	i) 3 Divisions	Water supply fittings	1973-91	72.26	Lying in stock.
	(ii) Jowai	Material		15.91	Materials were stolen.
Mizoram	PHED	193 Mark II and 201 mark III hand pums	1990-97	12.40	Lying in stock .
Nagaland	(i) Kohima store Division and Dimapur store Division	Materials	1990-97	3204.63	Supply order were placed without assessing the requirement of stores held in reserve stock. As of March 1997 materials worth Rs 2261 lakh were lying in stock. In Dimapur, infact the suppliers assessed the departmental requirements of GI pipes and PS tanks and requested VVIPs to advise the department to issue supply orders in their favour.
	(ii) PHED	Materials	---	14.85	Loss due to purchase of materials from local supplier instead of from the manufacturer or through approved contractors/DGS&D and irregular fixation of prices.
Orissa	(i) 5Divisions and 2 Mechanical Divisions	Materials	---	829.46	Lying in stock as of March 1997.
	(ii) 4 Civil Divisions and 2 Mechanical Divisions	Pipe and Hand pumps	1992-97	595.82	Lying in stock.
	(iii) 4 Divisions	Materials		13.98	Materials were issued to contractors without entering into agreement or bank guarantee of equivalent amount. As of August 1997, no action to recover the material was taken.
Rajasthan	(i) 5 Divisions	Materials	1983-96	101.92	Materials like AC pipes, GI pipes and jointing materials worth Rs. 18.19 lakh were purchased although there was no such provision in the scheme.
	(ii) WSS Jogasar Sarli	Pipes	---	102.20	Extra expenditure due to delay in according sanction.

State	District (name of project)	Material	Period	Amount	Remarks
Tripura	(I) Executive Engineer, RD, Division West Tripura	GI pipes	1983-84	2.48	The pipes had not been utilised for more than 13 years.
	(ii) EERD, Division South Tripura district	Material	May 1989 to February 1996	3.87	
	(iii)EERD, Division, Dhalai	Materials	between November 1996 and June 1997	41.73	The materials were purchased without inviting open tender and without obtaining approval of the Higher Purchase Committee.
	(iv) EERD	5649 Filters	1996-97	11.30	5649 filters remained unutilised .These were kept on road side.
	(vi) 3 BDOS	3839 Filters	1996-97	8.76	Details of distribution not furnished.
West Bengal	(i) Resource Division and Barasat Division	AC pipes and CII pipes	1989-94	370.00	The material purchased in excess was not issued till December 1994. Of the unutilised material in Resource Division, material worth Rs. 114.00 lakh became unserviceable.
	(ii) 3 districts	Detachable Joints	1994-95	4.83	
	(iii) Mechanical Division, Purulia	Spares and equipments	1992-93	84.74	Materials purchased without inviting quotations/tenders.
	(iv) Resource Division	Materials	1989-94	241.00	The quantity of material received from Resource Division was not accounted for. As the quantity account could not be verified, theft and misappropriation of materials could not be ruled out.
	(v) Resource Division	Materials	1989-94	114.00	Materials became unserviceable due to prolonged storage.
			Total	10778.18 plus 46.04	Shortages and purchased without provision.
Grand Total				**10824.22**	

APPENDIX XLI
(Refers to paragraph 6.12.1)

Performance of stationary water testing laboratories

State	No. of laboratories	Period	Samples tested		%age of achievement	Remarks
			Target	Achievement		
Andhra Pradesh	6	1992-97	180000	35309	20	
Arunachal Pradesh	1	1992-97	-	-	-	Lying non-functional
Assam	4	1992-97	30000	10775	36	
Bihar	5	Between 1992-93 and 1996-97	42000	6528	16	
Gujarat	4	1992-97	24000 *per annum*	Ranged between 298 and 2032	1-8	
Haryana	5	1995-96	30000	Ranged between 139 and 2191		
Jammu & Kashmir	2	1992-97	30000	-		One non-functional and another partially functional
Karnataka	5	1992-97	150000	-	-	The laboratories were not functioning.
Karala	3	1994-96	31353	12394	40	
Meghalaya	1	1993-97	24000	16	negligible	
Manipur	1	1992-97	30000	794	3	
Mizoram	2	1990-97	84000	16164	19	
Nagaland	2 (One mobile laboratory)	1991-97	-	-	-	Lying defunct since 1991. The Department incurred Rs 43.14 lakh on pay and allowances of regular staff and work charged staff.
Orissa	6	1992-97	180000	8605	5	
Punjab	3	1992-97	90000	Ranged between 627 and 1620	1-2	
Rajasthan	4	1992-97	84000	6122	7	
Sikkim	2	1992-97	60000	515	1	
Tamil Nadu	14	1992-96	336000	58060	17	5 of 14 laboratories tested only 1343 samples
Tripura	1	1994-97	90000	17	negligible	
Uttar Pradesh	7	1992-97	-	-	-	5 laboratories were non-functional. Water quality testing of new sources created was not done.