



REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR 1980-81
(CIVIL)

GOVERNMENT OF MADHYA PRADESH

ERRATA

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR
THE YEAR 1980-81**

(CIVIL)

GOVERNMENT OF MADHYA PRADESH

| Page No. | Reference | For | Read |
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| 2 | Serial No. (4) under particulars | ncrease | Increase |
| 2 | Serial No. (8) Col. 3 closing cash balance | 63.48 | 63.46 |
| 3 | Para 1.3 , line 1 | 1,75.3 | 1,75.31 |
| 6 | Table column 1 | 1979-90 | 1979-80 |
| 7 | Para 1.8, item No. (ii) | Insert a comma after | the word 'funds' |
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| 55 | Para 11, other points of interest- 2nd line | Jablapur | Jabalpur |
| 57 | Para 3.9 (i), 1st line | uitilisation | utilisation |
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| 66 | Column 1, 2nd line | 1966-77 | 1976-77 |
| 68 | Under column 3 | Insert "Rupees in lakhs" | |
| 69 | 2.5, 2nd line | procurem nt | procurement |

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| 74 | (ii) para, 1st line | & | and |
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| 123 | Column 9 | 3.09 | —3.09 |
| 124 | Heading above column 1 | caiegories | categories |
| 126 | 5th line from bottom | repaid | rapid |
| 128 | Appendix V | Appendix V-contd. | Appendix V-concl'd. |
| 129 | Appendix VI, 3rd line | margin | marginal |
| 129 | 2nd item, 3rd line from bottom | well | wells, |
| 130 | Appendix VI | contd. | concl'd. |
| 133 | Appendix VIII, column 9, heading | case | cases |
| 135 | 4th line | 4.2.6.2 | 4.2.6(ii) |
| 138 | Item 10 | Homeguards | Homeguards |
| 138 | Sl. No. (7) Public Health and Family Welfare column (5) | 62 | 64 |
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PREFATORY REMARKS

This report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1980-81 together with other points arising from the audit of the financial transactions of the Government of Madhya Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1980-81.

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

3. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1980-81 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1980-81 have also been included, wherever considered necessary.

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

CHAPTER I

GENERAL

1. 1. Summary of transactions

The receipts and expenditure of the Government of Madhya Pradesh for the year 1980-81 are given below with corresponding figures of the previous year :—

| Particulars (1) | 1979-80 (2) | 1980-81 (3) |
|--|---------------------------|-----------------|
| | <i>(Rupees in crores)</i> | |
| (1) Revenue | | |
| <i>Revenue receipts—</i> | | |
| (i) Revenue raised by the State Government | 5,73.93 | 6,49.78 |
| (ii) Receipts from the Government of India | 3,84.70 | 4,84.16 |
| Total—Revenue receipts | 9,58.63 | 11,33.94 |
| <i>Revenue Expenditure—</i> | | |
| Non-Plan | 6,31.31 | 7,40.22 |
| Plan | 1,60.23 | 2,75.94 |
| Total—Revenue expenditure | 7,91.54 | 10,16.16 |
| Revenue surplus (+) | +1,67.09 | +1,17.78 |
| (2) Public Debt— | | |
| <i>(i) Internal debt of the State Government—</i> | | |
| <i>(a) Market loans—</i> | | |
| Receipts | 9.93 | 11.57 |
| Repayments | 5.16 | 5.71 |
| Increase (+) | +4.77 | +5.86 |
| <i>(b) Loans from autonomous bodies—</i> | | |
| Receipts | 7.52 | 9.44 |
| Repayments | 4.04 | 4.24 |
| Increase (+) | +3.48 | +5.20 |
| <i>(c) Ways and means advances from the Reserve Bank of India—</i> | | |
| Receipts | 40.12 | 6,24.69 |
| Repayments | 40.12 | 5,58.96 |
| Increase (+) | .. | +65.73 |
| Total—Internal debt of the State Government (net)— | | |
| Increase (+) | +8.25 | +76.79 |

| Particulars (1) | 1979-80 (2) | 1980-81 (3) |
|---|----------------|----------------|
| <i>(Rupees in crores)</i> | | |
| (ii) Loans and advances from the Government of India— | | |
| Receipts | 1,44.86 | 2,11.15 |
| Repayments | 36.60 | 55.42 |
| Increase (+) | +1,08.26 | +1,55.73 |
| Total—Public debt (net)— | | |
| Increase (+) | +1,16.51 | +2,32.52 |
| (3) Capital expenditure— | | |
| Non-Plan | 4.72 | 3.80 |
| Plan | 2,11.97 | 2,56.95 |
| Increase (+) | -2,16.69 | -2,60.75 |
| (4) Loans and advances by the State Government— | | |
| Disbursements | 1,69.70 | 2,27.26 |
| Recoveries | 27.68 | 32.86 |
| Increase (+) | -1,42.02 | -1,94.40 |
| (5) Transfer to Contingency Fund— | .. | 20.00 |
| Increase (+) | .. | -20.00 |
| (6) Contingency Fund (net)— | | |
| Increase (+) | +5.07 | +18.78 |
| (7) Public Account— | | |
| Receipts | 13,01.15 | 14,08.41 |
| Disbursements | 12,38.55 | 13,37.88 |
| Increase (+) | +62.60 | +70.53 |
| Net deficit (—) | -7.44 | -35.54 |
| (8) Cash balance— | | |
| Opening cash balance | -20.48 | -27.92 |
| Net deficit as above (—) | -7.44 | -35.54 |
| Closing cash balance | -27.92 | -63.48* |

1. 2. Revenue surplus/deficit

(a) Revenue receipts.—The actuals of revenue receipts of the Government for the year 1980-81 as compared with (i) the budget estimates and (ii) the budget estimates plus additional

* The closing cash balance of Rs.—63.46 crores was made up of Rs.—63.26 crores (Deposits with Reserve Bank), Rs.—0.42 crore (Remittances in transit) and Rs. 0.22 crore (cash in treasuries). There was a difference of Rs. 34.67 crores between the figure reflected in the accounts (Rs.—63.26 crores) and that intimated by Reserve Bank of India (Rs.—97.93 crores) regarding 'Deposits with Reserve Bank' included in the cash balance. After reconciliation and adjustment in the accounts to end of June 1981 a difference of Rs. 1.06 crores remains to be reconciled (March 1982).

taxation (less concessions in taxation) during the year with corresponding figures for 1978-79 and 1979-80 are shown below :—

| Year | Budget | Budget plus additional taxation (less concessions in taxation) | Actuals | Variation between columns (4) and (3) | |
|--------------------|----------|--|----------|---------------------------------------|------------|
| | | | | Amount of increase (+) decrease (—) | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| (Rupees in crores) | | | | | |
| 1978-79 | 7,79.65 | 7,89.88 | 7,72.32 | —17.56 | 2.2 |
| 1979-80 | 9,71.50 | 9,72.00 | 9,58.63 | —13.37 | 1.4 |
| 1980-81 | 11,14.88 | 11,19.88 | 11,33.94 | +14.06 | 1.2 |

(b) *Expenditure on revenue account.*—The expenditure on revenue account during 1980-81 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision and the corresponding figures for the preceding two years are shown below :—

| Year | Budget | Budget plus supplementary | Actuals | Variation between columns (4) and (3) | |
|--------------------|---------|---------------------------|----------|---------------------------------------|------------|
| | | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| (Rupees in crores) | | | | | |
| 1978-79 | 6,68.90 | 7,53.53 | 6,50.23 | —1,03.30 | 14 |
| 1979-80 | 8,02.80 | 9,27.31 | 7,91.54 | —1,35.77 | 15 |
| 1980-81 | 9,93.31 | 10,89.16 | 10,16.16 | —73.00 | 7 |

(c) The year ended with a revenue surplus of Rs. 1,17.78 crores as against a surplus of Rs. 1,21.57 crores anticipated in the budget.

The figures of revenue surplus for the year under review and the corresponding figures for the last two years are given below :—

| Year | Revenue surplus |
|--------------------|-----------------|
| (1) | (2) |
| (Rupees in crores) | |
| 1978-79 | 1,22.09 |
| 1979-80 | 1,67.09 |
| 1980-81 | 1,17.78 |

1.3. Revenue receipts

During 1980-81, revenue receipts (Rs. 11,33.94 crores) showed an increase of Rs. 1,75.3 crores (18 per cent) over those in 1979-80 (Rs. 9,58.63 crores). The increase is analysed below :—

| (1) | Receipts | | |
|--|----------------|----------------|-----------------------------|
| | 1979-80 | 1980-81 | Increase (+) Decrease(—) |
| | (2) | (3) | (4) |
| (Rupees in crores) | | | |
| (i) REVENUE RAISED BY THE STATE GOVERNMENT— | | | |
| (a) Tax Revenue | 3,14.68 | 3,77.20 | +62.52 |
| (b) Non-Tax Revenue | 2,59.25 | 2,72.58 | +13.33 |
| Total (i) | 5,73.93 | 6,49.78 | +75.85 |

| (1) | Receipts | | |
|--|----------|----------|-----------------------------|
| | 1979-80 | 1980-81 | Increase (+) Decrease(—) |
| | (2) | (3) | (4) |
| <i>(Rupees in crores)</i> | | | |
| (ii) RECEIPTS FROM THE GOVERNMENT OF INDIA— | | | |
| (a) Taxes on Income Other than Corporation Tax | 63.62 | 73.80 | +10.18 |
| (b) Hotel Receipts Tax | .. | 0.03 | +0.03 |
| (c) Estate duty | 0.17 | 0.41 | +0.24 |
| (d) States' share of Union Excise Duties | 2,07.92 | 2,28.64 | +20.72 |
| (e) Grants— | | | |
| (1) Non-Plan grants— | | | |
| Grants under the Constitution (Distribution of Revenues) Order | 1.23 | 9.99 | +8.76 |
| Grants in lieu of tax on Railway passenger fare | 0.95 | 0.95 | .. |
| Other grants | 2.32 | 4.30 | +1.98 |
| (2) Grants for State Plan Schemes— | | | |
| Grants under proviso to Article 275 (1) of the Constitution | 21.30 | 22.13 | +0.83 |
| Other grants | 47.41 | 67.75 | +20.34 |
| (3) Grants for Central Plan Schemes | | | |
| | 18.97 | 46.05 | +27.08 |
| (4) Grants for Centrally sponsored Plan Schemes— | | | |
| Grants under proviso to Article 275 (1) of the Constitution | 0.14 | 0.16 | +0.02 |
| Other grants | 20.67 | 29.95 | +9.28 |
| Total (e) Grants | 1,12.99 | 1,81.28 | +68.29 |
| Total (ii) .. | 3,84.70 | 4,84.16 | +99.46 |
| Total (i) and (ii) | 9,58.63 | 11,33.94 | +1,75.31 |

Receipts from the Government of India during 1980-81 (Rs. 4,84.16 crores) were 43 per cent of the total revenue receipts in the year.

More information on the subject will be found in the Report of the Comptroller and Auditor General of India for the year 1980-81, Revenue Receipts—Government of Madhya Pradesh.

1. 4. Expenditure on revenue account

The expenditure, Plan and Non-Plan, on revenue account during 1980-81 under the different sectors, as also the provision of funds and corresponding expenditure in the preceding year, are given in Appendix I.

Taking Plan and Non-Plan expenditure together, there was under-utilisation of provision in all the sectors excepting 'Agriculture and Allied Services' and 'Transport and Communications'. The Plan expenditure on 'Social and Community Services' and 'Agriculture and Allied Services' has gone up noticeably to Rs. 1,10.18 crores and Rs. 1,48.64 crores compared

to Rs. 39.81 crores and Rs. 1,15.38 crores in 1979-80 respectively, though there was under-utilisation of provision in 1980-81 by Rs. 21.77 crores under 'Social and Community Services'.

Taking Plan and Non-Plan expenditure together the net increase of Rs. 2,24.62 crores in 1980-81 compared to the preceding year was mainly on 'General Services' (Rs. 44.56 crores), 'Social and Community Services' (Rs. 1,02.82 crores), 'Agriculture and Allied Services' (Rs. 42.20 crores), 'Water and power Development' (Rs. 15.57 crores) and 'Transport and Communications' (Rs. 9.40 crores). The expenditure on 'Interest payments' increased by Rs. 11.50 crores mainly due to larger payment of interest on 'Internal Debt' and 'Small Savings and Provident Funds', etc., and on 'loans from Central Government'. Rupees 11.90 crores more were spent on Police Department mainly on upgradation of standards in administration under 'Special Police' and 'District Police'. Rupees 26.14 crores more were spent on 'Education' due mainly to creation of new posts for primary and secondary schools. Rupees 18.12 crores more were spent on 'Public Health, Sanitation and Water Supply' due mainly to more expenditure on prevention and control of diseases and urban and rural water supply programmes. The increase of Rs. 23.84 crores under 'Labour and Employment' was due mainly to more expenditure on 'Tribal Areas Sub-Plan'. The increase of Rs. 23.23 crores under 'Social Security and Welfare' was due to more expenditure on Welfare of Scheduled castes, Scheduled Tribes, Tribal Areas Sub-plan, Family and Child Welfare and Pension under Social Security Scheme. The increase in expenditure by Rs. 12.01 crores under 'Minor Irrigation' was due to more expenditure on construction and deepening of wells and tanks. The increase in expenditure of Rs. 10.22 crores under 'Roads and Bridges' was due to higher cost of maintenance of roads of inter-State importance, State highways and district and other roads.

1.5. Expenditure on capital account

(i) The capital expenditure during the three years ending 1980-81 and the budget estimates, augmented by supplementary provision, are given below:—

| Year | Budget | Budget plus supplemen- tary | Actuals | Variation between columns (4) and (3) | |
|--------------------|---------|-----------------------------------|---------|--|------------|
| | | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| (Rupees in crores) | | | | | |
| 1978-79 | 1,54.63 | 1,78.32 | 1,63.37 | -14.95 | 8 |
| 1979-80 | 1,92.29 | 2,36.51 | 2,16.69 | -19.82 | 8 |
| 1980-81 | 2,20.53 | 2,47.63 | 2,60.75 | +13.12 | 5 |

(ii) The expenditure, Plan and Non-Plan, on capital account during 1980-81 under the different sectors, as also the provision of funds and the corresponding expenditure in the preceding year, are given in Appendix II.

Against the Plan provision of Rs.240.74 crores during 1980-81, the expenditure was Rs.256.95 crores *i.e.*, excess of Rs.16.21 crores (7 per cent). Compared to the expenditure of Rs.211.97 crores in 1979-80 the expenditure during 1980-81 was more by Rs.44.98 crores. Under Non-Plan, the expenditure of Rs.3.80 crores was below the 1979-80 level (Rs.4.72 crores). The expenditure was also less compared to provision (Rs.6.89 crores) by Rs.3.09 crores.

The excess expenditure under Plan in 1980-81 compared to provision was mainly under 'Agriculture and Allied Services' (provision: Rs.58.08 crores and expenditure: Rs.69.61 crores) and 'Transport and Communications' (provision: Rs.50.16 crores and expenditure: Rs.61.01 crores). The expenditure as compared to 1979-80 was at higher level mainly under 'Transport and Communications' (increase of Rs.28.76 crores, about 89 per cent) and 'Agriculture and Allied Services' (increase of Rs.12.91 crores, about 23 per cent).

1.6. Loans and advances by the Government

(i) The actuals of disbursement of loans and advances by the Government during 1980-81 and the budget estimates as also the estimates augmented by supplementary provision along with the corresponding figures for the two preceding years are given below :—

| Year (1) | Budget (2) | Budget plus sup- plementary (3) | Actuals (4) | Variation between columns (4) and (3) | |
|--------------------|---------------|--|----------------|--|-------------------|
| | | | | Amount (5) | Percentage (6) |
| (Rupees in crores) | | | | | |
| 1978-79 | 1,42.94 | 1,59.06 | 1,37.93 | —21.13 | 13 |
| 1979-90 | 1,63.12 | 1,80.09 | 1,69.70 | —10.39 | 6 |
| 1980-81 | 2,14.17 | 2,41.31 | 2,27.26 | —14.05 | 6 |

The shortfall in disbursement compared with provision in 1980-81 was mainly because of less loans given for 'Housing' (Rs.1.42 crores), 'Co-operation' (Rs.3.80 crores), 'Agriculture' (Rs.2.45 crores), 'Roads and Bridges' (Rs.2.36 crores) and to Government servants (Rs.1.43 crores).

(ii) The budget and actuals of recoveries of loans and advances for the three years ending 1980-81 are given below :—

| Year (1) | Budget (2) | Actuals (3) | Variations | |
|--------------------|---------------|----------------|---------------|-------------------|
| | | | Amount (4) | Percentage (5) |
| (Rupees in crores) | | | | |
| 1978-79 | 29.33 | 23.02 | —6.31 | 21 |
| 1979-80 | 31.43 | 27.68 | —3.75 | 12 |
| 1980-81 | 53.99 | 32.86 | —21.13 | 39 |

Recoveries in 1980-81 were notably less than estimated under 'Co-operation' (Rs.6.80 crores) and 'Agriculture' (Rs.14.93 crores).

(iii) The sectorwise disbursement of loans and advances and recoveries made during the three years ending 1980-81 as also the loans outstanding at the beginning/end of each year are given in Appendix III. Further details are available in Statement Nos.5 and 18 of Finance Accounts, 1980-81.

(iv) Recoveries in arrears.—(a) Loans and advances the detailed accounts of which are maintained by the audit office.—Recovery of Rs.7.17 crores (principal: Rs.3.93 crores; interest: Rs.3.24 crores) was in arrears at the end of March 1981 as shown below :—

| (1) | Principal | Interest |
|--------------------|-----------|----------|
| | (2) | (3) |
| (Rupees in crores) | | |
| Upto 1979-80 | 3.00 | 2.74 |
| 1980-81 | 0.93 | 0.50 |
| Total .. | 3.93 | 3.24 |

(b) Loans and advances the detailed accounts of which are maintained by departmental officers.—Complete information about arrears in recovery of loans and advances has not been supplied by the departmental officers. According to the information received (December 1981), recovery of Rs.8.23 crores (principal)* was outstanding at the end of March 1981. Out of the total recovery reported to be in default, the recovery of Rs.7.72 crores (principal)* was outstanding for more than three years as on 31st March 1981.

*Information about interest in default has not been received (March 1982).

(v) The balances under the various loans are communicated to the loanees where detailed accounts are maintained by the Audit Office and to the departmental officers in other cases, every year for verification and acceptance of balances. Out of 4,139 cases where the detailed accounts are maintained by the Audit Office and 3,349 cases where the detailed accounts are maintained by the departmental officers, acceptances have been received in 115 cases in respect of the former and remained wanting in all cases in respect of the latter (March 1982).

1.7. Sources of funds for capital expenditure and net outgo under loans and advances

The capital expenditure (Rs.2,60.75 crores), the net outgo under loans and advances by the State Government (Rs.1,94.40 crores) and amount transferred to the Contingency Fund (Rs.20 crores) during 1980-81 were met mainly from revenue surplus (Rs.1,17.78 crores), internal debt of the State Government (Rs. 76.79 crores), loans and advances from the Central Government (Rs.155.73 crores) and increase in provident fund balances, etc, (Rs.60.61 crores).

1.8. Debt position

(a) The total debt liability of the Government at the close of 1980-81 was Rs.17,51.11 crores. A comparative analysis of the debt liability as at the end of March 1979, 1980 and 1981 is given below:—

| Nature of debt (1) | Balance on 31st March | | |
|---|-----------------------|----------------|-------------|
| | 1979 (2) | 1980 (3) | 1981 (4) |
| | (Rupees in crores) | | |
| (i) Public Debt— | | | |
| (1) Internal debt of the State Government .. | 1,42.18 | 1,50.43 (*) | 2,27.22 |
| (2) Loans and advances from the Government of India. | 7,42.44 | 8,50.85 | 10,06.58 |
| Total—(i) Public Debt .. | 8,84.62 | 10,01.28 | 12,33.80 |
| (ii) Small savings, provident funds etc. .. | 2,50.79 | 2,98.55 | 3,59.16 |
| (iii) Reserve funds and deposits (interest bearing) | 30.08 | 29.51 (@) | 36.94 |
| (iv) Reserve funds and deposits (non-interest bearing). | 81.55 | 84.15 | 1,21.21 |
| Total .. | 12,47.04 | 14,13.49 | 17,51.11 |

The borrowings from the Government of India constituted 82 per cent of the State Government's public debt on 31st March 1981 as against 85 per cent of the public debt on 31st March 1980.

During the year a loan of Rs.10.50 crores bearing interest at 6½ per cent per annum (redeemable at face value in 1992) was floated by the Government against which Rs.10.77 crores were subscribed.

(*) Increased *pro forma* by Rs. 0.15 crore due to conversion of refundable *portion of subsidy as loan.

(@) Decreased *pro forma* by Rs. 0.02 crore under '822 Sinking Funds' due to consolidation of 'Industrial Housing Loan' taken from Central Government into "Pre-1979-80 Loans" as per recommendations of the Seventh Finance Commission.

(b) *Ways and Means advances and overdrafts from the Reserve Bank of India.*—Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of Rs.80 lakhs on each day. The Bank makes ways and means advances when cash balance falls short of this minimum.

The extent to which the Government maintained the minimum balance with the Bank during 1980-81 is given below :—

| | |
|---|-----|
| (i) Number of days on which the minimum balance was maintained without obtaining any advance | 13 |
| (ii) Number of days on which the minimum balance was maintained by taking ways and means advance (ordinary and special) | 107 |
| (iii) Number of days on which there was shortfall from minimum balance after taking the above advances but no overdraft was taken | 6 |
| (iv) Number of days on which overdrafts were taken | 239 |

During the year, ways and means advances aggregating Rs.6,24.69 crores (ordinary: Rs.1,41.74 crores, special: Rs.89.40 crores and overdrafts: Rs.3,93.55 crores) were obtained out of which Rs.5,58.96 crores (ordinary: Rs.1,25.74 crores, special: Rs.81.40 crores and overdrafts: Rs.3,51.82 crores) were repaid leaving an amount of Rs.65.73 crores (ordinary: Rs.16 crores, special: Rs.8 crores and overdrafts : Rs.41.73 crores) outstanding at the end of the year.

Rupees 2.12 crores were paid as interest to the Bank on the ways and means advances and overdrafts during 1980-81 against Rs.3.36 crores during 1978-79 and Rs.0.06 crore during 1979-80.

(c) *Interest charges.*—Interest payments on account of debt are analysed below :—

| (1) | 1979-80 (1) | 1980-81 (2) |
|--|----------------|----------------|
| (Rupees in crores) | | |
| Interest paid by the State Government .. | 65.85 | 77.35 |
| Interest received by the State Government— | | |
| (a) Interest received on loans and advances | 47.34 | 48.89 |
| (b) Interest received on investment of cash balance .. | 2.28 | 0.25 |
| Net burden of interest on revenue | 16.23 | 28.21 |
| Net interest as percentage of total revenue receipts | 1.69 | 2.48 |

In addition, there were other miscellaneous receipts of interest (Rs. 0.75 crore) and if these are taken into account, the net burden of interest on revenue would be Rs. 27.46 crores, or 2.42 per cent of the total revenue receipts. The Government also received during the year Rs. 0.53 crore by way of dividend on investments in commercial and industrial undertakings, etc.

The net addition to Small Savings, Provident Funds and Insurance and Pension Fund balances, during 1980-81 was Rs. 60.61 crores while interest paid on such balances was Rs. 21.40 crores.

(d) The major liabilities relating to Reserve Funds, Deposits and other obligations are, Sinking Funds (Rs. 21 crores), Depreciation/Renewal Reserve Funds (Rs. 6 crores), Miscellaneous Deposits (Rs. 37 crores), Revenue Deposits (Rs. 12 crores), Civil Courts' Deposits (Rs. 3 crores), Personal Deposits (Rs. 8 crores), Public Works Deposits (Rs. 33 crores), Deposits of Educational Institutions (Rs. 3 crores) and Other Deposits (Rs. 31 crores).

1.9. Investments

Details of amounts invested by Government during 1980-81 as well as cumulative figures to end of the year together with the dividend/interest received by Government therefrom during the year are given below :—

| Category of bodies | Investments During 1980-81 | | Investments To end of 1980-81 | | Dividend/interest received during the year with percentage of return on cumulative investments in brackets |
|-------------------------------|----------------------------|--------------------|-------------------------------|-------------|--|
| | No. of concerns | Investments | No. of concerns | Investments | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | (Rupees in crores) | | | |
| (i) Statutory Corporations | 3 | 4.35 | 4 | 26.97 | 0.03 (0.11) |
| (ii) Government Companies | 14 | 9.56 | 25 | 44.83@ | 0.05 (0.11) |
| (iii) Joint Stock Companies | .. | .. | 24 | 1.02 | 0.07 (6.9) |
| (iv) Banks | .. | .. | 1 | (£) | .. |
| (v) Co-operative institutions | (A) | 6.41 | (A) | 71.73 | 0.38 (0.53) |
| Total | .. | 20.32 | .. | 1,44.55 | 0.53 (0.37) |

1.10. Guarantees given by the Government

(i) The Government has given guarantees for repayment of loans, payment of interest thereon, etc., raised by Statutory Corporations/Bodies, Government Companies, Joint-Stock Companies, Co-operative Banks and Societies, Municipalities, Corporations and Townships and other Institutions.

The guarantees are in the nature of contingent liabilities on the State revenues. Brief particulars of these contingent liabilities, based on the available information are given below (further details are given in Statement No. 6 of Finance Accounts, 1980-81) :—

| Body on whose behalf guarantee was given | Maximum amount guaranteed | Sums guaranteed outstanding on 31st March 1981 |
|--|---------------------------|--|
| (1) | (2) | (3) |
| | (Rupees in crores) | |
| (a) Working capital raised by the Madhya Pradesh Financial Corporation, Indore and dividend thereon. | 3.87(*) | 3.53(*) |
| (b) Loans, debentures, bonds etc., raised by— | | |
| (i) Statutory Corporations and Boards | 4,54.50(*) | 3,36.38(*) |

(@) Increased by Rs. 1.30 crores due to *pro forma* correction of investments relating to the year 1978-79

(£) Rupees 15,460.

(A) Complete information is not available.

(*) Includes statutory guarantees of Rs. 4,09.99 crores (amount outstanding Rs. 3,27.67 crores) on behalf of Madhya Pradesh Financial Corporation (Rs. 17.69 crores, amount outstanding : Rs. 16.16 crores), Madhya Pradesh State Road Transport Corporation (Rs. 9.00 crores, amount outstanding : Rs. 2.77 crores) and Madhya Pradesh Electricity Board (Rs. 3,83.30 crores, amount outstanding : Rs. 3,08.74 crores).

| Body on whose behalf guarantee was given (1) | Maximum amount guaranteed (2) | Sums guaranteed outstanding on 31st March, 1981 (3) |
|---|----------------------------------|--|
| | (Rupees in crores) | |
| (ii) Government Companies | 43.61 | 10.93 |
| (iii) Joint-Stock Companies | 3.05 | (A) |
| (iv) Co-operative Banks and Societies | 5,97.12 | 89.11 |
| (v) Municipalities, Corporations and Townships | 26.37 | 17.98 |
| (vi) Other Institutions | 0.04 | .. |
| Total .. | 11,28.56 | 4,57.93 |

According to the orders issued by the State Finance Department, the administrative departments are required to intimate to Audit by 15th May every year the guarantees outstanding on 31st March of that year. Such information as on 31st March 1981 was not received (December 1981) in complete form in respect of loans, etc., amounting to Rs. 97.35 crores (X) guaranteed by the Government on behalf of (i) Statutory Corporations and Boards (Rs. 25.64 crores) (ii) Joint-Stock Companies (Rs. 3.05 crores), (iii) Co-operative Banks and Societies (Rs. 58.10 crores), (iv) Government Companies (Rs. 8.74 crores), (v) Municipalities, Corporations and Townships (Rs. 1.82 crores).

(ii) During the year, Rs. 1,63.06 lakhs were paid as a result of the guarantees given in favour of various bodies being invoked. The total payment on account of guarantees invoked upto the end of 1980-81 was Rs. 6,23.10 lakhs. Against this, Rs. 3,15.77 lakhs were recovered from the parties concerned leaving a balance of Rs. 3,07.33 lakhs. Yearwise details of the amount paid on account of guarantees invoked and recoveries made are as follows :—

| Year (1) | Amount | |
|---------------|-------------------|------------------|
| | Paid (2) | Recovered (3) |
| | (Rupees in lakhs) | |
| Up to 1973-74 | 67.46 | 5.45 |
| 1974-75 | 25.37 | 11.26 |
| 1975-76 | 54.67 | .. |
| 1976-77 | .. | 1.25 |
| 1977-78 | .. | 27.96 |
| 1978-79 | 1,51.52 | 1,36.31 |
| 1979-80 | 1,61.02 | 53.17 |
| 1980-81 | 1,63.06 | 80.37 |
| Total .. | 6,23.10 | 3,15.77 |

(iii) No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limits within which the Government may give guarantees on the security of the Consolidated Fund of the State (March 1982).

(A) Information is awaited from the Government.

(X) The amount stands included in the maximum amount of Rs. 11,28.56 crores guaranteed by the Government.

1.11. Plan performance

Against the total provision (budget and supplementary) of Rs. 3,01.82 crores under Revenue and Rs. 2,40.74 crores under Capital for Plan schemes during 1980-81, expenditure of Rs. 2,75.94 crores and Rs. 2,56.95 crores respectively was incurred. While there was shortfall of Rs. 25.88 crores in Revenue expenditure, there was excess expenditure of Rs. 16.21 crores over the Plan provision for capital expenditure. The major items of shortfall/excess are indicated below :—

| (1) | Provision (2) | Actuals (3) | Shortfall(—) Excess(+) (4) |
|-----------------------------|---|----------------|----------------------------------|
| <i>(Rupees in crores)</i> | | | |
| REVENUE ; | | | |
| (i) Education | 16.13 | 10.80 | (—)5.33 |
| | The shortfall was mainly due to posts remaining vacant in Government Primary and Secondary Schools, non-opening of additional sections, new subject classes and new colleges and less utilisation of grants received from the University Grants Commission for development of existing Government Colleges mostly in tribal areas. | | |
| (ii) Medical | 11.58 | 5.31 | (—)6.27 |
| | The shortfall was due mainly to non-strengthening and non-improvement of medical facilities at district head-quarter hospitals mostly owing to posts remaining vacant, non-adjustment of the cost of aid-materials under Technical Co-operation Assistance Programme, non-utilisation of provision for training of Harijan <i>dais</i> and less expenditure on establishment and improvement of Primary Health Centres, Ayurvedic hospitals and dispensaries in tribal areas. | | |
| (iii) Labour and Employment | 18.26 | (—)0.43 | (—)18.69 |
| | The minus expenditure was due mainly to (a) adjustment during the year of the value of foodgrains utilised and distributed as wages to workers by debit to the functional heads by contra credit under this head and (b) less allocation of foodgrains during the year than anticipated under the "Food for work programme" | | |

| | Provision | Actuals | Shortfall(—) Excess(+) |
|---|--|---------|---------------------------|
| (1) | (2) | (3) | (4) |
| CAPITAL : | | | |
| <i>(Rupees in crores)</i> | | | |
| (i) Minor Irrigation, Soil Conservation and Area Development. | 51.95 | 64.38 | (+)12.43 |
| | Excess expenditure was ascribed mainly to accelerated progress of minor and micro irrigation works in scarcity and tribal areas. | | |
| (ii) Roads and Bridges | 45.91 | 56.82 | (+)10.91 |
| | Excess expenditure was attributed mainly to accelerated progress of work on district and other roads to link the villages on priority basis in tribal and other scarcity affected areas. | | |

1.12. Growth of non-Plan expenditure

The revenue expenditure (non-Plan) has shown a steady trend of increase over a three year period as shown below :—

| Year (1) | Expenditure (2) |
|-------------|---------------------------|
| | <i>(Rupees in crores)</i> |
| 1978-79 | 5,33.11 |
| 1979-80 | 6,31.31 |
| 1980-81 | 7,40.22 |

The increase of about Rs. 109 crores during 1980-81 over the non-Plan expenditure of 1979-80 was mainly under :—

- (i) Social and Community Services (Rs. 32.45 crores) on Education (Rs. 21.73 crores),
- (ii) Administrative Services (Rs. 23.84 crores) on Police (Rs. 11.91 crores), (iii) Interest payments (Rs. 11.50 crores), (iv) Water and Power Development (Rs. 10.31 crores) and
- (v) Transport and Communications (Rs. 9.07 crores).

1.13. Delay in submission of accounts

Under the Financial Rules, the due dates for rendition of monthly accounts to Audit Office by the Public Works/Forest divisions and Treasuries are as under :—

| | | | |
|------------------------|----|----|--|
| Public Works divisions | .. | .. | By 10th of the month following that to which the accounts relate |
| Forest divisions | .. | .. | By 12th of the month following that to which the accounts relate |
| Treasuries | .. | .. | Between 5th and 8th of the month following that to which the accounts relate |

During 1980-81, 176 monthly accounts (Public Works divisions: 88; Forest divisions: 30 and Treasuries: 58) were submitted late, the delay ranging from 7 to 31 days (Public Works divisions : 7 to 30 days; Treasuries: 8 to 31 days and Forest divisions: 7 to 21 days).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

During the year 1980-81, out of Rs.9,88.33 crores and Rs.5,04.36 crores voted under the revenue and capital sections under 47 grants in the budget, further enhanced by provision for Rs.90.07 crores and Rs.54.14 crores voted under supplementary grants during the year, there was excess of Rs.52.88 crores (4.9 per cent) and saving of Rs.47.09 crores (4.37 per cent) under 7 and 38 revenue section of grants respectively and excess of Rs.20.50 crores (3.67 per cent) and saving of Rs.18.34 crores (3.28 per cent) under 6 and 24 capital section of grants respectively. The provision for expenditure to be charged on the Consolidated Fund was Rs.1,11.18 crores under revenue and Rs.1,49.81 crores under capital, further enhanced by Rs.5.79 crores under revenue and Rs.5,58.60 crores under capital through supplementary charged appropriations. There was saving of Rs.6.92 crores (5.91 per cent) and excess of Rs.0.87 crore (0.74 per cent) under 28 and 4 charged revenue appropriations respectively and saving of Rs.83.90 crores (11.84 per cent) and excess of Rs.0.01 crore under 4 and 3 charged capital appropriations respectively. The details are given in Appendix IV.

