



सत्यमेव जयते

REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR ENDED 31 MARCH 1989
NO. 16 OF 1990

UNION GOVERNMENT—CIVIL
RURAL LANDLESS EMPLOYMENT GUARANTEE PROGRAMME

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GLOSSARY OF TERMS AND ABBREVIATIONS

Agricultural labour	A person without any land other than homestead and deriving more than 50 <i>per cent</i> of his income from agricultural wages
BDO	Block Development Officer
CAPART	Council for Advancement of People's Action and Rural Technology
CPAC	Central Project Approval Committee
DRDA	District Rural Development Agency
FCI	Food Corporation of India
IAY	Indira Awaas Yojana
KLAC	Karnataka Land Army Corporation
Marginal farmer	A person with a land holding of 2.5 acres or below. In case of Class I irrigated land, ceiling will be 1.25 acres
MI	Minor Irrigation
Marginal worker	A person who worked for some time during the year, but not for major part of the year i.e. one who worked for less than 183 days or six months
NREP	National Rural Employment Programme
Poverty line	A family having an annual income of Rs.6400 or less
PWD	Public Works Department
PDS	Public Distribution System
RLEGP	Rural Landless Employment Guarantee Programme
SCs/STs	Scheduled Castes/Scheduled Tribes
ZP	Zilla Parishad

PREFATORY REMARKS

This Report of the Comptroller and Auditor General of India containing a review on the "Rural Landless Employment Guarantee Programme" has been prepared for submission to the President under Article 151 of the Constitution of India.

The points mentioned in the review are those which came to notice in the course of test audit.

OVERVIEW

This Audit Report contains review on "Rural Landless Employment Guarantee Programme". The programme, fully funded by Central Government, was launched in August 1983. The basic objective was improvement and expansion of employment opportunities for the rural landless labour with a view to providing guarantee of employment to at least one member of every rural landless household upto 100 days in a year. The programme stood merged with "Jawahar Rozgar Yojana" from April 1989.

Against the assessed annual requirement of Rs.3750 crores, for providing employment guarantee to the extent envisaged in the programme, annual availability of funds ranged between Rs.100 crores and Rs.762 crores during the years 1983-89. The release of Rs.762 crores in 1988-89 would have been adequate to provide employment for 22 days. Guarantee of employment upto 100 days was not operationalised due to constraint of resources.

Funds aggregating Rs.3140 crores including the value of foodgrains were released to States during the years 1983-89 against which utilisation was about

Rs.2797 crores.

Diversion of programme funds aggregating Rs.26.50 crores to other schemes and activities not covered under the programme was noticed in test check in several States. This included Rs.10.66 crores utilised for the purchase of cars, jeeps, air - conditioners, video cameras and for investment in term deposit and National Savings Schemes. Foodgrains released to workers engaged on programme works were diverted to public distribution agencies and to other schemes and purposes in several States.

During 1983-89, employment generation under the programme was 14172 lakh mandays against target of 13310 lakh mandays. Statistics relating to employment generation were worked out on notional basis by dividing the wage component of the outlay by prescribed minimum wage rates. Cost of material was also included for computing generation of mandays in some cases. Statistics of employment generation was thus inflated. Though the programme was intended for the rural landless labourers, employment of rural landless labourers constituted only 38 to 47 per cent of the

total mandays generated during 1985-86 to 1987-88.

Contractors and other intermediate agencies were not to be engaged for execution of works so as to ensure that full benefits of wage component reached the workers. Test check revealed that works costing Rs.4.58 crores were got executed through contractors and other intermediate agencies. Instances of payment of wages at rates lower than the prescribed minimum wage rates were noticed. Under payment of wages worked out to Rs.57.18 lakhs for 19.06 lakh mandays in Rajasthan.

The programme envisaged payment of part of the wages in the form of subsidised foodgrains. Wages amounting to Rs.366.05 lakhs were paid in cash in lieu of foodgrains depriving the labourers of the benefit of subsidy on foodgrains.

Handling and transportation subsidy on foodgrains totalling Rs.198.81 lakhs in Gujarat and Rs.456.88 lakhs in Tamil Nadu was adjusted irregularly at the maximum permissible rate and not on the basis of actuals.

Octroi charges amounting to Rs.33.60 lakhs on foodgrains were paid to Orissa State Civil Supplies Corporation though the same were to be borne by the State Government.

In Gujarat and Maharashtra, 66.58 lakh gunny bags valued Rs.133.16 lakhs remained unaccounted.

Projects involving total cost of Rs.28.54 crores were taken up without the approval of the Ministry. Expenditure of Rs.24.15 crores was incurred on works not covered by technical sanctions in several States.

Funds under the programme were earmarked for construction of microhabitats and houses under the Indira Awaas Yojana. Expenditure of Rs.107.89 lakhs was incurred on construction of houses in Haryana and Karnataka in excess of the prescribed ceiling unit cost. Due to lack of basic amenities, out of 604 houses constructed at a cost of Rs.58.71 lakhs, 446 houses remained unoccupied for period ranging from 7 to 26 months in Karnataka. In Uttar Pradesh, out of 1873 houses costing Rs.174.89 lakhs, 1241 houses remained unoccupied for more than two years.

Against the prescribed allocation of 25 per cent for social forestry, the Ministry allocated about 11 to 14 per cent of the programme funds during 1985-86 to 1988-89. Expenditure of Rs.87.82 lakhs was irregularly incurred for maintenance of plantations on private lands and for supply

of oil engines, electric motors, bulls and bullock carts to individuals during 1985-89 in Andhra Pradesh. Expenditure incurred on raising and maintenance of plantations in Assam during 1984-87 exceeded the prescribed norms by Rs.79.78 lakhs. In Tamil Nadu, 88 lakh seedlings raised after incurring an expenditure of Rs.29.04 lakhs could not be utilised for plantation due to non-availability of land rendering the expenditure infructuous. An amount of Rs.127.26 lakhs was spent on raising 421.23 lakh seedlings in excess of requirement in Uttar Pradesh between 1985-86 and 1988-89.

Commencement of a project for restoration of ecosystem in Idukki district of Kerala without adequate investigation led to closure of the project after incurring expenditure of Rs.110.45 lakhs, which rema-

ined largely unproductive.

Monitoring of the programme at the Centre and in the States was not effective. The Ministry did not have information regarding the number of projects taken up, completed, in-progress or abandoned in each State out of the total projects approved by them. The Ministry did not also have complete information on implementation of social forestry schemes for which funds were earmarked. State Level Coordination Committees did not meet regularly to review the programme.

No evaluation of the programme for the country as a whole had been carried out. Limited evaluation studies were carried out at the instance of the Ministry in respect of Indira Awaas Yojana in Gujarat, Haryana, Madhya Pradesh and West Bengal.

Ministry of Agriculture

(Department of Rural Development)

Rural Landless Employment Guarantee Programme

1. Introduction

'Rural Landless Employment Guarantee Programme' (RLEGP) was launched in August 1983 by the then Ministry of Rural Development now, the Ministry of Agriculture (Department of Rural Development), hereafter referred to as the Ministry.

RLEGP, as originally conceived, had the following basic objectives:

- Improvement and expansion of employment opportunities for the rural landless labour with a view to providing guarantee of employment to at least one member of every rural landless labour household upto 100 days in a year; and
- creation of durable assets for strengthening rural infrastructure which would lead to rapid growth of rural economy.

On the recommendations (December 1984) of the Working Group on Rural Development for the Seventh Plan,

the objectives of RLEGP were enlarged to include improvement in the overall quality of life in rural areas and bring the poor above the poverty line.

The programme stood merged with Jawahar Rozgar Yojana launched in April 1989.

2. Scope of Audit

The implementation of RLEGP during 1983-84 to 1988-89 was test checked in the Ministry and in selected districts/blocks of 29 States* during March 1989 to November 1989. Records of the Council for Advancement of People's Action and Rural Technology (CAPART), which distributed grants obtained from Central Government to voluntary agencies for undertaking RLEGP works were also test checked.

A copy of the draft review was sent to the Ministry in January 1990 for confirmation of facts and figures and comments. The Ministry furnished the reply in September 1990 in respect of certain aspects, also stating that their comments

*States include Union Territories also

on the points relating to States/Union Territories would be furnished after obtaining the same from the latter. The reply furnished by the Ministry had been given due consideration while finalising this review. Further comments from the Ministry were not received (October 1990).

3. Organisational set up

The Central Committee for National Rural Employment Programme (NREP), headed by the Secretary, Rural Development, was to provide overall guidance, lay down guidelines, undertake review and continuous monitoring of RLEGP. The Committee was responsible for sanctioning specific work projects submitted by the States for being taken up under RLEGP. Approval of the Committee was also required for any subsequent modification of the projects.

At the State level, Coordination Committee for Rural Development Programmes was responsible for planning, implementation and monitoring, etc. of the programme.

In order to ensure that projects were prepared in conformity with the objectives of the programme, a Project Approval Board headed by Chief Secretary or Development Commissioner was to be constituted in each State. Secretary, Rural Development of the State,

was to function as Secretary of this Board.

The functions of the Board included allocation of funds keeping in view the programme guidelines, initiating action for formulation and preparation of projects, clearance of projects for submission to the Central Committee for approval, review of implementation and monitoring of specified projects.

The approved projects were to be implemented through the State Government Departments, District Rural Development Agencies (DRDAs), Zilla Parishads (ZPs)/ Zilla Praja Parishads and/or other agencies as decided by the State Government.

4. Outline of the programme

RLEGP envisaged generation of employment through works relevant to the 20 point programme and the Minimum Needs Programme. Shelf of projects and Annual Action Plans relevant to the above programmes, were to be prepared by each State. Projects were to be planned so as to ensure an optimal mix of different sectoral activities leading to maximisation of employment and benefit to the rural community through the creation of productive, durable community assets. Works were to meet appropriate technical standards and specifications.

The rates of wages to be paid under RLEGP for a category of employment were to be the same as notified for the relevant schedule of employment under the Minimum Wages Act. Not less than 50 per cent of the total cost of a project was to be utilised on wage component. Wages were to be paid partly in cash and partly as food-grains. Contractors/middlemen/intermediate agencies were not to be engaged for execution of works so that full benefit of wages could reach the workers.

Allocation of resources to the States upto 1984-85 was on the basis of prescribed criteria giving 75 per cent weightage to the number of agricultural labourers, marginal farmers and marginal workers and 25 per cent weightage to incidence of rural poverty. From 1985-86 weightages were revised to 50 per cent each for the corresponding factors on the basis of a study conducted by a Working Group of the Planning Commission.

Ten per cent of the annual allocation of resources to the States was to be earmarked for projects for direct and exclusive benefit to Scheduled Castes (SCs) and Scheduled Tribes (STs) and 25 per cent for social forestry works (20 per cent upto 1985-86). These earmarked allocations were not to be diverted to other sectors.

5. Planning

At the time of introduction of RLEGP, another wage employment programme - National Rural Employment Programme (NREP) launched in October 1980 was already in operation. The essential difference between the two programmes was as under:

- The target group under RLEGP was the rural landless labour while NREP sought to provide employment for the unemployed and under-employed in the rural areas.
- RLEGP sought to provide guarantee of employment to at least one member of every rural landless labour household upto 100 days in a year while no such guarantee of employment was envisaged under NREP.
- RLEGP was fully funded by the Central Government whereas funding of NREP was shared equally between the Central and State Governments.

However, appropriate methodology for identifying rural landless labour and operating guarantee of employment as envisaged was not evolved.

Test check in selected districts in Andaman and Nicobar Islands, Andhra

Pradesh, Arunachal Pradesh, Assam, Bihar, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Orissa, Pondicherry, Punjab, Tamil Nadu, Tripura and Uttar Pradesh, revealed that survey to assess the number of rural landless labour had not been undertaken.

The Ministry stated (September 1990) that the rural landless labourers are a class of people living in the rural areas who have no land and depend wholly on wage employment for their livelihood. This class of people includes not only fully landless but may also include such section of the people whose major income is on account of wage income and therefore, include small and marginal farmers too.

In the absence of reliable data relating to landless labour in the States, allocation of resources to the States was made on the basis of population below poverty line, number of agricultural labourers, marginal farmers and workers.

Against the Ministry's assessed annual requirement of Rs.3750 crores, for providing employment guarantee to the extent envisaged, annual availability of funds ranged between Rs.100 crores and Rs.762 crores during 1983-84 to 1988-89. Based on the assessed annual req-

uirement of Rs.3750 crores to provide employment guarantee for 100 days in a year the maximum annual release of Rs.762 crores would have been adequate to provide employment for only 22 days on an average to one member of landless labour household. The Ministry was unable to operationalise the guarantee of employment to landless labour household due to constraint of resources.

Guidelines issued by the Ministry contemplated preparation of shelf of projects and annual action plans by States for works to be undertaken under the programme. Shelf of projects was to include works benefiting weaker sections of the community, priority being given to works in areas having predominance of landless labour, SCs/STs, concealed bonded labour, areas identified as low wage pockets and works benefiting rural women. However, compliance of this requirement was not ensured. Test check in the States revealed that, in Andhra Pradesh, Assam, Chandigarh, Haryana, Jammu and Kashmir, Kerala, Madhya Pradesh, Mizoram, Pondicherry, Punjab, Tripura and West Bengal, shelf of projects was not prepared.

The Ministry stated (September 1990) that under the programme, the responsibility to ensure that the projects are prepared in conformity with the

guidelines, out of the shelf of projects vested with the Project Approval Board at the State level.

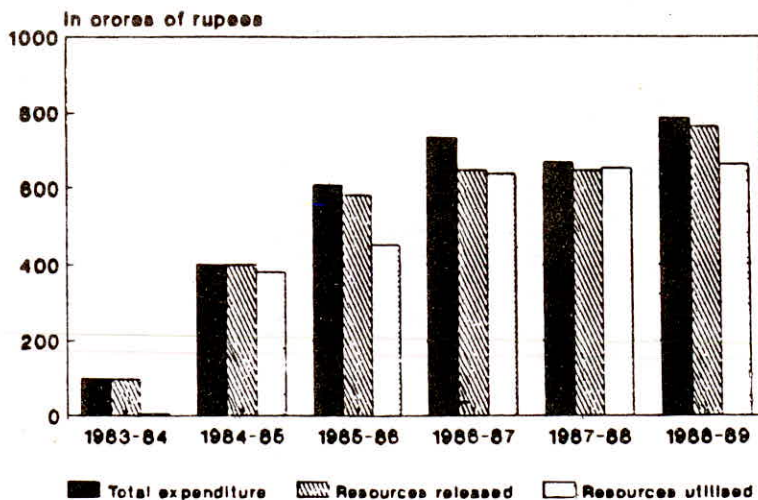
6. Financial outlay

According to records of

the Ministry, total expenditure, resources (cash funds and value of foodgrains at subsidised rates) released to States and resources utilised by them during 1983-84 to 1988-89 under RLEGP were as under:-

Year	Total expenditure	(Rupees in crores) Resources	
		released to the States	utilised by the States
1983-84	99.90	100.00	6.21
1984-85	399.51	399.97	378.53
1985-86	606.49	580.35	453.17
1986-87	733.22	649.96	635.91
1987-88	666.86	648.41	653.53
1988-89	785.80	761.55	669.37
Total	3291.78	3140.24	2796.72

FINANCIAL OUTLAY



Figures under total expenditure include, besides the amounts released to the States, funds provided to Food Corporation of India (FCI) from 1985-86 onwards towards cost of foodgrains supplied for the RLEGP; CAPART (1985-86 onwards) for release to voluntary agencies implementing the programme and National Technology Mission on Drinking Water for schemes of water harvesting structures.

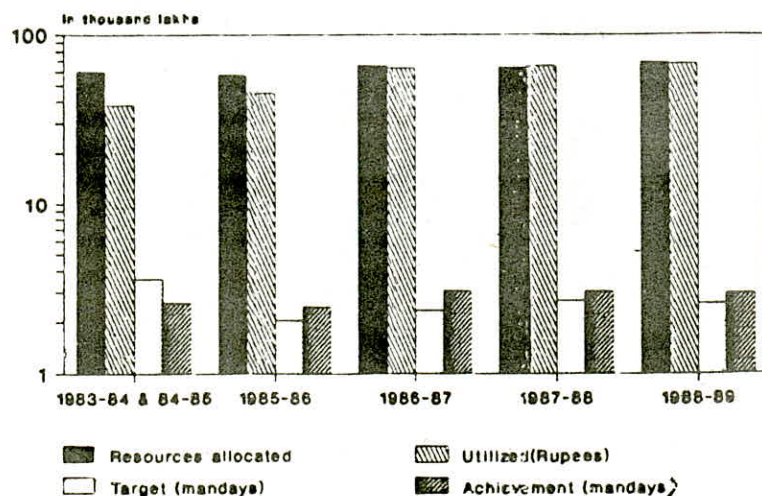
Funds reported as utilised included amounts paid as advance to the implementing agencies.

7. Employment generation

Target for employment generation and achievement thereagainst as well as resources utilized under RLEGP in States from 1983-84 to 1988-89 as per the records of the Ministry were as under:

Year	Resources allocated (Rupees in lakhs)	Resources utilized (3)	Percent- age of (3) to (2)	Employment generation		
				Target (in lakh mandays)	Achieve- ment (6)	Percent- age of (6) to (5)
1	2	3	4	5	6	7
1983-84 and 1984-85	60,000.00	38,474.24	77.0	3,600.00	2,628.10	73.0
1985-86	57,400.00	45,317.32	78.9	2,057.32	2,475.76	120.3
1986-87	65,151.04	63,591.45	97.6	2,364.47	3,061.43	129.5
1987-88	63,955.96	65,353.09	102.2	2,684.15	3,041.06	113.3
1988-89	67,995.00	66,937.08	98.4	2,604.19	2,965.57	113.8
				13,310.13	14,171.92	

Employment generation



The Ministry fixed targets for employment generation for each year presuming wage and non-wage ratio in the allocated amount as 50:50. The target for each State was determined by dividing the resources allocated by twice the statutory minimum wage rate as prevalent in the State during the year.

Reliability of the reported achievements could not be vouched in view of the aspects mentioned below:

7.1 Defective system of reporting

According to the guidelines in the RLEGP manual, figures of employment generation were to be compiled on the basis of muster rolls. However, test check revealed that in Andhra Pradesh, Bihar, Karnataka (Agriculture Department), Kerala, Madhya Pradesh, Nagaland, Punjab, Sikkim and West Bengal (six Panchayat Samitis under Birbhum Zilla Parishad, Burdwan Forest Division and Jalpaiguri Zilla Parishad), employment generation statistics were computed on notional basis by dividing the wage component of the outlay by the prescribed minimum daily wage rate. They were not based on actuals as per muster rolls.

In Maharashtra, Social Forestry Department, Thane reported figures of manday generation during 1986-87 to

1988-89 by dividing the actual expenditure including non wage component also by minimum wage rate, thus inflating the figures of employment generation.

7.2 Coverage of landless labourers

Though the programme was intended to provide employment preferably to landless labourers including SCs/STs, statistics compiled by the Ministry on the basis of reports obtained from States revealed that employment of rural landless labour was only 46 per cent (1985-86), 38 per cent (1986-87) and 47 per cent (1987-88) of the total mandays generated.

In Himachal Pradesh (test-checked districts of Chamba, Kangra, Kinnaur, Mandi and Shimla), employment opportunities provided to landless labourers was practically nil during 1984-85 to 1988-89.

In Kerala, against 85.32 lakh mandays and 56.74 lakh mandays generated during 1987-88 and 1988-89 (upto December 1988), 30.96 lakh mandays (36.3 per cent) and 14.56 lakh mandays (25.7 per cent) respectively, pertained to landless labourers.

Extent of coverage of landless labourers for employment generation could not be ascertained in Meghalaya, Nagaland and West Bengal

(Fishery Office, Nadia and four Forest Divisions) as no primary field data relating to this were maintained.

In Rajasthan (14 units out of 28 covered in test checked districts), mandays generated for landless labourers were 5.46 lakh constituting only 19 per cent of employment generated under the programme during 1983-84 to 1988-89.

The Ministry stated (September 1990) that the Department was of the view that the beneficiaries of the wage employment under the programme were poor belonging to SCs, STs and other weaker sections including the rural landless labour, notwithstanding the figures of employment provided to the rural landless labour during the year under reference.

7.3 Execution of works through contractors/middlemen

Contractors/middlemen or other intermediate agencies were not to be engaged for executing works under RLEGP. This was primarily to ensure that the full benefit of wage component reached workers. During test check it was seen that several works detailed in Annexure 1, involving a total cost of Rs.4.58 crores, were carried out by engaging contractors, middlemen, etc., in 11 States, during 1984-85 to 1988-89.

In Andhra Pradesh, rural link road works were entrusted to the nominees of gram panchayats in the tribal areas of Khammam and Mahaboobnagar districts at estimated rates of finished items of work. Though the estimated rates included enhanced wage rates for labour engaged in tribal areas, the nominees paid wages at ordinary rates to the workers. The unintended benefit derived by nominees worked out to Rs.2.60 lakhs in respect of 30 works test checked. The labourers were deprived of the benefit of higher wages to this extent.

In Nagaland, almost all the works costing about Rs.452 lakhs were entrusted to associations of persons for execution and payments were made to them. The reasons for such entrustment of the works in contravention of the guidelines were not on record.

7.4 Excessive expenditure on non-wage component

Guidelines provided that at least 50 per cent of the funds sanctioned for a project should be utilized towards wage component. Where non-wage component was above 50 per cent, the excess was to be met from sources other than RLEGP funds.

According to the statistics furnished by the Ministry, wage component in

the total expenditure on RLEGP formed about 57 per cent for the years 1985-86 to 1988-89. However, instances of significantly high non-wage component met from RLEGP funds in respect of specific works were noticed by Audit as indicated below:-

In Andhra Pradesh, the non-wage component varied between 55 and 90 per cent of cost of work involving excess amount of Rs.53.88 lakhs in constructing 89 school buildings and 38 road works in five districts. In Khammam, Krishna, Kurnool, Mahaboobnagar, Nellore and Visakhapatnam districts test checked, non-wage and wage components reported in the progress reports were not based on actuals but computed by apportioning the total expenditure at the prescribed ratio for wage and non-wage components.

In Assam, non-wage component was 76 per cent in road construction work in Padumbi block in Jorhat in 1988-89.

In Bihar, non-wage component varied from 55 to 59 per cent in four test checked districts (Darbhanga: 1986-87; Madhubani 1985-86 and 1988-89; Muzaffarpur: 1988-89 and Vaishali: 1985-86 and 1988-89).

In Gujarat, in 48 works implemented by six test checked offices, non-wage component ranged from 54 to

82 per cent of total expenditure.

In Haryana, in the test checked districts (Ambala, Hissar, Jind and Kurukshetra) out of the total expenditure of Rs.121.32 lakhs during 1983-84 and 1984-85 Rs.73.27 lakhs (60 per cent) were spent on non-wage component.

In Karnataka, in Shimoga district, the non-wage component in the construction of 113 latrines in 1987-88 was 75 per cent.

In Kerala, DRDA, Kottayam reported in the Annual Report for 1986-87 utilization of Rs. 169.31 lakhs (with wage component: Rs.67.71 lakhs). Ratio of wage and non-wage components which worked out to 40:60 was shown as 50:50 in the progress reports.

In Mizoram, the percentage of non wage component was 62, 57 and 62 in works relating to 'Indira Awaas Yojana', 'Construction of irrigation channels' and 'social forestry' respectively in Lunglei district in 1988-89.

In Pondicherry, the non-wage component ranged from 60 to 79 per cent of the total cost.

In Rajasthan, the percentage of expenditure on non-wage component ranged between 67 and 76 in five works executed by Public

Works Divisions, Banswara, Bhilwara, Pali, Sirohi and Panchayat Samiti, Kolayat.

In Sikkim, test check of estimate of 63 works revealed that non-wage component was 62 per cent of the total estimated expenditure.

In West Bengal, in the districts of Birbhum, Jalpaiguri and Murshidabad, against the total expenditure of Rs. 852.30 lakhs on construction of roads, minor irrigation works, houses under Indira Awaas Yojana, total non-wage component was Rs.569.51 lakhs. It was 75 per cent in Birbhum, 66 per

cent in Jalpaiguri and 65 per cent in Murshidabad.

Expenditure met out of RLEGP funds on non-wage component in excess of the prescribed ceiling of 50 per cent of the works, resulted in corresponding reduction in the availability of funds for payment of wages and employment generation under the programme.

7.5 Discrepancies in reporting

Instances of excess reporting of employment generation were noticed during test check of records in States. Illustrative cases are mentioned below:

Name of State	Reporting agencies/ Name of District	Year	Generation of mandays		
			Reported	Actual	Excess
1	2	3	4	5	6
Assam	Director, Rural Development pertaining to DRDA, Jorhat	(i) March 1985	4.25	2.49	1.76
		(ii) 1987-88	4.12	3.69	0.43
Arunachal Pradesh	Along, Changlang, Khonsa, Pashighat and Tezu	1985-86 to December 1988	2.51	2.30	0.21
Haryana	Four districts test-checked	1983-84 to 1988-89	35.90	25.15	10.75
Himachal Pradesh	13 Building and Roads Division	1984-85 to 1988-89	8.81	4.82	3.99

1	2	3	4	5	6
Punjab	Hoshiarpur (All the blocks)	1984-85	0.39	0.18	0.21
	Jalandhar (three blocks)	1987-88 to	1.02	0.12	0.90
	Patiala (four blocks)	1988-89			
	and Zilla Parishad Patiala	1984-85 to 1988-89	2.38	0.97	1.41
Rajasthan	PWD and Irrigation Divisions, Banswara and Panchyat Samitis, Ghatol and Talwara	---	1.64	1.20	0.44
Tamil Nadu	Three Public Works Highway and Rural Works, Agricultu- ral Engineering Divisions and 20 Panchayat Unions	1985-86 and 1986-87	20.96	12.14	8.82
	Tiruvannamalai Agriculture Engineering Sub-division	1984-85 and 1985-86	1.67	0.80	0.87
Uttar Pradesh	Provincial Division, PWD Rae Bareli	1987-88	3.28	3.05	0.23
West Bengal	Birbhum	1985-86	2.30	1.13	1.17

In Himachal Pradesh (Chamba, Kangra, Kinnaur, Mandi and Shimla districts), beneficiaries of Indira Awaas Yojana (IAY) were paid Rs.12,000 in instalments for a house and Rs.1,200 for a latrine inclusive of wages for carrying out construction by themselves. How-

ever, employment generation was computed on notional basis assuming 421 days for a house and 58 days for a latrine.

In Karnataka, reporting of employment generation was erroneous due to defective procedure. The mandays

generated were arrived at by dividing total wages by minimum wage rate (Rs.9.80), even though higher wages were paid to skilled workmen like carpenters, painters, etc.; In agriculture sector, in works such as gully checks, pick up weirs, ravine control structure etc., mandays generation was reported by dividing cost of both material and labour by minimum wage rate. In the Forest Department, no muster rolls were kept during 1988-89. Similarly some works in the Agriculture Department were entrusted on piece work system to individuals for which payments were made on first and final bill without being supported by labour rolls. Generation of mandays was computed by dividing the payment made to individuals by labour rate.

In Orissa, in respect of six sectoral schemes, against the actual expenditure of Rs.296.95 lakhs incurred generating 18.91 lakh mandays as reported by executing agencies during 1987-88, DRDA, Koraput reported to the State Government expenditure of Rs.308.29 lakhs and generation of 15.57 lakh mandays. Similarly against actual expenditure of Rs.33.06 lakhs and 1.38 lakh mandays generated under 'Indira Awaas Yojana' during 1987-88 as per reports of 20 executing agencies, the progress report submitted by DRDA, Puri, showed the expenditure as Rs.25.96 lakhs and man-

days generated as 1.10 lakh in respect of 29 blocks.

In Punjab (11 blocks of Amritsar, Hoshiarpur, Jalandhar, Ludhiana and Patiala districts), Rs.12.55 lakhs were paid as wages without recording entries of works done in the measurement books and without getting completion certificate though required under codal provisions.

In Tamil Nadu, 24 Panchayat Unions, five Highways and Rural Works, two Public Works and two Agricultural Engineering Divisions, Rs.36.34 lakhs spent on transportation of materials by carts in 2362 works executed during 1984-85 to 1987-88 were classified as wage component claiming generation of 1.15 lakh mandays. Further, in 238 works, executed during 1984-85 to 1988-89 by five Panchayat Unions and 18 divisions, the cost of quarry materials purchased from quarry contractors was irregularly classified as wages thereby inflating statistics of employment by 6.22 lakh mandays.

In Uttar Pradesh, during 1983-89 nine Public Works Divisions in six districts reported employment generation of 21.84 lakh mandays in excess of the norms prescribed by Public Works Department while in another nine Divisions, the reported employment generation was short by 10.6 lakh

mandays.

8. Wages

8.1 Payment of wages

(a) Rates of wages to be paid under RLEGP for a category of employment were to be the same as notified

for the relevant schedule of employment under the Minimum Wages Act. Wages under the RLEGP were to be paid partly in foodgrains and partly in cash. Test check revealed instances of payment of wages at less than the prescribed minimum wages in the following cases:

Name of State/ District/ executing agencies	Year	Prescribed rate(in Rs.)	Rate at which wages paid (in Rs.)	Remarks
1	2	3	4	5
Assam				
Kamrup and Karbi-Anglong	1984-85 to 1987-88	12 from November 1984	9	
		Skilled 19 Workers	14	
		Unskilled 17 workers	12	
Bihar				
Nine executing agencies test checked	1986-87 to 1987-88	15.85	10 and 15.55	
Haryana				
Ambala, Hissar Jind and Kurukshetra	January 1985 to October 1987	15.73 from January 1985; and 19.25 from April 1987	13 and 15	
Meghalaya				
Divisional Forest Officer William Nagar	March 1987 and August 1987	11	7	under pay- ment of Rs. 0.51 lakh for 12,665 mandays.