In the following seventeen cases the excess over or saving in provision (of not less than Rs.one crore each) was more than 10 per cent of the total provision under the revenue or capital sections of the grants/charged appropriations. The details of the schemes, programme or objectives affected by the excess/saving, as also the reasons for it (where available), are given below :—

| Sl. No. | Number and name of grant/ appropriation | Provision | | Expenditure | Excess(+) Saving(—) (Percentage to total provision) |
|--------------------|--|-------------------------------|------------------------|-------------|---|
| | | Original (O) | Supplemen- tary (S) | | |
| | | Total(T) | | | |
| (Rupees in crores) | | | | | |
| (1) | 4—Other expenditure pertaining to Home Department. (Revenue—Voted) | O. 4.10 S. 1.41 T. 5.51 | | 4.14 | (—)1.37 (25%) |

Saving to the extent of Rs.0.39 crore was attributed mainly to posts remaining vacant and reduction in travelling and other office expenses. Reasons for savings of Rs.0.78 crore and Rs.0.14 crore under "Census" and "Government Aircrafts" respectively have not been intimated (March 1982).

| | | | | | |
|-----|-------------------------------|--|--|---------|-------------------|
| (2) | Public Debt (Capital-Charged) | O. 1,49.63 S. 5,58.50 T. 7,08.13 | | 6,24.33 | (—)83.80 (12%) |
|-----|-------------------------------|--|--|---------|-------------------|

Saving was due mainly to less need for ways and means advances from the Reserve Bank of India and consequent less repayment.

| | | | | | |
|-----|---|---------------------------------|--|-------|------------------|
| (3) | 8—Land Revenue and District Administration (Capital—Voted) | O. 14.63 S. 4.00 T. 18.63 | | 16.26 | (—)2.37 (13%) |
|-----|---|---------------------------------|--|-------|------------------|

Saving was attributed to less demand than anticipated for seed *taccavi* by the cultivators.

| S. No. | Number and name of grant/ appropriation | Provision Original (O) Supplemen- tary (S) Total (T) | Expenditure | Excess(+)/ Saving(-) (Percentag to total provision) |
|--------------------|--|--|-------------|---|
| (Rupees in crores) | | | | |
| (4) | 11—Expenditure pertaining to Commerce and Industry Department (Revenue—Voted) | O. 10.19 S. 0.51 T. 10.70 | 9.26 | (—)1.44 (13%) |

Part of the saving (Rs.0.82 crore) occurred under the scheme of Harijan Uplift due to non-finalisation of the proposals. Under 'Maintenance of industrial estates', Rs.0.25 crore out of the provision of Rs.0.28 crore remained unutilised.

| | | | | |
|-----|--------------------------------------|------|------|------------------|
| (5) | 15—Dairy Development (Revenue—Voted) | 7.00 | 4.82 | (—)2.18 (31%) |
|-----|--------------------------------------|------|------|------------------|

Saving occurred due mainly to less procurement of milk than anticipated under milk supply schemes in some towns and transfer of Milk Supply Schemes at Gwalior and Jabalpur to the M. P. Dairy Development Corporation, Bhopal.

| | | | | |
|-----|--|----------------------------------|-------|-------------------|
| (6) | 20—Public Health Engineering (Revenue— Voted) | O. 43.71 S. 12.49 T. 56.20 | 81.41 | (+)25.21 (45%) |
|-----|--|----------------------------------|-------|-------------------|

Excess occurred due mainly to purchase of more materials for stock than anticipated for water supply schemes in scarcity areas and implementation of the schemes of drinking water supply in more villages in scarcity areas with consequential increase in the maintenance cost of tubewells.

| | | | | |
|-----|--|---------|------|------------------|
| (7) | 21—Expenditure pertaining to Housing and Environment Department (Capital— Voted) | T. 7.94 | 6.42 | (—)1.52 (19%) |
|-----|--|---------|------|------------------|

Saving was attributed mainly to receipt of less funds from the Life Insurance Corporation of India and the General Insurance Corporation of India and consequential less payment of loans to the Madhya Pradesh Housing Board.

| | | | | |
|-----|---|----------|-------|------------------|
| (8) | 22—Expenditure pertaining to Local Government Department (Revenue-Charged) | T. 34.92 | 28.24 | (—)6.68 (19%) |
|-----|---|----------|-------|------------------|

Saving was attributed mainly to non-payment of grants to some local bodies for the loss caused by abolition of octroi due to non-finalisation of rules of payment.

| | | | | |
|-----|-------------------------------------|---------------------------------|-------|------------------|
| (9) | 23—Irrigation Works (Revenue—Voted) | O. 47.66 S. 9.06 T. 56.72 | 50.59 | (—)6.13 (11%) |
|-----|-------------------------------------|---------------------------------|-------|------------------|

Saving occurred mainly under "Irrigation Projects (non-commercial)" due to less establishment charges and less procurement of machinery, equipment and other stores than anticipated.

| | | | | |
|------|---------------------------------|------------------------------------|---------|-------------------|
| (10) | 24—Public Works (Revenue—Voted) | O. 87.68 S. 20.00 T. 1,07.68 | 1,20.00 | (+)12.32 (11%) |
|------|---------------------------------|------------------------------------|---------|-------------------|

Excess occurred due mainly to purchase of more materials for stock, escalation in price of construction materials, more expenditure on maintenance and renewal of roads and additional requirement of funds for works in progress.

| S. No. | Number and name of grant/ appropriation | Provision Original (O) Supplemen- tary (S) Total (T) | Expenditure | Excess(+)/ Saving(-) (Percentage to total provision) |
|--------|--|--|-------------|--|
|--------|--|--|-------------|--|

(Rupees in crores)

| | | | | |
|------|---------------------------------|---------------------------------|-------|---------------------------|
| (11) | 24—Public Works (Capital—Voted) | O. 27.13 S. 0.04 T. 27.17 | 22.92 | 5 (-) 4.21 (16%) |
|------|---------------------------------|---------------------------------|-------|---------------------------|

Saving occurred due mainly to non-finalisation of many new works under "Minimum Needs Programme" and surrender on 31st March 1981 of the entire provision (Rs. 2.36 crores) made for giving loan to Madhya Pradesh Bridge Construction Corporation for completion of 10 incomplete bridges as a result of post-budget decision of the Government to get the works completed through the normal resources of the Corporation.

| | | | | |
|------|-----------------------------------|---------------------------------|------|----------------------|
| (12) | 34—Social Welfare (Revenue—Voted) | O. 10.12 S. 2.49 T. 12.61 | 9.52 | (-) 3.09 (24%) |
|------|-----------------------------------|---------------------------------|------|----------------------|

Saving of Rs. 3.31 crores (provision : Rs. 4.88 crores, expenditure : Rs. 1.57 crores) occurred under Special Nutrition Scheme, being executed as part of family and child welfare, due mainly to its delayed implementation in certain cities, late filling up of posts and discontinuance of the nutrition programme for some period owing to reported non-availability of food stuff. The saving was partly neutralised by excess under other schemes mainly the old age pension scheme. Saving of Rs. 1.21 crores and Rs. 0.82 crore out of the provision of Rs. 2.33 crores and Rs. 1.35 crores also occurred under the Special Nutrition Scheme during 1979-80 and 1978-79 respectively.

| | | | | |
|------|--|-------------------------------|------|----------------------|
| (13) | 39—Expenditure pertaining to Food Department (Revenue—Voted) | O. 1.07 S. 3.00 T. 4.07 | 2.89 | (-) 1.18 (29%) |
|------|--|-------------------------------|------|----------------------|

Saving occurred mainly under food subsidies under price support policy due to non-payment of incentive money to cultivators on procurement of paddy which was used for milling of rice on commercial basis.

| | | | | |
|------|---|--------------------------------|------|----------------------|
| (14) | 40—Irrigation Command Areas Development (Revenue—Voted) | O. 8.07 S. Token T. 8.07 | 6.61 | (-) 1.46 (18%) |
|------|---|--------------------------------|------|----------------------|

Saving of Rs. 1.46 crores was surrendered on 31st March 1981 due mainly to belated issue of orders for the new set-up of two divisions and ten sub-divisions under "Tawa Irrigation Project", slow progress of construction works under "Tawa Ayacut" and non-issue of sanction for new items of expenditure relating to some medium irrigation schemes namely Parry, Sukta, Sindh, Bhandar Vagh, Upper Wain Ganga and Raghun.

| | | | | |
|------|---|---------------------------------|-------|----------------------|
| (15) | 42—Public Works relating to Tribal Areas Sub-Plan (Capital—Voted) | O. 13.73 S. 2.50 T. 16.23 | 14.57 | (-) 1.66 (10%) |
|------|---|---------------------------------|-------|----------------------|

Saving occurred mainly under 'Rural roads' pertaining to Tribal Areas Sub-Plan. Reasons for the saving have not been intimated (March 1982).

| | | | | |
|------|--|----------------------------------|-------|-----------------------|
| (16) | 43—Additional Expenditure in Scarcity Affected Areas (Revenue—Voted) | O. 32.40 S. 23.59 T. 55.99 | 67.93 | (+) 11.94 (21%) |
|------|--|----------------------------------|-------|-----------------------|

On Community Development Programme against the provision of Rs. 20 crores, expenditure incurred amounted to Rs. 38.30 crores. Part of the excess was offset by non-utilisation of the entire provision of Rs. 7.25 crores obtained under 'Employment and Training'. Reasons for the excess/saving have not been intimated (March 1982).

| S. No. | Number and name of grant/ appropriation | Provision | | Expenditure | Excess(+) Saving (-) (Percentage to total provision) |
|--------------------|---|---|--|-------------|--|
| | | Original(O) Supplemen- tary(S) Total (T) | | | |
| (Rupees in crores) | | | | | |
| (17) | 43—Additional Expenditure in Scarcity Affec- ted Areas (Capital—Voted) | O. 19.04 S. 17.82 T. 36.86 | | 48.02 | (+)11.16 (30%) |

Excess occurred mainly under Minor Irrigation (Rs. 4.50 crores) and District and other roads (Rs. 5.64 crores), reasons for which have not been intimated (March 1982).

2.2. Excess over grants/charged appropriations requiring regularisation

The excess expenditure over sanctioned grants/appropriations under the revenue and capital sections (11 and 9 cases respectively referred to in paragraph 2.1) requires regularisation under Article 205 of the Constitution. These are listed in the summary portion of the Appropriation Accounts, 1980-81 with grant-wise and appropriation-wise details (and reasons where available) in the grant-wise/appropriation-wise Appropriation Accounts. The more important cases are detailed in paragraph 2.1 ; the remaining are given in Appendix V.

2.3. Supplementary grants/charged appropriations

The supplementary provision of Rs. 7,08.60 crores being 40 per cent of the original budget provision of Rs. 17,53.68 crores was obtained during the year. Rupees 90.07 crores were to augment revenue expenditure under 33 grants and Rs. 54.14 crores to augment capital expenditure under 16 grants. Similarly, Rs. 5.79 crores were to augment revenue expenditure and Rs. 5,58.60 crores were to augment capital expenditure under 10 and 4 charged appropriations respectively.

Apart from the grants/appropriations with excess/saving in expenditure of more than 10 per cent (but not less than Rs. 1 crore each) of the total provision detailed in paragraph 2.1, the details of other significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given in Appendix VI.

2.4. Unutilised provision

The provision of funds and the expenditure incurred during the year 1980-81 and the two preceding years under some of the principal sectors/sub-sectors indicating persistent shortfall in expenditure (revenue, capital and loans) are given in Appendix VII. In addition to the grants/appropriations analysed in paragraphs 2.1 and 2.3, some of the other grants/appropriations where, under some of the major schemes, the provision remained substantially/wholly unutilised are detailed below:—

| Sl. No. | Grant number and head/scheme | Provision | Saving | Percentage |
|-------------------|--|---|---------|------------|
| (Rupees in lakhs) | | | | |
| (1) | 3—Police-District Police-Upgradation of Stan- dards in Administration (M.H.255) | 3,93.25 | 2,04.32 | 52 |
| | | Saving was attributed to non-filling up of newly created posts due to late receipt of sanction. In the year 1979-80 also, a saving of Rs. 1,36.22 lakhs out of a provision of Rs. 1,96.09 lakhs occurred under this head for the same reason. | | |

| Sl. No. | Grant number and head/scheme | Provision | Saving | Percentage |
|--|---|-----------|---------|------------|
| (Rupees in lakhs) | | | | |
| (2) | 9—Other expenditure pertaining to Revenue and Land Reforms Departments—Special Relief—Provision of Drinking Water (M. H. 289) | 2,20.00 | 1,68.77 | 77 |
| Out of the total saving of Rs. 1,68.77 lakhs, Rs. 85.44 lakhs were surrendered on 31st March 1981 due to the decision of the Government to account for the expenditure on relief in scarcity affected areas under "Grant No. 43". Reasons for the balance saving have not been intimated (March 1982). | | | | |
| (3) | 10—Forest-State Trading in Tendu Patta (M.H.313) | 11,92.75 | 6,33.61 | 53 |
| Saving was attributed to allotment of some of the Tendu Patta Units to the State Marketing Federation, which was not anticipated. | | | | |
| (4) | 23—Irrigation Works— | | | |
| | (i) Bargi Hydel Scheme (Unit III) (M.H. 532) | 1,50.00 | 1,50.00 | 100 |
| | (ii) Bansagar Irrigation Scheme—Unit-II-Canal-Special Tools and Plants (M.H. 532) | 1,00.20 | 1,00.20 | 100 |
| | (iii) Narmada Hydel Scheme (M.H.532) | 1,50.00 | 1,50.00 | 100 |
| | (iv) Upper Wainganga Irrigation Scheme Canals (M. H. 533) | 1,50.00 | 1,50.00 | 100 |
| | (v) Upper Wainganga Irrigation Scheme Distributaries (M. H.533) | 1,02.25 | 1,02.25 | 100 |
| | (vi) Bawanthadi Project Works (M.H.533) | 3,46.75 | 2,72.92 | 79 |
| | (vii) Mechanical Workshop (M. H. 533) | 2,65.00 | 1,82.71 | 69 |
| | (viii) Bansagar Project Phase II—Suspense (M. H. 534) | 2,32.00 | 1,31.63 | 57 |
| (5) | 30—Expenditure pertaining to Panchayat & Rural Development Department, Guaranteed Rural Employment Programme (M. H. 314) | 3,26.00 | 2,58.31 | 79 |
| (6) | 33—Tribal and Harijan Welfare— | | | |
| | (i) Upgradation of Standards in Administration in Tribal Areas (M. H. 288) | 2,20.00 | 2,20.00 | 100 |
| Reasons for saving under the aforesaid ten schemes (8 under sl. no. 4 and schemes at sl. nos. 5 and 6 have not been intimated (March 1982). | | | | |
| | (ii) Harijan Component Schemes (M. H. 288) | 2,90.00 | 2,19.96 | 76 |
| Saving was attributed to non-implementation of the schemes. | | | | |

| Sl. No. | Grant number and head/scheme | Provision | Saving | Percentage |
|---------|---|-------------------|---------|------------|
| | | (Rupees in lakhs) | | |
| | (iii) Special Nutrition Programme in Tribal Areas (M. H. 288) | 3,12.64 | 1,66.06 | 53 |

Saving was ascribed mainly to less expenditure on transportation and purchase of foodstuff. There was a saving of Rs. 2,70.03 lakhs out of a provision of Rs. 3,34.21 lakhs during 1979-80 also under this scheme.

| | | | | |
|-----|---|---------|---------|-----|
| (7) | 41—Tribal Areas Sub-Plan-Integrated Rural Development Programme (M.H.314) | 1,35.00 | 1,35.00 | 100 |
|-----|---|---------|---------|-----|

Entire provision remained unutilised as new items of expenditure under the scheme were not sanctioned.

2.5. Non-receipt of explanations for excess/saving

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

In regard to the Appropriation Accounts for 1980-81, the explanations for variations in respect of 469 heads were called for, out of which explanations for 275 heads were either not received at all or were incomplete. In particular, the Revenue and Land Reforms, Forest, Commerce, Industry, Agriculture, Medical, Public Health, Irrigation, Public Works, Panchayat and Rural Development, Tribal and Harijan Welfare and Housing Departments did not furnish the explanations in a large number of cases. Such delays in submission of material for Appropriation Accounts result in the Audit Report remaining incomplete in certain essential respects.

2.6. Shortfall/Excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure, the anticipated recoveries and credits are shown separately in the Budget estimates. During 1980-81 such recoveries were anticipated at Rs. 1,56.04 crores (Revenue : Rs. 1,06.20 crores and Capital : Rs. 49.84 crores). Actual recoveries during the year, however, were Rs. 2,31.79 crores (Revenue : Rs. 1,78.96 crores and Capital : Rs. 52.83 crores). Grant-wise details of estimated recoveries, actual recoveries and shortfall in or excess over recoveries have been given in Appendix II to the Appropriation Accounts for the year 1980-81. Some of the important cases of variations are detailed below:—

| Serial number | Number and name of grant | Budget estimates | Actuals | Amount of excess (+)/shortfall(—) of recoveries compared to estimates |
|--------------------|--------------------------|------------------|---------|---|
| (1) | (2) | (3) | (4) | (5) |
| (Rupees in crores) | | | | |

Revenue :

| | | | | |
|----|------------------------------|-------|-------|--------|
| 1. | 20—Public Health Engineering | 21.21 | 49.23 | +28.02 |
|----|------------------------------|-------|-------|--------|

Excess was mainly the result of issue of more materials for works than anticipated.

| Serial number | Number and name of grant | Budget estimates | Actuals | Amount of Excess (+) / shortfall (-) of recoveries compared to estimates |
|---------------|--------------------------|------------------|---------|--|
|---------------|--------------------------|------------------|---------|--|

(1) (2) (3) (4) (5)

(Rupees in crores)

| | | | | |
|----|---------------------|-------|-------|--------|
| 2. | 23—Irrigation Works | 32.26 | 37.69 | +5.43 |
| 3. | 24—Public Works | 37.81 | 69.79 | +31.98 |

Excess in the above two cases was mainly the result of issue of more materials for works than anticipated.

Capital :

| | | | | |
|---|---|-------|-------|-------|
| 1. | 13—Agriculture | 5.33 | 6.92 | +1.59 |
| Excess was due mainly to sale proceeds of larger quantity of seeds. | | | | |
| 2. | 17—Co-operation | .. | 1.29 | +1.29 |
| Recovery was the result of retirement of capital by co-operative societies which was not anticipated. | | | | |
| 3. | 23—Irrigation Works | 37.91 | 41.05 | +3.14 |
| Excess was mainly the result of issue of more stock materials for Bargi, Bansagar, Mahanadi and Upper Wainganga Projects than anticipated. | | | | |
| 4. | 24—Public Works | 2.36 | .. | -2.36 |
| Recovery of estimated capital receipts from M. P. Bridge Construction Corporation did not materialise due to post-budget decision of the Government to get the incomplete bridge works completed through the normal resources of the Corporation. | | | | |
| 5. | 40—Irrigation Command Areas Development | 1.14 | 2.49 | +1.35 |
| Excess was mainly the result of issue of more stock materials for works than anticipated. | | | | |
| 6. | 41—Tribal Areas Sub-Plan | 1.50 | .. | -1.50 |
| Reasons for non-recovery of the estimated amount have not been intimated (March 1982). | | | | |

2.7. Advances from the Contingency Fund

(a) A Contingency Fund with a corpus of Rs. 40 crores has been placed at the disposal of the Government to meet unforeseen expenditure pending authorisation by the State Legislature. Advances from the Fund can be made only to meet unforeseen expenditure

not provided for in the budget and which is of such an emergent character that its postponement till the vote of Legislature is taken would be undesirable.

(b) Government issued 231 sanctions advancing Rs. 41,94.40 lakhs from the Contingency Fund. Against these sanctions, advances amounting to Rs. 25,30.92 lakhs were drawn, out of which Rs. 3,27.69 lakhs were not recouped to the Fund till the close of the year.

(c) It was also noticed that :—

(i) 11 sanctions for Rs. 11.37 lakhs were neither operated upon nor cancelled;

(ii) 1 sanction for Rs. 13.25 lakhs was not operated upon and was subsequently cancelled; and

(iii) actual withdrawal (Rs. 42.97 lakhs) against 13 sanctions (Rs. 3,71.62 lakhs) was about 12 per cent of the sanctioned amount.

(d) In the following cases, the amount of advances (more than Rs. 20 lakhs each) sanctioned was not drawn at all or was substantially in excess of the amount drawn :—

| Serial number | Head of account | Purpose for which advance was sanctioned | Amount of Advance sanctioned | Amount drawn |
|---------------|---|---|------------------------------|--------------|
| (1) | (2) | (3) | (4) | (5) |
| | | | (Rupees in lakhs) | |
| 1. | 305—Agriculture | Grant-in-aid to the farmers on cost of sugarcane. | 1,00.00 | 6.65 |
| 2. | 282—Public Health, Sanitation and Water Supply | Implementation of rural water supply schemes. | 1,40.00 | .. |
| 3. | 333—Irrigation, Navigation, Drainage and Flood Control Projects | Creation of additional circles, divisions, subdivisions under medium and minor irrigation scheme. | 50.00 | 3.32 |
| 4. | 533—Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects | Purchase of machinery to implement certain medium schemes in drought affected areas. | 35.53 | .. |
| 5. | Do | Purchase of truck mounted with crane. | 30.00 | .. |
| 6. | 309—Food | Purchase of paddy on additional support price. | 100.00 | 11.30 |

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

(e) A case of non-utilisation of money drawn from Contingency Fund is mentioned below:—

An allotment of Rs. 5.50 lakhs was placed at the disposal of Collector, Chhindwara by wireless message in late March 1980 by the Panchayat and Rural Development Department for construction of primary and middle school buildings and teachers' quarters in five blocks. The amount was drawn by the five Block Development Officers from the Contingency Fund and credited to the accounts of respective *Janpad Panchayats* on 31st March 1980. On 17th December 1980, the Panchayat and Rural Development Department issued instructions that the Education, Tribal and Harijan Welfare Departments and public representatives could be consulted for selection of sites and construction of buildings. There has been no progress in the matter so far (March 1982).

Even the selection of sites had not been made nor were details regarding number of school buildings and teachers' quarters to be constructed available with the Collectorate. The drawal of the amount from the Contingency Fund in March 1980 was thus not for an emergent purpose and was clearly unnecessary.

The matter was reported to the Government in May 1981; reply is awaited (March 1982).

2.8. Drawal of funds in advance of requirements

The financial rules provide that no money should be drawn from Treasury unless it is required for immediate payment. Cases of significant drawal of funds in advance of requirements noticed by Audit are mentioned below :—

| Department/office which drew the amount | Purpose for which drawn | When drawn | Amount |
|---|---|------------------|-------------------|
| (1) | (2) | (3) | (4) |
| | | | (Rupees in lakhs) |
| <i>(i) Agriculture—</i> | | | |
| Director of Agriculture | Subsidies payable to financing banks under the scheme of subsidies for minor irrigation. | 31st March 1981. | 7,16.00 |
| | Grant-in-aid to the Madhya Pradesh Agro-Industries Development Corporation under the scheme 'Agriculture Service Centres'. | Ditto | 15.00 |
| | Investment in share capital of Madhya Pradesh Agro-Industries Development Corporation for financing such new projects as may be approved by the Corporation and the Government. | Ditto | 5.00 |
| | Grant-in-aid to the Bharat Krishak Samaj for construction of a meeting hall. | Ditto | 5.00 |

The amounts were kept under 'Civil Deposits'. No expenditure was incurred (March 1982) against the above drawals.

(ii) Commerce and Industry—

| | | | |
|------------------------|---|------------|-------|
| Director of Industries | Payment of power subsidy | March 1981 | 53.87 |
| | Loan to Madhya Pradesh Audyogik Vikas Nigam for financing a plywood unit in private sector. | Ditto | 8.00 |

The amounts were kept under 'Civil Deposits' and no disbursement was made (March 1982) to the parties concerned.

(iii) Tourism—

| | | | |
|---------------------|--|------------------|-------|
| Director of Tourism | Investment in the share capital of the Madhya Pradesh Tourism Development Corporation (MPTDC). | 31st March 1981. | 46.00 |
| | Grant to MPTDC for publicity. | Ditto | 10.20 |

| Department/office which drew the amount (1) | Purpose for which drawn (2) | When drawn (3) | Amount (4) |
|--|---|-------------------|---------------|
| (Rupees in lakhs) | | | |
| Director of Tourism— <i>Concl'd.</i> | Advance to Special Area Development Authority, Pachmarhi for providing indication boards and water supply at Pachmarhi. | 31st March 1981 | 1.40 |
| | Advance to Special Area Development Authority, Khajuraho for development of <i>Pahil Vatika</i> as a picnic spot. | Ditto | 1.04 |
| | Grant to MPTDC for running and maintenance of vehicles. | Ditto | 1.00 |
| | The amounts were kept under 'Civil Deposits'. Rs. 10 lakhs were released to MPTDC in June 1981 and the balance was lying undisbursed/unutilised (March 1982). | | |
| <i>(iv) Education —</i> | | | |
| Director of Public Instruction | Purchase of steel almirahs from Madhya Pradesh Laghu Udyog Nigam. | 31st March 1981. | 5.00 |
| | The amount was kept under 'Civil Deposits'. No expenditure was incurred (March 1982) against the drawal. | | |
| District Education Officer, Dharamjaigarh | Purchase of books, furniture, utensils, etc. | March 1981 | 0.82 |
| | The amount was converted into bank drafts in favour of the suppliers and bank drafts for Rs. 0.81 lakh were issued in June 1981 on receipt of supplies. | | |
| District Education officer, Surajpur | Purchase of books, furniture, utensils, etc. | March 1981 | 0.43 |
| | The amount was converted into bank drafts in favour of the suppliers but the drafts aggregating Rs. 0.28 lakh were not issued as supplies had not been received (March 1982). | | |
| <i>(v) Revenue —</i> | | | |
| Assistant Controller, Government Stationery and Publication Depot, Gwalior | Purchase of stationery articles and printing material. | March 1981 | 6.39 |
| | The amount was drawn on the basis of <i>pro forma</i> invoices of the suppliers. The amount was converted into bank drafts and shown as expended in the cash book in March 1981. Rupees 3.11 lakhs were released to the firm between March and May 1981 and bank drafts for Rs. 3.28 lakhs were lying in cash chest (December 1981). Matter was reported to Government in July 1981; reply is awaited (March 1982). | | |

CHAPTER III

CIVIL DEPARTMENTS

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.1. National Malaria Eradication Programme

1. *Introduction.*—The National Malaria Eradication Programme (NMEP) envisaged mainly, spray of insecticides to arrest transmission of parasites, surveillance to detect affected persons and radical treatment of the latter to eliminate the sources of infection. The programme had three phases, namely, 'attack', 'consolidation' and 'maintenance'. During the 'attack' phase, spray operations are undertaken in all the houses of selected units. After 3 to 4 years of 'attack' phase, the areas fulfilling certain criteria enter the 'consolidation' phase and the spray operations are withdrawn except in the neighbourhood of positive cases. During the 'consolidation' phase, the major activity is surveillance (which includes active and passive case detection) and remedial measures for the positive cases. After a minimum period of two years in 'consolidation', the area qualifies for entering the 'maintenance' phase on fulfilment of certain criteria laid down by Government of India on the recommendations of an Independent Appraisal team. Vigilance (monitoring) services are maintained during the 'maintenance' phase by the State Government.

NMEP was launched in the State in April 1959. Initially, 29 Malaria units were established to cover a population of 28.50 million in the State. Upto 1961, all the 29 units in the State were in 'attack' phase. During the period from 1962 to 1967, 20 units were transferred to 'consolidation' phase. Subsequently, however, due to an increase in malaria incidence, certain units were reverted back to 'attack' phase. During the period 1968 to 1970, 26.55 units were in 'attack' phase and 2.45 units in 'consolidation' phase. In 1971, one unit was transferred to 'consolidation' phase. During 1971 to 1977, 25.55 units were in 'attack' phase and 3.45 units in 'consolidation' phase.

According to the department, increase in the number of units under 'attack' phase was due to withdrawal of insecticidal spray and inadequate surveillance because of staff limitations.

From 1st August 1977, a Modified Plan of Operations (MPO) was introduced with a view to preventing deaths and maintaining the achievements registered till then. This envisaged selective spray operations in areas where Annual Parasite Index (API) that is, the number of positive cases noticed per thousand population was 2 and above, decentralisation of laboratories to Primary Health Centres (PHCs), and assignment of complete charge of surveillance operations in the PHC area to Medical Officers. With the introduction of MPO, the NMEP units were reorganised and 44 units covering 45 districts in the State were established. All the 44 units were put under 'attack' phase and continue (October 1981) to be in that phase.

2. *Financial Outlay.*—Up to end of 1978-79, the entire expenditure on the units under 'attack' and 'consolidation' phase was borne by the Government of India subject to deduction of the level of expenditure incurred by the State Government in 1957-58 as part of their committed liability and expenditure on units in 'maintenance' phase was borne by the State Government. From 1st April 1979, NMEP has become a Centrally sponsored scheme on 50:50 sharing basis between the Centre and the State.

A total expenditure of Rs.78.63 crores was incurred on the programme right from its inception upto end of 1980-81.

3. A test-check of accounts/records of 12 units out of 44 units, the 7 zonal offices and office of the State Malariologist for the period from 1974-75 to 1980-81 was conducted during September 1980 to May 1981. The points noticed in the text-check, supplemented by the information supplied by 17 other units and State Malariologist, are mentioned below :—

3.1.1 Spray operations:

(i) *Entomological studies and spray in resistant areas.*—(a) Entomological tests to determine the susceptibility status of vector (infection carrying mosquitoes) are important as effectiveness of spray operations depends on the susceptibility of the vector to the insecticides sprayed. With the introduction of MPO, nine entomological zones, each to be headed by an Assistant Entomologist, were set up for carrying out entomological tests in 45 districts of the State. However, only four Assistant Entomologists were in position. According to the instructions, two tests, one pre-spray and the other post-spray, were to be conducted in the area falling under each Primary Health Centre. As against 924 tests required to be carried out every year in the areas under 462 Primary Health Centres, actual tests carried out were—1974:99; 1975:90; 1976:111; 1977:61; 1978:107; 1979:92; and 1980:96. Further, follow-up investigations and short term oriented studies required in the areas of resistance, double resistance and persistent transmission were also not carried out. The department stated (May 1981) that, due to lack of adequate staff, it was not possible to carry out pre-spray and post-spray tests in the areas under all the Primary Health Centres.

(b) In certain cases, the insecticides to which the vector had developed resistance were sprayed as indicated below:—

| Unit | | Number of entomological tests conducted from 1974 to 1980 | Number of tests in which vector has shown resistance | Year when resistance was predominantly noticed | Insecticide sprayed in areas where resistance was noticed | |
|--|----|---|--|--|---|--------------------------------|
| | | | | | Period | Quantity (In metric tonnes) |
| (1) | | (2) | (3) | (4) | (5) | (6) |
| <i>Resistance to DDT but DDT sprayed</i> | | | | | | |
| Bilaspur | .. | 18 | 16 | 1974 | 1974 to 1979 | 264.50 |
| Gwalior | .. | 47 | 47 | 1974 | Do. | 369.00 |
| Sagar | .. | 11 | 10 | 1974 | Do. | 277.30 |
| Bhind | .. | 8 | 6 | 1978 | 1978 to 1980 | 178.20 |
| Janjgir | .. | 25 | 16 | 1979 | 1979 | 56.20 |
| Baikunthpur | .. | 13 | 9 | 1978 | 1978 to 1980 | 68.80 |
| | | | | | Total .. | 12,14.00 |
| | | | | | (Value Rs.1,09.26 lakhs) | |
| <i>Resistance to DDT and BHC but BHC sprayed</i> | | | | | | |
| Barwani | .. | 11 | 10 | 1974 | 1974 to 1979 | 641.30 |
| Dhar | .. | 5 | 5 | 1974 | Do. | 641.30 |
| Indore | .. | 63 | 49 | 1978 | 1978 to 1980 | 278.10 |
| Jhabua | .. | 6 | 6 | 1978 | 1978 to 1979 | 164.80 |
| Ratlam | .. | 7 | 7 | 1978 | Do. | 169.70 |
| | | | | | Total .. | 18,95.20 |
| | | | | | (Value Rs.75.80 lakhs) | |

Thus, 1214 metric tonnes of DDT (value: Rs.109.26 lakhs) and 1895.20 metric tonnes of BHC (value: Rs.75.80 lakhs) to which the vector had developed resistance were used. The State Malariologist explained (May 1981) that their use was as per instructions of the Director, NMEP, Delhi and supplies actually received.

(ii) *Targets and achievements.*—The position regarding population which should have been covered by spray operations and that actually covered was as indicated below :—

| Year | Total sprayable population (population above 2 API) | Population actually covered (Percentage of population covered) | | | | | | Third round BHC |
|-----------------------|--|---|----------------|----------------|---------------|----------------|----------------|--------------------|
| | | First round | | | Second round | | | |
| | | DDT | BHC | Total | DDT | BHC | Total | |
| (Population in lakhs) | | | | | | | | |
| 1977 (25 units) | 218.04 | 91.68 (42) | 66.56 (31) | 158.24 (73) | 77.81 (36) | 62.96 (29) | 140.77 (65) | 44.65 (20) |
| 1978 (29 units) | 209.73 | 90.33 (43) | 114.64 (55) | 204.97 (98) | 48.58 (23) | 103.75 (49) | 152.33 (72) | 66.61 (32) |
| 1979 (29 units) | 179.41 | 54.18 (30) | 44.67 (25) | 98.85 (55) | 45.81 (25) | 31.62 (18) | 77.43 (43) | 6.76 (4) |
| 1980 (29 units) | 220.46 | 137.14 (62) | 21.91 (10) | 159.05 (72) | 36.03 (16) | 22.44 (10) | 58.47 (26) | 18.42 (8) |

It would be seen that a smaller percentage of population was covered under spray operations during the second round. This was not in accordance with the approved plan. Further, even all the rooms in a house dwelling (HD) were not covered under spray. The position in this regard for the years 1978 to 1980 was as under :—

| Year | Number of rounds | Number targetted | | Number sprayed | | Percentage coverage | |
|-------------------|------------------|------------------|--------|----------------|--------|---------------------|-------|
| | | HD | Rooms | HD | Rooms | HD | Rooms |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| (Number in lakhs) | | | | | | | |
| <i>DDT spray</i> | | | | | | | |
| 1978 | I | 25.62 | 107.64 | 18.51 | 73.23 | 72 | 68 |
| | II | 25.62 | 107.64 | 8.15 | 30.21 | 32 | 28 |
| 1979 | I | 17.41 | 111.70 | 14.32 | 49.81 | 82 | 45 |
| | II | 17.41 | 111.70 | 8.17 | 31.25 | 47 | 28 |
| 1980 | I | 50.43 | 198.28 | 37.02 | 156.71 | 73 | 79 |
| | II | 50.43 | 198.28 | 13.27 | 55.05 | 26 | 28 |
| <i>BHC spray</i> | | | | | | | |
| 1978 | I | 37.20 | 133.32 | 24.87 | 79.28 | 67 | 59 |
| | II | 37.20 | 133.32 | 21.59 | 66.33 | 58 | 50 |
| | III | 37.20 | 133.32 | 11.35 | 34.37 | 31 | 26 |
| 1979 | I | 23.21 | 78.87 | 15.86 | 47.09 | 68 | 60 |
| | II | 23.21 | 78.87 | 5.96 | 17.25 | 26 | 22 |
| | III | 23.21 | 78.87 | 1.12 | 3.65 | 5 | 5 |
| 1980 | I | 8.25 | 31.15 | 5.02 | 16.98 | 61 | 55 |
| | II | 8.25 | 31.15 | 5.23 | 12.46 | 63 | 40 |
| | III | 8.25 | 31.15 | 2.46 | 5.45 | 30 | 18 |

Mosquito and transmission of malaria could be checked only when all the houses in an area and all rooms in a house were covered by insecticidal spray. However, only about two-thirds of the total number of houses were covered in the first round and coverage in the second and third rounds was much less. Percentage of rooms covered was lower still indicating that all the rooms in a house were not sprayed.

According to the department, low coverage was due mainly to inadequate and delayed supply of insecticides. In some units, low coverage was also attributed to transport difficulties (during the period 1974-1980, 14 to 49 vehicles out of 117 vehicles in 27 units remained out of order during the spray season), reluctance/refusal by house owners and insufficient field staff.