1	2	3	4	5
Punjab				
Amritsar Hoshiarpur, Jalandhar, Ludhiana and Patiala	1984-85 to 1988-89	Between 16.50 and 24.00	Between 15.00 and 22.00	Under pay- ment of Rs.5.77 lakhs for 1.29 lakh mandays
Rajasthan				
Banswara, Bhil- wara, Bikaner, Pali and Sawai-Madhopur	1987-88	14	11	Underpayment of wages of Rs.57.18 lakhs for 19.06 lakh mandays.
Tamil Nadu				
Six Public Works and four High- way and Rural Works Divisions	1984-85 to 1988-89	7 upto September 1984 8 upto June 1986 10 from July 1986	ranged from Rs.4 to Rs.9	Underpayment of wages am- ounted to Rs.2.32 lakhs

(b) In the following cases, wages to labourers were paid at rates higher than the prescribed minimum wage rate:

Name of State/ Districts/ Executing agencies	Year	Prescribed rate (in Rs.)	Rate at which wages paid (in Rs.)
1	2	3	4
Assam			
State as a whole	1983-84	8	9
Kamrup	1984-85 and 1987-88 to 1988-89	12 19 (for skilled labour)	30 30

1	2	3	4
<u>Gujarat</u>			
7 offices in Scarcity affected areas	April 1985 to October 1988	11 (from January 1986)	13.90 to 15.85
<u>Kerala</u>			
DRDA, Alleppey	1986-87	15	16.52
DRDA, Calicut	1986-87	15	16.54
<u>Meghalaya</u>			
Divisional Forest Officer William Nagar (for 9211 mandays)	March 1987 and August 1987	11	14.40
Director, Town and Country Planning	September 1986 to October 1987	11	14.40
Block Deve- lopment Officer, (BDO), Umsning	March 1987 and April 1987	11	17.00

In Karnataka, test check in Bellary, Shimoga and Tumkur districts revealed that while the rate fixed by the Government was Rs.9.80, women were paid Rs.7 to Rs.9 and men Rs.9 to Rs.11 during 1987-88.

8.2 Payment of full wages in cash

Wages were required to be paid partly in cash and partly as foodgrains at subsidised rates. Test check revealed instances

where wages were paid fully in cash thus depriving labourers of the benefit of subsidy available on foodgrains.

In Himachal Pradesh, in 13 divisions, wages amounting to Rs. 10.86 lakhs were paid to the labourers in cash instead of in kind between 1984-85 and 1988-89.

In Karnataka, in the test checked districts of Belgaum, Bellary, Bijapur, Hassan, Shimoga and Tumkur, Rs.235.42 lakhs were paid in cash in lieu of 6,726 tonnes of foodgrains during 1985-86 to 1988-89 due to non-availability of stock of foodgrains with the implementing agencies.

In Kerala (Ernakulam, Kottayam and Palghat districts) Rs.13.57 lakhs were paid to the conveners of 37 works for payment of wages in cash in lieu of distribution of 797 tonnes of foodgrains during 1984-89.

In Madhya Pradesh, test check of records of seven departments in the districts of Bilaspur, Indore, Morena, Sehore, Shahdol, Shivpuri and Ujjain revealed that no foodgrain were issued to labourers due to non-availability and the entire amount of wages of Rs.71.98 lakhs were paid in cash during 1984-89.

In Maharashtra, no foodgrains were issued for

works costing Rs.23.80 lakhs (Rs.16.36 lakhs in Palghar taluka of Thane district during 1985-86) and (Rs.7.44 lakhs in Hingna block of Nagpur district during 1985-86 to 1988-89). Similarly no foodgrains were issued in five blocks of Thane district for works costing Rs.10.42 lakhs during 1988-89.

In Goa and Mizoram, foodgrains at subsidised rates were not distributed to labourers; instead, wages were entirely paid in cash during 1983-84 to 1988-89.

8.3 Maintenance of muster rolls

According to the guidelines, muster rolls for all workers were to have entries showing Scheduled Castes/Scheduled Tribes/landless/women workers. They were also to include details of employment generated for SCs/STs/others as well as total employment. The total number of mandays generated by landless and women labourers were to be indicated separately. Employment generation figures were to be compiled from the certificates on the muster rolls. Supervisory staff were to check the employment generation reports and certificates on the muster rolls during their inspections.

Irregularities in the maintenance of muster rolls

noticed during test check in the States are indicated below:

Categorisation of workers into SCs/STs, landless labourers and women, etc., was not indicated in Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Rajasthan and Tamil Nadu.

The period of engagement of labour was not indicated in Arunachal Pradesh and Bihar.

Muster rolls were not attested by the supervisory staff in Andhra Pradesh, Bihar, Karnataka, Kerala and Mizoram.

In some cases, in Karnataka and Meghalaya, muster rolls showed engagement of labourers even before the commencement and/or after the reported date of completion of works.

Instances were noticed in Bihar and Karnataka where the same workers were shown as engaged on different works during the same period.

In Assam and Kerala, acknowledgement in proof of disbursement of wages and foodgrains were not obtained in several cases.

In Kerala, the date of disbursement of wages and details of entitlement to wages in cash and in kind separately were not given in several cases.

In Arunachal Pradesh, muster rolls did not bear essential details nor were they checked by the supervisory officers. Genuine-ness of the muster rolls could not, therefore, be vouched.

In Assam (53 implementing agencies in five test-checked districts), muster rolls were not prepared as per guidelines and progress reports submitted were not based on the muster rolls in most of the cases. The records did not indicate that the supervisory staff had checked the employment generation reports with the muster rolls during their inspection. The DRDA, Kamrup issued muster roll forms duly numbered and signed to five BDOs in February 1987. In 70 cases involving Rs.2.65 lakhs, engagement of labour shown in the muster rolls was prior to date of issue of the muster roll forms. The matter was stated to be under investigation by the DRDA.

In Gujarat, 3067 school rooms were reported to have been got completed at an

expenditure of Rs.674.35 lakhs through Sarpanches during 1985-86 to 1988-89 indicating generation of employment of 17.83 lakh mandays. There were, however, no supporting muster rolls for the payment of wages of Rs.314.90 lakhs. As such the correctness of the generation of employment and payment of wages could not be verified.

In Rajasthan acknowledgement for payment of wages in cash only was obtained by Deputy Conservator of Forest, Karauli (Sawai Madhopur) in March 1988 though according to orders on muster rolls disbursement of wages was to be made partly in cash and partly in foodgrains.

In Tamil Nadu, muster rolls maintained by divisions/ Panchayat Union did not contain information regarding employment provided to SCs/STs labourers. Thus, reports of generation of 868.69 lakh mandays by SCs/STs labourers upto the end of 1988-89 sent to the Ministry by the State Government, had no basis.

9. Foodgrains

9.1 Utilisation of foodgrains

Resources for the RLEGP were provided partly in cash and partly in the form of foodgrains. The cost of foodgrains was paid by the States to the Food Corporation of India (FCI) out of RLEGP funds during 1983-84 and 1984-85. Thereafter, foodgrains were made available free of cost as additive to cash funds to States and payment was made by the Ministry to FCI directly. Foodgrains were to be supplied to labourers at subsidised rates. Quantity of foodgrains to be given as part of wages per head per day was one kg. (1983-84 and 1984-85); two kgs. (1985-86); 50 per cent of the wages (April 1986 to October 1987); 2.5 kgs. (November 1987 to March 1988) and 1.5 kgs. (1988-89).

As per records of the Ministry, foodgrains released by the Central Government and utilization thereof by the States under the RLEGP during 1983-84 to 1988-89 were as under:

Year	Foodgrains	
	Released	Utilized
	(in thousand tonnes)	
1983-84	65.82	1.48
1984-85	3,20.04	1,08.30
1985-86	7,68.51	3,10.05
1986-87	10,41.24	8,80.70
1987-88	10,41.02(P)	8,20.22(P)
1988-89	2,78.44(P)	4,02.99(P)
Total	<u>35,15.07</u>	<u>25,23.74</u>

P: Provisional

Overall utilization of foodgrains was 72 per cent of the releases made during 1983-84 to 1988-89. However, the reported achievement of generation of employment during this period was in excess of the target by six per cent. As the allotment was to be regulated with reference to the targets fixed for employment generation, under utilization of foodgrains points to

non-issue of foodgrains as part of wages to the extent required and/or to incorrect reporting of generation of mandays.

Significant variations noticed between the quantities of food-grains shown to have been utilized as per records of the Ministry and as per records of the State Governments are given below:

State	Period	Foodgrains utilised	
		as per records of the Ministry (-----in tonnes-----)	as per State records
Andhra Pradesh	1983-84 to 1985-86	22,131	Nil
Gujarat	1988-89	11,587	12,637
Karnataka	1984-85 1987-88 1988-89	62,450	69,224
Maharashtra	1985-86 1986-87 and 1987-88	47,513	475

9.2 Diversion and non-accountal of foodgrains

Test check of records in the States revealed instances of diversion of foodgrains intended for distribution to labourers engaged on RLEGP, to Public Distribution System (PDS), NREP works and other programmes/ purposes not connected with RLEGP as well as non-accountal of foodgrains. Resources for the programme stood reduced due to such diversion. Significant cases are indicated below:

(a) Diversion of foodgrains

In Andhra Pradesh, although 85,363 tonnes of foodgrains were lifted during 1983-84 to 1985-86

out of 96,650 tonnes of foodgrains allotted for RLEGP, the records of the State Government indicated 'nil' utilization during these years. Rice supplied for RLEGP, by Government of India was transferred to the PDS by the State Government during 1983-84 to 1988-89. Details of total quantity of rice so utilized, called for from the State Government were not furnished. However, in the test-checked districts of Khammam, Krishna, Nellore and Visakhapatnam, 9217.36 tonnes of rice received for RLEGP were utilized for public distribution system. As rice through PDS was distributed at Rs.2.00 per kg. as against rice under RLEGP which was to be given at Rs.1.85 per kg., the mis-utilization

deprived the beneficiaries a subsidy of Rs.13.83 lakhs.

Further, the Government decided to pay full wages in cash from January 1985 and sanctioned cash value of rice to the implementing agencies. However, test check revealed that cash value of 51359 tonnes of rice aggregating Rs. 950.14 lakhs had not been made available to the implementing agencies during the period between March 1987 and March 1988. Consequently there was set back in the implementation of the programme.

In Himachal Pradesh, 618.76 tonnes of foodgrains valuing Rs.10.33 lakhs were diverted to other works under NREP, etc. in 12 Public Works Divisions.

In Jammu and Kashmir, Assistant Commissioner (Development) Anantnag and eleven block offices diverted foodgrains worth Rs.11.34 lakhs during 1985-86 to 1988-89 to NREP works.

In Karnataka, foodgrains valued Rs.799.50 lakhs were diverted to PDS during 1987-88. Further 2678.35 tonnes of foodgrains valuing Rs.45.64 lakhs were diverted to other works. The Karnataka Land Army Corporation (KLAC), Shimoga (implementing agency for Indira Awaas Yojana) diverted 170.65 tonnes of foodgrains valuing Rs.3.03 lakhs to Rural Employment

Guarantee Scheme (State Scheme) and NREP during 1987-88.

A quantity of 1904.26 tonnes of foodgrains valued at Rs.30.60 lakhs was transferred to NREP works between 1983-84 and 1988-89 in Cachar, Karbi-Anglong and Nagaon districts of Assam (499.25 tonnes: Rs.7.94 lakhs), Bhilwara Irrigation Division of Rajasthan (534.23 tonnes: Rs.8.21 lakhs), 13 Pan-chayat Unions of Tamil Nadu (827 tonnes: Rs.13.79 lakhs) and Nadia Zilla Parishad of West Bengal (43.78 tonnes: Rs.0.66 lakh).

(b) Non-accountal of foodgrains

In Arunachal Pradesh, in respect of 159.16 tonnes of rice (value: Rs.2.94 lakhs) shown to have been issued to Rural Works Department, Noctolamp - a State Cooperative Society and Block Development Officer, during 1985-86 to 1987-88, no acknowledgement was available from the recipient agencies/offices. Records relating to issue to labourers were not furnished to Audit.

In Assam, records in support of reported distribution of 120.5 tonnes of foodgrains costing Rs. 1.98 lakhs issued to Junior Engineers in Kamrup and Karbi-Anglong districts between December 1984 and October 1987, were not made avail-

able to Audit. 687.73 tonnes of foodgrains (value: Rs.11.52 lakhs) issued by the DRDAs, Cachar, Jorhat, Kamrup, Karbi-Anglong and Nagaon to various block offices during 1983-89 were not accounted for by the Block Development Officers.

In Bihar, Minor Irrigation Division, Patna lifted 770 tonnes of wheat valuing Rs.11.55 lakhs in 1986-87. Records showing distribution of stock to the labourers were not furnished to Audit.

In Karnataka, in Sandur subdivision attached to Zilla Parishad Engineering Division, Bellary, 447.50 tonnes of foodgrains valuing Rs.7.78 lakhs (200.92 tonnes of rice valuing Rs.3.71 lakhs and 246.57 tonnes of wheat valuing Rs.4.07 lakhs) were reported to have been lifted during 1987-88 and 1988-89. However, delivery notes, invoices, etc. in support of lifting of foodgrains were not made available. Besides, the entire quantity of foodgrains was reported to have been issued to labourers during the corresponding years. Details of distribution of foodgrains to individual labourers were not shown in the muster rolls; consolidated quantity of foodgrains was shown to have been issued and recorded as such on the pass order. Similar procedure was followed in respect of 137.63 tonnes of foodgrains valuing Rs.2.28 lakhs

by Public Works Division, Belgaum and four Zilla Parishad Engineering Divisions (Belgaum, Bijapur, Channarayapatna and Hassan) between 1986-87 and 1987-88.

Separate accounts of foodgrains received exclusively for utilisation under RLEGP were not maintained in Andaman and Nicobar Islands, Karnataka (Forest and Public Works Divisions, Engineering Divisions of the Zilla Parishads and Karnataka Land Army Corporation), Maharashtra (Nagpur, Pune, Raigad and Thane districts), and Pondicherry. As such actual quantity utilized for RLEGP by the implementing agencies could not be ascertained.

In Pondicherry, a new procedure was introduced in September 1984 to streamline the system of storage and distribution of rice by issue of rice coupons to labourers at the time of distribution of wages to enable them to draw rice from fair price shops. In Karaikal block, stock account of rice coupons relating to 1985-86 were not made available to Audit. Only 250 coupon books were taken in stock against 434 books issued by DRDAs during 1986-87. Balance of 184 coupon books for 58.30 tonnes of rice remained unaccounted in the books of executing agencies.