(ii) *Supply of insecticides.*—Quantities of insecticides actually required for spray (on the prescribed scale) and actually received during the years 1975-76 to 1980-81 were as under :—

| Year | DDT 75% | | Short supply | | BHC 50% | | Short supply | |
|--------------------|--------------|---------|--------------|------------|--------------|---------|--------------|------------|
| | Require-ment | Receipt | Quantity | Percentage | Require-ment | Receipt | Quantity | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| (In metric tonnes) | | | | | | | | |
| 1975-76 | .. 2,233 | 1,110 | 1,123 | 50 | 2,008 | 1,104 | 904 | 45 |
| 1976-77 | .. 1,188 | 1,249 | Nil | .. | 5,475 | 1,795 | 3,680 | 67 |
| 1977-78 | .. 1,833 | 263 | 1,570 | 86 | 7,136 | 7,567 | Nil | .. |
| 1978-79 | .. 1,833 | 719 | 1,114 | 61 | 7,430 | 113 | 7,317 | 98 |
| 1979-80 | .. 1,754 | 300 | 1,454 | 83 | 7,583 | 694 | 6,889 | 91 |
| 1980-81 | .. 1,754 | 1,758 | Nil | .. | 7,583 | 336 | 7,247 | 96 |

Due to inadequate supply, only selected areas were covered by insecticidal spray during 1975 to 1979. During 1975, areas falling under 9.50 units were switched over to BHC due to the vector developing resistance to DDT but BHC was not supplied by Government of India and, consequently, no spraying was done. During the years 1978 and 1979, spraying could be done only in selected areas and in certain other units spraying could be arranged in less than the prescribed number of rounds as indicated below :—

| (1) | 1978 | 1979 |
|--|-------------------|------|
| | (2) | (3) |
| | (Number of units) | |
| (i) Only one round of DDT sprayed instead of two rounds | .. 6 | 7 |
| (ii) Only one round of BHC sprayed instead of three rounds | .. 4 | 13 |
| (iii) Only two rounds of BHC sprayed instead of three rounds | .. 5 | 9 |

During 1980, three rounds of BHC spray could be given only in two units. Five units in P. Falciperum areas (Bilaspur and Raipur zones), where the vector had become resistant to DDT, were covered under two rounds of DDT. In eleven units of BHC areas (Indore and Gwalior zones), only focal spray in highly infected areas was done with DDT, as the BHC required for spray could not be purchased by the department due to delay in allotment of funds.

The State Malariologist stated (April 1981) that due to short supply of insecticides during 1975 to 1980, the units could not undertake required rounds of spray.

(iv) *Spray in areas below 2 API.*—Despite short supply of insecticide and resultant need for its utilisation for spraying in areas of high malaria incidence, (areas) in 20 units, insecticide was sprayed in areas below 2 API as shown below :—

| Year | Population below 2 API covered by spraying operation | | |
|------------|--|--------------|-------------|
| | First round | Second round | Third round |
| (1) | (2) | (3) | (4) |
| (In lakhs) | | | |
| 1977 | 22.38 | 22.36 | 0.79 |
| 1978 | 43.31 | 23.23 | 9.44 |
| 1979 | 25.16 | 21.46 | 1.50 |
| 1980 | 28.29 | 10.98 | 0.09 |

The State Malariologist stated (April 1981) that no spray was required in areas below 2 API and that he had no information of such areas having been covered by spraying operation from 1977 to 1980.

(v) *Spraying in urban areas.*—Besides the inadequate spray coverage provided by NMEP units in rural areas, insecticidal spraying in towns with population above 40,000 which was the duty of local bodies, was not done. The details furnished by the 23 NMEP units and five Anti-larval units indicated that no town in their jurisdiction, having malaria incidence of 2 API and above, was sprayed by the local body concerned. No spraying was done in urban areas of Bhopal, Ratlam and Mandasaur from 1973, 1973 and 1974 respectively. The Indore Municipal Corporation sprayed slum areas and houses only on request.

(vi) *Excess consumption of insecticides.*—The norms prescribed by the department for consumption of DDT 75% and BHC 50% are 300 grams and 675 grams respectively for a house having 2,000 square feet surface area. Test-check of spray statements for the period 1977 to 1979, however, revealed that, in 20 units, 244 metric tonnes (Value : Rs. 21.96 lakhs) of DDT 75% and 497 metric tonnes (Value: Rs. 19.88 lakhs) of BHC 50% was consumed in excess. No reasons were furnished by the department for excessive consumption of the insecticides.

(vii) *Spray of sub-standard insecticides.*—Instructions for testing the insecticides were issued by the State Director of Health Services in 1979. From the details supplied by 27 units, it was observed that 18 units had not taken action for sampling and testing upto 1980-81.

A case of procurement and spray of sub-standard insecticides during 1979-80 was noticed, which is mentioned below :—

As per the decision of Central Purchase Committee of the State Government, the Director of Health Services placed (June 1979) with the Madhya Pradesh Laghu Udyog Nigam, which is not a formulator of insecticides, a supply order for 1,000 tonnes of BHC 50% at Rs. 5,180 per tonne for despatch to eight Malaria Unit Officers.

The sanction of the State Government was not obtained by the Director of Health Services for the purchase of the insecticide which was not within his powers nor was an agreement entered into with the Nigam before placing the supply order. Against the supply order for 1000 tonnes of BHC 50 %, the Nigam supplied 694 tonnes of the insecticides, of which only 100 tonnes were supplied within the stipulated period of one month. The remaining 594 tonnes were supplied after one to five months from the date of supply order (June 1979). Due to late receipt of the insecticide BHC 50% it could not be utilised during the year 1979 except for 48 tonnes in Bastar district.

The samples taken (September 1979) by the Central NMEP Officers failed in laboratory test, and the Director NMEP advised (March 1980) that the sub-standard material should not be used as not only the expenditure on insecticides and operational cost would be infructuous, but it might also result in quicker development of resistance in the vector. Accordingly, instructions were issued (April 1980) by the Director of Health Services to the units not to utilise the sub-standard insecticide. Later, despite the instructions (April 1980) of the Government of India, it was decided (May 1980) by the department that BHC 50 % of reduced strength might be accepted. Payment of Rs. 28.33 lakhs was also made (May 1980) for the sub-standard insecticide, which included 95 % payment on 100 tonnes received earlier and 75% on 594 tonnes received later. The payment included Rs. 9.48 lakhs for 244 metric tonnes of BHC 50 % which were found to be even below

the reduced standard accepted by the Department. Out of these 244 metric tonnes, 220 metric tonnes of BHC were taken back by the supplier during 1980 to February 1981, but no replenishment made till July 1981 nor was the amount of Rs. 8.55 lakhs (part of Rs. 9.48 lakhs) representing 75% payment earlier made to the supplier recovered from the pending claims.

The remaining quantity of 24 metric tonnes was subjected, at the request of the supplier, to fresh testing at a test house at New Delhi approved by the Government of India. The material was declared as standard by the test house and the Director of Health Services released the balance payment and ordered utilisation of 24 metric tonnes (value : 1.24 lakhs) in spray during 1980-81. However, before utilisation, the District Malaria Officer, Jhabua drew fresh samples which, on being tested again by the same test house, were declared as sub-standard. Meanwhile, the material was consumed.

The procurement of sub-standard BHC 50% thus resulted in (i) blocking of funds to the extent of Rs. 8.55 lakhs on 220 metric tonnes of sub-standard insecticide and (ii) risk of development of resistance in the vector due to use of insecticide of reduced standard.

3.1.2. *Surveillance operations.*— Surveillance includes collection and examination of blood smears for detection of positive cases and radical treatment of malaria positive cases. Blood smears are collected by (a) Departmental employees (active surveillance), (b) Hospitals, dispensaries, other institutes, etc., (passive surveillance) and (c) mass contact.

(i) *Collection of Blood smears.*— The norms for collection of blood smears by 'active' and 'passive' agencies were fixed as 7 and 3 per thousand of population per month, respectively.

Information received from 24 units (out of 29) revealed short-fall in collection of blood smears by 'active' and 'passive' agencies as indicated below :—

| Year | Range (Percentage) of shortfall in | | | | | | | |
|------|------------------------------------|-------------|-------------|-----------------|----------------------|-------------|-------------|---------------|
| | Active surveillance | | | | Passive surveillance | | | |
| | 1 to 20 | 21 to 40 | 41 to 60 | 61 and above | 1 to 20 | 21 to 40 | 41 to 60 | 61 & above |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | (Number of units) | | | | (Number of units) | | | |
| 1974 | 10 | 4 | 2 | .. | 4 | 3 | 3 | 4 |
| 1975 | 5 | 6 | 1 | .. | 4 | 2 | 1 | 6 |
| 1976 | 3 | 6 | 1 | .. | 3 | 3 | 3 | 6 |
| 1977 | 3 | 7 | 2 | .. | 2 | 2 | 4 | 6 |
| 1978 | 7 | 10 | 2 | 1 | 4 | 5 | 2 | 2 |
| 1979 | 7 | 5 | 4 | .. | 4 | 6 | 2 | .. |
| 1980 | 7 | 5 | 1 | .. | 1 | 5 | .. | .. |

The District Malaria Officers attributed inadequate coverage under 'active' surveillance to shortage of surveillance workers on account of vacancies, leave, training, etc., and their

engagement on radical treatment and on other health programmes under Primary Health Centres.

Under the programme, Primary Health Centres were required to collect blood smears from at least 15 per cent of the new out-door patients. It was noticed that only 13 units out of 29 achieved the targets prescribed during the period 1974-80. The shortfall in respect of the remaining 16 units was attributed by the District Malaria Officers to lack of interest on the part of staff of Primary Health Centres which are working under a different District Officer of the Health Department.

(ii) *Non-collection of blood smears in fever cases.*—During surveillance operations, blood smears are to be collected in all fever cases besides giving presumptive treatment. Non-collection of blood smears in fever cases resulting in non-detection of positive cases and their radical treatment would affect the malaria programme adversely. It was observed in audit that the department did not maintain any record indicating total number of fever cases encountered during surveillance. However, the State Malariologist stated that presumptive treatment was given in all fever cases but some of them refused to give blood smears. The shortfall in collection of blood smears *vis-a-vis* fever cases in which presumptive treatment was given during the period 1974 to 1980 in the units which furnished the information is indicated below :—

| Year | Number of units | Number of fever cases | Cases in which blood slides were not collected | |
|-------|-----------------|-----------------------|--|------------|
| | | | Number | Percentage |
| (1) | (2) | (3) | (4) | (5) |
| | | (In lakhs) | | |
| 1974 | 19 | 26.33 | 2.37 | 9 |
| 1975 | 20 | 28.90 | 1.27 | 4 |
| 1976 | 20 | 29.03 | 1.21 | 4 |
| 1977 | 21 | 29.26 | 3.15 | 11 |
| 1978 | 27 | 33.65 | 3.15 | 9 |
| 1979 | 27 | 39.40 | 3.34 | 8 |
| 1980 | 27 | 51.83 | 9.68 | 19 |
| Total | .. | 238.40 | 24.17 | |

(iii) *Surveillance work by Drug Distribution Centres and Fever Treatment Depots.*—Under the programme, Drug Distribution Centres (13,991 in 1980) and Fever Treatment Depots (12,384 in 1980) were established to conduct surveillance work. While the Drug Distribution Centres were only required to distribute chloroquin tablets in fever cases, the Fever Treatment Depots were required to collect blood smears also. It was, however, observed in audit that the Fever Treatment Depots were not collecting blood smears in every fever case and were only distributing chloroquin tablets. The non-collection of blood smears by Drug Distribution Centres and Fever Treatment Depots, would result in non-detection of positive cases and, consequently, malaria incidence in such cases would remain concealed.

(iv) *Delay in collection of blood smears and their transmission and laboratory examination.*—The maximum timelag permissible between collection and examination of blood smears is 7 to 10 days. There were delays in transmission of blood smears to the laboratories for examination which were mainly due to delay in despatch of blood slides by surveillance workers and 'passive' agencies, despatch of blood slides through postal system from interior sections and non-availability of standard form MF 2.

In the laboratories, there was some backlog in the examination of blood smears as indicated below due to shortage of laboratory technicians:—

| Year | Blood smears collected | Blood smears examined | Backlog (Percentage) |
|------|------------------------|-----------------------|----------------------|
| (1) | (2) | (3) | (4) |
| | | (In lakhs) | |
| 1975 | 48.12 | 47.73 | 0.39 (0.8) |
| 1976 | 48.83 | 47.94 | 0.89 (1.8) |
| 1977 | 45.89 | 45.72 | 0.17 (0.4) |
| 1978 | 49.15 | 49.15 | Nil |
| 1979 | 57.72 | 57.48 | 0.24 (0.4) |
| 1980 | 54.86 | 49.68 | 5.18 (9.4) |

(Source : Records of State Malariologist, Indore).

(v) *Check and confirmation of blood slides examined in laboratories.*—All the blood smears found malaria positive were required to be confirmed by District Malaria Officer, but no such check was exercised even in the laboratory attached to Unit Office. Similarly, in the case of laboratory attached to the PHC, although 100 per cent check of positive cases was to be done by the Medical Officer, no such check was exercised. Only some of the positive cases were checked by the District and Zonal Officers while on tour to Primary Health Centres. No negative cases were checked by any of them.

(vi) *Radical treatment.*—In all cases in which the examination of blood smears indicates a positive case of malaria, radical treatment with Primaquine tablets should be given as early as possible for 5 days so as to eradicate malaria parasite from the infected human beings. During the year 1979, in 28 units, out of 1.57 lakhs positive cases, radical treatment was given within the prescribed time (10 days) only in 0.21 lakh cases (14 per cent). No radical treatment was given in 0.13 lakh cases (8 per cent) and the delay ranged between 11 to 30 days in 0.42 lakh cases (27 per cent), between 31 to 60 days in 0.36 lakh cases (23 per cent), between 61 to 90 days in 0.21 lakh cases (13 per cent) and over 90 days in 0.24 lakh cases (15 per cent).

According to District Malaria Officers, delays in administration of radical treatment were due to—

- (a) delay in communication of results of examination of blood smears to field staff due to delays in microscopic examination of slides and transmission of reports through postal system specially in interior sections;
- (b) pre-occupation of field staff with spraying programme during the transmission season;

- (c) engagement in other health programmes like family welfare, eye camps, etc;
- (d) large number of positive cases to be attended in different villages;
- (e) movement of patients from one place to another; and
- (f) postponement of treatment to pregnant ladies till delivery.

In the State as a whole, radical treatment was not given in an appreciable number of positive cases as indicated below :—

| Year | Positive cases | Cases in which radical treatment was given | Cases in which radical treatment was not given | Percentage of cases in which radical treatment was not given |
|------|----------------|--|--|--|
| (1) | (2) | (3) | (4) | (5) |
| | | (Number in lakhs) | | |
| 1976 | 8.78 | 5.70 | 3.08 | 35 |
| 1977 | 3.65 | 3.17 | 0.48 | 13 |
| 1978 | 2.80 | 2.44 | 0.36 | 13 |
| 1979 | 2.71 | 2.06 | 0.65 | 24 |
| 1980 | 3.43 | 2.57 | 0.86 | 25 |

The department stated that no radical treatment could be given in cases detected by 'passive' agencies due to non-availability of addresses of patients, and in every case detected by 'active' agencies, due to refusal of patients, non-availability due to shifting and cases of pregnancies, weak persons and children.

3.1.3. *Consumption of anti-malarials*—Due to dosage varying with age-groups, average consumption of anti-malarial tablets per patient taken by the department was Chloroquin tablets ; 3 for each case of presumptive treatment and 3 for the first day of radical treatment; Primaquin tablets, 20 for each case of radical treatment and Daraprin tablets; 2 for each *P. falciparum* case. A test-check of details of consumption of anti-malarial tablets furnished by 29 units for the years 1977 to 1979 revealed, on the basis of average consumption, excess consumption (in 25 units) of Chloroquin (1,17.94 lakhs), Primaquin (61.78 lakhs) and Daraprin (13.98 lakhs) tablets of value Rs. 15.60 lakhs. The excess consumption had not been investigated by the department.

3.1.4. *Supervision and Control*.— Non-maintenance of Family Health Register (Form MF 1) since 1977 by surveillance workers, non-submission of monthly tour and work statements (Forms MF 3A and 3) by surveillance workers and Inspectors to Unit Officers both reportedly due to non-supply of printed forms, non-maintenance of monthly tour reports of District Malaria Officers (Form MF 12) and similar reports (Forms MF 13 and 14) by District Family Welfare-cum-Health Officers and Monthly report of Zonal Officer activities (Form MF 15) could have had adverse effect on the surveillance operations.

It was observed in test-check that increased surveillance activity had unearthed hidden positive cases. In Shivpuri unit, API was found to be 6 in 1979 when 1.09 lakh blood smears were collected. On the blood smear collection being raised to 1.96 lakhs in 1980 the API showed an upward rise to 21, clearly pointing to the importance of effective surveillance.

3.1.5. *Urban Malaria Scheme*.— Under this scheme launched by the Government of India in 1971, towns having population of 40,000 and above having high malaria incidence, where the anti-larval measures taken by local bodies were considered inadequate, were to be covered under anti-larval operations. In the State, six towns (Bhopal, Ratlam, Mandsaur, Shivpuri, Ujjain and Indore) were brought under this scheme during the period from 1973-74 to 1980-81 and expenditure of Rs. 68.19 lakhs (Operational cost : Rs. 50.92 lakhs material and supplies : Rs. 17.27 lakhs) was incurred during the period 1974-75 to 1980-81.

Up to 1978-79, the entire expenditure on material and operational cost was borne by the Government of India and that from April 1979 was to be shared equally by the Central and State Governments.

Results of test-check of the records of the six urban malaria units are given below :—

(i) There was shortfall in the area covered by anti-larval operations ranging from 14 to 43 per cent between 1975 to 1980.

(ii) The table below indicates the position of positive cases and cases in which radical treatment was given in urban areas covered by Bhopal, Ratlam, Shivpuri and Mandasaur Units :—

| Year | Bhopal | | Ratlam | | Shivpuri | | Mandasaur | |
|---|----------------|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|-------------------------|
| | Positive cases | Radical treatment given | Positive cases | Radical treatment given | Positive cases | Radical treatment given | Positive cases | Radical treatment given |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| (Number of cases) | | | | | | | | |
| (Percentage of cases where Radical treatment was given) | | | | | | | | |
| 1975 | 6697 | 4280 (64) | .. | .. | .. | .. | .. | .. |
| 1976 | 4732 | 2978 (63) | .. | .. | .. | .. | .. | .. |
| 1977 | 3707 | 2165 (58) | .. | .. | .. | .. | .. | .. |
| 1978 | 2696 | 1548 (57) | 255 | 194 (76) | 798 | 784 (98) | .. | .. |
| 1979 | 2366 | 1357 (57) | 296 | 184 (62) | 1022 | 1014 (99) | 179 | 112 (63) |
| 1980 | 3236 | 2331 (72) | 1590 | 816 (51) | 1730 | 1688 (98) | 463 | 254 (55) |

(In Ujjain and Indore anti-larval operations were started in 1980)

Anti-larval operations carried out by the Urban malaria units in Ratlam, Shivpuri and Mandasaur towns did not have the desired impact due to lack of effective steps for eradication of mosquito breeding sources and absence of radical treatment in a large number of cases.

(iii) *Focal Spray*—Focal spray of pyretherum extract mixed with superior kerosene oil was to be done in and around houses having positive malaria cases but this was not done regularly by any unit in these towns reportedly due to non-receipt of superior kerosene oil, shortage of staff, etc.

3.1.6. *Losses/shortages of anti-malarials and insecticides.*—(i) *Anti-malarials*—(a) On 8th October 1980, fire broke out in the stores of the Deputy Director of Health Services (Malaria) Rewa involving loss of anti-malarials (assessed value : Rs. 3.35 lakhs). The matter was reported to the police and was under investigation (May 1981). The department stated that the fire was not accidental but was suspected to be an act of sabotage to cover theft of drugs from the stores, as only 3 out of 5,167 tin containers were found in ashes. The Malaria Inspector, who was working as a store keeper, was placed under suspension. Further developments are awaited (March 1982).

(b) 3.34 lakh Chloroquin tablets (value : Rs. 0.44 lakh) issued by the Deputy Director of Health Services (Malaria), Bhopal during the year 1980 were not accounted for in the stock register of the Malaria Unit, Bhopal and that the pages of the stock register for the year 1980-81 were also found to have been tampered with. The non-accountal was

rendered possible due to absence of periodical physical verification of the stock and inadequate arrangement for the custody of stock registers. The department stated (March 1981) that the matter was under investigation and the store-keeper had been placed under suspension.

(c) Theft of 3.00 lakh Chloroquin tablets (value: Rs. 0.37 lakh) from the store of the Deputy Director of Health Services (Malaria), Bhopal was noticed on 2nd February 1981. The theft was rendered possible due to lack of adequate arrangement for storage and security. The matter was reportedly under police investigation.

(d) One tin of Chloroquin tablets was checked by the Drug Inspector in Primary Health Centre, Ranipur (Jhabua district) and found to be soda bicarb instead of Chloroquin. All zonal and unit officers were directed (June to October 1976) to stop use and return the tins of this batch, but due to absence of batch number, the department was not able to locate other tins involving supply of 4.45 lakh tablets (Approximate value : Rs. 0.58 lakh).

(ii) *Insecticides*.— 1,800 drums of DDT 75 % each weighing 20 Kgs., were supplied (September 1978) by the District Malaria Officer, Gwalior to his sub-unit at Datia. On complaint (May 1979) by two Medical Officers of Primary Health Centres and Assistant Malaria Officer, Datia that most of the drums were in broken condition and insecticide was suspected to be adulterated, the case was reported (June 1979) to the police. On verification, the District Malaria Officer, Gwalior intimated (January 1981) that 1,037 drums of DDT 75 % (value : Rs. 1.78 lakhs) were found adulterated and the case was under investigation. Four Officials suspected to have been responsible for the adulteration were placed under suspension. Further developments are awaited (March 1982).

3.1.7. *Inadequate impact of the NMEP on Malaria incidence*.—The incidence of malaria in the State had not registered a perceptible decline despite spray and surveillance operations under NMEP for over two decades as would be evident from the following data :—

| Year | Population | Blood smears collected | Positive cases | API(Positive cases per thousand population) | SPR(Positive smears per hundred smears collected) |
|------|-------------------|------------------------|----------------|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | | (In lakhs) | |
| 1971 | 416.5 (Census) | 41.00 | 1.91 | 4.6 | 4.7 |
| 1972 | N.A. | 43.00 | 2.15 | 5.0 | 5.0 |
| 1973 | N.A. | 42.00 | 2.84 | 6.5 | 6.8 |
| 1974 | N.A. | 43.00 | 4.77 | 10.7 | 11.0 |
| 1975 | N.A. | 50.00 | 8.32 | 18.3 | 16.6 |
| 1976 | N.A. | 50.00 | 8.79 | 19.0 | 17.5 |
| 1977 | 461.2 | 45.89 | 3.65 | 7.91 | 7.98 |
| 1978 | 478.7 | 49.16 | 2.80 | 5.82 | 5.67 |
| 1979 | 485.3 | 57.72 | 2.71 | 5.58 | 4.71 |
| 1980 | 499.1 | 64.40 | 3.43 | 6.87 | 5.32 |

(N.A.—Not available)

It would be seen that the malaria incidence increased from 1971 onwards and was highest during 1976. A declining trend started in 1977 but in 1980 it again showed an upward trend. The API would be much higher if the population of the affected areas

alone is taken into account. The average API of units during 1980 was as under :—

| API | Name of units |
|----------|---|
| Below 2 | Betul, Chhindwara, Durg, Panna, Raipur and Seoni (6). |
| 2 to 5 | Bhind, Bilaspur, Damoh, Gwalior, Jabalpur, Morena, Narsinghpur, Raisen, Rajnandgaon, Shahdol, Sidhi, Sohagpur and Vidisha (13). |
| 5 to 10 | Balaghat, Baikunthpur, Dhar, Dharmjaigarh, Guna, Indore, Janjgir, Mandla, Mandasaur, Mahasamund, Rajgarh, Rewa, Sagar, Satna, Shajapur and Ujjain (16). |
| 11 to 15 | Bhopal, Khandwa, Nowgong and Ratlam (4). |
| 16 to 20 | Barwani, Jagdalpur and Shivpuri (3). |
| 21 to 25 | Jhabua and Kanker (2). |

Thus, out of 44 units, only 6 units fell under the category of API less than 2.

Main reasons for the desired progress in eradication of malaria not being achieved and for units not entering the 'maintenance' phase, as stated (September 1980 to May 1981) by the District and Zonal Officers of the NMEP in the State, were —

- (a) inadequacy of trained field staff for spray and surveillance; shortage of laboratory technicians; unsatisfactory state of vehicles resulting in set-back to spray operations, collection of blood smears, back-log and time-lag in examination of blood smears and administration of radical treatment;
- (b) inadequate and untimely supply of insecticides, inadequate storage facilities;
- (c) increase in mosquito breeding places due to adverse sanitary conditions both in villages and in urban areas and seepage of water from irrigation canals,
- (d) resistance of vector to insecticide due to its adaptive power; and
- (e) lack of public co-operation in getting the full house sprayed, in giving blood smears and taking radical treatment.

3.1.8. *Summing up.*—(i) Despite the programme having been in operation for over two decades, and even after Rs. 78.63 crores had been spent on it up to March 1981, the malaria incidence had not registered a decline and the API in the State as a whole, during the year 1980 was 6.87 as compared to 4.6 during 1971, though much less than 19.0 in 1976. All the 44 units in the State, set up in 1977, by re-organising the then existing 29 units, continue to be in the 'attack' phase. Out of the 44 units, the API in 38 units ranged between 2 and 25 during the year 1980.

(ii) Although entomological studies are essential for deciding the right type of insecticide to be used and its dosage, there was considerable shortfall in conducting entomological tests. As against 924 tests required to be conducted every year, the number of tests actually conducted ranged from 61 to 111. Further, in some cases, the insecticides (value : Rs. 185 lakhs) to which the vector was found to have developed resistance, were sprayed.

(iii) The sprayable population in the State was not fully covered under spray during any year, more so in second and third rounds of spray. The percentage of population actually covered under spray ranged from 28 to 73 in the first round, 21 to 65 in the second round and 3 to 20 in the third round during the years 1974 to 1977 and 1979 to 1980. During the year 1978, the percentage of population actually covered in the first, second and third

rounds was 98, 72 and 32 respectively. Further, even in areas covered by spray, all the house dwellings and all rooms in a house were not sprayed. Shortfall in spraying operations was reportedly due to non-availability of adequate quantity of insecticide, shortage of trained spray workers and vehicles and lack of public co-operation.

(iv) Neither any record of total number of fever cases detected during surveillance was maintained nor were blood smears collected in all fever cases. The shortfall in collection of blood smears by 'active' and 'passive' agencies ranged up to 60 per cent. During 1979, there were delays ranging from 11 to over 90 days in examination of blood smears and giving radical treatment in 78 per cent cases. During 1976 to 1980, radical treatment was not given in 13 to 35 per cent of positive cases. Inadequacies in surveillance operations were due to shortage of surveillance workers and laboratory technicians and non-adherence to control mechanism by the departmental officers.

(v) No testing of insecticides before actual spray was done prior to 1979. During 1979, 474 metric tonnes of substandard BHC (value : Rs. 24.55 lakhs) was sprayed.

(vi) During 1977 to 1979, actual consumption of insecticides exceeded the required quantity on the basis of prescribed norms by 741 metric tonnes (Value : Rs. 41.84 lakhs). Similarly, there was excess consumption of 193.70 lakhs (value: Rs. 15.60 lakhs) of anti-malarial tablets.

(vii) In urban areas of 6 towns which were brought under the Urban Malaria Scheme during 1973-74 to 1980-81, the anti-larval operations did not have the desired impact as neither the department nor local bodies took any effective steps for eradication of mosquito breeding sources.

Matters mentioned above were reported to the Government in September 1981; reply is awaited (March 1982).

3.2. State Health Transport Organisation

1. *Introductory.*—With the object of minimising the maintenance cost of the departmental vehicles and keeping them in good operating condition, the State Health Transport Organisation (SHTO) was established (September 1971) at Bhopal with one central workshop (CWS). A Central Stores, for ensuring economical and centralised procurement of genuine and standardised spare parts was also established at Bhopal in July 1972. In addition, one Regional Workshop (RWS) was established (November 1971) at Indore and 16 Mobile Maintenance Units (MMUs) were also established between December 1972 and May 1974 at certain district places to undertake repairs of vehicles of the Health Department in all districts of the State; the workshops at Bhopal and Indore were also required to function as MMUs for these districts. Since the working of MMUs was not found satisfactory due to their inability to undertake repair jobs in interior places and long lead time for procurement of spare parts, the Government decided (July 1979) to reorganise the MMUs into seven Static Units (SUs) which were established (August 1980) at Bhopal, Bilaspur, Gwalior, Indore, Jabalpur, Raipur and Rewa. The reorganisation also envisaged establishment of a new MMU at Sidhi and continuance of two existing units at Bastar and Surguja. However, the MMU at Sidhi could not be established (August 1981) reportedly due to paucity of staff.

During the period from 1974-75 to 1980-81, expenditure of Rs. 459.11 lakhs (establishment, Rs. 47.32 lakhs; repairs and maintenance including POL: Rs. 411.79 lakhs) was incurred by the State Health Transport Organisation. In addition, Capital expenditure of Rs. 0.56 lakh was incurred (1970) on the construction of a building for the RWS at Indore.

2. *Results of test-check.*—Results of test-check of the records of CWS, RWS, six MMUs (Bastar, Bilaspur, Gwalior, Raipur, Rewa and Surguja) and three SUs (Gwalior, Raipur and Rewa) for the period from 1974-75 to 1980-81, conducted during November 1980 to July 1981, supplemented by the information furnished by the State Health Transport Officer, are mentioned in the succeeding paragraphs.

3. *Central Workshop.*—The CWS, which was established mainly to undertake reconditioning of major and minor assemblies and to act as State Maintenance Unit to carry out major repair jobs which could not be undertaken at the RWS and MMUs/SUs, could undertake only 760 minor jobs during the period from 1974-75 to 1980-81, the value of work done (labour charges) being Rs. 1.14 lakhs. During this period, expenditure of Rs. 4.66 lakhs was incurred on pay and allowances of the technical staff of the workshop. Test-check of job cards and other records in audit revealed the following :—

(i) The jobs undertaken by the CWS were mainly confined to the departmental vehicles stationed at Bhopal. Only six out-station vehicles of three adjoining districts were repaired at the workshop.

(ii) Even the Vehicle Controlling Officers (VCOs) at Bhopal could not get all their vehicles repaired at the CWS. During 1974-75 to 1980-81, major and minor repairs of departmental vehicles at Bhopal were got undertaken at private garages at a cost of Rs. 0.60 lakh.

(iii) The value of the jobs done in a year (based on local market rates) ranged from Rs. 0.06 lakh (1977-78 and 1978-79) to Rs. 0.40 lakh (1975-76). The excess of revenue expenditure over the value of jobs done showed a progressively upward trend from Rs. 0.51 lakh in 1974-75 to Rs. 0.96 lakh in 1980-81, even though, only 10 out of 22 technical posts sanctioned remained filled during the period from 1974-75 to 1976-77 and 11 posts during the period from 1977-78 to 1980-81.

(iv) The job cards maintained at the workshop were defective in as much as details of labour engaged, spare parts replaced and the value of repair jobs executed were not recorded. In most of the cases, the dates on which a vehicle was received for repairs and was sent out after repairs were also not recorded.

(v) Although the CWS was also expected to function as a MMU/SU for Bhopal division, no inspection of vehicles was conducted and no preventive repair jobs were undertaken.

The main reasons for which the CWS could not achieve the set objectives were :—

(a) There was shortage of space and allied facilities with the CWS. Rupees 18 lakhs, allocated (March 1972) by the Government of India for construction of a spacious building on approved pattern for the CWS, was not utilised at all due to delay on the part of the State Government in framing the estimates and ban on construction of new buildings imposed by Government of India in September 1974. There was no progress in the matter thereafter.

(b) Similarly, assistance of Rs. 4.76 lakhs made available by UNICEF for procuring necessary tools and equipment was also not utilised and the CWS continued to be ill-equipped.

4. *Regional Workshop, Indore.*—The Regional Workshop, set up (November 1971) at Indore for undertaking repair and replacement jobs and for functioning as MMU/SU for the vehicles in Indore Division, continued to be housed temporarily in a garage till 1977, when it was shifted to the Workshop building constructed in 1970 at a cost of Rs. 0.56 lakh. The delay in occupation of the workshop building was due to non-provision of basic facilities like electricity, water supply, sanitary fittings, slump pit and service ramp, etc., because of delays by the department in according administrative approval for these items of work.

During the period from 1974-75 to 1980-81, the workshop could execute 951 minor repair jobs of value Rs. 1.20 lakhs at the prevailing market rates, while expenditure on pay and allowances of technical staff was Rs. 5.40 lakhs. The annual value of jobs done ranged between Rs. 0.10 lakh (1975-76) and Rs. 0.27 lakh (1978-79). The department attributed the shortfall to :—

(i) non-posting of a technical officer as incharge of the workshop;

(ii) non-delegation of financial powers to the officer-incharge of the workshop for purchase of spare parts required for repair jobs.

- (iii) cumbersome procedure for procuring parts required for replacement through the VCOs after obtaining a non-availability certificate from the Central Stores; and
- (iv) employment of less technical staff (5) in relation to ministerial staff (7).

Apart from its inability to undertake major repair jobs, the RWS also failed to discharge the functions of MMU/SU for the departmental vehicles in Indore Division. As in the case of CWS, the job cards maintained at RWS did not contain complete information regarding details of labour engaged and spare parts used in the repair work done and time taken for execution of jobs.

5. *Mobile Maintenance Unit*.—MMUs which were to function as 'Workshop on wheels' were to carry maintenance facilities to the vehicles for first line maintenance rather than calling these over long distances to the Workshops. The main functions assigned to the units were:—

- (i) Inspection and testing of road-worthiness of vehicles on the spot, and
- (ii) regular preventive and curative maintenance and repairs of vehicles at the points where the vehicles were operating to reduce the off-the-road time.

Each MMU, having a team of four technicians (Junior Foreman, Master mechanic, Mechanic and Electrician), was placed under the administrative charge of the respective District Family Welfare-cum-Health Officer and was intended to cover an area of 1,000 square miles catering to 50 to 70 vehicles. Each MMU was provided with a UNICEF mobile van equipped with tool box and other portable equipment, etc.

According to the instructions issued (January 1973) by the SHTO, the Foreman in charge of each MMU was to chalk out inspection programmes in such a manner that each vehicle under the jurisdiction of the unit was inspected at least once in every two months for preventive maintenance, periodical adjustment and minor repairs, etc. The following table shows the position regarding inspections of vehicles required to be done, inspections actually done during April 1974 to September 1980 (78 months) and April 1974 to March 1981 (84 months) in case of Bastar and shortfall thereof in units covered under test-check.

| Mobile Maintenance Unit at | Average number of vehicles in the Region | Number of inspections | | Shortfall in | |
|----------------------------|--|-----------------------|------|-----------------------|------------|
| | | To be done | Done | Number of inspections | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| Bastar | 93 | 3,906 | 578 | 3,328 | 85 |
| Bhopal | 63 | 2,457 | 217 | 2,240 | 91 |
| Bilaspur | 75 | 2,925 | 331 | 2,594 | 89 |
| Gwalior | 111 | 4,329 | 194 | 4,135 | 95 |
| Indore | 50 | 1,950 | 798 | 1,152 | 59 |
| Raipur | 79 | 3,081 | 257 | 2,824 | 92 |
| Rewa | 102 | 3,978 | 676 | 3,302 | 83 |
| Surguja | 109 | 4,251 | 271 | 3,980 | 94 |

The department attributed the shortfall in inspections to non-posting of full contingent of technical staff. Out of four posts sanctioned for each unit, there was shortage of three technicians each in Bastar and Raipur units, two each in Bilaspur, Rewa and Surguja units, and one in Gwalior unit. The shortfall was, however, the highest for the Gwalior unit which had a shortage of only one technician.