In Tamil Nadu, during physical verification in 41

implementing agencies during 1984-85 to 1988-89, shortage of 1711 tonnes of food-grains valued at Rs. 29.20 lakhs was noticed. Physical verification of stock was not done in seven implementing agencies while in six others, it was done only once during 1986-87 to 1988-89.

9.3 Handling and transportation

Subsidy upto Rs.15 per quintal (raised to Rs.20 from February 1986) was allowed to meet the cost of transportation, handling and storage charges of food-grains. In several cases advance subsidy received from the Ministry was adjusted at the ceiling rates without limiting to actual expenditure. Subsidy was also availed of for food-grains diverted for other purposes.

In Andhra Pradesh, in four test-checked districts, 9,217 tonnes of foodgrains were diverted to Public Distribution System. Subsidy of Rs. 18.43 lakhs received from the Ministry in respect of this quantity was not admissible.

Gujarat State Civil Supplies Corporation which handled food-grains for distribution to labourers under RLEGP through fair price shops received Rs.195.81 lakhs as handling and transportation charges from the implementing offi-

ces at the rate of Rs.20 per quintal for handling 97907 tonnes of wheat released by the Ministry during 1984-85 to 1988-89. Though transportation charges were paid at flat rate of Rs.20 per quintal, the Corporation did not render the detailed accounts to the concerned implementing offices for the actual expenditure incurred on handling and transportation of foodgrains.

In Haryana, total subsidy of Rs.16.70 lakhs was released by the Deputy Commissioners, Ambala, Hissar, Jind and Kurukshetra to various Block Development and Panchayat Officers during 1983-84 to 1988-89. An expenditure of Rs.2.09 lakhs was incurred by them on carriage and handling of wheat retaining irregularly the balance amount of Rs.14.61 lakhs in savings bank accounts instead of refunding the balance.

In Jammu and Kashmir, against Rs.44.18 lakhs received by State Government, during 1984-89 only Rs.27.37 lakhs were released to the two directorates of Rural Development, Jammu and Srinagar. Yearwise details of expenditure incurred by the implementing agencies on handling and transportation of foodgrains was not available. Reasons for short release of funds and details of utilization of the balance amount (Rs. 19.36 lakhs) were not intimated to Audit (July 1989).

In Madhya Pradesh, in seven districts where the records were test-checked, while carting of 5076 tonnes of foodgrains was done by departmental vehicles, 3006 tonnes were got carted through contractors on payment of Rs.3.82 lakhs, out of funds provided for execution of works during 1983-84 to 1988-89. Development Commissioner adjusted Rs.16.16 lakhs on account of transportation charges for the entire quantity of 8082 tonnes. Thus, Central assistance was wrongly adjusted without reference to actual expenditure.

Drissa State Civil Supplies Corporation was paid Rs.33.60 lakhs at the rate of Rs.26 per tonne towards octroi charges on 1.29 lakh tonnes of foodgrains upto 1988-89 though under the guidelines, octroi charges were to be borne by the State Government.

In Rajasthan, out of Rs.172.89 lakhs received from the Ministry as subsidy for handling and transportation of foodgrains only Rs.93.70 lakhs were advanced to executing agencies during 1984-85 to 1988-89. The department could not furnish details of utilization of amount of Rs.93.70 lakhs advanced to various executing agencies (October 1989).

In Tamil Nadu, out of the subsidy of Rs.491.65 lakhs released upto the end of 1988-89 (according to

State records) the State Government adjusted Rs. 456.88 lakhs as expenditure on 2.42 lakh tonnes of foodgrains distributed upto the end of 1987-88. The amount adjusted was worked out with reference to the maximum permissible rate of Rs.150/200 per tonne and not on the basis of actuals. The actual expenditure on transport, etc. had not been assessed at the State level. DRDAs, Chengalpattu, Coimbatore, Madurai, Salem, South Arcot and Tirunelveli had received Rs.36.65 lakhs as advance handling and transportation subsidy on foodgrains during 1983-89 but released only Rs.3.59 lakhs to implementing agencies retaining the balance amount of Rs.33.06 lakhs. The reason attributed for short release of funds was that the implementing agencies incurred the expenditure on transport from out of funds provided for execution of works. As a result, the availability of funds for regular works got reduced to the extent of diversion of funds for transport charges.

9.4 Other irregularities

In Andhra Pradesh in 163 works executed in the districts of Khammam, Kurnool, Mahboobnagar and Nellore, nominees of Gram Panchayats were supplied 2433.47 tonnes of wheat between 1984-85 and 1988-89 as against the requirement of 523.33 tonnes according to prescribed norms resul-

ting in excess issue of 1910.14 tonnes of wheat (365 per cent).

In Madhya Pradesh, Irrigation and Public Works Division, offices of Rural Engineering Services and Development Blocks in Bilaspur, Indore and Ujjain districts irregularly issued 228 tonnes of foodgrains (cost : Rs. 3.50 lakhs) to suppliers towards payment of cost of building materials purchased for use in works and 95 tonnes (cost: Rs.1.47 lakhs) to transporters as transportation charges in respect of above materials.

In Nagaland, Directorate of Rural Development, paid Rs.53.80 lakhs to various Block Development Officers towards foodgrain component during 1986-87 to 1988-89 in addition to the foodgrains earmarked for the projects already received by them. The amounts were seen to have been returned to the Directorate by means of bank drafts. However, records in the Directorate did not show how the bank drafts for the said amount of Rs. 53.80 lakhs were finally accounted for.

In Tamil Nadu, in 15 Divisions and 7 Panchayat Unions, labourers were issued 942 tonnes of common rice and superfine rice at Rs.2.08 to Rs.2.20 and Rs.2.13 to Rs.2.74 per kg. against the prescribed subsidised rates of Rs.1.85 and Rs.2.10 per kg. respectively

during 1983-84 to 1986-87. Likewise 11 tonnes of wheat was issued at Rs.2 per kg. against prescribed rate of Rs.1.50 per kg. This resulted in reduction of real wages to the extent of Rs.2.19 lakhs.

9.5 Empty gunny bags

Empty bags of foodgrains were required to be properly accounted for/disposed of under prescribed procedure and sale proceeds thereof credited to RLEGP account. In test check, cases of non-accountal/non-disposal of gunny bags and non-recovery/non-adjustment of sale proceeds involving Rs.191.35 lakhs (at a rate of two rupees per bag) were noticed. Illustrative cases of non-accountal, non-disposal of gunny bags are given below.

In Gujarat, the Gujarat State Civil Supplies Corporation distributed 77090 tonnes of foodgrains during 1983-84 to 1988-89. Assuming 100 Kgs per bag and value of two rupees per empty gunny bag, Rs.15.42 lakhs remained to be accounted by the Corporation.

In Maharashtra, during 1984-85 to 1988-89, 54.30 lakh empty gunny bags remained unaccounted resulting in unintended benefit of Rs.108.60 lakhs to shopkeepers.

In Bihar, no action was taken to dispose of 4.57

lakh gunny bags (value Rs.9.14 lakhs) by 47 out of 63 executing agencies.

10. Execution of RLEGP works

The programme envisaged creation of productive and durable assets. Works taken up under the programme were to meet appropriate technical standards and specifications. Projects were to be planned so as to ensure an optimal mix of different sectoral activities leading to maximisation of employment and benefit to the rural community. Road projects were to be generally considered only upto 50 per cent of the ceiling limit available under non-earmarked sectors for a State. The Central Committee was responsible for sanctioning specific work projects prepared by the States.

Specific works/activities to be taken up under RLEGP were as under:

(i) Construction activities for creating durable assets like rural link roads, primary school buildings, dispensaries, panchayat ghars, sanitary latrines, houses under Indira Awaas Yojana' (IAY) for Scheduled Castes/ Scheduled Tribes and freed bonded labour (1985-86 onwards) and Million Wells Scheme (1988-

89)

(ii) Improvement of minor irrigation works, construction/renovation of field channels, renovation of irrigation tanks and augmenting existing ground water resources.

(iii) Land development works.

(iv) Social forestry.

Some of the deficiencies in planning and execution of works noticed by Audit are mentioned below:

(a) While planning projects, an optimal mix of different sectoral activities was not ensured as mentioned below:

In Goa, only road works were taken up for execution during 1983-84 and 1984-85. Of the total expenditure of Rs.167.83 lakhs on various projects upto 1988-89, Rs.118.37 lakhs (70.5 per cent) were on construction of roads against the ceiling limit of 50 per cent.

In Kerala, 92 and 87 per cent of the total expenditure during the years 1986-87 and 1987-88 was on rural link roads.

In Pondicherry, road works were formulated during 1983-84, 1984-85 and 1986-87 in excess of the prescribed

ceiling and ranged between 74 and 100 per cent. Low priority was given to works relating to land development and construction of village tanks (0.36 and 1.37 per cent respectively of the total cost).

(b) Test check in audit revealed that projects involving total cost of Rs.28.54 crores were taken up in States without the approval of the Ministry as detailed in Annexure II.

(c) After approval of a project by the Ministry, technical sanction was to be accorded expeditiously by the competent authority in the State to ensure that projects are executed in the field conforming to appropriate technical standards and specifications. However, works costing Rs.24.15 crores (as detailed in Annexure III) were executed without technical sanction in Assam, Delhi, Haryana, Himachal Pradesh, Madhya Pradesh, Orissa, Punjab and Rajasthan.

11. Indira Awaas Yojana

11.1 Physical targets and achievements

Construction of houses for the poorest of the poor comprising SCs/STs and freed bonded labourers was taken up as a major activity under RLEGP from 1985-86.

The habitat concept was to be followed for implementation of the housing projects. This implied proper clustering and arrangement of the houses in space for economy of design and construction cost and also for ensuring provision of basic necessities such as rudimentary drainage toilets, means of waste disposal, all weather link roads etc.

As per records of the Ministry, yearwise position of the number of houses planned for construction, approved cost, houses actually constructed and expenditure incurred, were as under:-

Year	No. of houses planned for construction	Cost approved (Rs. in lakhs)	Number of houses constructed	Expenditure (Rs. in lakhs)
1985-86	1,57,635	15,536.02	51,406	5,768.95
1986-87	2,14,380	21,036.35	1,51,812	14,797.22
1987-88	1,03,515	10,999.33	1,64,055	16,730.26
1988-89	1,18,039	13,064.50	1,37,435	13,949.31
	<u>5,93,569</u>	<u>60,636.20</u>	<u>5,04,708</u>	<u>51,245.74</u>

Irregularities noticed during test check of records of execution of works in the States under Indira Awaas Yojana (IAY) are mentioned below:

The Ministry prescribed the ceiling limit of unit cost under IAY at Rs.9,000 (Rs.6000 on construction of house and Rs.3000 on infrastructure like internal roads, electricity, water supply, drainage etc.) in ordinary areas and Rs.10,800 (Rs.7,800 on construction of house and Rs.3,000 for infrastructure) in hilly areas during 1985-86 and 1986-87. The limit was correspondingly raised to Rs.10,200 (Rs.7,200 + Rs.3,000) and Rs.12,000 (Rs.9,000 + Rs.3,000) from 1987-88.

In the following cases, unit cost exceeded the prescribed ceiling:

Andhra Pradesh: In 'Dontala' housing project (District Nellore) consisting of 179 houses assistance provided was Rs.7,200 per house and Rs.3,000 for infrastructural facilities.

Due to change in design and provision of costlier item, unit cost exceeded the prescribed ceilings in works. Total excess expenditure was Rs.2.51 lakhs.

Haryana: 1757 houses were constructed at a cost of Rs.192.19 lakhs during 1985-86 to 1988-89. The detailed estimates and design for the houses were not got approved from the competent authority. Unit cost worked out to Rs.10,939 against the admissible unit cost of Rs.6,000. No expenditure was incurred on creation of infrastructural facilities like drainage etc. for which Rs.3,000 per house was admissible. Excess expenditure worked out to Rs.86.77 lakhs which was mainly due to deviations from specifications in construction of houses.

Karnataka: Under the scheme, release of grants was based on cost per house fixed by Central Government in all the three phases. The unit costs fixed were as under:

	<u>Plain area</u>	<u>Black cotton soil</u>	<u>Hilly area</u>
	Rs.	Rs.	Rs.
I Phase	9120	11000	10800
II Phase	9720	11600	11400
III Phase	10200	12000	12000

It was noticed that the actual cost of houses constructed was generally less than the prescribed unit cost as verified from the measurement books and work bills relating to Belgaum,

Kolar and Shimoga districts. In Belgaum and Shimoga districts there was a saving of Rs.21.12 lakhs as per the expenditure statement of Karnataka Land Army Corporation (KLAC) to whom the

work was entrusted. This amount was not refunded to Government.

Against a requirement of Rs.1057.57 lakhs for the project in II Phase, an amount of Rs.1114.36 lakhs was released to KLAC. Excess amount released, Rs.56.79 lakhs had not been refunded to Government, (June 1989).

11.2 Infrastructural facilities

Andhra Pradesh: In 182 housing colonies in the districts of Khammam, Krishna, Kurnool, Mahaboobnagar and Visakhapatnam, viable habitats were not developed and colonies were not provided with required infrastructural facilities such as internal roads, electricity, water supply etc. Cluster approach of providing a minimum of 25 houses in each colony was not adopted in 65 colonies out of 193 housing colonies taken up in three districts during 1985-89.

Funds amounting to Rs.84.60 lakhs provided for creation of infrastructural facilities in five districts were diverted for construction of houses taken up over and above those sanctioned during 1985-86 to 1988-89. In four housing projects in Kurnool district, Rs.2.10 lakhs earmarked for infrastructural facilities were diverted to meet expenditure on additional facilities in houses not contemplated in the approved design.

Karnataka: At the end of March 1989, out of 604 houses (costing Rs.58.71

lakhs) 446 houses remained un-occupied for periods ranging from seven to 26 months, due to lack of basic amenities.

Maharashtra: In Raigad district, amenities like electricity, latrine, drinking water, approach road were not provided for 470 houses constructed in 1985-86 despite availability of funds of Rs.14.10 lakhs exclusively for infrastructural development. Amenities like drinking water, electricity, approach roads, etc. were not provided in the houses constructed under 'IAY' in Pune district.

Rajasthan: Out of 2097 dwelling units, completed during 1985-86 to 1988-89, at a cost of Rs.180.34 lakhs under 'IAY' in Banswara (1244 units) and Sawai-Madhopur (853 units), 1296 dwelling units were lying unoccupied (March 1989) since their construction during 1985-89 due to non-provision of infrastructural facilities and construction of houses at places far away from the villages in Sawai-Madhopur district and due to construction of houses without taking into consideration local environment and living habits in Banswara district.

Tamil Nadu: Funds provided for infrastructural facilities were diverted for other purposes as indicated in the following cases:

(i) In 74 Panchayat Unions (in Coimbatore, Dharmapuri, Dindigul, Madurai, South Arcot and Tirunelveli distr-

icts) funds were utilised for construction of 131 additional houses, 150 community centres, workshed, TV room, park, shopping complex at a cost of Rs.45.68 lakhs.

(ii) In 63 Panchayat Unions (in the districts of Chingalpet, Coimbatore, Dindigul, Madurai, North Arcot, Salem, South Arcot and Tirunelveli), 4156 houses were constructed without latrines utilising the entire amount of the estimates including provision of Rs.1,050 to Rs.1300 meant for latrines. Subsequently, a sum of Rs.30.03 lakhs meant for infrastructure was spent towards cost of construction of latrines in 2766 houses.

(iii) In 94 Panchayat Unions (in the districts of Coimbatore, Madurai, North Arcot, Periyar, South Arcot and Tirunelveli) additional expenditure to the extent of Rs. 65.95 lakhs over and above the unit cost of Rs.6,000 to Rs.7,800 was incurred on construction of 5943 houses on extra items like sitout, inner cement plastering, cement flooring, etc. The extra expenditure was met out of funds provided for development of infrastructural facilities.

(iv) The facility of smokeless chullah was not provided in 2,900 houses constructed during 1984-85 to 1988-89 by 22 Panchayat Unions in the districts of Coimbatore, Madurai, North Arcot and South Arcot.

Uttar Pradesh: Sanitary latrines were not provided in 13467 houses out of 32227

houses constructed in 27 districts during 1985-86 to 1988-89. Site development work was not done for 3322 houses out of 14705 constructed in Aligarh, Azamgarh, Banda, Deoria, Faizabad, Meerut and Varanasi districts between 1985-86 and 1988-89.

11.3 Defective construction and non-occupation of houses

Details of materials to be utilised in construction of houses under Indira Awaas Yojana and facilities to be provided in the houses have been specified in the manual of RLEGP. The houses were to be allotted to the beneficiaries as soon as completed.

During test check it was observed that houses were not constructed according to the specifications. There were delays in allotment of houses to the beneficiaries as detailed below:

Karnataka: In Bangalore, Bellary, Chickmagalur, Hassan, Shimoga and Tumkur districts construction of 158 houses at a cost of Rs.15.36 lakhs by Karnataka Land Army Corporation did not meet the technical specifications as revealed during departmental inspection. The defects included leaky roofs, weak foundation, cracks in walls. Though Karnataka Land Army Corporation was to undertake repairs, there were no records to show that the repairs were got done and that they were complete and satisfactory. Details of allotment

and occupation of these houses were not furnished to Audit.

Meghalaya: Government of India released Rs.79.50 lakhs for construction of 1010 housing units. The State Government utilised Rs.64.76 lakhs and constructed 391 houses during 1986-87 to 1988-89 (upto December 1988). The units were not constructed as per prescribed specification and approved estimates. Facilities like smokeless chullahs, plastic water filter, pour-flush latrines and sullage disposal system were not provided. The plinth area was also reduced.

Rajasthan: Out of 314 houses completed in Panchayat Samitis, Gangapur City, Pali, Shahpura and Talwara during 1985-86 to 1988-89 latrines and bathrooms were not provided in 268 houses.

Uttar Pradesh: In five districts, 72 houses constructed between 1985-86 and 1986-87 at a cost of Rs.4.32 lakhs collapsed reportedly due to the use of inferior material and poor workmanship. Out of 13372 houses constructed upto March 1988 in 10 districts, 1873 houses (cost Rs.174.89 lakhs) had not been occupied by the beneficiaries, (April 1989); of these 1241 houses remained unoccupied for more than two years.

11.4 Non-production/non-maintenance of records

Andhra Pradesh: Measurements of works executed including construction of houses/

infrastructural facilities were not recorded in respect of seven housing colonies in Kurnool district reported to have been completed during 1985-86 and 1986-87) after incurring an expenditure of Rs.29.41 lakhs.

Records relating to allotment/occupation of houses were not available in Andaman and Nicobar Islands (in respect of 60 houses constructed in Car Nicobar block), Andhra Pradesh in any of the test checked districts, Maharashtra (Raigad - 628 huts and Pune - 302 huts), Nagaland (410 houses constructed at a cost of Rs.47.76 lakhs), Orissa (18139 houses constructed at a cost of Rs.2162.46 lakhs) and West Bengal (1505 houses constructed by Fishery Offices till March 1989)

Gujarat: The Taluka Development Officer, Godhra was reported to have spent Rs.13.73 lakhs on construction of 163 houses in six villages during March 1986 and March 1987. However, vouchers and other related records were made available for Rs.6.22 lakhs only; the records for the balance amount of Rs.7.51 lakhs were not made available to Audit as these were stated to be in police custody in connection with investigation of a complaint.

Haryana: There were no records to indicate the manner of selection of beneficiaries, allotment of houses and involvement of the beneficiaries in the construction of houses in respect of 1757 houses constructed in

Ambala, Kurukshetra, Jind and Hissar at a cost of Rs.192.19 lakhs during 1985-86 to 1988-89.

12. Social forestry

With a view to improving the forest cover and providing maximum benefit to the rural poor, 20 per cent of RLEGP funds (25 per cent from 1986-87) were to be earmarked for social forestry. Social forestry works could be taken up on Government and community lands, road sides, canal embankments, degraded forest land, etc. Farm forestry was allowed on lands belonging to SCs/STs, freed bonded labourers and all allottees of lands i.e. ceiling surplus/bhoodan/waste land/Government lands and on lands for which tree pattas had been granted. The cost of maintenance of plantation on community land was to be met from the RLEGP funds upto three years from the year of plantation.

12.1 Shortfall in allocation of funds/expenditure

During the four years from 1985-86 to 1988-89 for which figures were made available by the Ministry the percentages of allocation for social forestry were 11.11, 14.19, 13.79 and 11.52 as against the prescribed allocation of 25 per cent of the total allocated resources.

12.2 Non-maintenance of records

It was noticed that due to non-maintenance/improper

maintenance of basic records, the reported achievements could not be verified in Audit in several districts test checked as mentioned below:

Haryana: 25.37 lakh plants were reported to have been raised during 1985-86 to 1988-89 in Ambala, Hissar, Jind and Kurukshetra districts. However, Khasra numbers of the area selected for plantation were not indicated on any of the muster rolls for plantation and as such authenticity of plantation could not be vouched in audit.

Jammu and Kashmir: Expenditure of Rs.11.23 lakhs incurred by the blocks during 1984-85 to 1988-89 could not be vouched as initial records relating to this component were not maintained by block offices, R.S. Pura, Ramnagar, Udhampur, Samba, Vijaypur and Sogam.

Kerala: Rupees 152.37 lakhs were released for social forestry works to Ernakulam, Kottayam and Palghat districts during 1985-86 to 1987-88 but records showing the species-wise details of seedlings raised, survival rate of seedlings etc. were not made available.

Meghalaya: The Divisional Forest Officer, Social Forestry, Williamnagar received Rs.5.52 lakhs from DRDAs, Tura and Williamnagar for raising nurseries and creation of plantation. The division did not maintain nursery register and plantation journal and as such the actual work done could not

be verified.

Rajasthan (Banswara and Bhilwara districts): 12.91 lakh seedlings were raised during 1987-88 and 1988-89 at a cost of Rs.3.50 lakhs. The details of distribution of seedlings was not available in the Divisional Forest Offices.

Tamil Nadu: A total expenditure of Rs.2121.68 lakhs was incurred on social forestry during 1985-86 to 1987-88. Proper accounts giving details of names of villages, survey number of lands, on which the planting was raised etc. were not maintained by the Panchayat Unions for the seedlings raised, planting done and expenditure incurred till July 1987. The figures reported in the periodical returns had no basis on records.

12.3 Survival rate of plantation

Assam (some blocks of Cachar, Jorhat, Kamrup, Karbi-Anglong and Nagaon districts): Expenditure of Rs.19.22 lakhs was incurred on plantation during 1985-86 and 1986-87. While survival rate of plants was nil in all blocks of four districts the percentage of survival in three blocks of Karbi-Anglong was upto 34 per cent.

Haryana: The department had not maintained records of survival rate of plantations. However, according to provisional information furnished by the department the survival rate ranged

between nil and 50 per cent in respect of 14 projects (Ambala: 3, Hissar: 3, Jind: 3, and Kurukshetra: 5) involving Rs.6.42 lakhs. Reasons for high rate of mortality were not intimated.

Pondicherry: Against 7600 and 11020 saplings planted in two blocks during 1985-86, the survival in 1988-89 was 3627 and 4836 respectively. Survival was nil in respect of all 30,000 fuel saplings planted in April 1988 in Karaikal.

Punjab: In 290 villages of 17 blocks of five test checked districts, out of 16.66 lakh plants planted between 1983-84 and 1988-89, 7.59 lakh plants survived. Against survival norm of 70 per cent prescribed by the State Government, survival rate was 46 per cent.

Sikkim: Out of 14.53 lakh plants planted in 581 hectares during 1985-86 to 1988-89, only 50 per cent of the plants survived.

Tamil Nadu: Out of 137.62 lakh seedlings planted during 1985-86 and 1986-87 in 83 Panchayat Unions, only 19.11 lakh plants (14 per cent) survived. Survival rate was nil in 14 Panchayat Unions out of 20 test checked in three districts. Thus the expenditure of Rs.20.73 lakhs in raising the plantation proved unproductive.

Uttar Pradesh: The survival rate was nil to 40 per cent in respect of plantation raised in 218 hectares in Azamgarh, Meerut and

Varanasi districts during 1985-86 and 1986-87.

12.4 Other irregularities

Andhra Pradesh: The Project Officer, Integrated Tribal Development Agency, Paloncha, Khammam district and the Krishna District Scheduled Castes Services Co-operative Society irregularly incurred expenditure of Rs.87.82 lakhs out of programme funds towards maintenance charges of plantations on lands belonging to individuals and for supply of oil engines, electric motors, bulls and bullock carts to the beneficiaries during 1985-86 to 1988-89.

Assam: Social forestry scheme was not implemented during 1983-84 and expenditure during 1984-85 was negligible. The expenditure of Rs.84.61 lakhs incurred during 1985-86 was on unapproved schemes. Rupees 79.78 lakhs were spent in excess of prescribed norms during 1986-87 on plantation on 885.97 hectares of land and on maintenance of six hectares and plantation in 3,019 hectares during 1984-85 and 1985-86 respectively.

Bihar (Muzaffarpur and Patna districts): Due to wrong selection of sites in low lying areas seedlings valued at Rs.4.58 lakhs were washed away by floods during 1986-88.

Maharashtra: Out of Rs.25.42 lakhs received for plantation programme at the fag,end of the year 1987-88, a sum of Rs.7.19 lakhs was paid by the DRDA, Thane to

Block Development Officers in Februrary 1988 for direct payment to six voluntary organisations for the plantation work done by them. The basis on which the recipient organisations were selected was not on records of DRDA, Thane. The grant of Rs.6.83 lakhs was disbursed to them without any verification. Neither inspection of the sites nor monitoring of the scheme was done after payment of grant.

Tamil Nadu: During 1985-86 and 1986-87, 159.11 lakh seedlings were raised in 49 Panchayat Unions at a cost of Rs.52.99 lakhs. Of them, only 50.60 lakh seedlings were planted, 10.83 lakh seedlings (proportipnate cost Rs.4.70 lakhs) were transferred to other schemes while 9.68 lakh seedlings (cost Rs.4.50 lakhs) were given away to farmers free of cost. The balance of 88 lakh seedlings had withered or overaged for planting resulting in infructuous expenditure of Rs.29.04 lakhs on their raising. During 1987-88 and 1988-89, seedlings continued to be raised far in excess of the requirements to meet financial targets without assessing the availability of lands. This resulted in infructuous expenditure of Rs.3.64 lakhs in 13 Panchayat Unions on raising 8.91 lakh seedlings which were not planted. In 15 Panchayat Unions, expenditure of Rs.8.99 lakhs was incurred during 1986-87 to 1988-89 in excess of the scale prescribed for planting 20.82 lakh seedlings.

Uttar Pradesh: An amount of Rs.127.26 lakhs was spent on raising 421.23 lakh seedlings in excess of requirement between 1985-86 and 1988-89.

13. Unproductive expenditure

Bihar: The minor irrigation division, Hazaribagh/ Darbhanga suspended/dropped further execution of 27 renovation works after incurring an expenditure of Rs.19.71 lakhs (33 per cent of the estimated cost of Rs.59.45 lakhs) during 1984-89. The works were stopped reportedly on the ground of difficulties in carrying the material to the site, shortage of cement, dewatering problems etc.

Haryana: In Ambala district, expenditure of Rs.4.76 lakhs was incurred during March 1985 to June 1986 on earth work, bridges and culverts of three link roads. Thereafter, the works were stopped reportedly due to non-availability of funds. The works were left incomplete and the expenditure had remained unproductive.

Kerala: In Idukki district, a project for restoration of ecosystem to be implemented in five years from 1985-86 was sanctioned by the Central Government in September 1985 at Rs.445.73 lakhs. Administrative sanction for the project was issued by the State Government in November 1985. Soil and moisture conservation and fodder development in 29,700 hectares of land of different categories in Idukki

catchement area were the main activities to be taken up under the project. The Forest Department utilised Rs.110.45 lakhs (Rs.80.56 lakhs in cash and Rs.29.89 lakhs worth of foodgrains) during 1985-86 to 1988-89.

As the implementation of the project did not progress as envisaged, the State Government submitted a revised project but it was advised by Central Government to close the project. It was decided to close the project after fourth year of its implementation. The State Government failed to carry out in depth study of the feasibility and viability of the project, taking into account the special nature and terrain of the areas before submission of the project to the Ministry for approval. Commencement of the project without adequate investigation led to total investment of Rs.110.45 lakhs largely remaining unproductive.

Madhya Pradesh: In Shivpuri district, 18 stop dams were constructed at a cost of Rs.9.22 lakhs before the onset of monsoon, 1988. The stop dams could not be put to use till March 1989 as the earthen sides of the dams were washed away during rains as the flank protection walls had not been constructed for want of administrative approval.

Maharashtra: Five road works were abandoned in January 1988 by Employment Guarantee Scheme Division, Nagpur after incurring expenditure of Rs.3.87 lakhs.

Tamil Nadu: The State Department undertook construction of a tank at Eran-dalai-Paṇai Village (Dindigul district) in 1984 to benefit a dry ayacut of 250 acres. The Dindigul Municipality objected (February 1985) to the construction in February 1985 on the ground that it would block the flow of water into its source of water supply. The work was completed in March 1987 at a cost of Rs.32.41 lakhs and on orders from the State Government it was handed over to Municipality in October 1987. As no new ayacut was developed, the expenditure on the work remained unfruitful.

Uttar Pradesh: In Rae Bareli district, 251 kms. of roads constructed by the Public Works Department at a cost of Rs.491.19 lakhs during 1983-84 were unserviceable even for pedestrian traffic due to defective construction. The State Government had sanctioned Rs.200 lakhs in March 1989 for upgrading the roads.