During April 1974 to September 1980, in six units (Bastar, Bilaspur, Gwalior, Raipur, Rewa and Surguja) 2,184 repair jobs (Value: Rs. 1.64 lakhs) were undertaken, while the expenditure on pay and allowances of the technical staff was Rs. 6.22 lakhs. The low output was attributed mainly to shortage of technical staff and delay in supply of spare parts by the VCO; which again was stated to be due to the involved procedure for procurement of spares.

6. *Static units.*—The Static Units which were established in August/September 1980 by pooling staff, tools and equipment, etc., of the 16 MMUs, were to have a set of two teams together comprising 2 Junior Foremen, 2 Master mechanics, 2 Mechanics, 2 Electricians and a Helper, each unit working under the administrative control of the Regional Joint Director of Health Services. One of the two teams was to be deployed for inspection of vehicles at their place (s) of working and the other on repairs to 80-100 vehicles at the Divisional headquarters and the adjoining allotted districts.

In the four SUs at Bilaspur, Gwalior, Raipur and Rewa and the two units at Bhopal and Indore, merged with CWS and RWS respectively, the position of vehicle inspections to be done, actually done during the period of six months from October 1980 to March 1981 and the shortfall was as under :—

| Static Unit at | Average number of vehicles in the region | Number of inspections | | Shortfall in | |
|----------------|--|-----------------------|------|-----------------------|------------|
| | | To be done | Done | Number of inspections | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| Bhopal | 63 | 189 | 32 | 157 | 83 |
| Bilaspur | 184 | 552 | 39 | 513 | 93 |
| Gwalior | 183 | 549 | 32 | 517 | 94 |
| Indore | 332 | 996 | 29 | 967 | 97 |
| Raipur | 166 | 498 | 41 | 457 | 92 |
| Rewa | 127 | 381 | 72 | 309 | 81 |

The SHTO intimated (August 1981) that, due to shortage of technical staff, no district-wise specific jurisdiction could be allotted to the SUs. Consequently, departmental vehicles at out-stations were not inspected. In the four SUs at Bilaspur, Gwalior, Raipur and Rewa only 283 repair jobs valued at Rs. 0.36 lakh were undertaken during the period October 1980 to March 1981, while expenditure of Rs. 0.53 lakh was incurred on pay and allowances of technical staff.

7. *Central Stores.*—With a view to effecting bulk purchases of spare parts and material in advance, at whole-sale rates and stock them in the Central Stores for issue, on demand, to CWS, RWS, MMUs and SUs, the system of 'pooled budget' in the hands of the SHTO was envisaged under the scheme. This arrangement was expected to result in saving of Rs. 1.40 lakhs every year (@12.5 per cent discount generally offered by the manufacturers on direct purchases) on anticipated yearly purchase of spare parts of value Rs. 11.25 lakhs for 1,500 vehicles. However, neither the system of 'pooled budget' was introduced nor could the Central Stores procure and supply even fast moving spare parts, which resulted in purchase of spare parts, tyre-tubes and batteries, etc. from the local market by the VCOs. During the period from 1974-75 to 1980-81 in eight districts, 375 repair jobs were got executed through private agencies at a total cost of Rs. 33.54 lakhs out of which Rs. 25.79 lakhs were on spare parts, tyres and tubes etc. Further, even the Central Stores made purchases of spare parts costing Rs. 1.47 lakhs during the period from 1974-75 to 1980-81 from the local market. Non-availability of spare parts with the Central Stores aggravated by delay in getting spare parts from local market after obtaining a non-availability certificate from the Central Stores resulted in delays in repairs to vehicles and increased off-the-road-period of vehicles.

The value of discount lost in respect of local purchase of spare parts was approximately Rs. 2.22 lakhs.

Inefficient running of Central Stores was attributed to :—

- (i) difficulty in procuring and maintaining spare parts for the vehicles of 45 makes and different models of the same make :
- (ii) urgency of the work;
- (iii) shortage of staff including the Stores Officer; and
- (iv) non-delegation of financial powers to the SHTO by the Government for the purchase of spare parts.

While essential fast moving spare parts and even tyres, tubes and batteries were not stored at the Central Stores, slow moving spare parts, tools and equipment valued at Rs. 3.34 lakhs, procured from out-side agencies (Rs. 2.88 lakhs) and local market (Rs. 0.46 lakh) were lying unused/un-issued (December 1980) for the last 4-5 years. The department stated (December 1980) that continued storage of such spare parts was due to lack of demand from the VCOs.

8. *Delay in execution of repair jobs.*—The Director of Health Services had instructed (July 1976) all VCOs not to allow any vehicle under any scheme/programme, to remain off the road for a period exceeding three months. Nevertheless, out of 214 vehicles admitted during 1974-75 to 1980-81 for repairs in the workshops, 35 vehicles were retained for periods ranging from 3 to 21 months in the Workshops at Bhopal, Bilaspur, Gwalior, Indore and Rewa.

The department attributed the delay to :—

- (i) non-availability of parts with the Central Stores and delay in obtaining non-availability certificate from the Central Stores and consequent delay in procuring the parts from the open market by the VCOs;
- (ii) non-delegation of financial powers to the SHTO for purchase of spare parts for vehicles sent for repairs; decision of Government on a proposal for delegation made (September 1979) in this regard was awaited (November 1981) ;
- (iii) non-employment of full contingent of technical staff as per approved pattern ; and
- (iv) lack of facilities at the workshop.

For these reasons, the percentage of vehicles off-the road to the total number of vehicles increased from 26 per cent in 1974 to 31 per cent in 1981 as indicated below:—

| | Position of vehicles as on | |
|--|----------------------------|-------------------|
| | Ist April 1974 | Ist April 1981 |
| (1) | (2) | (3) |
| (i) Total number of vehicles | 1,451 | 1,652 |
| (ii) Total number of road worthy vehicles | 1,077 | 1,142 |
| (iii) Total number of vehicles off the road | 374 | 510 |
| (iv) Number of vehicles condemned/awaiting condemnation | 173 | 335 |
| (v) Percentage of vehicles condemned/awaiting condemnation to total number of vehicles off the road. | 42.26 | 65.69 |
| (vi) Percentage of vehicles off the road to total number of vehicles | 26 | 31 |

9. *Disposal of unserviceable/condemned vehicles.*—(i) Test-check of records pertaining to 58 vehicles proposed for condemnation during the period from 1970 to 1980 revealed that only in 4 cases action for final disposal by auction of condemned vehicles had been taken by the department. In 53 cases, action for condemnation and final disposal of these vehicles off the road had not been taken, the delays ranging from 1 to 20 years. Further, in 23 cases out of these 58, the vehicles had come up for condemnation prematurely i. e. before completion of the mileage expected etc.

(ii) *Sale proceeds of condemned vehicles.*—The Government of India directed (November 1970) the State Government that the sale proceeds of departmental vehicles donated by it/foreign agencies be credited to the Central revenues. The sale proceeds of 18 vehicles amounting to Rs. 0.83 lakh had been, however, credited to the State revenues during the period 1978-79 to 1980-81.

10. *Summing up.*—(1) While 374 vehicles, i. e. 26 per cent of 1451 vehicles, as on 1st April 1974 were off-the road, 510 vehicles i. e. 31 per cent of 1652 vehicles, as on 1st April 1981 were off the road. The proportion of condemned vehicles and vehicles due for condemnation to the number of vehicles off the road was 65.69 per cent in April 1981 while it was 42.26 per cent in April 1974.

(2) The SHTO established (1971) mainly to keep the departmental vehicles in good operating condition by undertaking speedy preventive and curative repairs through a Central Workshop at Bhopal, Regional Workshop at Indore and mobile maintenance/Static units could not provide effective repair and maintenance service to the vehicles mainly due to lack of basic facilities and technical manpower, absence of adequate stock of fast moving spare parts at the Central Workshop and delay in procurement of spare parts from the local market due to involved procedure. Although, these workshops were set up to undertake major repairs of departmental vehicles, only 1,711 minor repair jobs (value: Rs. 2.34 lakhs) were executed during the period 1974-75 to 1980-81 and while expenditure of Rs. 10.06 lakhs was incurred on pay and allowances of the technical staff.

(3) The MMUs, which were to carry maintenance facilities to each vehicle, for first line maintenance, at least once in every two months could not make any significant impact and there was heavy shortfall in conducting inspections and rendering curative and maintenance repair service to the departmental vehicles at place(s) of operation. Similarly, the SUs established (August/September 1980) by winding up and pooling resources of MMUs, also could not render adequate repair service to the departmental vehicles. In eight districts, 375 repair jobs, involving expenditure of Rs. 7.75 lakhs, were got executed through private agencies.

Matters mentioned above were reported to the Government in September 1981; reply is awaited (March 1982).

3.3. National Programme for prevention of visual impairment and control of blindness

Introduction.—The centrally assisted National Programme for prevention of visual impairment and control of blindness formulated in September 1976 envisaged :

- (i) Setting up of mobile ophthalmic units to provide comprehensive eye health care through "eye camp approach" in interior areas:
- (ii) simultaneous creation of permanent infrastructure at peripheral level by strengthening Primary Health Centres (PHCs), at intermediate level by strengthening district hospitals and at central level by up-grading ophthalmic departments of medical colleges: and

(iii) extensive dissemination of information on eye health education.

The Central Government was to provide to the State Government equipment of specified value for each component of the programme.

During 1977-78 to 1980-81, the Government of India earmarked assistance to the State Government for setting up three mobile units, strengthening 15 district hospitals and 147 PHCs and upgrading two medical colleges (Bhopal and Raipur) under the programme. During this period, expenditure of Rs. 16.20 lakhs was incurred on this scheme in the State.

2. *Results of test-check.*—A test-check of the records relating to implementation of the programme upto March 1981, conducted (July-August 1980 and March to December 1981) by Audit in the offices of the Director of Health Services, the Joint Director of Health Services, Raipur, Deans of Medical Colleges at Bhopal, Raipur and Rewa, Civil Surgeons and the District Family Welfare-cum-Health Officers, Bhopal, Hoshangabad, Raisen, Sehore and Vidisha revealed the following points.—

(a) *Mobile ophthalmic units.*—The mobile units attached to the medical colleges at Bhopal, Raipur and Rewa were due to be set up in 1977-78, 1978-79 and 1980-81 respectively, but were not fully functional (October 1981) due to (a) delay in receipt/taking delivery of equipment, (b) delay in sanctioning the posts and (c) non-appointment of full complement of staff.

In case of the unit at Rewa, the equipment for which was received in November 1980, the staff had not been sanctioned so far (December 1981).

Each mobile unit was to serve a cluster of five districts and was to hold a minimum of 20 comprehensive eye camps and 3,000 operations in a year. But no such camps were held by any of the three units till March 1981 though the equipment of the mobile units was utilised in the eye camps organised by voluntary organisations in which 6,651 cataract operations were performed during the period 1977-78 to 1980-81.

(b) *Strengthening of district hospitals and PHCs.*—(i) Out of 15 district hospitals and 147 PHCs which were to be strengthened under the programme upto March 1981, equipment was provided to only 9 district hospitals and 48 PHCs upto date of audit (July to December 1981). While the equipment for 6 district hospitals and 42 PHCs which were to be strengthened during 1978-79 (5 district hospitals and 30 PHCs within the area of mobile unit at Raipur) and 1980-81 (1 district hospital and 12 PHCs within the area of mobile unit at Rewa) had not been received, that for 57 PHCs (approximate cost: Rs. 1.71 lakhs) was lying undistributed for periods ranging from 5 to 31 months.

(ii) Under the scheme, one ophthalmic specialist was to be posted to each of the district hospitals strengthened and Medical Officers of the identified PHCs were to be given 4-6 weeks training in ophthalmic care. However, while ophthalmic specialists had been posted to all the district hospitals, except at Raisen where no substitute was posted (July 1981) in place of the specialist transferred in August 1980, the Medical Officers of the PHCs were not given the training envisaged in the scheme. No appointment against the posts of Ophthalmic Assistants for district hospitals and PHCs under Mobile Units, Bhopal and Raipur had been made while, sanction for creation of posts under the Mobile Unit, Rewa had not been accorded (December 1981).

(c) *Dissemination of information and eye health education.*—For the purpose of dissemination of information and eye health education, each mobile unit was provided with audio-visual equipment worth Rs. 0.35 lakh. The audio-visual equipment received by the mobile

units at Bhopal and Rewa in August 1977 and November 1980 respectively was not used upto July 1981 (Bhopal) and December 1981 (Rewa) due to non-posting of the operator and the health educator. At Raipur, the audio-visual equipment received in August 1980 was reported to have been used for two film shows during January and February 1981.

(d) *Advisory and Co-ordinating Committees.*—The Government of India had requested (May 1977) the State Government to form a State level advisory committee for giving advice on implementation of the programme and divisional and district level co-ordination committee for effective functioning of the mobile units. These committees were, however, constituted by the State Government in April 1980. According to the information furnished by the Director of Health Services, the first meeting of the State level advisory committee was scheduled to be held in July 1981. The divisional and district level Co-ordination Committees had not met (July 1981) except at Hoshangabad and Sehore.

Matters mentioned above were reported to the Government in August 1981; reply is awaited (March 1982).

3.4. Excess payment of scholarship money

According to the regulations for post-matric scholarships to scheduled caste/tribe students for studies in India, the scholarships are renewable from year to year, but if a student pursuing medical course fails more than once in a promotional examination, the scholarship will be discontinued until he secures promotion to the next higher class.

A test-check (May 1978) of the records of the Gajra Raja Medical College, Gwalior pertaining to payments of the scholarships during 1975-76 to 1977-78 revealed that 49 students, who had failed more than once in the promotional examinations, were paid scholarships amounting to Rs. 1.78 lakhs while studying in the same class. Besides, in 23 cases, scholarships amounting to Rs. 0.37 lakh were disbursed more than once for the same period.

The Dean, Gajra Raja Medical College, Gwalior admitted (May 1978) the excess payments and recovered Rs. 0.04 lakh from 13 students (upto March 1979). The Government, to whom the matter was reported in June 1978, stated (December 1979) that the Dean who forwarded the applications for scholarships to the Tribal Welfare Department without proper scrutiny and the District Organiser, Tribal Welfare Department who sanctioned the scholarships without verifying the eligibility of the students were both responsible for the excess payments and that action to issue orders for recovery was being taken. However, the Dean intimated (March 1981) that orders of the Government in the matter were still awaited and that it was difficult to make further recovery of the excess payments as whereabouts of the students who had left the Medical College were not known to him. In the meanwhile, it was observed (June 1980) that despite the irregularity having been pointed out by Audit in May 1978, Rs. 0.20 lakh were paid during 1978-79 and 1979-80 to 15 students who had failed more than once in the promotional examinations during these years in the same Medical College.

Inadequate scrutiny of the applications for the scholarships thus led to excess payments during 1975-76 to 1979-80 to the tune of Rs. 2.35 lakhs, of which only Rs. 0.04 lakh had been recovered upto March 1981.

3.5. Advance payment to Madhya Pradesh Housing Board for construction of buildings for mini-Primary Health Centres, etc.

Government sanctioned an advance of Rs. 50.00 lakhs from the Contingency Fund of the State in March 1979 for construction of buildings and staff quarters for mini Primary Health Centres in Bilaspur and Raipur Divisions. The advance was drawn by the Director of Health services on 31st March 1979 and deposited in the Personal Deposit Account.

The Director of Health Services entered into (June 1979) an agreement with the Madhya Pradesh Housing Board (Board) providing, *inter alia*, that the works would be completed by the Board, within the estimated cost and within nine months from the dates of selection of sites by the department. On receipt (August 1979) of the preliminary estimates of the works from the Board, Government accorded (January 1980) administrative approval for construction of buildings for 39 mini Primary Health Centres including staff quarters, 209 sub-centres and 55 post-mortem centres at an estimated cost of Rs. 188.30 lakhs. The Board was also paid (January 1980) an advance of Rs. 50.00 lakhs which had earlier been drawn by the Director of Health Services on 31st March 1979. A further advance of Rs. 50.00 lakhs was also paid (March 1980) to the Board. Detailed estimates of works have, however, not been sanctioned so far (March 1982).

It was observed (July 1980) by Audit that no administrative instructions regarding selection of sites for the works were issued to the District officers by the Director of Health Services and no information was available with him regarding the progress of the works and the actual expenditure incurred against the advance of Rs. 100 lakhs paid to the Board. Information obtained (May 1981) by Audit from the Board, however revealed that up to end of March 1981, building work was in progress for 18 mini Primary Health Centres (out of 39), 13 sub-centres (out of 209) and 2 post-mortem centres (out of 55) on which Rs. 17.56 lakhs (inclusive of expenditure on advertisement of the tender notice and collection of the materials etc., for the buildings) were spent against estimated cost of Rs. 42.60 lakhs; in most of these works, the construction had not reached roof level. The agreement with the Board did not provide for any penal action against it for delay in completion of works.

The Board expressed (February 1981), without specifying the reasons, its inability to undertake construction of the buildings for 9 mini Primary Health Centres, 103 sub-centres and 14 post-mortem centres estimated to cost in all Rs. 69.23 lakhs. The Director of Health Services stated (March 1981) that action in regard to these works would be taken on receipt of reports from the District Officers who would examine the cases in consultation with the District Advisory Committees. According to the information supplied (May 1981) by the Board, construction of buildings for the remaining 12 mini Primary Health Centres, 93 sub-centres and 39 post-mortem centres estimated to cost Rs. 76.47 lakhs had not commenced upto end of March 1981 for the reasons given below :—

- (a) Tenders accepted but works not started by contractors (number of works : 8; estimated cost : Rs. 3.88 lakhs);
- (b) tenders invited/reinvited but not yet received (number of works : 17; estimated cost: Rs. 15.38 lakhs);
- (c) tenders not yet invited (number of works: 33; estimated cost : Rs. 15.21 lakhs);
- (d) approval to change of site awaited by the Board (number of works : 2; estimated cost : Rs. 4.01 lakhs); and
- (e) land for the building not yet handed over to the Board (number of works : 84; estimated cost : Rs. 37.99 lakhs).

The Director of Health services intimated (March 1981) that the Divisional and the District officers were being asked to examine the cases regarding selection of sites for the buildings and to take further action in the matter.

The facts mentioned above show that—

- (a) an advance of Rs. 50.00 lakhs was drawn from the Contingency Fund of the State when the money was not required for immediate disbursement.

- (b) While the agreement entered into (June 1979) by the Director of Health Services with the Board provided that the works would be completed within the estimated cost and that no increase in the cost would be allowed to the Board due to increase in prices or otherwise, even the preliminary estimates of the cost had not been framed at the time of executing the agreement.
- (c) Two advances totalling Rs. 100 lakhs were paid to the Board even prior to selection of sites for the works and preparation of detailed estimates therefor. The Board had with it an unutilised balance of Rs. 82.44 lakhs for over one year (March 1981).
- (d) Although the decision to construct 303 buildings was taken by the Government in March 1979, not a single building had been completed upto end of March 1981. Even the construction sites had not been handed over to the Board in respect of 84 proposed buildings.

The matter was reported to the Government in May 1981; reply is awaited (March 1982).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

3.6. Applied Nutrition Programme

1. Introduction :

1.1. The Applied Nutrition Programme, sponsored by the Government of India in collaboration with the United Nations International Children's Emergency Fund (UNICEF), the World Health Organisation (WHO) and the Food and Agriculture Organisation (FAO), was introduced in the State from 1963-64. The programme primarily aimed at helping people, especially the vulnerable groups in rural areas *viz.*, children, pregnant women and nursing mothers to improve their nutritional level and consciousness through (i) education and training of non-officials and officials in improved methods of production, preservation and conservation of balanced food, (ii) mobilising individuals (women and youth) and institutions in the rural areas for increasing the production of nutritious food and (iii) developing village resources, with community efforts, to implement supplementary feeding programme covering the vulnerable groups.

1.2. The programme was initially launched in nine selected community development blocks of Madhya Pradesh in 1963-64, and by the end of March 1979, 155 blocks (out of a total of 457 blocks in the State) had been covered under the programme. No further blocks were taken up thereafter.

1.2.1. The programme was undertaken in selected blocks for a period of five years (operational period) with one year's extension in blocks which had completed the five year period. Thereafter, it was expected that the change in the production and consumption habits of the people, brought about through implementation of the programme, would sustain by itself.

1.2.2. The number of fresh blocks brought under the programme every year and the total number of blocks where the programme was in operation during the Fifth Plan period are indicated below :—

| Year | Number of fresh blocks taken up | Number of blocks (including fresh blocks) where the programme was in operation | Progressive number of blocks which had completed 6 years including one year post-operation phase |
|---------|---------------------------------|--|--|
| (1) | (2) | (3) | (4) |
| 1974-75 | 8 | 48 | 113 |
| 1975-76 | 8 | 51 | 121 |
| 1976-77 | 8 | 49 | 129 |
| 1977-78 | 13 | 53 | 142 |
| 1978-79 | 13 | 58 | 155 |

No fresh blocks were selected after the Fifth Plan period.

1.3. The Development Commissioner, Collector and Block Development Officer were responsible for the co-ordination of the programme at the State level, District level and Block level respectively. The plan of operations envisaged for this purpose, the formation of a Co-ordination Committee comprising the Development Commissioner (Chairman) and the Secretaries and the Heads of the concerned departments. This Committee was constituted in August 1973 and met almost every year.

1.4. The main activities undertaken under the programme were :

- (a) establishment of school/community gardens,
- (b) establishment of poultry units,
- (c) mini-backyard poultry units,
- (d) establishment of goat units,
- (e) development of fisheries,
- (f) grants to social organisations; and
- (g) training of officials and non-officials.

2. Finance :

2.1. Each block selected for implementation of the programme was to be provided funds at the rate of Rs. 0.81 lakh per year (Rs. 0.85 lakh since 1977-78) for five years out of which the central assistance was to be Rs. 0.30 lakh (Rs. 0.34 lakh since 1977-78). During the post-operational period of one year, the Government of India was to bear Rs. 0.15 lakh (Rs. 0.20 lakh since 1977-78) for each block for completing the continuing activities.

2.2. The UNICEF provided items like equipment, vegetable seeds, tools, pumping sets, barbed wire for fencing of gardens, teaching aids, audio-visual materials, jeeps, mopeds, cycles, etc., free of cost and the WHO and FAO provided technical guidance.

2.3. During the period 1974-75 to 1979-80, when 48 to 58 blocks were in operation, the Government of India and the State Government provided Rs. 92.47 lakhs and Rs. 38.14 lakhs against the requirement of Rs. 96.08 lakhs and Rs. 1,33.11 lakhs respectively as per the formula prescribed under the programme.

The State Government provided Rs. 22.41 lakhs, Rs. 5.71 lakhs and Rs. 10.02 lakhs for the Agriculture Department, Veterinary Department and Fisheries Department against their requirement of Rs. 60.03 lakhs, Rs. 36.54 lakhs and Rs. 36.54 lakhs while the actual expenditure in the three Departments was even less being Rs. 18.48 lakhs, Rs. 3.27 lakhs and Rs. 4.04 lakhs respectively. The expenditure incurred during this period on the 12 blocks covered by test-check was Rs. 17.85 lakhs.

3.0. Points noticed during test-check of records relating to implementation of the programme during 1969-70 to 1973-74 were commented upon in paragraph 3.3 of the Report of the Comptroller and Auditor General of India for the year 1974-75. The Public Accounts Committee had given their recommendations in the matter in their 42nd Report (April 1979). The compliance report from the department is, however, still awaited (August 1981). The irregularities pointed out are also still persisting. Important points disclosed by test-check (March 1981 to June 1981), of the accounts and records relating to the programme in 12 blocks (Ashoknagar, Ajaigarh, Dhamda, Jora, Khachrod, Mehgaon, Mhow, Patan, Pichhore, Rehli, Sironj and Umaria) out of 49 blocks which had completed their operational period, between 1978 and 1981 are given in the succeeding paragraphs.

3.1. *Planning*.—According to the criteria laid down by the Government of India, before a block was selected, the nutritional problems in that block and the resources, actual and potential, for tackling them were to be identified by a preliminary survey. No information was available at the State headquarters or at the block level whether such surveys had been carried out before selecting the blocks.

3.2. Twenty five villages were to be covered by the programme in each of the selected blocks taking into account appropriate infrastructural facilities and human resources available in them. Out of 12 blocks covered by test-check, the villages selected in eight blocks initially, were found to have been changed subsequently after the bulk of investment had been made, mainly on the grounds of absence of co-operation from village community, unsuitable location of the selected villages, etc. In the remaining four blocks, a number of villages without facility of drinking water, primary school, *Kachcha* or *Pacca* road upto block headquarters were selected. Lack of care in selection of villages was one of the main contributory factors for the failure of a large number of production units set up under the programme in respect of all the 12 blocks.

4. Implementation of the programme :

4.1.1. *Establishment of school/community gardens.*—The programme envisaged increased production of fruits and vegetables of high nutritive value by encouraging the establishment of school gardens, home/kitchen gardens and community gardens.

4.1.2. Rupees 11.74 lakhs were paid to *Gram Panchayats* in 12 blocks during the operational period for the establishment of 152 gardens (138 school gardens, 14 community gardens). Of these, work on 69 school gardens and 7 community gardens (amount paid: Rs.6.19 lakhs) was reported not to have been completed by the 31st March 1981, and there was no production from them. In respect of 44 school gardens and 5 community gardens (amount paid : Rs. 3.58 lakhs) which were reportedly set up, no record of production from them was available with the departmental officers.

4.1.3. Four school gardens (expenditure incurred : Rs. 0.23 lakh) out of the remaining 27 gardens in which production had started, ceased to exist (2 within one year and one each within three and five years); reportedly due to absence of proper irrigation facilities, lack of interest on the part of the *Gram Panchayats* and/or unsuitable location of gardens. Out of 69 school gardens mentioned above, 13 school gardens (subsidy paid Rs. 0.96 lakh) in 3 blocks could not be established as the land near the school was not suitable for agriculture. The subsidy paid (Rs. 0.96 lakh) was lying unutilised (December 1981) with 13 *Gram Panchayats* for over four years. Reasons for non-establishment of remaining 56 school gardens were not furnished. Only in the case of four out of these 56 gardens (in Rehli, Mehgaon and Pichhore blocks), the entire amounts of grants paid (Rs. 0.23 lakh) were refunded by the *Gram Panchayats* concerned after retaining the amounts for 1 to 4 years.

4.1.4. The community gardens were to make available to the *Mahila Mandals*, fruits and vegetables of value equal to 50 per cent of the net profit from the gardens for free feeding of vulnerable groups. The remainder of the profit was to be used to build up a revolving fund for further development of fruit and vegetable gardens. The entire produce of school gardens was, however, to be distributed free of cost among the children and the maintenance and recurring expenditure on the gardens was to be borne by the villagers themselves.

No detailed accounts of the produce received or distributed were kept at block level. According to the information furnished by six Block Development Officers, only 2 community gardens set up in Sironj block had produced 7.27 quintals of foodgrains during the period of operation of the programme. Nothing out of this produce was, however, supplied for free distribution. 25 school gardens produced 124.03 quintals during 1973-74 to 1980-81 out of which only 18.51 quintals were supplied by 8 school gardens for free distribution amongst school children averaging 30 Kgs per year per garden. The Block Development Officers attributed shortfall in production from the gardens as well as less supply/non-supply of the produce for free distribution to (i) lack of facilities for irrigation and plant protection, (ii) inadequacy of technical guidance provided by the extension staff, (iii) lack of interest on the part of the *Gram Panchayats* and the school teachers.

4.2. Establishment of poultry units :

4.2.1. For the establishment of poultry units by the *Gram Panchayats*, the programme envisaged financial assistance in the shape of grants at the rate of Rs. 2,900 per unit of 50 layers. Assistance to the individual poultry keepers was admissible at the rate of Rs. 2,600 (Rs. 700 as grant and Rs. 1,900 as loan recoverable in four equal annual instalments) per unit of 50 layers. The *Gram Panchayats*/individuals were to supply, free of cost, for a period of five years one thousand eggs for distribution among children and expectant mothers during October to March each year.

4.2.2. Rupees 3.36 lakhs (loan : Rs. 0.61 lakh; subsidy: Rs. 2.75 lakhs) were paid (1974-75 to 1979-80) for the establishment of 88 poultry units by *Gram Panchayats* and 34 poultry units by individuals. Of these, 34 units by *Gram Panchayats* and 25 units by individuals (loan : Rs. 0.44 lakh; subsidy: Rs. 1.12 lakhs) had not been established as on 31st March 1981, reportedly due to lack of interest on the part of the *Gram Panchayats* and individuals (5 units), non-supply of birds (2 units) and/or feed by the Government regional poultry farms (5 units) and/or non-survival of pullets due to malnutrition (3 units). The remaining units did not furnish any reasons.

Only five *Gram Panchayats* and five individuals refunded the amounts drawn (Rs. 0.28 lakh) after delays ranging from 1 to 4 years.

4.2.3. Neither the Block Development Officers nor the Veterinary Department could state the position of outstandings against the loans paid upto 31st March 1981 in all the blocks in the State.

4.2.4. Of 63 poultry units (54 *Gram Panchayat* units and 9 individual units) in which production commenced, 56 units (48 established by the *Gram Panchayats* and 8 established by individuals) which had received loan of Rs. 0.15 lakh and subsidy of Rs. 1.45 lakhs ceased to exist after less than a year upto 5 years, reportedly due to lack of interest on the part of the *Gram Panchayats*, heavy mortality of birds and their non-replacement and/or rise in cost of feed making the scheme uneconomical. No follow-up action was taken by the Department to ascertain the proper functioning of the poultry units established under the programme.

The remaining seven units (6 established by the *Gram Panchayats* and 1 established by an individual between 1972-73 and 1975-76) were mostly working with considerably reduced number of layers as birds were not replaced from time to time by the *Gram Panchayats*/individual.

4.2.5. No proper accounts of the produce received or distributed were available at block level. According to the information supplied by the Block Development Officers, 10 (out of 54) poultry units established by the *Gram Panchayats* and 3 (out of 9 units) established by individuals did not supply any eggs for free distribution. As against five thousand eggs per unit over a period of five years stipulated to be supplied for free distribution, the actual supply by the remaining 50 units ranged from 100 eggs or less to 2000 eggs per unit. The total supply of eggs for free distribution during the period of operation of the programme was reported to be 0.17 lakh out of the actual production of 1.67 lakhs.

The Block Development Officers attributed less/non-supply of eggs for free distribution to reluctance of the *Gram Panchayats* individual poultry keepers to supply eggs owing to expensive feeding cost and uneconomical running of the units.

4.3. Establishment of Minibackyard Poultry units :

4.3.1. With a view to helping poor and weak people in receiving balanced diet and giving impetus to poultry farming at domestic level, a programme of establishing Minibackyard poultry units of 12 layers each (8 layers since 1979-80) was introduced in 1976-77. The beneficiaries were given financial assistance (Rs. 260 per unit since 1976-77 and Rs. 144 and Rs. 132

per unit in 1978-79 and 1979-80 respectively) to meet the cost of birds, poultry feed and construction of poultry sheds. No eggs under the programme were to be supplied by the beneficiaries for free distribution. Of the 362 units in six blocks for which assistance of Rs. 0.60 lakh was given between 1976-77 and 1979-80, birds were purchased only in 11 units in Dhamda (Durg) block for which assistance of Rs. 0.03 lakh was provided in 1977-78 and only 20 birds out of 132 purchased by 11 units in July 1977 were found surviving in July 1978. No information was available with the Department about the functioning of the remaining 251 units (amount paid: Rs. 0.57 lakh).

4.4. Goat keeping :

4.4.1. The State Government issued instructions in March 1975 and March 1976 that in blocks where poultry programme was not being fruitfully implemented, goat keeping could be taken up subject to suitability of local conditions. Each goatkeeping unit was to rear 12 goats and 1 buck and in lieu of the financial assistance provided as under poultry programme, the goatkeeper was to supply the milk produced, at the rate to be fixed by the Collector of the concerned district, to the pre-schoolage going children and expectant mothers to the tune of Rs. 2,900 (*Gram Panchayats*) or Rs.700 (individuals) free of cost in a period of five years.

4.4.2. In four blocks *viz.*, Sironj, Ajaigarh, Ashoknagar and Mehgaon (out of twelve blocks test-checked), Rs. 0.62 lakh (loan : Rs. 0.10 lakh; subsidy : Rs. 0.52 lakh) was paid during the years 1975-76 to 1979-80 for the establishment of 16 units by the *Gram Panchayats* and 9 units by the individual goatkeepers.

4.4.3 No information was available with the department in regard to the utilisation of the assistance provided to the beneficiaries and free supply to be made by them.

4.5. Development of Fisheries :

4.5.1. Development of fisheries was taken up in 6 blocks only. Rupees 0.32 lakh were spent in these blocks during 1974-75 to 1978-79 for establishing 21 units as against 120 envisaged in the scheme. Out of 21 units, 3 units spread over two blocks (amount paid: Rs.0.05 lakh) did not produce any fish upto 31st March 1981 reportedly due to lack of interest on the part of the *Gram Panchayats*, in proper selection of tanks, dispute over ownership of tanks, and/or inadequacy of water in the tanks due to scanty rains; in respect of 8 units in 3 blocks (amount paid: Rs.0.12 lakh) no record was available with the department regarding production/distribution of fish. Of the remaining 10 units, 5 units (amount paid: Rs.0.08 lakh) ceased to exist in one block, *viz.*, Dhamda (Durg) within one to four years of their formation reportedly on account of auction of the tanks by the *Gram Panchayats*, scanty rains in the area and lack of interest also on the part of the *Gram Panchayats* and the remaining five units are in existence.

4.5.2. According to information furnished by the Block Development Officer, one unit in Ashoknagar (Guna) block did not supply any fish for free distribution. While the average yearly supply of fish for free distribution by the remaining 9 units did not exceed 34 kilograms (only 15.13 quintals out of 106.15 quintals of actual production were supplied) as against the target of 200 kilograms per year. The Block Development Officers attributed less/non-supply of fish for free distribution to the non-liking of fish by the villagers because of religious sentiments.

4.6. Assistance to Social Organisations:

4.6.1. For achieving the nutritional objective of the programme, it was proposed to seek the co-operation of village organisation like *Mahila Mandals* and *Yuvak Mandals* who were to be given assistance in the form of grants at the rate of Rs.1,000 per *Mahila Mandal*/*Yuvak Mandal*. Additional grants were admissible for the organisation of feeding programmes and demonstrations in nutritive food.

It was observed that grants were given to the *Mandals* on the basis of resolutions passed by the *Gram Panchayats*, but the details of the work done by the *Mandals* were not available. In some cases the *Mandals* were formed just before the sanctions to the grants were accorded.

4.6.2. Out of 92 *Yuvak Mandals* to whom Rs.0.92 lakh were paid in 12 blocks covered in test-check, only 16 *Yuvak Mandals* (grant: Rs.0.16 lakh) utilised the grant and out of the remaining 76 *Yuvak Mandals* (grant: Rs.0.76 lakh), 24 either misused the grants for purposes not contemplated (number 9: amount Rs.0.05 lakh) or did not refund the amount lying unutilised with them (number 15: amount Rs.0.11 lakh). In respect of 52 *Yuvak Mandals* (grant: Rs.0.52 lakh) in nine blocks, no records showing the manner in which the *Yuvak Mandals* had utilised the grants paid were available.