14. Non-maintenance of assets

The assets created under RLEGP were to be maintained by the States. Necessary allocation for the purpose was to be made in the State budget and detailed instructions for maintenance of assets to be issued by the State Governments. The assets for the maintenance of which regular system and funds were ordinarily not available could be maintained by the DRDAs from the 10 per cent of the alloca-

tions permissible for maintenance of assets under NREP. However, no budget provision/resources had been made/provided for proper maintenance of assets created under the programme to the executing agencies test-checked in Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Bihar, Mizoram, Pondicherry, Rajasthan (Banswara, Bhilwara, Bikaner, Pali and Swai-Madhopur) and West Bengal.

Implementing agencies were required to maintain complete records of assets created under the RLEGP. In addition, each village panchayat, block DRDA was to have a complete inventory of assets created under the programme giving details of the commencement and completion of the project, cost involved, benefits, employment generated etc. No such records were maintained by the implementing agencies in the States.

15. Financial irregularities

15.1 Diversion of funds

Test check of records revealed that programme funds totalling Rs.26.50 crores, as detailed in Annexure IV were utilised on schemes/items outside the scope of RLEGP. Funds were irregularly utilised on purchase of vehicles, road rollers, furniture, air conditioners, video cameras, hiring of buildings, for deposit in banks and saving schemes. Significant irregularities noticed are indicated below:

In Bihar during 1984-85 to 1988-89, the State Department utilised funds amounting to Rs.509.42 lakhs from RLEGP towards purchase of 80 cars and jeeps, 141 road rollers, 2 air conditioners, 1 water cooler, 2 photocopiers, 1 electric typewriter and on installation of intercom and computers.

In Karnataka, in Zilla Parishad, Bellary a sum of Rs.60.04 lakhs was diverted and deposited in banks and post offices. Zilla Parishad, Hassan, utilised Rs.26.74 lakhs for 'Operation Black Board'.

In Madhya Pradesh, Development Commissioner diverted Rs.41.02 lakhs towards schemes for the development of women and children in rural areas during 1987-88. During 1983-84 to 1988-89, Rs.18.53 lakhs were spent by executing agencies on NREP/World Bank Scheme, purchase of jeeps, land compensation, purchase of diesel pumps, maintenance and repair of jeeps, diesel for jeeps and wages of drivers.

In Nagaland, Social Welfare and Fisheries Departments spent Rs.47.93 lakhs on construction of anganwadi centres and fishery ponds during 1983-84 to 1988-89.

In Orissa Rs.7.66 lakhs were irregularly charged towards departmental charges for 62 works executed between 1984-85 and 1986-87 by Lift Irrigation Divisions, Balasore and Bolongir districts and Road and Buildings Division, Bolangir. Fur-

ther, five executing agencies paid Rs.4.58 lakhs during 1984-85 to 1986-87 to the Village Committee Leaders towards over-head charges at 12.5 per cent on the value of 56 works calculated according to schedule of rates which were not admissible.

In Rajasthan, an expenditure of Rs.58.96 lakhs was irregularly transferred from NREP, Famine and maintenance and repair of road works to RLEGP during 1986-87 by Irrigation Division, Banswara and Public Works divisions, Banswara, Bikaner, Bhilwara, Pali, Sawaimadhopur and Sirohi. Besides, 14 works on which an expenditure of Rs.22.65 lakhs had been incurred under NREP, were transferred to RLEGP where an expenditure of Rs.56.17 lakhs was further incurred on them by Irrigation Divisions, Pali and Sawaimadhopur. By transferring these 14 works to RLEGP, the State could save its own share of expenditure to the extent of Rs.28.09 lakhs.

In Uttar Pradesh, DRDAs withdrew Rs.480.54 lakhs from their personal ledger accounts and invested them in term deposits/National Savings Scheme.

15.2 Advances pending adjustment

The Ministry released Rs.544.67 crores to FCI towards the cost of foodgrains to be supplied to the States for the programme during 1985-89. Bills for Rs.502.04 crores had been

received by the Ministry leaving a balance of Rs.42.63 crores with the FCI as at the end of March 1989.

The Ministry stated (September 1990) that matter regarding non-receipt of bills for the years 1986-87 and 1987-88 were under correspondence with FCI.

The Ministry released total amount of Rs.4 crores to CAPART during 1986-87 to 1987-88; CAPART utilised only Rs.1.73 crores till March 1989 for disbursement to voluntary agencies leaving an unutilised balance of Rs.2.27 crores. A further release of Rs.4.85 crores was made in 1988-89 and the unutilised amount with CAPART at the end of the year was Rs.3.38 crores.

The Ministry stated (September 1990) that non-utilisation of funds by CAPART was due to the fact that not many projects could be approved for implementation till Projects Sanctioning Committee of the CAPART was set up after January 1987.

The National Technology Mission on Drinking Water released Rs.9.38 crores from RLEGP funds to 15 States during 1987-88 and 1988-89 for construction of water harvesting structures. Available details of utilisation showed that seven States to whom Rs.5.70 crores had been released utilised only Rs.2.22 crores. Information regarding utilisation by other States to whom Rs.3.68 crores were released was not

available with the Ministry.

The Ministry stated (September 1990) that some of the States had not furnished the information about low utilisation of funds despite reminders. It has been further stated that while no specific reasons are available for slow progress, it seemed to be due to lack of co-ordination between State department and implementing agencies.

A test-check of records in the States revealed that Rs.51.98 crores (Annexure V) were outstanding out of the advances paid out of RLEGP funds, to various executing agencies.

In these cases detailed accounts of the amounts utilised/refund of unspent balances were awaited. Illustrative instances are mentioned below:-

Andhra Pradesh: State Government released to Andhra Pradesh State Scheduled Castes Co-operative Finance Corporation Rs.57.72 crores for construction of community irrigation wells during 1984-89. Upto 1988-89, 14502 wells were constructed incurring an expenditure of Rs.50.95 crores. The Corporation did not furnish utilisation certificates to the State Government for Rs.39.43 crores till August 1989.

Bihar: Funds aggregating Rs.27.27 lakhs were given to five voluntary agencies in Singhbhum and Madhubani districts during 1984-88 for execution of RLEGP works.

The State Government did not take any action to obtain utilisation certificates from the recipient bodies (April 1989).

Karnataka: Out of advance paid to Range Forest Officers during 1987-88, an amount of Rs.29.59 lakhs was outstanding in March 1989 against Bagalkot, Belgaum, Hassan, Shimoga and Tumkur territorial forest divisions, though the forest range officers were required to render the accounts for advances within three months.

In the agriculture and horticulture sectors of the Watershed Development Programme, amounts were drawn on abstract contingent bills in advance for works and payment of wages to the labourers. Non-payable detailed contingent bills were to be submitted by 10th of the following month to the controlling officers for check and countersignature in token of acceptance of expenditure. Detailed accounts were not rendered (June 1989) for Rs.86.22 lakhs in the agriculture sector and for Rs.43.59 lakhs in the horticulture sector.

Kerala: A sum of Rs.74.00 lakhs (Rs.60.77 lakhs in cash and foodgrains worth Rs.13.23 lakhs) was released to the Executive Engineers Irrigation Divisions, Chittoor and Malampuzha for improvement of irrigation channel in Palghat district. Though the project was sanctioned for implementation during 1984-85, the utilisation certificates had not

been received by the DRDA, Palghat (February 1989).

Punjab: Test check of the records of the Directorate of Rural Development revealed that utilisation certificates for Rs.486.16 lakhs as on 31st March 1988 were awaited from the executing agencies in 12 districts.

West Bengal: Against the advance of Rs.340.30 lakhs drawn in abstract contingent bills by the Fishery Offices, detailed contingent bills for Rs.249.48 lakhs were not submitted till March 1989. Adjustments were pending from 1985-86 to 1988-89.

15.3 Excessive administrative expenditure

The States could utilise upto five per cent of the funds allocated under RLEGP for strengthening the staff and for meeting other administrative expenses including expenditure on contingencies, training, evaluation, etc.

In Andhra Pradesh, though nine Panchayati Raj Divisions debited Rs.50.24 lakhs at 7.5 per cent of cost of works under RLEGP as supervision charges, the amount had not been spent and remained unutilised as separate work charged staff was not created for this programme.

In Kerala, there were no records in support of administrative expenditure of Rs.64.74 lakhs stated to have been incurred by the Commissionerate Rural Deve-

lopment.

In Pondicherry, the percentage of administrative expenses ranged between 13 and 23 during 1985-86 to 1988-89.

16. Monitoring

The guidelines envisage continuous monitoring and review of the programme at the central level by the Central Committee for NREP and RLEGP. In the States monitoring of the programme was to be done by the State Level Coordination Committee (SLCC) for Rural Development programmes.

Project Approval Boards in the States were to undertake periodical review of the implementation of the approved projects and to monitor progress of specific projects.

Periodical reports of physical and financial achievements prescribed for the States, were to be furnished to the Ministry to enable the authorities to keep a close watch on the quality and trend of implementation and to take corrective measures.

Test check of records and information made available by the Ministry revealed the following shortcomings in respect of monitoring of the programme:

(i) Test check of action taken by the Ministry on the periodical reports received from the States revealed that they were utilised mainly for compila-

tion and consolidation of information.

(ii) Though the Ministry was responsible for according approval to projects to be taken up, they did not have information regarding number of projects taken up, completed, in progress, or abandoned in each State out of the total projects approved. No watch was also kept as to whether the expenditure incurred on each project was within sanctioned limit.

The Ministry stated (September 1990) that though they had called for requisite details from States, complete details from many of the States were not received.

(iii) Maintenance of durable assets created under the programme was an important aspect. However, the Ministry did not have information system to monitor the maintenance, use etc. of the assets created out of RLEGP.

(iv) Though the periodical progress reports from States reported area covered under social forestry, information regarding number of plants raised, survival rate etc. was not available in most cases with the result the Ministry could not monitor the productivity of the investment on social forestry works.

The Ministry stated (September 1990) that survival percentage was not monitored by them. Monitoring of the programme was the responsibility of concerned States also.

(v) According to the Ministry staff strength for monitoring of the programme at the Centre was inadequate.

(vi) Test check of monitoring arrangements in States revealed the following position:

State Level Coordination Committees were to meet at least once in three months to make a detailed review of the programme. Regular meetings were not held. During 1983-84 to 1988-89 the committee met only once in Andhra Pradesh (October 1986), Punjab (December 1984) and Sikkim (May 1985) and thrice in Haryana. In Bihar, information about the number of meetings held by the Committee was not made available. In Chandigarh, no State Level Coordination Committee or Project Approval Board was constituted. In Gujarat, against 112 prescribed fortnightly meetings that should have been held upto March 1989 the committee met only on 65 occasions. In Karnataka, the committee met once in each of the years 1984-85, 1985-86 and 1988-89; twice in 1987-88 and thrice in 1986-87. In Madhya Pradesh, the committee met once in each of the years from 1983-84 to 1986-87 and 1988-89 and thrice during 1987-88. In Maharashtra, the committee was formed in January 1985 and did not meet till August 1989. In Pondicherry, only six meetings were held during 1983-84 to 1988-89. In Tripura, there was no evidence on record to show that the committee had ever reviewed

the progress of implementation of the programme. Monitoring was thus ineffective.

17. Evaluation

Though over five years had elapsed since the inception of RLEGP, no evaluation of the programme as a whole was carried out.

At the instance of the Ministry, an evaluation study of implementation of Indira Awaas Yojana was conducted by the National Centre for Human Settlement and Environment, Bhopal, during 1987-88, in Gujarat, Haryana, Madhya Pradesh and West Bengal. The study inter alia brought out:

- Opportunity to build mixed colonies, by constructing houses for landless and backward classes under the various programme along with SC/ST houses was not fully availed of for habitats in Gujarat.
- Families poorer than the beneficiaries were left out.
- Houses were not provided with water, sanitary facilities.

The Indian Social Institute, New Delhi, conducted a study on social forestry. The study revealed:

- Lack of coordination between the Forest, Rural Development and Revenue Departments at the field level. The poor survival of plants was the direct

result of such lack of coordination.

- Little attention was paid to the marketing needs of poor farmers who were venturing into farm forestry programmes.

In regard to Indira Awaas Yojana, the Ministry stated (September 1990) that at State level, the aspects about proper identification of beneficiaries, the design of the houses to be constructed, emphasis on use of low cost technology, occupation of houses by non-target group though small in number, had been emphasised by the Department of Rural Development in the workshop of Project Directors of the DRDAs held in June-July 1990.

As regards social forestry, the Ministry stated (September 1990) that with the decentralisation brought in the implementation of the works under the Jawahar Rozgar Yojana including the social forestry works, the benefits would flow to the rural poor in greater measure eliminating altogether the problems of lack of coordination between various agencies.

At the State Level the following evaluation studies were carried out.

Maharashtra: Bureau of Economics and Statistics conducted an evaluation study of the IAY in December 1988. The study revealed the following:

- The survey conducted in

68 blocks and 70 villages indicated that only 28 per cent of the cost of houses was spent as wages as against the norm of 50 per cent.

- Selection of beneficiaries was not uniform and was made on the basis of the 1983 list of economically weaker sections and on the basis of data furnished by DRDAs.
- In 96 cases, the beneficiaries were above the poverty line. In 18 cases, the houses were allotted to non-Scheduled Castes and Scheduled Tribes.
- In a number of cases, houses were constructed by contractors instead by Zilla Parishads and Gram Panchayats.
- The Zilla Parishad and Gram Panchayats did not construct the houses as per the norms and specifications.
- The quality of construction was poor. In 73 per cent of the houses constructed, the concerned agencies failed to provide electric supply at the time of the survey.
- The Bureau concluded that the way in which the scheme was implemented had defeated the basic purpose of the scheme.

Tamil Nadu: Studies were conducted in respect of (i) 96 percolation ponds (ii) rural sanitary latrines and (iii) social economic bene-

fits and employment potential for rural women in social forestry by the Evaluation and Applied Research Department (November 1986), Additional Director (Public Health) Research-cum-Action Project (May-June 1987), and the Institute of Rural Development (June 1988) respectively.

The studies revealed the following:

(i) In the zone of influence of 23 percolation ponds (24 per cent), less than 10 wells were available which would mean that benefits of works were not spread out to as large number of wells as possible and in the case of five ponds the zone of influence did not contain a single well. Allocation of funds to the districts was on ad hoc basis without taking into account the size of the district and its drought proneness. Action taken by the Government on the report was not intimated to Audit.

(ii) Out of 140 latrines under rural sanitary latrines programme, only 24 were in use and the rest was not put to use due to social factors (eight per cent) and the engineering deficiencies (92 per cent) like non-provision of pans, lack of pipe connections, non-construction of pits etc.

The State Government issued (July 1987) instructions to the District Collectors for rectification of such deficiencies.

The study report on

social forestry programme was not made available to Audit. However, it was seen that based on the evaluation report, State Government had issued instructions in August 1988 to avoid delay in payment of wages and grant of more tree pattas to women beneficiaries.