4.6.3. Of Rs.1.74 lakhs paid to 173 *Mahila Mandals* (in 12 blocks), the manner of utilisation of grant (Rs.0.77 lakh) by 77 *Mahila Mandals* (in 9 blocks) was not known. Of the remaining 96 *Mahila Mandals*, 27 *Mahila Mandals* (in 3 blocks) misutilised the grants of Rs.0.04 lakh; 23 *Mahila Mandals* (in 2 blocks) purchased material worth Rs.0.23 lakh without calling for quotations.

4.6.4. In 9 blocks, Rs.1.34 lakhs were paid for the construction of 28 *Mahila Mandal Bhawans* between 1974-75 and 1979-80 contrary to the provisions for utilising amounts for such construction. Only 1 *Bhawan* in Ajaigarh block (Panna) had been constructed, for another *Bhawan* in Mehgaon (Bhind) block Rs.0.05 lakh drawn (March 1977) was refunded and the remaining 26 *Bhawans* (expenditure incurred: Rs.1.25 lakhs) were still incomplete (March 1981).

4.6.5. In 12 blocks test-checked, grant of Rs.1.46 lakhs was paid between third and sixth year of the operation of the programme (instead of in the first and second year as contemplated under the programme) for establishing 57 *Yuvak Mandals* and 89 *Mahila Mandals*.

4.6.6. Rupees 0.77 lakh were paid to 10 blocks (out of the 12 blocks test-checked) for organising feeding programmes and demonstrations of nutritive food through 140 *Mahila Mandals*. In respect of 78, out of 140 *Mahila Mandals* (assistance: Rs.0.37 lakh), no records were available to indicate that the feeding programme or the demonstrations were conducted. In addition to the above in four blocks 37 *Mahila Mandals* were not paid any grant for feeding programme or demonstrations.

4.7. *Monitoring and evaluation.*—According to the Block Development Officers, though the programme envisaged continuous monitoring and evaluation of its implementation, there was no follow-up evaluation of the working of the various schemes undertaken under the programme (August 1981).

5. *Receipt of utilisation certificates:*

5.1. Out of 1,717 utilisation certificates (Rs.21.55 lakhs), to be furnished in respect of grants paid up to March 1980 in the 12 blocks test-checked, only 278 certificates (Rs.3.80 lakhs) were received, leaving 1,439 certificates (Rs.17.25 lakhs) overdue for periods ranging from one to 6 years. In the absence of the certificates, it was not possible for Audit to know, even in a broad way, as to what extent the recipients spent the grants for the purpose(s) for which these were given and the amount of grant lying unutilised with the *Gram Panchayats*, etc.

5.2. In 4 blocks, 79 certificates (Rs.1.12 lakhs) were issued by the Block Development Officers without any spot verification.

6. Other points of interest:

6.1. *Irregularities in the disbursement of grants.*—6.1.1. In 10 blocks, Rs.1.38 lakhs were paid for the construction of 107 pump houses. Number of pump houses actually constructed as on 31st March 1981 was, however, not known. Besides, in 72 (grant: Rs.0.94 lakh) out of these 107 cases, pumps had not been received and installed in the gardens though the operational period of the programme was already over.

6.1.2. In 7 blocks, Rs.0.13 lakh were paid as grants for the maintenance and running of pumps of school/community gardens even though pumps had not been supplied to or installed in the gardens.

6.1.3. In Umaria (Shahdol) block, Rs.0.36 lakh were paid in 1974-75 to a contractor, instead of to the respective *Gram Panchayats*, for works like construction of wells, pump houses, fencing, etc., in the school/community gardens, without even calling for tenders but merely on the ground that the rates accepted were below the rates in Current Schedule of Rates of Public Works Department. No measurement books, etc., were made available and the Audit could not verify whether the works entrusted were duly completed by the contractor.

6.1.4. Janpad Panchayats had no role in the implementation of the programme in the blocks. Yet, in 4 blocks, Rs.0.33 lakh were paid to *Janpad Panchayats* on various components of the programme. The department was not aware about utilisation of the amounts.

6.2. Equipment:

6.2.1. Articles like barbed wire, pumping sets, garden tools, sewing and knitting machines, radio sets, etc., received from the UNICEF free of cost for use in schools, etc., for effective implementation of the programme were lying in stock for 1 to 4 years in 11 blocks.

Summing up:

1. While the Government of India provided assistance more or less as contemplated under the programme, the State Government provided Rs.38.14 lakhs as against the requirement of Rs.133.11 lakhs during the period 1974-75 to 1979-80.

2. Out of 152 gardens for which Rs.11.74 lakhs were paid to *Gram Panchayats* in 12 blocks, 69 school gardens and 7 community gardens (amount paid: Rs.6.19 lakhs) had not been set up till 31st March 1981. In respect of 44 school gardens and 5 community gardens (amount paid: Rs.3.58 lakhs), no record of production was available with the Department. While 25 school gardens produced 124.03 quintals of vegetables, etc., during the period 1973-74 to 1980-81, only 18.51 quintals out of these were supplied by 8 school gardens for free distribution, the average annual contribution per garden being 30 kgs. No detailed accounts of the produce received from school and community gardens or distributed were kept at block level.

3. As against 88 and 34 poultry units to be established by *Gram Panchayats* and individuals respectively for which loans (Rs.0.61 lakh) and subsidies (Rs.2.75 lakhs) were paid, 34 units by *Gram Panchayats* and 25 units by individuals (loan: Rs.0.44 lakh, subsidy: Rs.1.12 lakhs) had not been established till 31st March 1981. Out of 63 poultry units which started production, 56 units which had received loan of Rs.0.15 lakh and subsidy of Rs.1.45

lakhs ceased to exist between less than a year and 5 years; and no proper accounts of the eggs received or distributed were available at block level. Assistance of Rs.0.60 lakh was given between 1976-77 and 1979-80 for 362 mini-backyard poultry units. No information was available with the Department about the functioning of 351 units (amount paid: Rs.0.57 lakh).

4. The performance of social organisations, like *Mahila Mandals* and *Yuvak Mandals* which were given assistance of Rs.2.66 lakhs fell short of the expectations. Either the grants were misused by many of them or information regarding manner of utilisation was not available.

3.7. Integrated Child Development Services and Functional Literacy for Adult Women

1. *Introduction*; 1.1. The UNICEF aided Integrated Child Development Services (I.C.D.S.) programme was launched by the Government of India during the Fifth Five Year Plan, on the basis of studies sponsored by the Planning Commission (a) to improve the nutritional and health status of children in the age group of 0-6 years, and nursing and expectant mothers from low income families, severely malnourished children were to be given special nutrition like *Balahar* on the recommendation of the doctor, the estimated cost in their case being 60 paise per day, (b) to achieve effective co-ordination of policy and implementation among the various departments to promote child development and (c) to enhance the capability of the mother to look after the needs of the child through proper nutrition and health education.

1.2. The programme was introduced (November 1975) initially in 33 I.C.D.S. Blocks in the country on experimental basis which included 2 Integrated Child Development Services Blocks of Madhya Pradesh. By 31-3-1981 there were nine blocks consisting of 4 tribal, 4 rural and 1 urban block, the additional blocks having been established between 1978-79 and 1980-81.

The total population in 1076 villages/wards covered by 7 out of 9 I.C.D.S. Blocks from which information was received was 4.39 lakhs.

2. *Assistance*.—2.1. The scheme is fully financed by the Government of India and implemented by the State Government except that expenditure on account of supplementary nutrition is borne by the State Government. The UNICEF provided for expenditure on orientation and training of project staff and supplied equipment and vehicles.

2.2. During the period 1975-76 to 1980-81, Government of India released grants amounting to Rs.112.52 lakhs, but the State Government provided Rs.95.62 lakhs in its yearly Budgets and actually spent only Rs.76.33 lakhs on the programme. Thus, Rs.36.19 lakhs released by the Government of India remained unutilised with the State Government at the end of 1980-81. As against Rs. 16.65 lakhs (part of Rs.112.52 lakhs) released by Government of India for Health Services for 1978-79 to 1980-81, the State Government provided only Rs.3.11 lakhs during the years 1978-79 to 1980-81 and spent Rs.1.89 lakhs only. The inadequate provision and utilisation of funds by the State Government adversely affected the extension of health services under the scheme, as brought out in the succeeding paragraphs.

3. *Programme Planning*.—3.1. Even though priority was to be given to factors like backwardness of the area, drought prone and nutritionally deficient areas inhabited by tribals and backward classes and slums in urban projects, no information was available at the State, district and project levels to show that the above factors were considered in selecting the blocks as no project reports were prepared.

3.2. Information regarding availability of facilities for safe drinking water which was to be taken into account while selecting the blocks was not available in respect of six blocks out of nine blocks. In the remaining three blocks, out of 545 villages/slum areas, piped water supply, wells and tanks were available in 456 vilages/slums.

4. *Test-check.*—Important points disclosed during test-check (May 1981—August 1981) of the accounts and records relating to the scheme in 5 out of 9 projects are given in the succeeding paragraphs.

5. *Implementation.*—5.1. The Administrative unit for the location of I.C.D.S. project was the community development block in rural area, tribal development block in predominantly tribal area and a ward or slum in urban area. The responsibility for implementation of the programme was with the Tribal Welfare Department in respect of the tribal blocks and with the Social Welfare Department with the help of the Health Department in respect of rural blocks and the urban slums, but the co-ordinating agency at the State level was the Social Welfare Department.

The Child Development Project Officer (C.D.P.O.) was directly in charge of the scheme at block level. Immunisation, health check-up and referral services were delivered through the network of health services at the Primary Health Centre (P.H.C.).

5.2. *Co-ordination.*—Co-ordination Committees as prescribed under the programme were formed at district/project/village level in only three projects (one rural, one urban and one tribal). Information from two projects (one rural and one tribal) was not received (November 1981). The meetings of the State level co-ordination committee were held only twice during 1976 to 1981 as against quarterly meetings prescribed. However, there was no co-ordination between the Social Welfare Department and Health Department at any level with the result that allotments of funds for health services were not made adequately and in time. The project level committees also did not meet monthly as prescribed under the scheme.

5.3. *Staff position.*—Delay in the posting of C.D.P.Os. in three rural (Susner, Nagod, Seoni), one urban (Jabalpur) and one tribal (Baihar) projects ranged from 12 months to 29 months. Against 1981 and 53 posts of Anganwadi Workers and Supervisors required for the nine projects, 1086 and 51 posts were sanctioned, while only 797 Anganwadi Workers and 33 Supervisors respectively were posted reportedly due to non-availability of local ladies as Anganwadi Workers.

5.4. *Training of Staff.*—Out of 797 Anganwadi Workers appointed, only 684 were trained (May 1981). This was reportedly due to limited capacity of the 4 Training Institutes in the State. According to the report of Medical Officer, I.C.D.S., Jabalpur the training was deficient in health aspects of the scheme. Training of C.D.P.O. and Supervisors was not arranged on the ground that there was no Institute in the State for their training and seats in the Sri V.T. Krishnamachari Institute, Baroda were limited.

Consultants for health services were appointed (November 1980) but no information was available about orientation courses to be given to the medical and para medical staff.

6. *Supplementary Nutrition:*

6.1. *Overall targets and achievements.*—Feeding programme was not started in Seoni (rural) and Baihar (tribal) blocks till March 1981. Information in respect of feeding programme in Nagod (rural) and Bhimpur (tribal) projects was not received from the Social Welfare and Tribal Welfare Departments (August 1981). The position of targets and achievements in regard to the feeding programme in the remaining five projects is given in the table below:—

Physical Targets and Achievements

(Figures in lakhs / days)

| S. No. | Name of the project | 1976-77 | | 1977-78 | | 1978-79 | | 1979-80 | | 1980-81 | | Remarks |
|--------|---------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|--|
| | | T | A | T | A | T | A | T | A | T | A | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 1. | Singrauli .. | 23.55 | 23.47 | 26.78 | 24.42 | 62.97 | 32.38 | 52.02 | 36.27 | 51.94 | 38.19 | .. |
| 2. | Susner .. | .. | .. | .. | .. | .. | .. | 25.20 | 2.10 | 2.32 | 11.16 | Project established in February 1979 but no feeding was done upto February 1980 due to non-procurement of supplies. |
| 3. | Jabalpur ..* | .. | .. | .. | .. | .. | .. | .. | .. | 28.38 | 2.51 | Sporadic feeding was done in October 1980. Regular feeding started from March 1981. There was delay in inviting tenders and finalising the contract for supply of bread. |
| 4. | Rama .. | .. | .. | .. | .. | .. | .. | .. | .. | 0.85 | 0.21 | No feeding was done, except for one month in a few Anganwadis, due to non-procurement of supplies. |
| 5. | Tokapal .. | 0.90 | 0.31 | 0.90 | 0.33 | 0.90 | 0.29 | 0.52 | 0.16 | 0.45 | 0.16 | .. |

(T—Targets physical, A—achievements physical)

6.2. Each beneficiary was to be supplied nutritional food for a minimum of 300 days in a year. It was, however, noticed that feeding programme in the Singrauli, Susner and Tokapal projects was intermittent on many occasions due to non-supply of food, absence of A. Ws. etc., resulting in feeding for periods less than the minimum period of 300 days. The table below gives the number of centres in which feeding was done for less than 300/150 days:—

| Year | Number of centres at the close of the year | Number of centres in which feeding was done for 300 days or above | Number of centres in which feeding was done for less than 300 days | Number of centres in which feeding was done for less than 150 days |
|-------------------|--|---|--|--|
| (1) | (2) | (3) | (4) | (5) |
| <i>Singrauli—</i> | | | | |
| 1976-77 | 122 | 94 | 27 | 1 |
| 1977-78 | 129 | 83 | 42 | 4 |
| 1978-79 | 132 | 99 | 30 | 3 |
| 1979-80 | 119 | 70 | 48 | 1 |
| 1980-81 | 116 | 61 | 51 | 4 |
| <i>Susner—</i> | | | | |
| 1980-81 | 124 | .. | 124 | .. |
| <i>Tokapal—</i> | | | | |
| 1976-77 | 62 | 51 | 7 | 4 |
| 1977-78 | 62 | 38 | 22 | 2 |
| 1978-79 | 62 | 33 | 23 | 6 |
| 1979-80 | 55 | 16 | 13 | 26 |
| 1980-81 | 55 | 16 | 21 | 18 |

7. *Health Services.*—7.1: Health was a major component in Integrated Child Development Services Scheme. For this purpose, Primary Health Centres were to be strengthened through appointment of medical and para-medical staff, provision of vaccines, etc., out of project funds. In the Primary Health Centres in six projects out of nine projects, medical and para-medical staff was not sanctioned and appointed (August 1981). In Seoni project, sanctioned posts of one Assistant Surgeon, two Lady Health Visitors (LHVS) and two Auxilliary Nurse Midwives (ANMS) were not filled till August 1981. In remaining two projects at Singrauli and Tokapal, 2 Assistant Surgeons, 9 Auxilliary Nurse Midwives and 4 Lady Health Visitors had been posted as on 31-3-1981 as against 2, 14 and 4 posts sanctioned and 2, 37 and 9 required respectively.

7.2. The position in regard to provision of Health services in the two projects at Singrauli and Tokapal was as follows :—

(a) *Immunisation.*—As against cent per cent immunisation of children against all diseases envisaged in the schemes 15 to 50 per cent of the children below six years of age, were taken up for immunisation in Singrauli and Tokapal blocks, shortfall being attributed to inadequate supply of vaccines and shortage of health staff. Since the stipulated three doses of triple antigen and polio vaccine were not administered to the same set of children and only one or two doses were given, the immunisation against these diseases by administering 24,041, 253 and 7,843 doses of triple antigen, polio and small pox vaccine could have been ineffective.

(b) *Health check-up and referral services.*—As against coverage of 85,000 children in Singrauli project during the five year period for health check-up, only 20,882 children (24%)

were checked up. No records of health assessment of children below 6 years of age were stated to have been kept in Tokapal block.

Under the scheme, P. H. Cs. at the I. C. D. S. projects were to be strengthened by appointment of additional staff and upgrading of P. H. Cs. to 30 bedded hospitals. While the P. H. Cs. in 5 projects were upgraded, action taken by the Department to upgrade the remaining four P. H. Cs. at Rama, Nagod, Seoni and Bhimpur blocks was not known.

8. *Non-formal education.*—Children above 3 years of age but below 6 years were to be imparted non-formal pre-school education at the Anganwadi in addition to supplementary nutrition. This education aimed at developing in the child desirable attitudes, values and behaviour patterns.

Out of nine blocks information about non-formal pre-school education was not received from two blocks and in three blocks no classes were held up to March 1981. In the remaining four blocks, the enrolment was between 60 and 80 per cent and attendance amongst the enrolled students between 50 and 67 per cent.

9. *Purchases.*—9.1. Articles worth Rs. 0.53 lakh were lying undistributed (August 1981) in Singrauli, Susner, Rama, Jabalpur and Tokapal blocks from March 1977 to March 1981 onwards for reasons such as Supervisors and Anganwadi workers not being posted or the articles being in excess of requirement.

9.2. Physical verification of stock articles was not being carried out every year as required under the rules.

10. *Functional Literacy for Adult Women.*—This scheme was implemented as part of the I. C. D. S. scheme with the anganwadi as the basic unit. It aimed at endowing adult women in the age group of 15—45 years with the necessary knowledge and skills to perform the functions of a housewife such as child care, nutrition, health and hygiene, home-management, etc.

Out of nine blocks, information about running of classes under this scheme was not received from two blocks and in three blocks no classes were held upto March 1981. In the remaining four blocks percentage of women in the age group 15-45 who attended classes ranged from 8 to 48 during the period 1976-77 to 1980-81.

11. *Other points of interest.*—The jeep provided free by the UNICEF to be exclusively used for activities connected with the I. C. D. S. scheme was used in Rama and Jabalpur projects for journeys not connected with the scheme as indicated below:

| S. No. | Name of project | Period | Total run of the vehicle | Run for I. C. D. S. work | Run for work other than I.C.D. S. |
|--------|-----------------|------------------------------|--------------------------|--------------------------|-----------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | | (In kilometers) | |
| 1. | Rama | 5-10-1979 to 31-3-1981 | 19,682 | 7,316 (37%) | 12,366 (63%) |
| 2. | Jabalpur | 11-3-1981 to 31-3-1981 | 1,385 | 430 (31%) | 955 (69%) |

11.2. The I. C. D. S. scheme envisaged the running of Anganwadis by voluntary organisations like *Mahila Mandals*. It was, however, noticed that no Anganwadi in any of the

I. C. D. S. blocks in the State was being run by *Mahila Mandal* or any other voluntary organisation.

12. *Inspections*.—There were no inspections by the District/State level Officers of the I. C. D. S. projects except in Singrauli during the period of review.

Supervisors were required to visit Anganwadis in their areas at least once a month. It was, however, noticed that inspections by the Supervisors were not done regularly every month.

13. *Programme Evaluation*.—Programme evaluation was not done of any project by any agency under the State Government.

Summing up:

1. Although the Government of India released grants totalling Rs. 112.52 lakhs for the programme during 1975-76 to 1980-81, the State Government spent Rs. 76.33 lakhs only and balance of Rs. 36.19 lakhs remained unutilised. In respect of health services, as against Rs. 16.65 lakhs released by Government of India, the State Government spent only Rs. 1.89 lakhs during 1978-79 to 1980-81.

2. None of the C. D. P. Os. and Supervisors was trained. Orientation courses for the health staff were also not arranged. Medical and paramedical staff had not been posted till August 1981 in seven blocks out of nine with the result that the health aspect of the scheme was neglected.

3. In 5 blocks test-checked out of 9, feeding was done for 171.96 lakh days as against the target of 297.68 lakh days due mainly to non-procurement of supplies, delay in finalisation of contract for supply of bread, non-utilisation of grant etc. In 477 centres out of 1038 centres in 3 blocks, feeding was for less than 300 days per year prescribed in the programme.

4. As against cent per cent immunisation of children actual coverage ranged between 15 and 50 per cent in two blocks. The short-fall was attributed to inadequate supply of vaccines and shortage of staff.

FOREST DEPARTMENT

3.8. Delay in commissioning/non-utilisation of weigh-bridges

With the object of accurately weighing various forest products including bamboos sold to Nepa Mills and also to earn revenue by making the facility of weighment available to local contractors/traders at a prescribed rate, the Forest Department decided (September 1978) to provide two weigh-bridges one at Lanje (South Production Division, Balaghat) and the other at Garraghat (South Territorial Division, Balaghat). Accordingly, two weigh-bridges were purchased from two firms at a total cost of Rs. 3.09 lakhs as indicated below:

| S. No. | Name of the firm | Date of supply | Cost including Taxes etc. | Place of which purchased |
|--------|--|-----------------|---------------------------|--------------------------|
| (1) | (2) | (3) | (4) | (5) |
| | | | (Rupees in lakhs) | |
| 1. | 'A' (being the lowest tender amongst 5 received, cost Rs. 1.20 lakhs plus taxes). Also technically approved by C. E. E. & M. Formation of Irrigation Department. | 12th April 1979 | 1.50 | Lanje |
| 2. | 'B' (cost Rs. 1.37 lakhs plus taxes, recommended by Nationalised Forest Produce Inter-Departmental Committee). | 12th April 1979 | 1.59 | Garraghat |

Local audit of the Forest divisions at Balaghat conducted in September 1980, disclosed that the weigh-bridge at Garraghat received in April 1979 was installed in September 1979

and commissioned only in August 1980 after securing power connection. Thus, there was a delay of seventeen months in putting the machine to use. The weigh-bridge at Lanje, though installed in June 1979, has not been commissioned so far for want of power supply (June 1981).

The Principal Chief Conservator of Forests, to whom the matter was reported in March 1981, stated (May 1981) that.—

- (a) it was not possible to obtain electric power at Garraghat earlier, and
- (b) constant efforts were made and continue to be made with the Madhya Pradesh Electricity Board to obtain power line at Lanje to operate the weigh-bridge and early results were expected.

Thus, the weigh-bridge at Lanje bought at a cost of Rs. 1.50 lakhs has remained idle for over two years and a half. Further, the weigh-bridge at Garraghat is not being utilised for providing weighing facilities to the local traders as the rates for weighment were not fixed by the Conservator of Forest (December 1981).

The matter was brought to the notice of the Government in March 1981; reply is awaited (March 1982).

AGRICULTURE DEPARTMENT

3.9. Sale of storage pesticides to farmers.

The Government of India sanctioned a grant-in-aid of Rs. 12.00 lakhs to the State Government in August 1978 for making available, on a continuing basis, storage pesticides *i. e.*, pesticides used for storage of food grains, to farmers. The State Government was to make sufficient provision in its annual budget for purchase of the pesticides taking into account the sale proceeds of the previous year so as to ensure supply of pesticides to the farmers in increasing quantities and on a continuing basis. The State Government was also to maintain a *pro forma* account of the grant-in-aid and submit quarterly achievement-cum-performance report to the Government of India. The State Government entrusted in January 1979, the work of purchase and sale of the pesticides to the Agro-Industries Development Corporation (Corporation) and paid Rs. 12.00 lakhs to it in February 1979. Scrutiny of the records of the Director of Agriculture by Audit coupled with information from the Corporation about the working of the scheme revealed the following:—

- (i) The Corporation furnished utilisation certificate for the grant-in-aid on 22nd March 1979 itself even though supplies of pesticides were received by it fully only by December 1979.
- (ii) Contrary to the terms of the supply order, Rs. 1.00 lakh representing 10 per cent of the cost of pesticides were paid in March 1980 (Rs. 0.55 lakh) and March 1981 (Rs. 0.45 lakh) even though the results of the chemical analysis were awaited from the Indian Standards Institution, New Delhi, on the ground that the suppliers were pressing for payment.
- (iii) No pesticides were despatched by the Corporation to 15 out of 45 districts (December 1980). It was stated by the Corporation (March 1981) that the Deputy Directors of Agriculture through whom the sales were to be made in these districts did not accept the pesticides for sale; reasons for non-acceptance were not intimated.
- (iv) Out of pesticides worth Rs. 12.66 lakhs bought by the Corporation during March to December 1979, pesticides worth Rs. 1.92 lakhs were sold by the Corporation during 1979-80 and 1980-81 (upto December 1980) but the sale proceeds were not credited to Government. Pesticides worth Rs. 3.35 lakhs were sent to the Departmental Officers for sale and pesticides worth Rs. 7.39 lakhs were lying unsold with the Corporation (December 1980). At 9 out of 16 branches of the Corporation, the stock in hand (December 1980) was more than 70 per cent of the purchases. Neither the Corporation nor the Director of Agriculture had (March

1981) any information about the actual sales of pesticides sent to Departmental Officers (value: Rs. 3.35 lakhs) and the sale proceeds realised therefrom. The Corporation could not furnish the reasons for actual sales being poor.

- (v) The department did not maintain a *pro forma* account of the Central grants-in-aid nor were achievement-cum-performance reports furnished to the Government of India on the ground that information about sale of the pesticides was not furnished by the Corporation.
- (vi) Although Rs. 12.00 lakhs paid to the Corporation in 1978-79 were not utilised by it as revolving fund and huge stocks of the pesticides were lying unsold, a further amount of Rs. 3.00 lakhs received (February 1980) for the same purpose from the Government of India was paid by the State Government to the Corporation in September 1980. The amount was lying unutilised with the Corporation (March 1981). The Director of Agriculture stated (March 1981) that violation by the Corporation of the terms and conditions of the grant-in-aid had been brought (November 1980) to the notice of the State Government. Further developments are awaited (December 1981).

The facts mentioned above were reported to the Government in March 1981; reply is awaited (March 1982).

3.10. Avoidable payment of interest on funds drawn but not utilised

Mention was made in paragraph 6.4 of the Report of the Comptroller and Auditor General of India for the year 1979-80 (Civil) regarding, *inter alia*, payment of excessive advances to banks for distribution of subsidy for minor irrigation to farmers and ineffective watch over the utilisation of amounts advanced to banks by the Deputy Directors of Agriculture.

The work of giving advances to the banks and adjustment thereof, which was earlier assigned to the Deputy Directors of Agriculture, was transferred by the Government to the Director of Agriculture in May 1980. Accordingly, the Director of Agriculture drew, on 30th and 31st March 1981, Rs. 937.33 lakhs for remittance to banks for payment of subsidies to farmers for construction of new wells, repair to old wells and installation of diesel/electric pumps and *rahats*. The amount was converted into bank drafts in favour of banks. These were, however, cancelled and the amount was refunded into treasury on 4th May 1981 on the ground that against Rs. 4005.26 lakhs previously advanced to the banks upto end of 1980-81, detailed accounts for Rs. 1977.97 lakhs were awaited from them.

The State Government were running on overdraft from the Reserve Bank of India on which interest at the rate of 12 per cent per annum was payable. The drawal of Rs. 937.33 lakhs from the Treasury, which was not utilised but was kept outside the Government account, resulted in avoidable payment of interest to the Reserve Bank amounting to Rs. 10.48 lakhs for the period from 31st March 1981 to 3rd May 1981.

The matter was reported to the Government in September 1981; reply is awaited (March 1982).

AGRICULTURE (VETERINARY) DEPARTMENT

3.11. Purchase of Live-stock

The Director of Veterinary Services (Director) constitutes, every year, purchase parties comprising 3-4 departmental officers for purchase of live-stock required for implementation of various schemes of the department. The purchases are generally made on the basis of the tenders approved by the Director from year to year and the purchase parties arrange despatch of the live-stock to the field officers after inspection of the animals, with reference to the tendered specifications, at places mutually decided between the convener of the purchase party and the supplier. Payments to the suppliers are made by the conveners of the

purchase parties after receipt of the animals is acknowledged by the field officers. After completion of the purchases, the conveners who are given advances for the purpose by the field officers are required to render, within one month, complete accounts along with the unspent balance to the concerned field officers and deposit, within six months, all the records pertaining to the purchases with the Director.

A test-check conducted during April 1980 to August 1981 of the accounts of the conveners of 19 out of 22 purchase parties constituted by the Director for purchase of live-stock during 1975-76 to 1980-81 in 20 districts revealed the following facts:—

(i) Against 14,584 animals to be purchased, for which Rs. 62.62 lakhs were drawn and advanced to the conveners during 1975-76 to 1980-81 by 38 drawing officers in the 20 districts, 9,402 animals (cost: Rs. 39.88 lakhs) were purchased and supplied upto the time of audit (June to August 1981) only 2,872 out of 9,402 animals were supplied within 6 months of drawal of the amounts from the treasury, and there were delays ranging from 6 months to 37 months in supply of the remaining 6,530 animals reportedly due to non-availability of animals of the prescribed specifications. The delay in supply of animals would have affected adversely implementation of various schemes as reported by some of the indenting officers.

(ii) Out of the unspent amount of Rs. 22.74 lakhs, Rs. 2.71 lakhs were refunded into the treasury 1 to 45 months after the drawal of the amounts and Rs. 19.41 lakhs drawn during 1975-76 to 1980-81 were lying (June to August 1981) with the conveners and the drawing officers reportedly due to continuous requirement of animals for implementation of various schemes of the department and the absence of instructions for refunding the unspent amounts.

The discrepancy of Rs. 0.62 lakh (Rs. 22.74 lakhs minus Rs. 22.12 lakhs) was due to a) non-accountal of unspent balance (Rs. 0.41 lakh) stated to have been returned by the conveners to the indentors and (b) non-adjustment of Rs. 0.21 lakh representing the cost of nine *Murrah* bulls stated to have been supplied (April 1980) by a converter to the Deputy Director of Veterinary Services (ICDP), Shahdol, the receipt of which was not admitted (August 1981) by the indenting officer.

(iii) During 1977-78, as there was no contract for supply of *Jamunapari* bucks, Rs. 1.62 lakhs were advanced (March 1978) by three drawing officers to a converter for purchase of the bucks from open market. However, no purchase was made during the year 1977-78. A regular contract for supply of *Jamunapari* bucks at Rs. 407 per buck was entered into by the Director in December 1978. Even then, the purchases were actually made by the converter at rates ranging between Rs. 441 and Rs. 446 per buck during January-February 1979 from the open market resulting in extra expenditure of Rs. 0.10 lakh.

(iv) Standard specifications in terms of length, height, girth, number of permanent incisors, etc., of various animals to be purchased were prescribed by the Director from time to time for strict enforcement by the conveners of the purchase parties subject to relaxation in the case of animals with outstanding breeding characteristics. Scrutiny of the history sheets of 4,469 animals (cost: Rs. 22.95 lakhs) purchased by 14 out of 19 conveners covered by test-check revealed that 3,349 animals purchased for Rs. 16.08 lakhs were below the prescribed specifications, reasons for selecting these animals being not recorded in the history sheets even though prescribed. In reply to audit enquiries, four conveners stated (April 1980) that the purchases were made by them keeping in view the breed characteristics of the animals and the availability in the cattle markets; no reply was however, furnished by the remaining ten conveners.

- (v) Five drawing officers in Ambikapur, Khargone, Raigarh and Sagar districts reported that the accounts of purchases of live-stock had not been received by them from the concerned conveners although the supplies were completed in April 1976 (Rs. 0.58 lakh) and January-February 1981 (Rs. 0.33 lakh).

The matter was reported to Government in September 1981; reply is awaited (March 1982).

PLANNING DEPARTMENT

3.12. Soft Loans for Margin Money to Educated Unemployed Persons

With a view to providing soft loans as margin money to the educated unemployed for setting up small scale industry/business/profession in Madhya Pradesh, the Government introduced this scheme from December 1975 under Employment Promotion Programme.

The scheme envisaged grant of soft loans to a maximum extent of 10 per cent of the cost of the project subject to 10 per cent equivalent equity participation by the entrepreneur, the balance 80 per cent being supplied by the lending Financial Institutions.

2. Against a Budget provision of Rs. 275.67 lakhs, loans aggregating Rs. 139.58 lakhs were disbursed to 2155 loanees during 1975-76 to 1980-81.

2.1. The impact of the programme in terms of the employment generated had not been assessed by the department inasmuch as that the Department had no information as to how many industries/ business, etc., were established and were running. It was stated (July 1981) by the Additional Employment Commissioner that the Government had not specified any procedure for inspection of the industry/business/profession assisted after the loans were disbursed.

2.2 According to information received from District Planning Officers of 44 (out of 45 districts, against interest of Rs. 3.43 lakhs and penal interest of Rs. 1.83 lakhs due from 1631 persons and 1066 persons respectively, interest of Rs. 1.55 lakhs and penal interest of Rs. 0.17 lakh had been recovered from 590 persons and 166 persons respectively as on 31st March 1981.

3. Following points were noticed during a test-check of the records of 7 out of 45 District Planning Offices conducted during July 1981.

- (i) The agreement provided for furnishing of audited returns of accounts once a year by the loanees. As against 1,560 such returns due for the period from 1976-77 to 1980-81 from loanees who were given loan of Rs. 68.39 lakhs, only 16 returns were received from the loanees. Further, in only 16 out of 875 cases, had utilisation certificates, as prescribed, been furnished by the loanees. The form of accounts was also not prescribed by Government.
- (ii) An educated unemployed was not eligible for soft loan for a second time. In Ujjain district, loans totalling Rs. 0.60 lakh were disbursed to three persons for a second time.
- (iii) The loanee was required to run the business for a minimum period of 5 years from the date of disbursement of loan, and during that period, he could not transfer, sell, mortgage or alienate assets of the industry/business/profession or change the location without approval of sanctioning authority. Government had not prescribed the procedure for ensuring compliance with this stipulation.
- (iv) Minor irregularities like payment of loans (Rs. 0.49 lakh) to ineligible persons who were employed or domiciled or residing outside the State were also noticed,

TRIBAL AND HARIJAN WELFARE DEPARTMENT

3.13. Irregularities in the maintenance of accounts of erstwhile Area Organiser, Tribal Welfare, Korba (District Bilaspur)

The Office of the Area Organiser, Tribal Welfare, Korba was abolished with effect from 8th December 1978 and the work was distributed between Block Development Officers, Korba and Kartala.

The closing cash balance in the Cash Book of the Area Organiser as on 7-12-1978 showed cash advances with disbursers to the extent of Rs. 5.07 lakhs which were not reflected in the Cash Books of the successor officers. The reasons for non-accountal of the amount were not furnished by the successor officers.

The details of these advances were not available either in the Cash Book of the Area Organiser, Tribal Welfare, Korba or in the register of advances to disbursers which was incomplete. In the absence of details, it was not possible to verify whether the amounts had actually been received by the disbursers.

There were other irregularities in the Cash Book of the erstwhile office of the Area Organiser, Tribal Welfare, Korba such as incorrect carry forward of closing cash balance as on 30th March 1978 resulting in short accountal of Rs. 3,000, totalling mistakes on several days in March 1978 and August 1978 resulting in short accountal of Rs. 1,136.80, non-closing of Cash Book on 31st March 1978 and introduction of a new Cash Book from 1st April 1978 with a fictitious opening balance of Rs.8,486.50 which was later on corrected to Rs. 3,30,072.59 on 17th April 1978 correcting also all balances from 1st April to 16th April 1978.

The Director, Tribal and Harijan Welfare intimated Audit (June 1981) that detailed audit of the accounts of the unit had been completed (December 1980) by the departmental auditors and the report was under scrutiny. It was also stated that accounts for Rs. 4.22 lakhs out of Rs. 5.07 lakhs had not been received nor had the amount been recovered.

Although the Area Organiser was not competent to sanction part final withdrawals and temporary advances (beyond first advance) from General Provident Fund, a sum of Rs. 3.28 lakhs was sanctioned and paid to staff during January to March 1978.

The matter was reported to Government in September 1979; reply is awaited (March 1982).

3.14 Temporary advances remaining unadjusted for long periods

Non adjustment of heavy amounts of temporary advances given to subordinate officers and non-maintenance of accounts thereof were mentioned in paragraphs 25 and 26 of the Audit Report of the Comptroller and Auditor General of India for the year 1969-70. Despite the recommendation of the Public Accounts Committee in their 27th Report (March 1973), the rules on the subject were not observed strictly, and a comment was again included in para 7.3 of the Audit Report for 1975-76. The Public Accounts Committee in their 48th Report (1980-81) again observed that the Departments should ensure proper maintenance of accounts of advances and watch timely recovery thereof. A test-check of the records of three blocks and eleven offices of District Organisers conducted between April 1979 and July 1980 revealed the following :—

- (i) In three blocks (Gurella, Pendra and Marwahi), Rs. 15.90 lakhs were advanced to one Sub-Engineer during 1978-79 to 1980-81 for construction works like repairs of Nistar tanks, departmental buildings, etc. The Sub-Engineer kept the amount in current account with a bank in his own name without any authority. The Sub-Engineer had not submitted detailed accounts for Rs. 10.99 lakhs and accounts rendered for Rs. 4.05 lakhs could not be adjusted for want of measurement books etc., while an amount of Rs. 0.86 lakh is still to be refunded by him (March 1982).

(ii) Additional advance of Rs. 1.95 lakhs given to the same Sub-Engineer by District Organiser and Assistant Engineer, Bilaspur between February 1978 and March 1979 was also outstanding.

(iii) Advances totalling Rs. 35.17 lakhs given to subordinate officers by eleven district/area organisers for execution of schemes in rural areas such as blocks, etc. construction of departmental works, like school buildings, teachers quarters, etc., during 1965-66 to 1979-80 were awaiting adjustment.

The matter was brought to the notice of the Government (January 1981); reply is awaited (March 1982).

GENERAL

3.15. Drawal of funds in advance of requirement

The financial rules of the Government provide that money should not be drawn from the treasury unless it is required for immediate disbursement. Any unspent balance should be refunded promptly. Cases of significant drawal of funds in advance of requirement or where information regarding utilisation was not furnished are mentioned below :

| Department which drew the amount | Purpose for which drawn | When drawn | Amount |
|--|-------------------------|------------|--------|
| (1) | (2) | (3) | (4) |
| (Rupees in lakhs) | | | |
| 1. Information and Publicity Department, Bhopal. | Payment to suppliers | March 1980 | 1.56 |

Test-check of accounts of the Director, Information and Publicity, Bhopal conducted in January 1981 revealed that an amount of Rs. 1.56 lakhs drawn from the treasury on 31st March 1980 and shown as final expenditure in the cash book on 31st March 1980 was kept in the shape of bank drafts in the Directorate for ultimate payment to the suppliers on whom orders for supply of projectors, steel furniture, films, etc., had been placed in the month of March 1980.

In five out of eleven cases (amount Rs. 1.25 lakhs), the materials were actually received and paid for during the period from May 1980 to November 1980, while in another five cases, the amount (Rs. 0.21 lakh) was refunded into treasury in October 1980 as the firm failed to supply the materials. In another case (Rs. 0.10 lakh) the draft was cancelled and the amount deposited into the treasury (June 1981). The Director, Information and Publicity informed Audit (June 1981) that proposals sent to Government normally took 2 to 6 months in scrutiny, and after constant persuasion, sanctions were generally received at the fag end of the year, and it was not possible to get the supplies within 3 or 4 days and hence the procedure of drawals against *pro forma* invoices was in vogue.

The matter was brought to the notice of the Government in April 1981; reply is awaited (March 1982).

| | | | |
|--|--|------------|------|
| 2. Panchayat and Rural Development Department, Bhopal. | Particulars of utilisation have not been furnished to Audit. | March 1978 | 9.31 |
|--|--|------------|------|

Amounts totalling Rs. 9.31 lakhs were drawn by 12 drawing officers in Sidhi district on the 30th and 31st March 1978 and placed (N. A.) in the savings bank account in State Bank opened in favour of the Collector, Sidhi, in pursuance of the decision taken in the meeting of District officers held on 29.3.1978. The particulars of utilisation of the amount, called for in November 1979, have not been furnished to Audit (March 1982).

(N. A.—Not Available)

The matter was brought to the notice of Government in April 1981; reply is awaited (March 1982).

3. Tribal and Harijan Welfare For Development March 1979 7.00
Department, Bhopal. expenditure.

A sum of Rs. 7.00 lakhs was drawn by the Deputy Director of Tribal Welfare, Jagdalpur on 31st March 1979 for development expenditure in Abujmarh and the amount was kept in the current account in the State Bank of India in the name of Chairman, Tribal Development Agency, Abujmarh. Out of this, only Rs. 5,000 were paid to the Project Officer, Narayanpur on 28th May 1979 and the balance was lying in the bank (April 1981).

The matter was brought to the notice of the Government in April 1981; reply is awaited (March 1982).

3.16. Cases of Misappropriation of Government money and losses, etc.

The following table shows the position of cases of alleged misappropriation of Government money and losses, etc., reported to Audit upto 31st March 1981, but not finalised till the end of September 1981:—

| Cases reported | Due to neglect/fraud, etc., on the part of Government servants | | Due to other reasons like natural causes, etc. | | Total | |
|--|--|-------------------|--|-------------------|--------------|-------------------|
| | No. of cases | Amount | No. of cases | Amount | No. of cases | Amount |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | (Rupees in lakhs) | | (Rupees in lakhs) | | (Rupees in lakhs) |
| (i) Cases reported upto March 1980 and outstanding at the end of September 1980. | 711 | 102.50 | 268 | 41.92 | 979 | 144.42 |
| (ii) Cases reported during 1980-81. | 67 | 6.51 | 40 | 2.00 | 107 | 8.51 |
| (iii) Cases disposed of till September 1981. | 43 | 3.34 | 22 | 0.55 | 65 | 3.89 |
| (iv) Cases outstanding at the end of September 1981. | 735 | 105.67 | 286 | 43.37 | 1021 | 149.04 |

According to the rules, cases of misappropriation should be dealt with expeditiously and finalised within six months of their detection and cases in which departmental enquiries have been ordered should be finalised within a year. There has, however, been considerable delay in finalisation of cases as shown below:—

| (1) | Number of cases | Amount |
|--|-----------------|-------------------|
| | (2) | (3) |
| | | (Rupees in lakhs) |
| (i) Over five years | 514 | 68.75 |
| (ii) Over three years but less than five years | 191 | 34.61 |
| (iii) Upto three years | 316 | 45.68 |

The reasons for which the cases were outstanding are stated below:—

| (1) | Number of cases (2) | Amount (3) <i>(Rupees in lakhs)</i> |
|--|---------------------------|---|
| (i) Awaiting investigation | 503 | 76.09 |
| (ii) Awaiting action against officials | 198 | 35.19 |
| (iii) Awaiting recovery/information about recovery | 136 | 9.17 |
| (iv) Awaiting orders for write off | 108 | 5.75 |
| (v) Pending in Courts of Law | 76 | 22.84 |

The department-wise analysis of the outstanding cases is given in Appendix VIII.

According to the rules, cases of losses, misappropriation, etc., are required to be reported immediately to the Accountant General. A review of the cases pending at the end of September 1981 disclosed delay of over one year in reporting to Audit 160 cases involving Rs. 13.25 lakhs.

Due to the failure of the drawing officer to check totals of the cash book, to verify entries with reference to vouchers and to conduct the fortnightly verification of drawals with reference to treasury voucher slips, an embezzlement of Rs. 0.30 lakh occurred during October 1977 to June 1980 in the office of Tehsildar, Baloda Bazar.

The detailed departmental investigation is stated to be in progress.

3.17. Write off of losses, waiver of recoveries and remission of revenues.

In 444 cases, losses due to shortage, theft, irrecoverable revenue, etc., amounting to Rs. 17.69 lakhs were written off/remitted during 1980-81 by competent authorities.

Department-wise details are given in Appendix IX.

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION DEPARTMENT

4.1. Performance of heavy earth moving machinery

4.1.1. Introductory.—The Electrical and Mechanical (E & M) establishment of the Irrigation Department, which had been functioning under the administrative control of various project authorities, was brought in December 1974 under the control of a separate Chief Engineer. An E & M Branch was formed and later reorganised and expanded in May 1975 with a view to (i) providing effective services for all irrigation works being executed in the State, (ii) reclaiming and maintaining the existing machinery in a fit condition for optimum and efficient utilisation, (iii) introducing standardisation of types of machinery so as to reduce the stock of spares, and (iv) taking effective steps for disposal of the unserviceable and old machinery by canibalising, etc.

To achieve these objectives, a central pool of all heavy earth moving machinery, commonly known as "rated machinery" (machinery for which hourly use rates were prescribed), was formed in May 1975 and, according to the census conducted in September 1975, the population of such machinery with the E & M Organisation, was 392 (purchase value : Rs. 462.47 lakhs), out of which 100 were in working order, 169 either under repairs or awaiting repairs and remaining 123 (value : Rs. 117.64 lakhs) unserviceable. During September 1975 to March 1981, 217 machines (value : Rs. 683.13 lakhs) were purchased and 121 machines (value : Rs. 262.42 lakhs) were obtained on transfer, mainly from the disbanded Chambal Project Organisation and Tawa Project. Thus, on 31st March 1981, the department had, in all, population of 730 items of "rated machinery" (value: Rs. 1408.02 lakhs) of which 402 were in working order, 124 under repairs, and 204 (value : Rs. 247.42 lakhs) unserviceable.

In addition, the Chief Engineers of seven major irrigation projects also had, under their charge, heavy earth moving machinery (number and value not known) deployed on major projects, which were not transferred to the E & M Organisation.

During the period from 1975-76 to 1980-81, expenditure totalling Rs. 2277.30 lakhs (works Rs. 1998.80 lakhs and establishment Rs. 278.50 lakhs) was incurred by the E&M Organisation.

2.0. Results of test-check.—Test-check (July 1980 to June 1981) of accounts and records of all eight Heavy Earth Moving Machinery (HEM) Divisions and both circle offices (Bhopal and Raipur) and the Chief Engineer's Office, for the period 1975-76 to 1979-80, supplemented by the information furnished by the Chief Engineer, are set out in the succeeding sub-paragraphs.

2.1. Fixation of targets for earth work and utilisation of machinery.—The programme for execution of earth work including compaction, utilising the machinery of E&M Organisation as well as that under the charge of Project Chief Engineers, is drawn up every year for the full working season of eight months (15th October to 15th June) by the Chief Engineer, E&M Organisation, in consultation with other Project Chief Engineers. The table below shows the position regarding actual achievement *vis-a-vis* the working capacity of the machinery and targets fixed taking into account the availability of machines and work load during the years 1975-76 to 1979-80.

| Year | Capacity | Targets fixed | Actual achievement | Percentage of achievements with reference to targets |
|---------|-------------------------|---------------|--------------------|--|
| (1) | (2) | (3) | (4) | (5) |
| | (In lakhs cubic metres) | | | |
| 1975-76 | 28.32 | 15.43 | 17.19 | 111.40 |
| 1966-77 | 39.66 | 39.66 | 22.66 | 57.14 |
| 1977-78 | 41.70 | 41.70 | 21.40 | 51.32 |
| 1978-79 | 44.73 | 44.73 | 33.96 | 75.92 |
| 1979-80 | 58.15 | 58.15 | 27.22 | 46.80 |
| Total | 212.56 | 199.67 | 122.43 | 61.38 |

The shortfall in achievement of targets was attributed (June 1981) by the Chief Engineer, E&M to—

- (i) non-availability of high speed diesel;
- (ii) late start of work by the civil divisions;
- (iii) non-allotment of work by the project authorities to the E&M Organisation or its withdrawal from E&M Organisation for entrustment to private agencies and contractor;
- (iv) sites not being given to E&M Organisation by civil authorities even after the deployment of E&M equipments had been agreed to;
- (v) erratic indenting for machinery by civil formations;
- (vi) postponement of *nallah* closure work by civil officers incharge of the projects; and
- (vii) full working space not being made available to E&M Organisation.

The Chief Engineer stated (June 1981) that non-co-operation on the part of civil formations was brought to the notice of higher authorities including Engineer-in-Chief from time to time but there was little improvement in this regard.

It was, however, observed in audit that a major reason for shortfall in achievement was that a substantial number of items of machinery were out of operation during 1975-76 to 1979-80 as they were under heavy repairs. The percentage of machinery in working condition ranged between 53.38 and 62.50 while the targets were fixed on the basis of availability in working condition of 80 percent of the machinery during the working season.

2.2. *Utilisation of E&M machinery.*—Prior to the re-organisation, the overall utilisation in terms of working hours during the working season was very low, being 8.50 per cent. The Chief Engineer had anticipated in September 1973 that the working efficiency would be stepped up to 40 per cent within a period of three years after the re-organisation proposals were accepted and implemented (May 1975). However, even after the re-organisation, the utilisation achieved for all the machinery of the E&M Organisation was low, ranging from 8.50 per cent in 1975-76 to a maximum of 25.50 per cent in 1979-80.

2.3. *Non-allotment of work/withdrawal of work.*—Even after programmes had been finalised for allotment of earth work to E&M Organisation and deployment of machinery at the site of the projects, the project authorities either did not allot the work to the Organisation or withdrew it subsequently when it was in progress and executed the same through private agencies in contravention of the instructions of the Engineer-in-Chief. The quantity of

earth work not allotted to/withdrawn from E&M Organisation during 1976-77 to 1980-81 aggregated to 36.33 lakh cubic metres (value : Rs. 570.58 lakhs) as shown below:—

| Year | Circle | Quantities of earthwork | | | |
|------------------------|--------------------------------------|-------------------------|----------|------------------------|--|
| | | Agreed to be allotted | Executed | Not allotted/withdrawn | (Percentage of work agreed to be allotted) |
| (1) | (2) | (3) | (4) | (5) | (6) |
| (In lakh cubic metres) | | | | | |
| 1976-77 | Bhopal | N. A. | N. A. | N. A. | |
| | Raipur | 9.30 | 2.85 | 6.35 | (68) |
| 1977-78 | Bhopal | 7.69 | 4.20 | 3.49 | (45) |
| | Raipur | 19.43 | Nil | 19.43 | (100) |
| 1978-79 | Bhopal | 10.70 | 10.70 | Nil | (Nil) |
| | Raipur | N. A. | N. A. | N. A. | |
| 1979-80 | Bhopal | 4.61 | 4.28 | 0.33 | (7) |
| | Raipur | N. A. | N. A. | N. A. | |
| 1980-81 | Bhopal (for Gwalior Division alone). | 0.83 | 0.74 | 0.09 | (11) |
| | Raipur | 6.67 | 0.03 | 6.64 | (99) |
| Total .. | Bhopal | 23.83 | 19.92 | 3.91 | (16) |
| | Raipur | 35.30 | 2.88 | 32.42 | (92) |

(N. A. = Not available).

The non-allotment/withdrawal of earthwork was due *inter alia* to (i) lack of co-ordination between civil and mechanical divisions and (ii) higher rates charged by the E & M Organisation due to un-economical working of the E & M Organisation.

The idle period of machinery increased as a result of their non-deployment for long periods or their remaining idle for sometime even after deployment at the site of the projects. Test-check in audit showed that, on six projects alone, the E & M Organisation lost revenue of Rs. 106.40 lakhs as indicated in the table given below:—

| Project (Name of HEM Division deploying the machines) | Period during which machinery remained idle even though deployed as per approved programme | Loss of revenue due to machines of the E & M Organisation lying idle | Remarks |
|---|--|--|--|
| (1) | (2) | (3) | (4) |
| (Rupees in lakhs) | | | |
| Pahesari (HEM Division Gwalior). | 15-10-1980 to 31-3-1981 | 23.72 | Remained idle as excavation of cut off trench had not been done by the Civil Division. |
| Banjar (HEM Division Bala-ghat). | 1-10-1980 to 31-12-1980 | 13.78 | Machinery remained idle as work was allotted to a private contractor. |

| Project (Name of HEM Division deploying the machines) | Period during which machinery remained idle even though deployed as per approved programme | Loss of revenue due to machines of the E & M Organisation lying idle | Remarks |
|---|--|--|---|
| (1) | (2) | (3) | (4) |
| Balar (HEM Division Raipur). | 15-10-1977 to 31-3-1978 | 19.22 | Machinery remained idle as the work was not taken up for want of budget provision. |
| Upper Chandia (HEM Division Satna). | October 1980 to December 1980 and March 1981. | 11.39 | |
| Sham Nagar (HEM Division Satna). | 15-10-1980 to 15-6-1981 | 22.78 | Remained idle till June 1981. Position after June 1981 not intimated by the Department. |
| Mod Sagar (HEM Division Bhopal). | 1-11-1980 to 31-3-1981 | 15.51 | Work was not allotted to E&M Organisation. |
| | Total | 106.40 | |

The total quantity of earthwork which could have been executed by the E&M Organisation with the machinery lying idle was estimated to be 19.43 lakh cubic metres.

Banjar Project.—The Project authorities had entrusted the earthwork of two projects (i) Banjar Project in Balaghat district and (ii) Saheb-khedi Project in Ujjain district, during the working season of 1979-80 to HEM Division, Balaghat and HEM Division, Bhopal respectively. At both the projects, the working and site conditions were the same and the lead involved for transporting the earth was also the same (1.5 kilometres). Since the working season and the quantity of earthwork executed in the two projects upto 30th June 1980 viz., 0.58 and 0.62 lakh cubic metres respectively were also the same, there was no justification for difference in the rates of earthwork at the two places. Nevertheless, it was observed that the rate per 10 cubic metres of earthwork at Banjar Project worked out to Rs. 207.50 as against Rs. 90.95 at Saheb-khedi. Explaining the large variation in the two rates, the Chief Engineer, E&M stated (June 1981) that the project authorities incharge of Banjar Project did not entrust the entire work to the E&M Organisation at the same time although they had agreed to do so in advance and the machinery deployed remained mostly idle. This, however, meant an extra cost of Rs. 6.76 lakhs to Banjar Project (Rs. 207.50—Rs. 90.95=Rs. 116.55 per 10 cum. \times 0.58 lakhs cum) *vis-a-vis* the Saheb-khedi Project in one season of 1979-80 alone. In this connection it was noticed that the Chief Engineer, Mahanadi Godavari Basin Raipur had intimated (October 1980) to the E&M Organisation that he had not been informed about the deployment of machinery at Banjar Project and that as such, he had approved the tender of private agencies for earthwork.

Further, 198 machines, which were in working order, remained idle for want of work in the respective workshops during 15th October 1978 to 31st March 1979. The idle period resulted in loss of revenue to E&M Organisation to the extent of Rs. 170.09 lakhs. No step

were, taken to ensure their utilisation during the working season. The Department did not furnish the information regarding the number/value of additional machines of the same type bought during this period.

2.4. Performance of individual machines.—

(i) The E&M Organisation was having, in all 25 drawn scrapers (original purchase value: Rs. 10.94 lakhs) in May 1975, out of which only 5 were in working condition, 13 under repairs and remaining 7 unserviceable. A programme for repairing 5 scrapers by the end of March 1976 and 8 by end of March 1977 was drawn up and implemented.

Against the anticipated utilisation of 80 per cent, the utilisation of 10 scrapers ranged between 4.46 and 4.90 per cent during the working season of 1975-76 and that of 18 scrapers was 6.69 (1976-77), 0.51 (1977-78), 7.51 (1978-79) and 17.22 (1979-80) per cent respectively. Low utilisation was attributed (June 1981) by the Chief Engineer to (i) difficulty in getting specific jobs for such scrapers, *viz.*, jobs at canals, etc., or projects where lead involved was 1/4 kilometre only, (ii) poor response from Civil formations, (iii) allotment of insufficient quantity of work, (iv) withdrawal of work from E&M Organisation after allotment, and (v) shortage of crawler tractor to draw these scrapers. However, the Chief Engineer could not quote specific instances where the work was either not allotted after deployment programme was finalised or was withdrawn after allotment.

(ii) At the time of re-organisation of the department, there were, in all, 25 Mogurt Dumpers of D. R.50 model in common pool. They were purchased by the Irrigation Department during 1954-55 to 1964-65 at a total cost of Rs. 14.73 lakhs. A test-check of records showed that all the dumpers were placed at the disposal of four HEM Divisions and they had registered performance of 3,449 kilometres during their whole life upto June 1981.

It was observed that these dumpers could not be utilised upto November 1979 due to fixation of hourly use rate which were excessive instead of rate based on lead (per kilometre) by the Chief Engineer; the rate was revised in December 1977 on the basis of lead (per kilometre). Further, modifications proposed (July 1978) in the mechanical arrangements of dumpers were not carried out (June 1981). The Chief Engineer stated (June 1981) that it was proposed to declare the dumpers as surplus. Further developments are awaited (March 1982).

2.5 Purchases:

(i) *New Machinery.*—With a view to regulating the genuine requirements of machinery and other material for the Organisation, "Planning and Procurement Division" was established under the new set up in May 1975. This Division was also entrusted with the work of processing cases of surplus and outdated machinery due for final disposal. Scrutiny of some of the purchases made revealed that, on a number of occasions, the Organisation purchased defective machines resulting in locking up of large funds. A few such instances are mentioned below:—

(a) K-5(b) Tractors; In order to meet the requirement for compaction of earthwork from 1978-79 onwards, the Planning and Procurement Division, Bhopal proposed (February 1978) the purchase of 21 crawler tractors (17 bare tractors and 4 with dozers). After obtaining quotations from manufacturers of tractors through notice issued in early 1978, the purchase committee, on the recommendation of the Chief Engineer, decided (March 1978) to purchase (i) 17 bare tractors from supplier 'X' @ Rs. 3.05 lakhs per tractor excluding taxes and, (ii) 4 tractors with dozer from supplier 'Y' at the rate of Rs. 3.42 lakhs each. An agreement was executed with supplier 'X' in March 1978 but the second supplier did not turn up to sign the agreement inspite of repeated reminders.

Although supplier 'X' was committed to complete the supply of all the 17 tractors by 31st August 1978, he supplied only one tractor by that date and the remaining 16 by 31st March 1979. A sum of Rs. 51.69 lakhs was paid to the firm in March 1979, as 90 per cent

advance payment against proof of despatch, without conducting prior inspection of the equipment before despatch as contemplated in the agreement. On deployment (April 1979), all the 16 tractors, except the first one supplied in March 1978, were found to be not in working order due to manufacturing defects causing over-heating of engines. They could not be restored to working order, despite massive repairs carried out by the supplier during the period from April 1979 to December 1980. The supplier, however, agreed (June 1981) to repair the tractors in batches of two, if sent, to his workshop at Dum-Dum airport, Calcutta. Further developments are awaited (December 1981). Thus, no benefit had accrued to the department so far from these tractors acquired at a cost of Rs. 51.69 lakhs (balance 10 per cent not released so far).

(b) Double drum sheep foot rollers: Without obtaining Government sanction, the Chief Engineer E&M placed (January 1979) a supply order for 15 units of Double drum sheep foot rollers (two drums in one unit) on a Raipur supplier, through the Madhya Pradesh Laghu Udyog Nigam (a State Government undertaking), against a requirement of 20 Double drum sheep foot rollers. The supply was completed by 31st May 1979 instead of by 31st March 1979. Eight, out of the units supplied, were delivered to HEM Division, Bhopal in May 1979. On deployment (June 1979), these rollers were found to be defective and the defects were intimated to the supplier on 27th July 1979. The Laghu Udyog Nigam also asked (August 1980) the supplier to remove the defects but the latter had not taken any action so far (October 1981). Notwithstanding the defective supply, Rs. 2.14 lakhs (representing 95 per cent payment) were paid (August 1979) to the Nigam. The Chief Engineer, however, attributed (June 1981) the non-utilisation of the rollers since May 1979 to the absence of K-7 tractors which were generally used for drawing sheep foot rollers. Due to defective planning and unco-ordinated purchase, the sheep foot rollers (cost: Rs. 2.14 lakhs) continued to remain idle (June 1981).

(ii) Spare parts—With a view to having computerised inventory control, a computer cell was established in the E&M Organisation in May 1976. Expenditure totalling Rs. 6.75 lakhs was incurred on the cell upto September 1980 towards consultancy, hire charges of computer, pay and allowances, etc. The computer cell, however, only consolidated, on a hired computer, data obtained from field formations, etc. and did not exercise any inventory control. For 392 machines, costing Rs. 4.62 crores, the Organisation held in May 1975 spare parts worth Rs. 2.00 crores (43.29 per cent of cost of machinery) against the maximum permissible limit of Rs. 92.49 lakhs (at 20 per cent). Despite repeated instructions from the Chief Engineer to the subordinate units, the inventory of spare parts went on increasing, and by 31st March 1980, the value of spares for 716 machines (value: Rs. 12.04 crores) had increased to Rs. 8.00 crores (66.44 per cent of the value of machinery). The over stocking of spares could not be explained by the Department. The Department confirmed (July 1980) that 65 to 70 per cent of the spares in stock were a dead inventory and could not be issued, specific reasons for which were, however, not furnished. It stated further that 40 per cent of the items constituted spares of machines which have already been declared obsolete.

Some cases of unnecessary/irregular purchases are given below:—

(a) During May 1980 to March 1981, the field formations of the Organisation purchased spare parts worth Rs. 13.69 lakhs even though the same types of spares were already lying in the stores of the Organisation as surplus for several years, and the fact was made known to the purchasing officers by Store Control Division and higher authorities.

(b) Contrary to the instructions of the Chief Engineer, 33 Sub-Divisional Officers split the requirements, and purchased spare parts costing Rs. 99.61 lakhs from local markets during 1979-80. All the purchases were directly issued for the use in the machinery without entry in "Goods Receipt sheets" or in any account of Stock/Store. Even an account of old parts, stated to have been replaced by newly purchased spare parts, was not kept.

2.6. Repairs:

(i) Central Workshop, Bhopal.—Construction of a fully equipped Central Workshop, for meeting all repair needs and requirements of spare parts of all the field formations of E&M Organisation within three years, was technically sanctioned (November 1976) by the Chief Engineer and expenditure of Rs. 139.15 lakhs (value of machinery purchased: Rs. 80.88 lakhs; cost of Civil Works: Rs. 58.27 lakhs) was incurred upto February 1980. However, only nine machines were repaired at this workshop till December 1980, the total value of the jobs being Rs. 7.61 lakhs which included Rs. 6.84 lakhs as cost of spare parts purchased from the local market or obtained from departmental stores. Thus against anticipated production worth Rs. 200 lakhs in the initial stages increasing to Rs. 400-500 lakhs gradually, the Central Workshop carried out repairs worth Rs. 0.77 lakh only (Rs. 7.61 lakhs—Rs. 6.84 lakhs) during September 1977 to December 1980, defeating the very purpose of establishment of the Central Workshop.

While most of the buildings forming part of the civil works were still incomplete, orders were issued (February 1980) by the Government for stopping further construction work on technical grounds. Government has also ordered dismantling of most of the construction work as it was considered unsafe for labour and machinery lodged therein. The matter was reportedly under investigation by an Expert Committee headed by Engineer-in-Chief, Public Works Department. Further developments are awaited (July 1981).

(ii) *Uneconomical repairs*.—A test-check of 15 cases of repairs both at Central Workshop and at other departmental workshops revealed that, during 1975-76 to 1979-80, a sum of Rs. 25.10 lakhs was spent on repairs of such machines as had already outlived their utility and were either to be written off or were not worth repairing. The details of expenditure on such machines are given in Appendix X.

Against the outlay of Rs. 25.10 lakhs on repairs, 15 machines worked (inclusive of trial run) for 5,425 hours against 32,000 hours anticipated while drawing up the repair estimates.

(iii) *Repairs through private agencies*.—(a) Sakoda Shovel No. 1, purchased in 1962 for the Chambal Project and condemned by the Government in November 1973, was given for repairs to a New Delhi firm in April 1977, and even after incurring expenditure of Rs. 2.81 lakhs against repair estimates for Rs. 1.55 lakhs, the repairs had not been completed (October 1981). Defective and incomplete repairs of the machine which was already condemned rendered the expenditure of Rs. 2.81 lakhs wasteful.

(b) Similarly, Sakoda Shovel No. 2, which was purchased for Chambal Project in 1965 and was lying idle for about a decade, was given for repairs to the same firm (as in the case of Sakoda Shovel No. 1) in December 1975. Expenditure of Rs. 0.70 lakh was incurred on the repairs upto January 1979 (inclusive of Rs. 0.59 lakh paid to the firm) but proved infructuous as the machine was not repaired satisfactorily and was lying idle (January 1981).

2.7. *Unserviceable machines*.—Out of 123 unserviceable machines (value : Rs. 117.64 lakhs) with the department in May 1975, 58 machines (purchase value : Rs. 66.21 lakhs) were condemned for final disposal during 1974-75 to 1980-81. Tenders invited (October 1980) for disposal of 30 machines were rejected as the same were considered to be very low. No action for disposal was taken thereafter (June 1981).

The number of unserviceable machines had increased to 204 (value : Rs. 247.42 lakhs) as on 31st August 1981. 174 machines (value : Rs. 224.32 lakhs) like dozers (36), compaction tractors (19), motorised scrapers (59), dumpers (29), etc., about which information was made available to Audit, had given a performance of 11.44 lakhs working hours (60.24 per cent) against anticipated performance of 18.99 lakhs working hours.

3. Summing up—

(i) With the revamping of the E&M Organisation in May 1975, the utilisation of the machinery in terms of working hours was expected to increase from 8.50 per cent to 40 per cent within a period of three years. However, the maximum level of utilisation attained was 25.50 per cent upto March 1980. Against the capacity for execution of earthwork aggregating 212.56 lakh cubic metres during the years 1975-76 to 1979-80, targets aggregating 199.67 lakhs cubic metres were fixed, actual achievement being only 122.43 lakh cubic metres. The shortfall in achievement of targets ranged from 24.08 to 53.19 per cent.

(ii) Out of 730 items of rated machinery with the Organisation as on 31st March 1981, only 402 (55.07 per cent) were in working order; the remaining 328 were either under repairs (124) or unserviceable (204).

(iii) 36.33 lakh cubic metres of earth work (value of work: Rs. 570.58 lakhs) were withdrawn from the E&M Organisation by the Project authorities during 1976-77 to 1980-81. The E&M Organisation had lost potential revenue of Rs. 276.49 lakhs due to withdrawal of works in six projects (Rs. 106.40 lakhs) and machinery remaining idle (Rs. 170.09 lakhs).

(iv) Despite the setting up of a computer cell for efficient inventory management, the value of stores inventory had shot up from Rs. 2.00 crores (43.29 per cent of value of machinery: Rs. 4.62 crores) in 1975 to Rs. 8.00 crores (66.44 per cent of value of machinery: Rs. 12.04 crores) in 1980. 65 to 70 per cent of the spares were reported to be dead load being unfit for use on machines. 40 per cent of the spares were for machinery which had already been declared obsolete.

(v) The Central Workshop, Bhopal on which capital expenditure of Rs. 1.39 crores had been incurred upto February 1980 had executed jobs worth Rs. 7.61 lakhs (spares: Rs. 6.84 lakhs; labour: Rs. 0.77 lakh) during September 1977 to December 1980 against anticipated annual outturn of Rs. 2.00 crores in the initial stage itself.

(vi) Despite establishment of a separate Division for regulating genuine requirements and planning and procurement of machinery, cases of defective purchases were noticed. Two machines acquired at a cost of Rs. 53.83 lakhs were lying idle since the time of their purchase (March 1979 and May 1979).

(vii) Expenditure of Rs. 25.10 lakhs was incurred on repairs at departmental workshops of 15 machines which had already outlived their utility and were either to be written off or were not worth repairing.

(viii) The number of unserviceable machines with the Organisation rose from 123 (value: Rs. 117.62 lakhs) in 1975 to 204 (value: Rs. 247.42 lakhs) as on 31st August 1981, out of which 174 machines (value: Rs. 224.32 lakhs) were declared as unserviceable after registering 60.24 per cent of the anticipated performance. No effective steps were taken for the disposal of unserviceable machines, including machinery which was taken over as such in May 1975.

(ix) Due to non-revision of 'Use rates' the Organisation sustained losses aggregating Rs. 3.68 lakhs in the execution of work of four projects during October 1977 to December 1980.

Matters mentioned above were reported to the Government in August 1981; reply is awaited (March 1982).

4.2. Sindh River Project Phase I

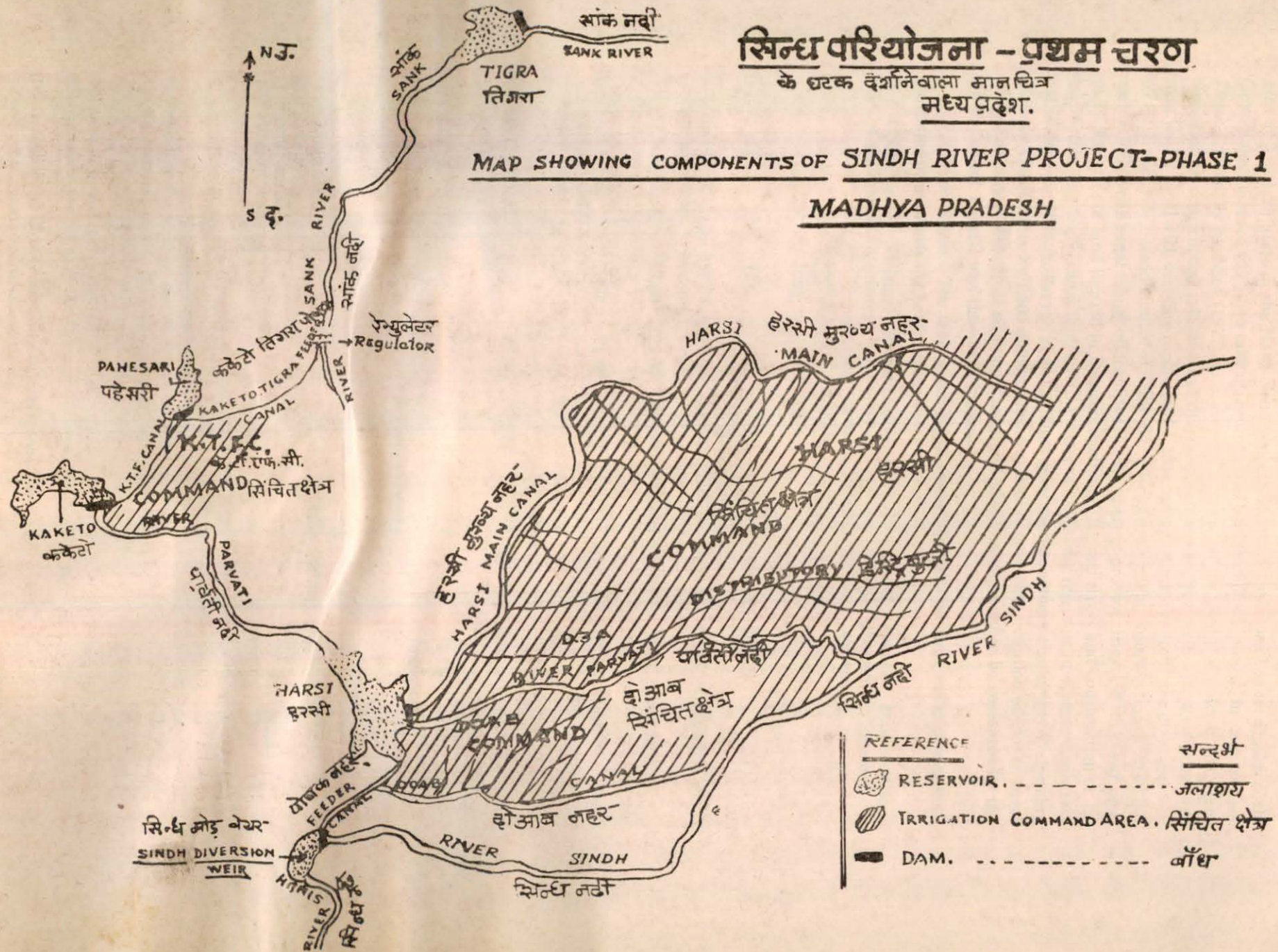
1. *Introductory.*—With a view to utilising the water resources of Sindh river, for augmenting the supply of water to the adjoining Harsi reservoir based on (an earthen dam constructed in the year 1935 on the river Parvati, a tributary of Sindh) for bringing an additional

सिंध परियोजना - प्रथम चरण

के छत्क देशनिवाला मानचित्र
मध्य प्रदेश.