No evaluation was done in respect of three major activities namely, minor irrigation, rural link roads and group houses involving expenditure of Rs.194.75 crores.

Uttar Pradesh: An evaluation study of the RLEGP was carried out by the State Institute of Rural Development, Uttar Pradesh, Lucknow covering the period upto March 1988. The report concluded that the benefit of RLEGP had not fully reached the rural landless and that generation of rural employment was inadequate. Follow up action on the study report was not initiated (August 1990).

18. Summing up

Rural Landless Employment Guarantee Programme was launched in August 1983 for improvement and expansion of employment opportunities for the rural landless labour with a view to providing guarantee of employment to atleast one member of every rural landless household upto 100 days in a year. The programme stood merged with Jawahar Rozgar Yojana launched in April 1989.

Appropriate methodology for identifying rural landless labour and operating guarantee of employment as envisaged in the programme was not evolved. In the absence of reliable data relating to landless labourers in the States, allocation of resources to the States was made on the basis of population below poverty line, number of agricultural labourers, marginal farmers and workers.

Against the assessed annual requirement of Rs.3750 crores, for providing employment guarantee upto 100 days to one member of rural landless labour house-hold annual availability of funds ranged between Rs.100 crores and Rs.762 crores during the years 1983-89.

The maximum annual release of Rs.762 crores during 1988-89 would have been adequate to provide employment for 22 days. Due to constraint of resources, the Ministry was unable to provide guarantee of employment to the extent envisaged in the programme.

Funds aggregating Rs.3140 crores including the value of foodgrains were released to States during the years 1983-89 against which utilisation was about Rs.2797 crores.

During the years 1983-89, the total employment generation under the programme was 14172 lakh mandays against target of

13310 lakh mandays. Statistics relating to employment generation were not based on muster roll in some States; they were worked out on notional basis by dividing wage component of the outlay by prescribed minimum daily wage rate. In certain States, expenditure on material was also included for computing generation of mandays. Statistics on employment generation was thus inflated.

Though the programme was intended for the rural landless labourers, according to the statistics available with the Ministry, employment of rural landless labourers was only 38 to 47 per cent of the total mandays generated during 1985-86 to 1987-88.

For ensuring that full benefits of wage component reached the workers, contractors/other intermediate agencies were not to be engaged for execution of works. Test check revealed that works costing Rs.4.58 crores were got executed through contractors/ other intermediate agencies.

Cases of payment of wages either at lower rates or at higher rates than the prescribed minimum rates of wages were noticed. Under-payment of wages was Rs.57.18 lakhs for 19.06 lakh mandays in Rajasthan.

In test checked districts

of Himachal Pradesh, Karnataka, Madhya Pradesh, Kerala and Maharashtra, Rs.366.05 lakhs were paid in cash in lieu of foodgrains at subsidised rates, depriving the labourers of the benefit of subsidy on foodgrains.

Utilisation of foodgrains was 25.24 lakh tonnes against the release of 35.15 lakh tonnes during 1983-89.

Foodgrains released to States for distribution to workers engaged on RLEGP works were diverted to the public distribution system, and other programmes/purposes in several States. Records relating to distribution/accountal of foodgrains were not made available to Audit in Arunachal Pradesh (159 tonnes), Assam (808 tonnes), Bihar (770 tonnes), Karnataka (585 tonnes) and Tamil Nadu (1711 tonnes).

In Gujarat (Rs.195.81 lakhs), Madhya Pradesh (Rs.16.16 lakhs) and Tamil Nadu (Rs.456.88 lakhs), handling and transportation subsidy on foodgrains was adjusted with reference to maximum permissible rate of Rs.150/200 per tonne and not on the basis of actuals. In Orissa, the Orissa State Civil Supplies Corporation was allowed octroi charges amounting to Rs.33.60 lakhs out of RLEGP funds which were clearly inad-

missible.

In Gujarat and Maharashtra 66.58 lakh gunny bags valued Rs.133.16 lakhs remained unaccounted.

Projects involving a total cost of Rs.28.54 crores were taken up in several States without approval of the Ministry. Expenditure over Rs.24.15 crores was incurred on works without technical sanction in Assam, Delhi, Haryana, Himachal Pradesh, Madhya Pradesh, Orissa, Punjab and Rajasthan.

Under Indira Awaas Yojana, expenditure in excess of prescribed ceiling unit cost was incurred on construction of houses in Haryana (Rs.86.77 lakhs) and Karnataka (Rs.21.12 lakhs). Funds meant for providing infrastructural facilities in habitats were diverted for construction of additional houses/providing additional facilities in Andhra Pradesh (Rs.86.70 lakhs) and Tamil Nadu (Rs.141.66 lakhs). In Karnataka, out of 604 houses constructed at a cost of Rs.58.71 lakhs, 446 houses remained unoccupied for periods ranging from 7 to 26 months due to lack of basic amenities. In Uttar Pradesh, out of 13372 houses constructed upto March 1988 in 10 districts, out of 1873 houses (cost Rs.174.89 lakhs) had not been occupied by the beneficiaries

(April 1989) of these 1241 houses remained unoccupied for more than two years.

Under social forestry, as against the prescribed allocation of 25 per cent, the Ministry allocated about 11 to 14 per cent of RLEGP funds during 1985-86 to 1988-89. In Andhra Pradesh, Rs.87.82 lakhs were spent towards maintenance charges of plantations on lands belonging to individual beneficiaries which was irregular. In Assam, Rs.84.61 lakhs were spent on unapproved social forestry schemes during 1985-86. Rupees 79.78 lakhs were spent in excess of prescribed norms during 1984-85 to 1986-87 on raising and maintenance of plantations. In Tamil Nadu, 88 lakh seedlings raised after incurring an expenditure of Rs.29.04 lakhs withered or overaged due to non-availability of land resulting in infructuous expenditure. In Uttar Pradesh, Rs.127.26 lakhs were spent on raising seedling in excess of requirement.

Instances of un-productive expenditure were also noticed. In Kerala, the project for restoration of ecosystem in Idukki district was abandoned after spending Rs.110.45 lakhs. The project was started without adequate investigation and planning.

Diversion of funds of Rs.26.50 crores in several States to other schemes/activities not covered under the programme was noticed. Out of this, an amount of Rs.10.66 crores was utilised for the purchase of cars, jeeps, air-conditioners, video cameras, investment in term deposits and National Savings Schemes. In Rajasthan, expenditure of Rs.58.96 lakhs pertaining to National Rural Employment Programme, famine, etc. was irregularly transferred to RLEGP.

Non-adjustment of advances of Rs.51.98 crores was noticed in test check of records of several States.

Monitoring of the programme was not effective at the Central and State levels. The Ministry did not have information regarding number of projects taken up, completed, in progress or abandoned in each State out of the total projects approved by them. The Ministry did not also have complete information on implementation of social forestry schemes for which funds were earmarked. State Level Coordination Committees did not meet regularly to review the programme.

Although the programme was introduced in August 1983, no evaluation of the programme for the country as a whole had

been carried out. Limited evaluation studies were carried out at the instance of the Ministry

in respect of Indira Awaas Yojana in Gujarat, Haryana, Madhya Pradesh and West Bengal.



(D.S. IYER)

Principal Director of Audit
Economic and Service Ministries

New Delhi
The

21 DEC 1990

Countersigned



(C.G. SOMIAH)

Comptroller and Auditor General of India

New Delhi
The

21 DEC 1990

Annexure I

(referred to in paragraph 7.3)

Execution of works through contractors/middlemen

State	District/executing agencies	Period	Nature of work executed through contractors	Amount involved (Rs. in lakhs)	Remarks
1	2	3	4	5	6
Bihar	Darbhangha, Hazaribagh, Patna and Vaishali	1984-85 to 1988-89	7 works	150.31	
Haryana	Ambala and Kurukshetra (PWD, B&R and Forest Departments)	1985-86 to 1988-89	Purchase of material and execution of works	27.27	
Himachal Pradesh	District Forest Officers, Dharamsala, Nurpur and Palampur and eight PWD Divisions	1984-85 to 1988-89	Collection and carriage of stones, extraction and Planting of nursery plants, excavation work of roads, construction of culverts and procurement of soling stone etc.	30.55	
Karnataka	7 Forest Divisions	1987-88 and 1988-89	143 cases of afforestation	4.40	The works were executed through the Head Mazdoors at the schedule of rates of Rs.11 to Rs. 14.30 per day as against the minimum wage rate of Rs. 9.80 per day.
Kerala	Kottayam (Pallam and Kaduthuruthy blocks)	---	Construction of 252 houses	25.49	
	Palghat (Mannarghat and Alathur blocks)	---	Construction of 76 houses	9.52	
Madhya Pradesh	Bilaspur, Indore, Morena, Sehore, Shahdol, Shivpuri and Ujjain	1983-84 to 1988-89	56 works	52.56	

1	2	3	4	5	6
	Forest Territorial Division, Morena	July to December 1986	Construction of Boundary wall in 1000 hectares of pasture development in Jaura Range	3.95	
Maharashtra	Thane (Vasundri village in Shahpur Taluka)	1985-86	Construction of 90 huts	7.02	
Punjab	Amritsar, Hoshiarpur, Jalandhar, Ludhiana and Patiala	1984-85 to 1988-89	162 works	10.39	
Rajasthan	Irrigation Division Banswara, PW Divisions, Banswara Pali and Sawaimadhopur	1985-86 to 1987-88	31 works	2.90	
Tamil Nadu	Two Divisions and 31 Panchayat Unions	1984-85 to 1986-87	1732 works	127.46	
West Bengal	Forest Divisions Birbhum and Jalpaiguri	March 1986 and March 1987	Social forestry works	5.98	
		Total		457.80	

Annexure II
[referred to in Paragraph 10(b)]
List of unapproved works

State/UT	Year	District/ Implementing Agencies	Works unapproved/ substituted	Expenditure incurred (in lakhs of rupees)	Remarks
1	2	3	4	5	6
Andaman and Nicobar Islands	1987-88	South Andaman Block (12 works) Middle Andaman Block (37 works) North Andaman Block (11 works)		15.77	Not included in the shelf of projects
Bihar	1985-86 to 1988-89	Forest Divisions, Hazaribagh, Chaibasa and Palamu	Social Forestry in 6593 hectares.	184.92	
Himachal Pradesh	Between 1984-85 and 1988-89	11 Divisions	Construction of roads not provided in the sanctioned shelf of project	26.68	
Karnataka	Between 1987-88 and 1988-89	Project Director Watershed Deve- lopment Programme Belgaum	68 pick up weirs in Hirahalla, watershed of Belgaum District	28.48	Taken up as substitution of Nalabunds
	1988-89	Zilla Parishad Tumkur and Belgaum	Farm ponds	22.90	Executed in lieu of Million Well Scheme
Kerala	Between 1985-86 to 1988-89	Forest Department	Social forestry	759.15	Against the amount of Rs.93.36 lakhs cleared by the Govt. of India for taking up works like belt planting (Rs.75.46 lakhs), farm forestry (Rs.13.45 lakhs) and administrative cost (Rs.4.45 lakhs), the State Government irregu- larly incurred expenditure on unapproved/ in-admiss- ible items of works like construction of cairns (heap of stones) (Rs.99.28

1	2	3	4	5	6
					lakhs), construction of Stone Walls (Rs.343.70 lakhs, fire line-cum-inspection paths (Rs.6.09 lakhs), nursery for planting (Rs.44.33 lakhs), camping facilities (Rs.41.38 lakhs), maintenance of plantation vehicles (Rs.50.39 lakhs) and purchase of two jeeps and 42 motor cycles (Rs.25.16 lakhs).
Madhya Pradesh	November 1987 and January 1988	Development Commissioner	158 sericulture units and pasture development in 35000 hectares	1200.00	
Maharashtra	1984-85 and 1985-86	Director of Agriculture Maharashtra State, Pune	884 Nalla bunding works	250.09	In August 1989, Instructions were issued to transfer the expenditure to Employment Guarantee Scheme. The adjustments were pending in many districts.
Manipur	1984-85 to 1987-88	-	Works of construction of roads, minor irrigation, channels, school buildings, rural latrines and improvement and social forestry	12.24	
Punjab	1983-84	Various executing agencies in the districts of Amritsar, Hoshiarpur, Jalandhar, Ludhian and Patiala	Construction of buildings for Mahila Mandal	21.20	The construction work was discontinued from 1984-85 as these were not identified by the Project Approval Board
	1985-86 to 1988-89	- do -	pavement of street/drain 103 works	38.72 35.94	

1	2	3	4	5	6
Rajasthan	1985-86 to 1988-89	Banswara	4 sites for reforestation of barren hills (Anand Sagar, Hindolamal Rohal Panasi and Shikarbari)	15.35	Sites approved by the Ministry were at Jagmer, Jogimal, Khandia, Vadlikheda and Harendragarh
Tamil Nadu	1985-86	Minor Irrigation wing, Public Works Department.	107 minor repair works	14.43	
West Bengal	1984-85 to 1988-89	Zilla Parishad, Birbhum	Roads, bridges, culverts field etc.	227.99	Works valuing Rs.165.77 lakhs although referred were not approved by the Central Project Approval Committee (CPAC). While works valuing Rs.62.22 lakhs were neither included in Annual action plan nor referred to CPAC for approval.
Total				2853.86	

Annexure III
 [referred to in Paragraph 10(c)]
 Expenditure incurred without technical sanction

Name of State/District/ Divisions/Executing agencies	Year	No. of works	Expenditure incurred (in lakhs of rupees)
1	2	3	4
Assam			
Cachar, Jorhat, Kamrup, Karbi-Anglong and Nagaon	1984-85 to 1986-87	121 road works	497.12
Cachar, Jorhat, Kamrup, Karbi- Anglong and Nagaon (54 blocks)	1984-85 to 1987-88	727 no. of schools	501.72 (estimated cost)
Kamrup	1984-85	Construction of water harvesting-cum-fishery tank at Bamundi	7.69
Delhi	1984-85 to 1986-87	14 road works	79.53 (estimated cost)
Haryana	1985-86 to 1988-89	1757 houses	192.19
Himachal Pradesh			
15 PW Divisions	1984-85 to 1988-89	61 works	238.72
Madhya Pradesh			
Bilaspur, Indore, 14 offices Morena, Sehore 1 of PW Shahdol and 1 Irrigation Shivpuri, Ujjain 1 etc.	1983-84 to 1988-89	116 works	237.39
Bilaspur 9 PW Divisions and Shahdol	upto 1988-89	42 road works	385.36

1	2	3	4
Orissa			
Executive Engineer, R&B Rayagada and Bolangir, Executive Engineer, Minor Irrigation Division, Rayagada and Executive Engineer RLEGP projects, Bolangir	upto March 1989	20 works	64.40
Assistant Soil Conservator Officers, Gunupur and Korapet	Between 1984-85 and 1987-88	14 works	9.34
Punjab			
Amritsar, Hoshiarpur, Jalandhar, Ludhiana and Patiala	upto March 1989	43 works	37.81
Rajasthan			
(PWD Divisions, Bhilwara, Banswara, Pali and Sawai- madhopur)	1983-84 to 1988-89	46 road works	163.93
		Total	<u>2415.20</u>

Annexure IV

(referred to in paragraph 15.1)

Diversion of funds

State	District/ Implementing agencies	Year	Amount (in lakhs of rupees)	Items/schemes on which funds were spent
1	2	3	4	5
Andhra Pradesh	Visakhapatnam	1985-86 to 1987-88	30.91	Drought relief, Community irrigation wells and social forestry under NREP and purchase of mini van
Assam	Cachar, Jorhat Kamrup, Karbi- Anglong and Nagaon	1983-84 to 1988-89	6.10	NREP works
Bihar	State Depart- ment	1984-85 to 1988-89	509.42	Purchase of 80 cars and jeeps, 141 road rollers, 2 air conditioners, 1 electric typewriter and installation of intercom, etc.
	State Depart- ment	April 1985	51.40	The amount was irregularly credited in February 1989 as State Revenue instead of RLEGP
	Rural Engineering (REO) Division, Patna, Muzaffarpur and Madhuban	1984-85 to 1988-89	18.00	Construction of link roads falling within the jurisdiction of municipal areas.
	REO Hazaribagh and Vaishali and Road construction Divi- sion, Hazaribagh	1985-86 to 1986-87	6.18	Non-RLEGP works
	Water Ways Division Hazaribagh	1984-85 to 1986-87	54.00	Raising/strengthening of existing canal embankment and silt/jungle clearance
	Minor Irrigation(MI) Division, Hazipur Vaishali	1986-87 to 1987-88	20.87	Flood protection schemes

1	2	3	4	5
	MI Division, Patna	1987-87	2.24	Pay and allowances of work-charged staff of the Irrigation Division
Chandi- garh	Block Development and Panchayat officer	1985-86	5.45	Extension of existing building of Govern- ment Middle School, Dadumajra
Gujarat	DRDA Junagarh	June 1987	300.00	Intensive Agriculture Production Programme
Haryana	State as a whole	1987-88	613.26	Non-RLEGP works
	Ambala, Hissar and Kurukshetra	---	1.08	Repairs to departmental tractors and pur- chase of boards.
Himachal Pradesh	DFOs, Bharmour Dalhousie, Palampur, Dehra, Sundernagar and Rampur	1984-85 to 1986-87	1.69	Purchase of barbed wire for fencing; not to be met from RLEGP funds
	Eight PW Divisions	1984-85 to 1988-89	10.58	Work done beyond the scope of sanctioned projects
	B&R Divisions, Dehra, Dharamsala and Theog	1984-85 to 1988-89	2.01	Four non-RLEGP works
	Seven PW Divisions	1984-85 to 1988-89	6.88	Departmental charges on 14 works levied contrary to instructions.
	Thirteen PW Divisions	1984-85 to 1988-89	3.83	Charged pay and allowances of the work charged staff
Jammu & Kashmir	Asstt. Commissioner, Development and Jammu and Block Officers, RS Pora, Sogam and Ramnagar	1984-85 to 1988-89	5.56	NREP Works
Karnataka	State Department	1984-85 to 1988-89	14.40	Spent on refreshments, purchase of car, petrol, diesel and establishment charges. Part of cost of diesel, petrol and refre- shment charges was chargeable to NREP, etc.

1	2	3	4	5
	University of Agricultural Sciences	March 1987	15.00	Purchase and production of breeder seeds for supply to the Project Director Watershed Development Programme without approval of Government of India. However, no breeder seed was supplied.
	Zilla Parishad Bellary	1984-85 1987-88 and 1988-89	35.16	NREP works
	Zilla Parishad Bellary	December 1987	1.80	To promote sale of Indira Vikas Patras
	Zilla Parishad Bellary	1984-85 to 1988-89	60.04	Amounts deposited in banks and post offices
	Zilla Parishad Hassan	1987-88	26.74	Amount utilised, for 'Operation Black Board' Scheme
	Zilla Parishad Engineering Division, Hassan	1988-89	4.23	NREP works
	Bellary Division	1986-87	2.44	Raising of departmental nurseries as against kisan nurseries
	Zilla Parishad Engineering Division Channarayapatna	1985-86	3.92	Erroneously charged to RLEGP
	18 districts	March 1988	18.00	Setting up of a revolving fund for purchase of inputs required by the farmers.
	Belgaum, Bijapur, Hassan and districts	1986-87 to 1988-89	3.54	Recovery on account of bad work and other inadmissible payments credited by the Range Forest Officers to 'Forest Remittances' instead of crediting it to RLEGP funds.
	Dharwad district	1985-86	1.06	Sales tax on foodgrains which was to be borne by State Government.
Kerala	Rural Development Department	1986-87	3.00	Advance payment for hiring of a private building to accommodate the offices of Rural Development Department.

1	2	3	4	5
	Rural Development Department	January 1987 to July 1988	10.11	Monthly rent of the above building
	Rural Development Department	1986-87	1.01	Advertisement charges in newspaper
	DRDA, Trichur	---	2.55	Purchase of furniture for use in the Community Development Blocks and Village Extension Offices.
	Forest Department	---	1.40	Wire fencing for protecting plantation inside the colony of Kerala State Electricity Board.
	Rural Commissioner Development Department	1987-88	8.37	Purchase of six jeeps
Madhya Pradesh	Development Commissioner	1987-88	41.02	Money diverted to Scheme for the Development of Women and Children in Rural Areas
	Executing Agencies in Bilaspur, Indore Morena, Sehore Shahdol, Shivpuri and Ujjain	1983-84 to 1988-89	18.53	NREP, World Bank Scheme and other departmental works and purchase of jeeps, payment of land compensation maintenance and repair of jeeps, purchase of diesel for jeeps and payment of wages to drivers etc.
Maharashtra	Thane	1985-86 to 1988-89	2.66	NREP works
Meghalaya	West Garo Hills Division, Tura	1986-87	3.07	NREP works
Mizoram	DRDA, Bungloi (4 BDOs)	1987-88 and 1988-89	8.00	Scheme for construction of rural godowns
Nagaland	Block Development Officer	1986-87 to 1988-89	2.60	Construction of latrine-cum-urine sheds in Government schools and colleges, contribution for construction of highschool building Kohima and school building at Sangtela Ward, Mokokchung town.

1	2	3	4	5
	Social Welfare and Fisheries Departments	1983-84 to 1988-89	47.93	Construction of Angan wadi Centres and fishery ponds.
Orissa	Executive Engineer, Prachi Division Bhubaneswar	1985-86	8.05	Other works
	Executive Engineer, Bargarh Canal Division	August 1987	1.57	Canal works not covered under RLEGP
	Executive Engineer, R&B Division I	---	5.24	The expenditure was to be met from State funds under the head 'Communication and Puri repairs'.
	Director, Soil Conservation	1986-87	7.96	Purchase of jeeps by diverting funds sanctioned for water observation works in favour of DRDA, Puri
Pondicherry	--	1987-88	25.76	20 drought relief works
	Karaikal	1987-88	8.22	Six works executed in urban and municipal areas.
Rajasthan	Banswara, Bhilwara Pali and Sawai-madhopur	1983-84 to 1988-89	3.93	Other works, repairs and petrol charges of departmental vehicles and expenditure of capital nature in excess prescribed ceiling excess of 5 per cent.
Sikkim	Project officer Rural Development Department and District Development officers.	1983-84 to 1988-89	14.96	Purchase of video camera, construction of staff quarters, donation to Sikkim Football Association and payments to contractors towards their profits.
Tamil Nadu	14 Panchayat Unions in districts of Coimbatore, South Arcot and Tirunelveli	1985-86 to 1987-88	4.21	Construction of compound wall for Panchayat Union Office, purchase of implements and pumpsets, payments of electricity bills, etc.

1	2	3	4	5
	21 Panchayat Unions districts of Coimbatore, Madurai, North Arcot, Salem, South Arcot and Tirunelveli	1986-87 to 1988-89	15.03	NREP works
	Madurai, North Arcot and Salem districts 53 Panchayat Unions	1984-85 to 1985-86	28.12	Other purposes like percolation ponds, small savings and Group Housing for SCs/STs.
	15 Panchayat Unions in four districts	1985-86 and 1986-87	2.05	Construction of rural sanitary latrines for houses constructed under NREP(186) and and THADCO (18)
Tripura	Teliamura Forest Division	1984-85	1.64	Construction of forest roads not connected with the programme.
Uttar Pradesh	DRDA, Sultanpur	1985-86 to 1987-88	387.31	Invested in term deposits/National Saving Schemes;
	DRDA, Aligarh	1987-88	43.23	Post office savings scheme
	DRDA, Faizabad	1986-87	50.00	Deposit with the Kshetriya Gramin Bank, Faizabad.
	DRDA, Aligarh	1985-86 to 1986-87	12.80	NREP works
	Irrigation Division, Azamgarh	1987-88 to 1988-89	10.22	Funds meant for constructing village road bridges were spent on meeting the increased cost of remodelling a drain by the Irrigation Division
	Irrigation Division, Sultanpur	1988-89	4.84	Maintenance and repairs of canals
	Four Forest Division	1986-87 and 1988-89	2.69	Purchase of equipment, liveries for staff, cement, payment of electricity dues and wages relating to other schemes.

1	2	3	4	5
West Bengal	Fishery Offices	1984-85 and 1988-89	2.67	Purchase of fry/fingerlings, fishing nets, aluminium pots, oil
	Nadia	1985-86 to 1988-89	23.11	Development of three fish farms in urban areas.
		Total	2649.65	

Annexure V

(referred to in paragraph 15.2)

Non-adjustment of advances/non-rendering of account of outstanding advances

State	Districts/ Divisions/ Implementing agencies	Name of execu- ting agencies to whom adva- nces were given	Period	Amount of outstand- ing adva- nces (Rs. in lakhs)	Remarks
1	2	3	4	5	6
Andhra Pradesh	Khammam	DRDA	1985-86 to 1988-89	12.20	
			1985-86 to 1988-89	7.08	
	Kurnool	DRDA	1984-85	11.96	
			13 BDOs		
	Mahaboobnagar	DRDA	1985-86 to 1988-89	6.43	
			1985-86	7.24	
	Andhra Pradesh State Housing Corporation				
	State Government Andhra Pradesh State Scheduled Caste Cooperative Finance Corporation		1984-85 to 1988-89	3942.75	
Assam	Cachar, Jorhat, Kamrup, Karbi-Anglong and Nagaon	Junior engi- neers of 10 block offices	1985-86 to 1988-89	6.32	
Bihar	Madhubani and Singhbhum	Five volunt- ary agencies	1984-85 to 1987-88	27.27	
Karnataka	Hassan and Shimoga	Assistant Conservators of Forests	1986-87	9.38	

1	2	3	4	5	6
	Territorial Forest Division Bellary	Deputy Conservator of Forests, Bellary	1984-85 to 1988-89	6.89	Rs.3.66 lakhs pertained to the period 1984-85 to 1986-87.
	Bagalkot, Belgaum Hassan, Shimoga and Tumkur Divisions	Range Forest Officer	1987-88	29.59	
	Zilla Parishad Shimoga	Minor Irrigation Division Shimoga	1987-88	15.57	The Division was defunct from July 1987
	Belgaum, Bellary, Bizapur, Hassan, Shimoga and Tumkur	Range Forest Officers	Since 1984-85	78.79	
	Project Directors, Watershed Development Programme, Bellary, Bijapur, Hassan and Tumkur	Drawing officers of Agriculture and Horticulture sectors of the Watershed Development Programme	1986-87 to 1988-89	129.81	Besides this, even where accounts had been rendered nonpayable contingent bills for Rs.159.97 lakhs were pending with the countersigning authorities (June 1989)
Kerala	Palghat	Executive Engineers, Irrigation Divisions, Chittoor and Malampuzha	1984-85	74.00	This included foodgrains valued at Rs.13.23 lakhs.
		Forest Divisions, Kottayam and Kothamangalam and Special Forest Division, Palghat		9.10	
	Kottayam	Bharat Petroleum Corporation Madras and Indian Oil Corporation	1984-85 to 1987-88	12.98	
Madhya Pradesh	Morena and Shivpuri	Commandant Land Army, Gwalior	1985-86 to 1988-89	6.42	
Maharashtra	Alibag	Plantation officers of five blocks	1985-86	4.98	

1	2	3	4	5	6
	Pune	Agriculture Development Officer, Zilla Parishad, Pune	1987-88	4.75	
	Pune	Block Development Officers, Zilla Parishad (South) Division	---	8.34	Pending receipt of detailed contingent bill for over sixteen months pertaining to construction of 139 huts etc.
	DRDA	Executive Engineer Zilla Parishad (South), Pune	1986 and 1987	9.80	
Orissa	Koraput and Puri	Orissa State Civil Supplies Corporation	1984-85 and 1985-86	11.01	
	Koraput	Minor Irrigation Division, Rajagada	1987-88	12.19	Deposited Rs.1.07 lakhs in excess of the estimated cost.
Pondicherry	DRDA	Block Development Offices	1983-84 to 1988-89	12.93	
Punjab	Amritsar, Bhatinda, Faridkot, Ferozepur, Gurudaspur, Hoshiarpur, Jalandhar, Kapurthala, Ludhiana Patiala, Ropar and Sangrur	Various agencies	1983-84 to 1987-88	486.16	
Rajasthan	Bhilwara and Sawai-Madhopur	Panchayat Samitis of Mandal, Shapura and Sawai-Madhopur	upto 1984-85	1.77	
Tamil Nadu	Various Minor Irrigation Division of Public Works Department	A private cement factory in Andhra Pradesh	1984-85	2.54	This was an outstanding amount for the supply of 9850 tonnes of cement costing Rs.122.69 lakhs. The factory was yet (July 1989) to supply 199.35 tonnes of cement to 11 divisions.

1	2	3	4	5	6
West Bengal	Birbhum Burd- wan, Jalpai- guri Murshida- bad and Nadia	Fishery Offices	1985-86 to 1988-89	249.48	Out of total drawal of Rs.421.59 lakhs, Rs.340.30 lakhs (81 per cent) were drawn in Abstract Contingent Bills in order to avoid lapse of budget grants.
			Total	<u>5197.73</u>	

Errata

<u>Page</u>	<u>Column No.</u>	<u>Line No.</u>	<u>Incorrect</u>	<u>Correct</u>
1	2	18	,	.
16	1	8 from below	foodgrain	foodgrains
28	2	32	pahses	phases
33	2	10 from below	chec-	checked
37	2	14		Add the word 'relief' after the word 'famine'
45	2	4 from below	delete the words 'out of'	
46	Column 1	1st	Add ; after the words (April 1989)	
51	Column 3 of annex.II	3 from below	Ludhian	Ludhiana
56	Column 3	1st	1987-87	1987-88
59	Column 5	10 from below	exces	excess
63	Column 3	10	Drawaing	Drawing

Price :