MAP SHOWING COMPONENTS OF SINDH RIVER PROJECT-PHASE 1

MADHYA PRADESH



REFERENCE

-  RESERVOIR. जलाशय
-  IRRIGATION COMMAND AREA. सिंचित क्षेत्र
-  DAM. बाँध

3. Progress in construction :

(i) *Diversion weir and feeder canal.*—The Project Report (1970) envisaged that Phase-I would be completed in four years. However, no planned time schedule was drawn up for co-ordinated completion of the major constituents of the project such as Sindh diversion weir, feeder canal, remodelling of Harsi canal system *etc.*, to ensure completion of the project in four years time. The Government accorded (February 1971) sanction for Rs. 26.16 lakhs to undertake pre-construction surveys, preparation of detailed plans and designs and tender documents, *etc.* However, the staff for pre-construction works and preparation of tender documents, *etc.*, was posted only in July-August 1972 the requisite data and construction material for model studies and for recommending the design for the spill-way and energy dissipator of the diversion weir, were supplied by the Executive Engineer to the Director of Irrigation Research between September 1972 and May 1974 and the design was approved by the Chief Engineer, Chambal-Betwa Basin in July 1975. Meanwhile, the notice inviting tenders for construction of spillway, energy dissipator, *etc.*, of the diversion weir (estimated cost put to tender: Rs. 353 lakhs) was issued in August 1973, tenders accepted by the Government between December 1973 and June 1974 and agreements with contractors stipulating completion of works by March to October 1976 concluded between January and August 1974. Due to these delays, construction of the Sindh diversion weir was completed in June 1978 at a cost of Rs. 604.72 lakhs (against the original estimated cost of Rs. 355.57 lakhs) and the feeder canal in June 1977 at a cost of Rs. 119.28 lakhs (against the original estimated cost of Rs. 59.60 lakhs).

(ii) *Remodelling of Harsi canal system.*—This work (original estimate: Rs. 79.78 lakhs & revised estimate: Rs. 130.21 lakhs) involved raising the height of waste weir of the Harsi dam by 4 feet to augment the storage capacity of the reservoir from 7,290 mcft. to 8,410 mcft. and increasing the carrying capacity of the Harsi canal from 1,000 to 1,310 cusecs by raising its banks, remodelling of masonry structures over the canal, conversion of water-courses into minors and construction of new minors. The work of raising the height of the waste weir (estimated cost: Rs. 19.91 lakhs) was, however, not taken up till August 1981, the matter being reportedly under review. Nevertheless expenditure of Rs. 112.51 lakhs had been incurred upto end of September 1981 on the remaining components of remodelling of Harsi canal system against estimates of Rs. 110.30 lakhs although two items of work detailed below were still incomplete :—

(a) of the 107 masonry structures to be remodelled because of raising of the canal banks, only 53 had been completed (October 1981) ; and

(b) of the 10 water courses to be converted into minors, only 5 had been completed (October 1981).

While no reasons were furnished by the Executive Engineer, Irrigation Division, Gwalior for abnormal rise in cost, the delay in completion of remodelling works was attributed (July 1981) to a vilability of limited period for working on the canal which could be closed only for a short period.

(iii) *Doab canal.*—The Doab canal which was taken up in 1975 was completed in June 1979 except for two minors and two regulators, at a cost of Rs. 55.90 lakhs. Against the designed discharge of 154 cusecs, the maximum discharge passed through the canal was 50 cusecs during 1979-80 and 1980-81 and 91 cusecs during 1981-82.

Against the annual targeted area of 11,000 acres, irrigation could be provided to 1,319 acres of *khariif* crop only during 1979-80 and 4,639 acres (*khariif*: 1,812 acres, *Rabi*: 2,827 acres) during 1980-81. The shortfall was due to absence of demand on account of non-development of command area and slow change in cropping pattern.

(iv) *Kaketo-Tigra feeder canal and appurtenant works.*—This work, which was scheduled (May 1977) to be completed in June 1980, involved remodelling of Kaketo dam (estimated cost: Rs. 96.30 lakhs), construction of 25 kilometres long feeder canal (revised estimated cost: Rs. 483.67 lakhs) from feeder reservoir at Kaketo and storage dam enroute at Pahesari (estimated cost: Rs. 219.70 lakhs). The work of construction of the canal (expenditure so far: Rs. 200.94 lakhs) and Pahesari dam (expenditure so far: Rs. 94.74 lakhs) was started in June 1977 and November 1978 respectively and was still (October 1981) in progress. The work of remodelling of the Kaketo dam, the principal component of this part of the Sindh river Project has, however, not been taken up so far (October 1981).

The department attributed (August 1981) the delay, *inter alia*, to unwillingness of the contractors to work in the dacoit-infested area, scarcity of cement, steel and explosives and voluminous rock-cutting which was time-consuming. The scheduled date for completion of the work was reported (August 1981) to have been extended to June 1982.

Thus, due to delay in execution of the Kaketo-Tigra feeder canal and the Pahesari dam, there was delay in creation of irrigation potential of 14,000 acres in Gwalior district and additional storage of 1,500 mcft. in Tigra reservoir for enhanced supply of drinking water to Gwalior city. The Superintending Engineer, Public Health Engineering Department, Gwalior Project Circle intimated (October 1980) that transfer of 1,500 mcft. water of Kaketo to Tigra reservoir had no utility unless arrangements were made to take it to Motijheel treatment plant, filter it and pump it to different reservoirs through additionally proposed mains in the city. To augment the existing supply of drinking water, a project (estimated cost: Rs. 715 lakhs) had been approved (December 1978) by the Government which provided, *inter alia* laying of a pipe line from Tigra to Motijheel treatment plant and construction of four zonal reservoirs to boost up pressure. While the work of laying the pipeline is still to commence, the work of construction of the four reservoirs is in progress (October 1981). To tide over the shortage of water in the interim period because of these delays 75 tube-wells (out of 81 bored) had been commissioned since 1979-80 by the Public Health Engineering Department at a cost of Rs. 24.90 lakhs with annual maintenance expenditure of approximately Rs. 22.50 lakhs.

4. *Creation of Irrigation Potential and its utilisation.*—(i) *Over-estimation.*—The revised Project report (July 1977) envisaged that after diversion of Sindh water, the irrigation potential of the Harsi reservoir would be augmented from 0.75 lakh acres to 1.31 lakh acres, i. e., 0.56 lakh acres. However, according to same project report, the Harsi reservoir was irrigating nearly 1 lakh acres of land even before the diversion of Sindh water.

According to the Irrigation Department's report (1978) on modernisation of Harsi canal system the irrigation potential of Harsi had been under-assessed on the assumption that irrigation in this area was being developed on a large scale for the first time and that there would be considerable wastage and inefficient utilisation of water in the system. According to *Abiyana* records of Gwalior division, however, even before the diversion of Sindh water to Harsi reservoir (for the first time in September 1977), 0.91 to 1.03 lakh acres of area in Harsi command were under irrigation during the period 1970-71 to 1976-77. In view of this, the estimated increase in irrigation potential in the Harsi command by diversion of Sindh water into the Harsi reservoir was only 0.31 lakh acres and not 0.56 lakh acres as mentioned in the Project Report of 1977.

While according revised administrative approval in January 1978 for the Sind Project Phase-I it was also assumed that additional 12,000 acres in Gwalior district would be irrigated from 1,500 mcft. of water earmarked for augmenting drinking water supply to Gwalior City. Because of these two wrong assumptions, the increase in irrigation potential from the Sindh Phase-I was over-estimated by 0.37 lakh acres.

(ii) *Short-fall in irrigation.*—Despite the diversion of Sindh water to Harsi dam from September 1977 onwards, the object of bringing 1.31 lakhs acres of land in Harsi command under irrigation, was not achieved as shown below :—

| Year | 1977-78 | 1978-79 | 1979-80 | 1980-81 |
|---|---------|---------|---------|---------|
| Targeted quantity of water for release in Harsi canal (in mcft.). | 16,203 | 16,203 | 16,203 | 16,203 |
| Quantity of water actually released into Harsi canal (in mcft.). | 15,647 | 14,485 | 10,748 | 14,535 |
| Short-fall in water released (in mcft.). | 556 | 1,718 | 5,455 | 1,668 |
| Designed coverage under irrigation (in lakh acres). | 1.31 | 1.31 | 1.31 | 1.31 |
| Area actually irrigated (in lakh acres) | 1.03 | 1.09 | 0.62 | 1.03 |
| Short-fall in area irrigated (in lakh acres). | 0.28 | 0.22 | 0.69 | 0.28 |

The Sindh diversion weir and the feeder canal were designed to divert 15,690 mcft. of water into the Harsi reservoir annually. In the four years (1977-78 to 1980-81), against the target of 62,760 mcft., only 27,518 mcft. of water were diverted from Sindh to Harsi, out of which 7,208 mcft. of water spilled over at Harsi as the remodelling work on the Harsi waste weir had not been taken up. Thus, only 20,310 mcft. (32 per cent of the targeted diversion) were available for utilisation.

Whereas the short-fall in release of water into Harsi canal during the four years (1977-78 to 1980-81) was 9,397 mcft., *i. e.*, 15 per cent of the designed discharge of 64,812 mcft. @ 16,203 mcft. annual discharge, the short-fall in additional area brought under irrigation was 1.47 lakh acres (28 per cent of the proposed targeted area of 5.25 lakh acres). Further, the area irrigated annually during 1977-78 to 1980-81 was about the same as that from 1970-71 to 1976-77, *i. e.*, before the Sindh diversion weir and feeder canal were constructed. This meant that these major works, completed at a cost of Rs. 836.51 lakhs (diversion weir: Rs. 604.72 lakhs; feeder canal: Rs. 119.28 lakhs; remodelling of Harsi canal system: Rs. 112.51 lakhs), had made virtually little difference to the Harsi irrigation system so far. The department attributed these shortfalls to non-augmentation of the carrying capacity of Harsi canal, non-construction of new minors and non-development of the command area.

5. *Un-necessary diversion of Sindh water to Harsi command.*—According to the report (March 1978) on modernisation of Harsi canal system, appreciable wastage of water was noticed all over the command due to irrigation by outdated methods, absence of well-defined water course, lack of control devices on outlets and seepage in the canal and distribution system. The water-losses were estimated by the Director of Irrigation Research as 3,714 mcft. (1,779 mcft. in the main canal and 1,935 mcft. in the distributaries). Due to heavy loss of water, 0.25 lakh acres, out of 1.69 lakh acres of the culturable command, were water-logged the water table being within 5 feet below the ground-level and about 30 per cent of the area, *i. e.*, 0.51 lakh acres, where the water table fluctuated between 5 to 10 feet, was such that after application of additional irrigation, the area would have become water-logged. The Central Water Commission while giving comments (June 1971) on the Sindh river project Phase-I, drew attention of the State Government to the waste of water in the Harsi command resulting in rise in the water table and, consequent water-logging and salinity in large areas. The Commission suggested, therefore, that specific measures should be taken to prevent the wastage of water in the command and that a suitable plan should be launched for conjunctive use of ground water so as to ensure balanced utilisation of surface and ground water.

Based on these guidelines (June 1971) of the Commission, the Government accorded (January 1979) administrative approval for implementation of the scheme of modernisation of the Harsi canal system at a cost of Rs. 13.80 crores. The salient features of the scheme were:—

- (i) lining of Harsi main canal, distributories and resectioning of the minors to minimise losses due to seepage and to reduce water-logging conditions,
 - (ii) providing water-courses in the areas covered by additional irrigation,
 - (iii) construction of drainages and anti-water-logging measures to prevent loss of productivity due to efflorescence of salts caused by the rise in water table,
 - (iv) prevention of wastage of water by installation of adjustable proportional modules in place of existing outlets, and
 - (v) introducing efficiency in use of water by the cultivators.
- (vi) expenditure of Rs. 14.63 lakhs had been incurred upto September 1981 on sample studies on lining of Harsi canal under the scheme of modernisation of the Harsi canal.

It was estimated that after the execution of the scheme, 3,100 mcft. of water, within the Harsi irrigation system, would be saved and would bring additional area of 0.31 lakh acres under irrigation. However, this objective of irrigating additional area of 0.31 lakh acres could also have been achieved by modernisation of Harsi canal system without execution of Sindh diversion scheme which, by inducting more water into the Harsi command, is actually likely to aggravate the problem of water-logging and salinity with its attendant effects on cultivation in the area. However, no fresh survey for ascertaining the areas affected by water-logging and salinity in the Harsi command was stated (June 1981) to have been conducted.

6. *Financial irregularities in execution (i) Extra payment of Rs. 7.17 lakhs on escalation in cost.*—According to clause 4.3.39 of the agreements for four groups of works relating to the construction of spill-way, the contractors were to quote a ceiling for payment of escalation in cost in respect of:—

- (i) increase in cost of living index applicable to Gwalior after 12 months of handing over of site, on labour component which was assumed in the contract as 30 per cent of each item of work; and
- (ii) increase in cost due to enactment of new laws in respect of certain items specified in the contract document.

Contracts for groups I, II and IV of the spill-way were awarded to contractor X and for group III to contractor Y. Contractor X did not quote a ceiling but proposed a formula illustrating the calculation of escalation in cost. This formula provided for escalation in cost on the basis of consumer price index for Gwalior as well as All India cost of living indices and was accepted (December 1973 to June 1974) by the Government, after negotiations, resulting in re-imbusement of escalation in cost twice over to the contractor, first on cost of consumer price index for Gwalior (Rs. 4.41 lakhs) and again on all India cost of living index (Rs. 4.86 lakhs).

Contractor Y, who did not propose any formula for the calculation of escalation in cost, agreed (June 1974) to accept any standard rate or formula fixed by the Central or State Government. However, on the same basis as adopted for contractor X, the department paid by escalation in cost amounting to Rs. 4.44 lakhs (Rs. 2.13 lakhs on the basis of cost of living index for Gwalior and Rs. 2.31 lakhs on the basis of All India cost of living index).

Thus, extra payments totalling Rs. 7.17 lakhs were made to the two contractors due to inclusion of escalation in cost of labour component of work twice over.

The matter was reported to the Chief Engineer, Chambal-Betwa Basin, Bhopal in August 1981, reply is awaited (March 1982).

(ii) *Excess payment of Rs. 7.04 lakhs in the construction of energy dissipator of the spill-way.*—In the project report of Sindh river project Phase-I, provision was made for the construction of a hydraulic jump type stilling basin, an energy dissipating arrangement, in the downstream of the spill-way. Tenders for the work, in four groups, were invited by the Superintending Engineer, Kunwari-Sindh Circle, Gwalior in October 1973 on the basis of a tentative design of stilling basin with a note on the drawing, enclosed with the tender documents, superscribed "drawing meant for contract purpose only, not for actual construction, liable for change after detailed design is finalised before or during construction." After negotiations by the Chief Engineer, the tenders of two firms of contractors were accepted by the Government in December 1973 (Group-I), January 1974 (Groups-II and IV) and June 1974 (Group-III).

There was a delay of about 2 years in the finalisation of the design of the energy dissipator. The Director of Irrigation Research recommended (November 1974) the slotted roller bucket type design for the energy dissipator instead of the hydraulic jump type stilling basin and it was approved by the Chief Engineer, Chambal-Betwa Basin, Bhopal in July 1975.

After finalisation of the design and during the course of execution of the work of energy dissipator, the contractors demanded (March 1977) higher rates on the plea that, though the grade and strength of the concrete and material remained unchanged, the method of placement of concrete and construction according to the revised design had affected the progress of work adversely and that the rate tendered by them was for placement of concrete in stilling basin which did not involve curves.

The Superintending Engineer, Kunwari-Sindh Circle, Gwalior sanctioned (November 1977) enhanced rates for providing and placing vibrated cement concrete in four groups of roller bucket, ranging from Rs. 130.80 to Rs. 157 per cubic metre as against the tendered rates ranging from Rs. 70 to Rs. 90 per cubic metre for various specifications of cement concrete despite the fact that payment for form work had also been made separately. Accordingly, they were paid for 13,843 cubic metres Rs. 19.17 lakhs at the enhanced rates instead of Rs. 12.13 lakhs at their tendered rates resulting in additional payment of Rs. 7.04 lakhs. The Executive Engineer, Head Works Division, Narwar confirmed (February 1980) that the 'note' on the drawing, appended to the tender documents, was recorded with the view that the contractors might not claim any extra cost due to change in design and that it was the general practice adopted in the major/medium projects in the interest of work.

The matter was reported to the Chief Engineer, Chambal-Betwa Basin, Bhopal in March 1980, reply is awaited (December 1981).

(iii) *Extra expenditure of Rs. 5.31 lakhs on removal of silt-muck.*—According to the agreements for construction of spill-way in four groups, the diversion of the river during the working period from 1st November to 15th June was the responsibility of the department but it was not responsible for any break-down in the diversion works. The contractors were responsible for ensuring that the works would not be damaged by floods during non-working season. The silt deposit, if any, due to floods, etc., was to be removed by the contractors at their own cost. It was, however, agreed during negotiations, in respect of groups number I and II, that removal of silt deposit to the extent of 2 inches only in blocks and stilling basin area would be the responsibility of the contractor. The clearance of muck, if any, over and above 2 inches due to upstream approach road, would be the responsibility of the department, but no such special condition was agreed to in respect of groups III and IV.

The pre-monsoon working period ended on 15th June 1975 but the contractors continued to work even in the rainy season at their own risk. In the floods of 20th and 21st June 1975, the earthen bund of the coffer dam, approach road and the platforms were washed away and muck was deposited in the excavated foundation of the spill-way and its stilling basin.

On resumption of the work in the first week of October 1975 before the end of rainy season on 31st October 1975, arrangements for diversion of the main stream of the river by constructing a new coffer dam, approach road and platforms were made, but, again due to rains in the upper catchment area of the river on 20th October 1975, a flash flood occurred on 21st October 1975, which resulted in over topping of the new earthen coffer dam. The entire earthen coffer dam, the upstream approach roads and the platforms, etc., were again washed away. On dewatering the foundation, it was observed that the two floods had caused heavy deposits of muck from coffer dam, approach roads and platforms in the foundation blocks. The department estimated that, out of 0.46 lakh cubic metres of earth used in making the two sets of coffer dam, approach roads and platforms, etc., 0.29 lakh cubic metres of muck were deposited in the foundation and its removal would cost Rs. 2.25 lakhs.

However, the actual cost was Rs. 5.53 lakhs, out of which only expenditure of Rs. 0.22 lakh on clearance of muck (459 cubic metres) due to upstream approach road, was the responsibility of the department. However, the department had already paid Rs. 4.83 lakhs outside the terms of the contract and claims amounting to Rs. 0.48 lakh were pending final settlement.

The comments of the Chief Engineer, to whom the case was referred to in May 1980, are awaited (December 1981).

(iv) *Extra cost due to deletion of contractor's condition during negotiation.*—In the lowest-item rate tender for group-III of the spillway work, the contractor had included nine conditions. The first eight conditions had no financial implication. In condition number 9, the contractor had offered (with reference to clause 4. 3.13. 3 of the special conditions attached to the tender) to execute quantities of various items of work in excess of those mentioned in the schedule of quantities at this tendered rates, that is, even beyond 10 per cent excess normally covered. However, during negotiations conducted (January 1974) by the Chief Engineer, Chambal Betwa Basin, Bhopal at the instance of and on behalf of the Government, the contractor was, for reasons not on record, allowed to delete all his conditions, including condition number 9.

During actual execution, against the estimated quantity of 0.18 lakh cubic metres as per the schedule of quantities, the actual quantity of the item 'Random Rubble masonry' was 0.34 lakh cubic metres. The contractor was paid at his tendered rate of Rs. 50 per cubic metre for 0.19 lakh cubic metres (scheduled quantity plus 10 per cent thereof). For the balance excess quantity, the contractor demanded (October 1976) higher rate without specifying the reasons therefor. The Superintending Engineer, Kunwari Sindh Circle, Gwalior sanctioned (November 1977) the rate of Rs. 77.50 per cubic metre treating it as an extra item resulting in additional expenditure of Rs. 2.78 lakhs. The comments of the Chief Engineer, to whom the matter was referred (March 1980), are awaited (March 1982).

7. *Summing up.*—(1) The envisaged increase in the irrigation potential of Harsi reservoir as a result of Sindh Project Phase-I was only 0.31 lakh acres. The same result could have been achieved by taking measures for prevention of wastage of water in Harsi command and conjunctive use of ground water as suggested by the Central Water Commission. On the other hand the Sindh diversion scheme on which expenditure of Rs. 836.51 lakhs has been incurred so far, might only result in induction of more water into Harsi command and aggravate the problem of water-logging and salinity already existing with adverse effect on cultivation in the Harsi command.

(ii) Before diversion of Sindh water to Harsi reservoir, 1 lakh acres of land were being irrigated. This was expected to increase to 1.31 lakhs acres after execution of the Sindh Diversion Scheme. But, even after execution of the Sindh Project Phase-I, the area actually irrigated remained almost the same viz., 1.03 lakh acres.

(iii) Extra expenditure totalling Rs. 14.78 lakhs was incurred due to acceptance of a faulty formula regarding escalation in cost (Rs. 7.17 lakhs), removal of silt and muck (Rs. 4.83 lakhs) which was not the responsibility of the department and deletion, during negotiation, of a condition which was favourable to the Government (Rs. 2.78 lakhs).

(iv) Excess payments totalling Rs. 7.04 lakhs were made to two contractors due to irregular sanction and payment of higher rates for the energy dissipator, treating the change in design as a substituted item of work although the fact of the design being tentative was made known to the contractors through the tender documents.

Matters mentioned above were reported to the Government in September 1981; reply is awaited (March 1982).

4.3. Extra expenditure due to incorrect payment of lead

The Executive Engineer, Irrigation Division, Jaura, District Morena invited (December 1977) tenders on the basis of Unified Schedule of Rates (USR) for irrigation works, in force from 1st February 1977, for 40-50 millimetres thick flag stone lining in chainages 750 to 765, 765 to 780 and 780 to 793 of Chambal left main canal. The lowest tender which was 24 per cent above the USR was accepted (March 1978) by the Superintending Engineer, Lower Chambal Circle No. II, Gwalior for chainages 750 to 765 and agreements were executed by the Executive Engineer for this work; for works in chainages 765 to 780 and 780 to 793, the rates were 23.95% and 23.90% respectively above USR.

According to Note 2 of Chapter 10 of the USR, the lead for flag-stones, mosaic and terrezo tiles should be measured from the nearest railway station or market place which ever is nearer. In this case, however, the contractor was allowed payment of lead for 160.5 kilometers from the Satanwada quarry although the nearest railway station (Kailaras) from the work site is located at a distance of 20 kilometres only and the USR rates covered transportation cost from source to the nearest railway station. This resulted in extra expenditure of Rs. 1.02 lakhs.

The Chief Technical Examiner (Vigilance), to whom the matter was referred (May 1979) by Audit, agreed (September 1980) that in view of the specific provision under Note 2 of Chapter 10 of USR, lead from Satanwada quarry was not payable as it was a percentage tender based on USR. The Superintending Engineer also confirmed (September 1981) that lead from Kailaras rail head could only be paid. The payment of extra lead in contravention of the provisions of USR resulted in a avoidable extra expenditure of Rs. 1.02 lakhs.

The matter was last reported to the Government in February 1981, reply is awaited (March 1982).

4.4. Payment for work not done

The contractor, engaged on the earth work on bund puddle and boulder toe of khudri tank (estimated cost; Rs. 4.84 lakhs), under the Irrigation Construction Division, Bilaspur, was paid Rs. 2.75 lakhs by the Sub-Divisional Officer, Irrigation Construction Sub-Division, Pendra Road (Bilaspur) on two running bills upto 31st March 1979, on the basis of measurements recorded by the Sub-Engineer. Test-check of measurements, on the basis of which 1st running bill was paid (December 1978) to the Contractor, was conducted by the Sub-Divisional Officer but no test-check was conducted before making payment (March 1979) through the second running bill. After the second running bill was paid, the contractor left the work incomplete and did not resume the work despite repeated reminders and consequently, the contract was rescinded (November 1979) by the Executive Engineer. The contractor submitted (February 1980) his third and final running bill but, on the measurements being checked by the Executive Engineer in the presence of the contractor (measurements

not accepted by him so far), it was found that the quantities of work executed in respect of 15 items for which payments had already been made were much less, (Rs. 1.57 lakhs) and in respect of six items, for which payment of Rs. 0.37 lakh had been made (1st running bill : Rs. 0.03 lakh; second running bill : Rs. 0.34 lakh), no work was executed at all.

The overpayment on account of inflated measurements and for work not actually done, amounted to Rs. 1.94 lakhs. However, an amount of Rs. 0.27 lakh only was available with the Division as security deposit of the contractor. The Executive Engineer stated (May 1981) that notice had been served on the contractor under section 80 C.P. C. for effecting recovery of the balance amount over paid i.e., Rs. 1.67 lakhs. Further developments are awaited (December 1981).

The matter was reported to the Government in September 1980, reply is awaited (March 1982).

4.5. OverPayment for earth work

The work of construction of Pakariya tank was awarded in October 1976 by the Executive Engineer, Construction Division, Bilaspur to 33 piece workers through work orders for Rs. 10,000 or less each by splitting up the work without obtaining the approval of the Superintending Engineer. Upto February 1979, Rs. 3.85 lakhs were paid by the Sub-Divisional Officer, Irrigation Sub-Division, Pendra Road to piece workers for execution of 67,370 cubic metres of earth work (as against 55,604 cubic metres provided for in the estimates), watering, compaction, etc. The work was inspected on 23rd March 1979, by the Chief Technical Examiner (Vigilance) who, in his report dated 14th May 1979 observed, *inter alia*, that the 'work done was of mundane quality and due to poor compaction excess payments were being made' and that 'there appeared to be no source of water for compaction in the dry season'. The work done up to February 1979 was again measured (February 1980) by the Executive Engineer when it was found that only 20,703 cubic metres of earth work were actually executed by the piece workers, as against 67,370 cubic metres already paid for, involving overpayment to the tune of Rs. 2.78 lakhs.

The Executive Engineer admitted (July 1980) to the Superintending Engineer, Maniyari Hasdeo Circle, Bilaspur that the earth work was done and paid for without proper checking. He stated further that the whereabouts of piece workers, who had executed the work, were not known and that the excess payment of Rs. 2.78 lakhs was recoverable from the then Sub-Divisional Officer and Sub-Engineer incharge of the work. Further developments regarding recovery of overpayment are, however, awaited (March 1982).

It was further noticed in audit that—

- (i) in a number of cases, proper agreements were not executed with the piece workers;
- (ii) test-check of measurements of the work done by the piece workers was also not done by the executive Engineer as required under rules.

The case was referred to Government in March 1981: reply is awaited (March 1982).

4.6. Overpayments to contractors

Under the financial and accounting rules and departmental regulations, the Sub-Divisional Officers should exercise certain essential checks before authorising payment to contractors through running account and final bills. It was, however, noticed in audit (November 1979 and March 1980) that in 24 cases, the required checks were not exercised before authorising running payments, and on actual measurements at the time of finalisation of claims (September 1978 and October 1979), overpayments totalling Rs. 3 lakhs were found to have been made to the contractors between April 1974 and February-August 1977 in Tawa Distributory Division No. I, Harda (Rs. 0.48 lakh) and Irrigation Division, Baikunthpur (Rs. 2.52 lakhs).

Out of Rs. 3.00 lakhs overpaid, Rs. 0.16 lakh were recovered (October 1979) from the security deposits of the contractors and the balance of Rs. 2.84 lakhs was debited (February 1979 ; Rs. 0.48 lakh: October 1979 ; Rs. 2.36 lakhs) to the suspense head 'Miscellaneous Public Works Advances.' Subsequently, an amount of Rs. 0.49 lakh was adjusted, in March 1981 accounts, against other dues of the contractors. The balance amount of Rs. 2.35 lakhs is still (September 1981) lying unadjusted. The unadjusted amount of overpayment fell under the following categories:—

| Nature | Number of bills | Amount |
|--|-----------------|-------------------|
| (1) | (2) | (3) |
| | | (Rupees in lakhs) |
| Inflated measurements | 13 | 1.51 |
| Inflated measurements and payment at incorrect rate(s) | 6 | 0.84 |
| Total | 19 | 2.35 |

Further progress regarding the recovery from the contractors is awaited (December 1981)

The matter was reported to the Government in April 1980; reply is awaited (March 1982).

4.7. Extra expenditure due to incorrect classification of strata

As per note 2 (e) in Chapter 4 of the Unified Schedule of Rates (USR) for irrigation works in force from 1st February 1977, soft or ordinary rock includes 'limestone, sand stone, hard laterite, hard copra, hard conglomerate or other disintegrated rock which may be quarried or split with crow bars with casual light blasting, if required for loosening the strata'. Hard rock, on the other hand, 'comprise any rock fissured, jointed or other-wise for the excavation of which the use of mechanical plant or blasting is required'.

The Bhatapara Canal Construction Division, Raipur got earth work excavation (June 1977 to June 1980) for canal done through the agency of piece workers. Even though limestone was encountered during excavation, piece workers were paid at the rate of Rs. 224.76 per 10 cubic metres (20 per cent above the USR), being the rate fixed by the Superintending Engineer, Mahanadi Circle, Raipur for piece work contracts for excavation in hard rock instead of at the rate of Rs. 85.60 per 10 cubic metres (20 per cent below USR), applicable for excavation in soft or ordinary rock. The Executive Engineer classified the strata as hard rock on the ground that blasting was required for excavation.

The Superintending Engineer had directed (July 1979) the Executive Engineer to keep material-at-site account for the limestone excavated. No such account was, however, kept and the actual quantities of lime stone excavated were, therefore, not ascertainable. However, 94,654.92 tonnes of lime stone (equivalent to 49,818.38 cubic metres) were sold to a cement factory during August 1979 to November 1980 by this Division, and on this quantity alone, there was excess payment of Rs. 6.93 lakhs to the piece workers at the rate of Rs. 139.16 per 10 cubic metres due to the wrong classification of limestone as hard rock.

On this being pointed out by Audit, the Executive Engineer contended (March 1980) that limestone was not always a soft rock and that any rock which could not be excavated without blasting was considered as hard rock. Scrutiny by Audit revealed, however, that no blasting material was issued by the department to the piece workers and the piece workers, being petty contractors, could not have maintained magazines for safe custody of explosives and used it in excavation, as contended (March 1980) by the Executive Engineer.

The Chief Technical Examiner (Vigilance), to whom the case was referred to (April 1980) by Audit confirmed (September 1981) that the limestone available in Bhatapara Canal area did not require blasting and that blasting was neither contemplated in the agreement nor carried out.

The matter was reported to the Government in January 1980; reply is awaited (March 1982).

4.8. Infructuous expenditure on canal excavation

The Bilaspur diversion scheme, administratively approved (October 1976) by the Government envisaged construction of a low diversion weir (estimated cost : Rs. 43.60 lakhs) near Bilaspur, across the river, Arpa, and a 45 kilometres long carrier canal (estimated cost; Rs.51.60 lakhs) to irrigate an area of 13,500 acres. The Kharang Irrigation Division, Bilaspur started (December 1976) the work of excavation of canal even before the formulation of detailed estimates and approval of the alignment of the canal (December 1977) by the Chief Engineer. Meanwhile, the Central Water Commission advised (September 1977) the Chief Engineer, Mahanadi Godavari Basin, Raipur that the Bilaspur diversion scheme might be dropped for the following reasons ;—

- (a) The Arpa river project, which could supply assured irrigation to areas covered by Bilaspur diversion scheme, was in an advanced stage of consideration.
- (b) The proposed canal system was unduly long and nearly 50 per cent of the length of the canal commanded less than 20 per cent of the proposed area and first 10-11 kilometres had no command area at all.
- (c) A major part of the expenditure would turn out to be infructuous after completion of the Arpa river project.

On 18th. May 1979, the pre-construction estimates of Rs. 187.71 lakhs for Arpa river were administratively approved by the Government. Meanwhile, despite the recommendations (September 1977) of the Central Water Commission to the contrary, the work of canal excavation was continued and was stopped only in September 1979 after excavation of the first 10 kilometres of the canal at a cost of Rs. 27.28 lakhs, reportedly due to its high cost and necessity for approval of the revised estimate by the Government. Out of Rs. 27.28 lakhs, expenditure of Rs. 26.82 lakhs was incurred after September 1977.

The Superintending Engineer, Maniyari Hasdeo Circle, Bilaspur intimated (July 1980) to the Chief Engineer, Mahanadi Godavari Basin, Raipur that the diversion weir was originally proposed to be combined with the road bridge work under execution on the Bilaspur-Seepat Road but due to non-availability of foundation and also objection of the Public Works Department against the use of the bridge for weir, the proposed construction of the diversion weir was abandoned. The Chief Engineer also confirmed (July 1980) that the command area of Bilaspur diversion scheme fell under the Arpa river project, the work on which was taken up in January 1980.

Thus, the expenditure of Rs. 27.28 lakhs on part construction of the carrier canal was rendered infructuous due to (a) commencement of the work without adequate survey especially in regard to the command area of the scheme; (b) improper planning and excavation of canal without even finalising the site of the diversion weir; and (c) failure to take note of the factors brought out by the Central Water Commission as early as in September 1977

The matter was reported to the Government in July 1981; reply is awaited (March 1982.)

4.9. Drinking Water supply in Problem villages—State Sector Scheme

1. *Introductory.*—The Public Health Engineering Department (PHED) had, between 1972 and 1981, surveyed 63,678 villages (population: 331.08 lakhs) out of 70,883 villages (population: 348.70 lakhs) in the State, as per 1971 census, with a view to identifying the 'Problem' villages for providing drinking water facilities. 'Problem' villages are those which (a) either have no assured source of drinking water within a reasonable distance (1.6 kilometres) or within a depth of 15 metres, or (b) suffer from excess of salinity, iron or fluoride or other toxic elements hazardous to health, or (c) in which sources of water are exposed to cholera or guinea worm infestation.

Out of 63,678 villages surveyed upto March 1981, 44,792 villages (Population: 207.21 lakhs) as against 8,400 in March 1969, were identified as 'Problem' villages. The large increase in the number of 'Problem' villages was due to scanty rainfall in various parts of the

state and severe drought during 1979-80 all over the State, apart from the fact that the survey undertaken since 1972 was extensive. Out of 44,792 villages identified as 'Problem' villages, 39,233 villages were declared as such by Collectors for taking up water supply schemes as per procedure prescribed for the purpose. Out of these 39,233 villages, 34,301 'Problem' villages (population: 175.73 lakhs) were brought within the purview of the State sector scheme "Drinking water supply in Problem Villages" launched in 1956 and 25,573 villages (population: 112.32 lakhs) were covered upto March 1981.

Even though 25,573 'Problem' villages were covered by drinking water supply schemes under the State Sector completed upto March 1981, it was not known whether the norm of 50 litres per capita per day which was considered adequate and satisfactory was fulfilled or not. In October 1980, it was decided by the Engineer-in-Chief that each 'Problem' village should be provided with one tubewell, so that a larger number of 'Problem' villages could be provided with at least one dependable source of drinking water. Due to change in the norm, the number of villages covered increased considerably during 1980-81 (target; 2,000: achievement; 7,195). However, information whether the barest minimum per capita requirement of 15 litres of drinking water per day as prescribed in Rural Water Supply Guide Book was met with was not available with the department.

2.0 *Test-check.*—Test-check of the records relating to the implementation of the scheme in 4 circle offices (out of 10) and 15 divisional offices (out of 57) was conducted between September 1980 and July 1981. Results of the test-check, supplemented by the information furnished by the Engineer-in-Chief, are set out in the paragraphs which follow.

2.1 *Unsuccessful tubewells.*—(i) A tubewell was considered unsuccessful when (a) drilling was not possible in difficult strata in a bore or (b) source of water was not available even after drilling upto 60 metres or more, or (c) source of water found after drilling was quite inadequate to meet the requirement. No norms for margin of failure have been fixed by the department. Out of 51,785 tube-wells drilled till March 1981, 4,367 (8.43 per cent) were unsuccessful. On the basis of the estimated drilling cost of a tubewell (Rs. 5,960 as estimated in 1971) the outlay on unsuccessful tubewells amounted to Rs. 260.27 lakhs. Further, 4,049 out of 47,418, successful tubewells drilled till March 1981, were not provided with hand pumps due to non-availability of pumps of standard specifications affecting thereby a population of 10.12 lakhs in 2,600 'Problem' villages.

(ii) While the overall percentage of unsuccessful tubewells upto March 1981 was 8.43, the percentage of unsuccessful tubewells in case of departmental works was 21.66 (total bores: 17,827; unsuccessful bores; 3,861) as against 1.43 per cent (total bores: 33,958; unsuccessful bores: 506) in respect of tubewells executed through contractors. The high failure rate in respect of departmental works was mainly due to lack of hydrogeological survey as there was only one Hydrogeologist with the department. The Department stated (September 1981) that proposal for creation of additional posts of Hydrogeologists was under consideration.

During January 1977 to September 1981, the departmental Hydrogeologist had surveyed 1,012 sites for tubewells in 38 out of 47 divisions. During 1980-81, out of 5,310 departmental works, only 421 were at sites surveyed by the Hydrogeologist and of these 396 (94 per cent) were reported (September 1981) by the Engineer-in-Chief to be successful. Out of the remaining 4,889 works executed without survey, 3,612 (73.9 per cent) were successful and 1,277 (26.1 per cent) unsuccessful. The latter having cost Rs. 76.11 lakhs. Had adequate survey of the 4,889 sites, been undertaken, it would have cost the Department about Rs. 12.22 lakhs (at Rs. 250 per site as charged by private agencies).

(iii) 21,186 tubewells with hand pumps, constructed by the PHED were handed over during 1974-75 to 1977-78 to *Gram Panchayats* for maintenance. As the latter were unable to maintain the hand pumps properly, the Government decided in February 1978 to take over the maintenance from the *Gram Panchayats*. Out of these, 14,339 (value; Rs. 1075.43 lakhs)

were found to be out of order. Of these, 1,921 (value; Rs. 144.08 lakhs) were choked or the casing pipe lowered therein was broken. The remaining 12,418 tubewells/hand pumps were repaired by the PHED during March 1978 to March 1981 at a cost of Rs. 122.57 lakhs. Meanwhile, 9,450 villages with population 35.85 lakhs were adversely affected by the 14,339 damaged tubewells/hand pumps.

(iv) In 13 out of 15 divisions covered during test-check, out of a total of 13,309 'Problem' villages (population: 57.53 lakhs), 9,472 'Problem' Villages (population: 35.02 lakhs) were actually covered upto March 1981. As regards the remaining 3,837 'Problem' villages (population: 22.51 lakhs), wells in 1,030 'Problem' villages (population: 6.02 lakhs) were total failures and work in 2,807 'Problem' villages (population: 16.49 lakhs) had not been taken up (November 1981).

2.2. Performance of departmental rigs.

(i) *Slow rigs.*—The department had 24 slow rigs (value; Rs. 12 lakhs) since 1956 out of which one rig was not working. During 1980-81, these rigs had drilled 570 bores. (They were suitable for drilling in alluvial strata). Test-check of records of the Gwalior (Mechanical) division showed that three slow rigs run on petrol had drilled 30 tubewell bores in 1979-80 and 33 bores in 1980-81 involving extra cost of Rs. 4,800 per bore as compared to the cost in the case of diesel operated rigs. 15 out of 23 slow rigs were dieselised upto 1979-80. No action has been taken (November 1981) for dieselisation of the remaining 8 rigs although operation of each such rig meant an extra expenditure of Rs. 0.77 lakh (approximately) in a year.

(ii) *Fast rigs.*—The department had, in all, 114 fast rigs (value; Rs. 13.52 crores approximately). The performance of various types of rigs during 1980-81 *vis-a-vis* their capacity is indicated in the table given below;—

| Type of rigs | Number of rigs | Total number of months of actual working | Monthly capacity | Capacity for 1980-81 | Actual performance | Shortfall (—) excess (+) | Numbr of rigs with below average performance |
|--------------|----------------|--|------------------|----------------------|--------------------|--------------------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | | | | | | | |
| | | | | | | (Number of bores) | |
| L. M. P. | 5 | 96 | 4 | 384 | 420 | (+)36 | 5 |
| L & T | 7 | | | | | | |
| COP-4 | 25 | 271 (COP : 200) | 5 | 1,355 | 1,684 | (+)329* | 9 |
| B B E | 4 | | | | | | |
| Helco | 5 | | | | | | |
| I. R. 4" | 3 | 67 | 6 | 402 | 364 | (—)38 | 7 |
| Helco | 2 | | | | | | |
| BBE 4 | 1 | | | | | | |
| LMP 4" | 4 | | | | | | |
| I. R. 6" | 21 | 329 | 8 | 2,632 | 2,366 | (—)266 | 36 |
| WDS | 9 | | | | | | |
| BEC | 12 | | | | | | |
| LMP | 5 | | | | | | |
| Helco | 2 | | | | | | |
| KRD | 2 | | | | | | |
| B. 80 | 4 | 27 | 10 | 270 | 255 | (—)15 | 2 |
| Rotamec | 3 | 18 | 15 | 270 | 221 | (—)49 | 2 |
| Total | 114 | 808 | | 5,313 | 5,310 | | 61 |

*The monthly capacity of a COP—4 rig as reported by PHE (Mechanical) Division, Ujjain is 8. On this basis, there was actually a shortfall of 271 bores.

(a) Out of these 114 rigs, performance of 61 rigs was below capacity. Of these, 43 rigs (value: Rs. 5.22 crores) were purchased by the department during the period from June 1979 to November 1980. There were delays in commissioning and repairs by the suppliers during the warranty period resulting in shortfall in performance in respect of 43 rigs to the extent of 148 bores. Further, 18 old rigs with the department registered short performance of 41 bores.

(b) As the targets for departmental rigs were not fixed realistically in the case of COP-4 rigs, more work out of the yearly programme was allotted to private agencies with the result that 600 number of bores were got done through private contractors involving extra cost of Rs. 42 lakhs.

(c) The standard depth of a tubewell bore was fixed as 200 feet in the Current Schedule of Rates (CSR). The total depth of 4,008 successful and 1,302 unsuccessful departmental works executed by the mechanical divisions during 1980-81 was 8.52 lakh feet. The average depth was thus 160 feet, showing in all saving of 2.10 lakh feet depth. However, drilling work at alternative sites was not taken up to achieve the overall target of 10.62 lakh feet depth. Had this been done, 1,312 more works (2.10 lakh \div 160 feet) could have been executed departmentally (average cost: Rs. 0.07 lakhs per tubewell) achieving a saving of Rs. 91.84 lakhs as compared to the higher cost of execution through contractors (average cost: Rs. 0.14 lakh per tube-well).

2.3. *Drilling performance by contractors.*—During the period from November 1979 to May 1980, the Government entrusted 2,275 drilling works to eight contractors having fast rigs, on the basis of negotiated rates which worked to about 120 per cent above the CSR. The prevailing rates of contractors having slow rigs were 50 to 100 per cent above the CSR. One contractor was entrusted with drilling of 1,160 bores in 19 districts till 30th June 1980, but he could drill only 246 bores upto June 1980. The contractor was granted (November 1980) extension of time by the Government upto 15th December 1980 without any penalty on 914 works delayed by him and without getting his bank guarantee extended beyond 31st July 1980. The Engineer-in-Chief stated in June 1981 that the firm had not completed the work and the case of penalty was being dealt with separately. Thus, the object of expediting and completing the works till June 1980 by entrusting to a contractor having fast rigs was not achieved even after payment of rates approximately 20 per cent higher than the prevailing rates involving extra expenditure of Rs. 16.45 lakhs on 914 tubewells.

In Guna division, 12 tube wells were drilled by the same contractor in November-December 1980. Full payment for these bores amounting to Rs. 1.93 lakhs was made within 15 days of the boring, without inspection by the Assistant Engineer/Executive Engineer as provided in the contract, on the basis of check measurements recorded by the sub-engineer. In January 1981, the Executive Engineer reported to the Superintending Engineer that the strata inside these tubewells had collapsed rendering them useless. The matter was reported by the Superintending Engineer to the Chief Engineer. Further developments are awaited March 1982.

2.4. *Irregularities in purchase of stores.*—

(i) Reserve limit of stock to be held by Bastar (Mechanical), Kanker and Rajnandgaon Divisions was fixed by the Engineer-in-Chief as Rs. 14 lakhs, Rs. 7 lakhs and Rs. 10 lakhs respectively for 1979-80 and 1980-81. It was noticed that the reserve limit of stock was exceeded in Bastar (1980-81: Rs. 32.92 lakhs), Kanker (1980-81: Rs. 13 lakhs) and Rajanadgaon (1979-80: Rs. 14 lakhs; 1980-81: Rs. 22.32 lakhs) Divisions.

Heavy purchases of stores material were made in Bastar (Mechanical), Kanker, Satna, Shabdol and Rajnandgaon Divisions on the basis of limited enquiries inspite of the orders of the Government (November 1972) that such purchases of stores should be made by the divisional officers/circle officers in urgent cases and reported forthwith to the higher authorities

explaining the nature of the urgency. In Bastar, Kanker, Satna and Rajnandgaon Division, 290, 36, 742 and 154 supply orders of value Rs. 12.10 lakhs, Rs. 16 lakhs, Rs. 31.78 lakhs and Rs. 3.95 lakhs respectively were placed by the Executive Engineers during 1980-81 (in case of Satna during 1979-81) on the suppliers on the basis of limited enquiries by keeping the value of individual orders within their powers (Rs. 5,000). No report regarding such purchases was made to the higher authorities as contemplated in Government orders.

(ii) In Ambikapur Division, stores material worth Rs. 19.55 lakhs, purchased on the basis of quotations during 1979-80 and 1980-81 was charged directly to works. However, the same was lying unused (February 1981).

(iii) The Superintending Engineer, Rewa Circle, placed orders for hand pumps and spares costing Rs. 30.00 lakhs, during 1979-80 on the basis of traders' price lists, keeping the value of each order within his powers (Rs. 7,500). Neither the approval of the Departmental Purchase Committee was obtained nor were the higher authorities intimated about the urgency of these purchases.

The rates of INDIA MARK II hand pumps charged by the suppliers had increased from Rs. 740 (April 1979) to Rs. 860 (July 1979), Rs. 1,040 (November 1979) and Rs. 1,170 (January 1980). Out of 300 hand pumps purchased during 1979-80, 50 were purchased at the rate of Rs. 740 to Rs. 860, 50 at the rate of Rs. 1,040 and 200 at the rate of Rs. 1,170. Thus, due to splitting the orders, there was extra expenditure of Rs. 0.71 lakh on the purchase of 250 pumps.

The rates of various hand pump spares, such as brass cylinder, ball bearing, spacer, nut bolts, etc., quoted by the traders increased by 25 to 45 per cent month by month. Purchase of spares at increased rates by splitting the requirement resulted in extra expenditure of Rs. 2.50 lakhs on the total purchases of Rs. 10 lakhs made after September 1979.

3. Summing up.—

(i) Out of 70,883 villages in the State, 39,233 were declared as 'Problem' villages upto March 1981; Water Supply Schemes were completed in 25,573 (out of 34,301) villages under the State Plan Scheme upto March 1981.

(ii) Out of 51,785 tube-wells, 4,367 tube-wells, involving outlay of Rs. 260.27 lakhs were unsuccessful. Of the completed works, 1,921 tube-wells with hand pumps (value: Rs. 144.08 lakhs) were found damaged and irreparable on taking them back from the *Gram Panchayats* in February 1978 while 12,418 tube-wells in 9,450 'Problem' villages had to be repaired, 4,049 successful tube-wells in 2,600 villages were not provided with hand pumps.

(iii) Out of 114 fast rigs, 61 were giving drilling performance below their capacity. In the year 1980-81, the shortfall on account of under rating of capacity of 25 COP-4 rigs was 600 bores.

The overall percentage of unsuccessful wells was 8.4 but in case of departmental works, it was as high as 21.6. This was due to drilling works being taken up without adequate survey.

(iv) A contractor having fast rigs, who was given the work of drilling 1,160 bores at negotiated higher rates for completion upto June 1980, could drill only 246 bores till then; extension of time was granted for the remaining 914 works. The extra expenditure of Rs. 16.45 lakhs on account of higher rate, did not serve the purpose.

In one division the bills for 12 bores (cost: Rs. 1.93 lakhs) drilled by the same contractor were paid without inspection by the Assistant Engineer/Executive Engineer as provided in the contract on the basis of check measurements recorded by the Sub-Engineer. These bores were, however, found unfit for use as the strata inside these bores were found collapsed.

(v) In one circle, hand pumps and spares worth Rs. 30 lakhs were purchased in 1979-80 by issuing piece meal orders resulting in extra cost of Rs. 3.21 lakhs due to enhancement of rates month by month.

In five divisions, purchases of stores valued at Rs. 83.38 lakhs were made on limited enquires by keeping the requirements within the powers of the purchasing authorities.

Matters mentioned above were reported to the Government in September 1981; reply is awaited (March 1982.)

HOUSING AND ENVIRONMENT DEPARTMENT

4.10. Extra expenditure due to award of work without inviting tenders

Labour rate contracts for RCC frame work for construction of blocks of Heads of Department building at Bhopal were awarded to two different contractors in April 1975. Under the agreements, the Department was to supply all materials, including metal and sand, for supply of which, at the rates of Rs. 36.56 and Rs. 41.41 per cubic metre respectively, it had earlier entered into agreements with other agencies. However, as none of these agencies could keep pace with the requirement of these two items, the Department awarded (December 1975) the work of supply of metal and sand to the same labour contractors at a negotiated rate of Rs. 103 for the total quantity of both items required for one cubic metre of finished concrete of the frame work.

It was observed in audit (October 1979) that the rates as per tenders received (September 1976) by the Department in the same circle were Rs. 50 and Rs. 45 per cubic metre of metal and sand respectively. The Department was also having a *Bazar* Supply agreement for 1975-76 for supply of both the items (metal and sand) at Rs. 39.59 and Rs. 42.80 per cubic metre respectively. Based on the *Bazar* Supply agreement rates, the rate for the total quantity of both these items required for one cubic metre of finished concrete worked out to Rs. 56 and that based on the tendered rates to Rs. 65.90 against the negotiated rate of Rs. 103 per cubic metre. Even taking into account the rate of Rs. 65.90 per cubic metre based on market rate, the extra expenditure for a total quantity of 24,759.82 cubic metres of the finished concrete (paid up to May 1981 in 29th and 25th running bills for North and South Blocks respectively) worked out to Rs. 9.19 lakhs.

On this being pointed out (November 1979) in audit, the Superintending Engineer stated (November 1980) that the allotment of work or supply of metal and sand to the labour contractors to the rate of Rs. 103 was justified as departmental supply of materials for such a big work was not possible, that the maintenance of accounts of departmental supply would have been a 'herculean task' and that there would have been rifts between labour contractors and supply contractors. He stated further that it was therefore considered necessary by the Department to entrust the work of supply of metal and sand to the same labour contractors who were entrusted with the construction of both blocks of the building. The plea advanced by the Department was not tenable as the decision to award the work of RCC frame work to labour contractors was taken (April 1975) by the Department after rejecting complete rate offers; received for the same work in October 1973; the difficulties stated by the Superintending Engineer could well have been anticipated by the Department at that stage itself. Further, the allotment of work of supply of metal and sand by negotiations was in contravention of the departmental regulations according to which contract should have been awarded only after inviting tenders.

The case was referred to the Government in February 1980; reply is awaited (March 1982).

PUBLIC WORKS DEPARTMENT

4.11. Construction of building for Medical College at Rewa

(i) *Extra expenditure due to delay in acceptance of tenders.*—Percentage rate tenders were invited by the Executive Engineer, Public Works (B&R) Division, Rewa on 10th March 1970 for the work of construction of the main building for the Medical College at Rewa (estimated cost: Rs. 24.15 lakhs). According to clause 22 of the Notice inviting tenders (NIT), iron and steel required for the work was to be procured by the contractor at his own cost

and payment for the same was to be made as for completed items of work provided in the Current Schedule of Rates (CSR), with due allowance for percentage above or below CSR tendered and accepted. The lowest rate quoted by Contractor 'A' (tender opened on 5th May 1970 and valid for four months) was 19.99 per cent above the CSR. He also offered another rate of 9.99 per cent above the CSR if steel for reinforcement was supplied by the department and labour rate paid for this item. The Chief Engineer recommended (18th July 1970) the second rate (9.99 per cent above the CSR with departmental steel) for acceptance but no decision was taken by the Government within the validity period of the offer and the Contractor withdrew his offer on 28th November 1970. No tender was received in response to the second call issued in February 1971. The lowest tender of 'Contractor 'B' received in response to the third call issued in March 1971, which was 29.98 per cent above the CSR, was accepted in July 1971 by the Government. This delay in taking a decision on the lowest tender, received in response to the first call, resulted in an extra liability of Rs. 5.18 lakhs.

The Government stated (March 1981) that on receipt of Chief Engineer's recommendations for acceptance of the rate with departmental supply of steel, both the alternatives given by the contractor were examined and the firm opinion of the Chief Engineer was sought in order to ascertain the exact position of the supply of steel, by which time the validity period was over. It was stated further that a quick decision could not be taken due to the very fluid position regarding supply of steel. This reply, however, does not take into account the fact that the second offer of the Contractor (9.99 per cent above the CSR with departmental steel) was not in conformity with the conditions set out in the NIT and should, therefore, not have been considered. Further, the very fact that the position regarding availability of steel was fluid as contended by Government was an additional factor which could have been taken into consideration for not considering the second offer of the Contractor.

(ii) *Non-recovery of advances to Contractor.*—Contractor 'B', who was awarded (October 1971) the work, was granted on different occasions, secured advances on the security of materials brought to the works site. He stopped the work in June 1974. At the time he stopped the work (contract was rescinded in October 1974), the material on the security of which secured advance of Rs.1.75 lakhs was granted was not available at site. After adjusting the amounts due to the contractor, an amount of Rs.1.24 lakhs remained recoverable from him. Besides, Rs.2.35 lakhs were recoverable from the contractor towards interest at the rate of 12 per cent per annum on the balance amount of secured advance recoverable to end of June 1981.

Government intimated (March 1981) that amounts totalling Rs.0.73 lakh lying in the name of the contractor in the Rewa (Rs.0.17 lakh) and Karali (Rs.0.56 lakh) Divisions had been kept back and that a departmental enquiry had been ordered against the then Executive Engineer concerned. Further developments are awaited (March 1982).

CHAPTER V
STORES AND STOCK

5.1. Non-receipt of accounts

According to Government instructions, annual consolidated accounts of stores and stock showing, *inter-alia*, stock at the beginning of the year, receipts and issues during the year and balance at the end of the year are to be furnished to Audit by July every year by departments holding stores and stock. The annual consolidated accounts from the following departments for the years mentioned against each have not been received (November 1981):—

| Sl. No. | Name of Department | Nature of Stores | Year(s) for which accounts not received | Remarks |
|---------|--|--|---|--|
| (1) | (2) | (3) | (4) | (5) |
| 1. | Food | Grains | 1973-74 to 1980-81 | Accounts from 1968-69 to 1972-73 received but discrepancies remain to be reconciled. |
| 2. | Dairy Development | Plant and machinery and miscellaneous stores | 1980-81 | Accounts from 1974-75 to 1979-80 received but discrepancies remain to be reconciled. |
| 3. | Fisheries | Miscellaneous Stores | 1974-75 to 1980-81 | .. |
| 4. | Agriculture — | | | |
| | (a) Grow More Food Scheme | Seeds, manures, fertilizers, culture and implements | 1977-78 to 1980-81 | .. |
| | (b) Pesticides and Plant Protection Scheme | Do. | 1975-76 to 1980-81 | .. |
| | (c) Others | Live-stock, machines/tools and implements, seeds, cattle-feed, manures, fertilizers and miscellaneous stores | 1975-76 to 1980-81 | .. |
| 5. | Jails | Dietary articles, clothing and bedding. Manufactory-tools and plant, raw materials and finished goods | 1980-81 | Accounts from 1976-77 to 1979-80 received but discrepancies remain to be reconciled. |
| 6. | Medical | Consumables (medicines, bedding, clothing, minor instruments and DDT powder) | 1977-78 to 1980-81 | .. |
| | | Non-consumables (heavy plant and machinery, major instruments and vehicles) | Do. | .. |
| 7. | Forest | Timber and other products | 1976-77 to 1980-81 | .. |
| | | Instruments, plant and machinery, livestock & other stores | | |

| Sl. No. | Name of Department | Nature of Stores | Year(s) for which accounts not received | Remarks |
|---------|--------------------------------|---|--|---|
| (1) | (2) | (3) | (4) | (5) |
| 8. | Public Health | Consumables (medicines, bedding, clothing, minor instruments and DDT powder) Non-consumables (heavy plant and machinery, major instruments and vehicles) | 1977-78 to 1980-81 Do. | Accounts for 1975-76 and 1976-77 received but discrepancies remain to be reconciled. Do. |
| 9. | Veterinary (Animal Husbandry). | Stores and live-stock | 1979-80 and 1980-81 | .. |
| 10. | Excise | Opium | 1979-80 and 1980-81 | Accounts from 1969-70 to 1978-79 received but certain subsidiary accounts are awaited. |
| 11. | Stationery & Printing | Consumable stores and other stores | 1980-81 | .. |
| 12. | Separate Revenue | Stamps | 1979-80 (Awaited from Treasury Officers Seoni and Ujjain). 1980-81 (Awaited from Treasury Officers, Durg, Jabalpur, Rewa, Tikamgarh, Guna and Sehore). | Accounts from 1976-77 to 1978-79 received but certain discrepancies are to be reconciled. |
| 13. | Labour and Employment | Miscellaneous Stores | 1980-81 | .. |

Non-preparation of accounts could result in shortages and even embezzlements going unnoticed for long periods.

5.2. Reserve limit of stock

Stores and stock accounts of 147 divisions (Public Works : 26; Irrigation: 109; Public Health Engineering : 12), out of 459 divisions (Public Works: 113; Irrigation: 276; Public Health Engineering: 70) received upto August 1981 in Audit showed that reserve limit of stock had not been fixed for 56 divisions (Public Works: 13; Irrigation: 43). The value of stock held by these 56 divisions on 31st March 1981 was Rs. 6.51 crores.

While 25 divisions did not have stock of stores, in 14 divisions (Irrigation: 10; Public Works: 1; Public Health Engineering: 3), out of the remaining 66 divisions, for which reserve limit of stock had been prescribed, the value of stock held on 31st March 1981 (Rs. 1.59 crores, exceeded the prescribed limit (Rs. 1.31 crores) by Rs. 0.28 crore.

In the Forest Department, reserve limits of stock have not been fixed after 1967-68,

5.3. Stock registers and stock verification

(i) Information received upto August 1981 from 147 out of 459 divisions disclosed that registers of stock for the year ending March 1981 had not been closed and reviewed in 77 divisions (Public Works: 16; Irrigation: 53; Public Health Engineering: 8).

(ii) The financial rules require that stores should be verified, the reasons for shortages/excesses investigated and adjustments made promptly. According to the information furnished upto August 1981 by 147 divisions, stores had been verified partly in 9 divisions (Public Works: 4; Irrigation: 3; Public Health Engineering: 2) and had not been verified in 4 divisions (Irrigation: 2; Public Health Engineering : 2). Shortages totalling Rs. 3.12 lakhs in 15 divisions (Public Works: 9; Irrigation: 6) were awaiting investigation and adjustment at the end of August 1981.

5.4. Minus balances in stores and stock accounts

The stores and stock accounts of 6 divisions (Public Works: 2; Public Health Engineering: 1; Irrigation : 1; Tubewell Construction : 2), as on 31st March 1981, had minus balances totalling Rs. 54.35 lakhs. Of these, the Tubewell Construction Division, Morena (now merged with the Tubewell Construction Division, Gwalior) and the Tubewell Construction Division III, Bhopal had minus balances of Rs. 26.74 lakhs and Rs. 22.22 lakhs respectively. The minus balances are indicative of non-adjustment of (i) profit due to issue rates being higher than the procurement rates and (ii) value of stock of material transferred from one division to the other.

5.5. Surplus stores

Stores worth Rs. 6.29 lakhs, including pipes of value Rs. 1.99 lakhs lying for over five years with Irrigation Division, Shajapur and iron material of value Rs. 0.54 lakh with Narmada Development Division No. 21, Sanawad (Rs. 0.17 lakh), Piparia Branch Canal Division, Sohagpur (Rs. 0.17 lakh) and TDPP Irrigation Division, Jagdalpur (Rs. 0.20 lakh) for over two years, declared surplus to requirement, were lying without disposal in 8 divisions.

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

5.6. Purchase of medicines

During 1977-78 and 1978-79, the Director of Health Services purchased medicines manufactured by the Indian Drugs and Pharmaceuticals Limited (a Government of India Undertaking) at bulk supply rates on which the manufacturers allowed rebate ranging from 2 to 10 per cent, the rebate payable for the year 1978-79 was being assessed.

In June 1979, the Director of Health Services instructed all the field officers under him to spend only 50 per cent of the budget allotment for purchase of medicines for the year 1979-80, as the Government intended to set-up a Central Purchase Organisation in the Directorate of Health Services. In July 1979, the Director of Health Services forwarded to the field officers a list of 188 medicines for which tenders had been invited (July 1979) and instructed them to purchase these medicines to meet their requirement upto December 1979, by which time tenders valid for 12 months from the date(s) of execution of agreement(s) were expected to be finalised.

In response to the tenders invited (July 1979) by the Director of Health Services, 77 firms submitted their tenders on 10th August, 1979. The preliminary scrutiny of tenders was completed by the middle of September 1979. The criteria for acceptance/rejection of the tenders in terms of the conditions incorporated in the tenders were approved by the Director of Health Services in the last week of October 1979, and, accordingly, tenders of 24 (out of 77) firms were found (November 1979) to be in order. However, as the tenders found to be not in order included the tenders of three Government of India Undertakings which had not complied with certain minor requirements, such as production of income-tax/sales tax clearance certificates, furnishing of figures of sales, etc., the matter was reported (November 1979) by the Director of Health Services to the Government for decision. (The Central Purchase Committee at the Government level decided January 1980) that all

the tenders should be included in the comparative statement. The committee further directed that the difference in rates due to embossing the words 'M. P. Government Supply-Not for Sale' on each packing/label, as stipulated in the tender documents, should be worked out. Accordingly, a comparative statement was prepared (February 1980) but it was proposed (February 1980) by the Director of Health Services to the Government that the process of purchase of medicines through Central Purchase Organisation may be given up because, due to steep rise in the prices of medicines during the preceding 2-3 months, the firms would not make the supplies at their quoted rates, and secondly, the embossing on packages, etc., in terms of the tender documents would involve additional payment at the rate of 12.5 per cent on account of Central excise duty which would result in huge extra expenditure. He also informed (February 1980) Government that the field officers had already been instructed (January 1980) by the Directorate of Health Services to go ahead with the purchase of medicines within their financial powers, so that the budget allotment was utilised before the close of the financial year.

The records relating to the purchase of medicines during 1979-80 were test-checked (January 1981 to June 1981) by Audit in the offices of 50 (out of 112) Drawing and Disbursing officers and the following points came to light:—

(i) The assumption of the department that embossing of packages/labels, etc., to distinguish the purchase by the Government, would involve huge extra expenditure was incorrect in view of the clarification given (March 1980) by the Government of India received by the State Government in May 1980, to the effect that no additional liability on account of central excise duty would be involved on such purchases.

(ii) Due to delay at every stage in processing the tenders and failure to take a decision on the tenders, the purchase of medicines could not be made on bulk supply basis, which would have earned rebate of not less than Rs. 2 lakhs on purchases from IDPL alone as in the previous two years.

(iii) 24 firms whose tenders were considered valid by the Director of Health Services had quoted their rates for 165 medicines out of 188 medicines for which tenders were invited. A comparison of the rates quoted by these firms with the rates at which 154 of these medicines were purchased at a cost of Rs.76.70 lakhs by the various district/medical College hospitals covered by the test-check revealed that the medicines were generally purchased at rates much higher than the lowest rates received by the Director of Health Services and the extra cost on this account during 1979-80 worked out to Rs.18.51 lakhs of which Rs.7.76 lakhs related to the purchases (value: Rs.36.95 lakhs) made during January to March 1980.

The matter was reported to the Director of Health Services and the Government in August 1981. In his reply (November 1981), which was endorsed (January 1982) by the Government, the Director of Health Services stated that instructions had been issued for formation of District purchase committees to avoid purchase of same medicines at different rates by different offices situated at same place. Further, while agreeing that centralised purchase of medicines, would be economical and also ensure quality, uniformity and regular supply of medicines to public through medical institutions in the State, the Director of Health Services intimated that proposals submitted by him to the Government, from time to time, for creation of a Central Purchase Organisation were awaiting Government's acceptance. Further developments are awaited (March 1982).

5.7 Purchase of transfusion fluids

Mention was made in para 5.14 of the Report of the Comptroller and Auditor General of India for the year 1976-77 (Civil) about extra expenditure of Rs.5.52 lakhs on purchase of transfusion fluids by five major hospitals during the years 1972-73 to 1976-77 due to non-execution of rate contracts, delay in execution of agreements, non-acceptance of the lowest rates, etc. The Public Accounts Committee, in its 49th Report (April 1981) directed,

inter alia, that the responsibility for the extra expenditure might be fixed. Some further cases are mentioned below:—

Rate contracts for supply of transfusion fluids during 1979-80 at Rs.3.85 per bottle were entered into (April 1979) by the Director of Health Services with two manufacturers at Indore and Ratlam. However, in the last week of September 1979, the Drug Controller suspended the licences of both these manufacturers for a period of 15 days and one month respectively. The Director of Health Services, therefore, instructed, on 10th October 1979, all the field officers that pending resumption of production by the two manufacturers, the transfusion fluids might be purchased from a Madras based firm through its distributor at Bhopal, at rates ranging between Rs.5.90 and Rs.6.20 per bottle as approved by the Director General of Supplies and Disposals (DGSD). These instructions were revoked by the Director of Health Services on 14th November 1979 and the field officers were instructed to purchase transfusion fluids from the Indore firm at the revised approved rate of Rs.4.30 per bottle.

Test-check (May-August 1981) disclosed that 0.96 lakh bottles of transfusion fluids were purchased during April to September 1979 and December 1979 to March 1980 at higher rates outside the rate contracts by three major hospitals in the State resulting in extra expenditure of Rs.1.47 lakhs as detailed below:—

(i) In Hamidia Hospital, Bhopal, 0.29 lakh bottles were purchased from the Madras firm during April 1979 to September 1979 and December 1979 to January 1980 involving extra expenditure of Rs.0.58 lakh. The Joint Director and the Superintendent of the Hospital stated (June 1981) that the transfusion fluids manufactured by the Ratlam based firm were found to be sub-standard and that the Indore based manufacturer had stopped production. It was, however, noticed that both the manufacturers had made supplies during the same period to other hospitals.

(ii) In Jai Prakash Hospital, Bhopal, 0.16 lakh bottles were purchased during April 1979 to September 1979 and December 1979 to January 1980 involving extra expenditure of Rs.0.29 lakh. No reasons for purchase outside the rate contract were furnished by the Civil Surgeon and Superintendent of the Hospital.

Thus, purchase of transfusion fluids at higher rates outside the rate contracts resulted in extra expenditure of Rs.1.47 lakhs.

The matter was reported to the Government in August 1981; reply is awaited (March 1982).

5.8. Non-functioning of deep therapy X-ray unit

One Deep Therapy X-ray machine purchased (March 1973) from a Bombay based company at a cost of Rs.2.93 lakhs was installed at Dau Kalyan Singh Hospital, Raipur in April 1973. The machine went out of order seven times during the guarantee period of one year and 18 times during the period from April 1974 to August 1976. It was lying without repairs since 27th August 1976; Rs.0.08 lakh was spent on repair of the machine upto that date. The X-ray tube shield of the machine, removed for repairs by the Engineer of the company on 17th February 1977, had not been returned (September 1981) by the company. The company had submitted (September 1977) an estimate of Rs.2.40 lakhs for replacement of the X-ray tube shield. The Head of the Radiology Department, Medical College, Raipur recommended (September 1979), however, condemnation of the machine stating that it would not be proper to replace the tube shield at such high cost, as with the development of technology, the conventional deep therapy X-ray unit had minimum efficacy. The final decision in the matter, is however, still awaited (March 1982).

The matter was reported to the Government in February 1981; reply is awaited (March 1982).

REVENUE DEPARTMENT

5.9. Idle machine

One printing machine costing Rs.1.77 lakhs, purchased in March 1980 for the Government Press at Rajnandgaon, was installed and commissioned in April 1980. The warranty period of the machine was upto 12th March 1981. It went out of order in May 1980 due to break-down of its catch assembly. This was attributed by the firm (September 1980) to the negligence of the operator of this machine and the firm held that such breakage was not covered by its warranty. The Engineer of the firm, who visited the Press in September 1980, intimated that the skill of the operators was below average and suggested that they be got trained. The contention of the firm was not accepted by the Department which directed the firm (January 1981) to replace the damaged part. No action had been taken by the firm to replace the broken part and the machine was lying idle for want of repairs (August 1981).

The matter was reported to the Government in July 1981; reply is awaited (March 1982).

AGRICULTURE DEPARTEMNT

5.10. Avoidable expenditure on purchase of jeeps

The Director of Agriculture placed in December 1978 and March 1979 orders on a Bombay based firm for supply of 35 jeeps required for implementation of various development programmes such as intensive agriculture extension, etc. at DGSD rates and also agreed to make full payment in advance in order to get the supplies early. The jeeps were to be supplied within six to eight weeks of the supply order at the rate as on the date of supply.

Rupees 17.69 lakhs, required for making advance payment were drawn from the treasury in March 1979 on receipt of *pro forma* invoices from the supplier. The amount was, however, remitted to the firm between May 1979 and January 1980. Meanwhile, the Central excise duty on motor vehicles was enhanced from March 1979, the DGSD rates were revised upwards in April and October 1979 and the transportation charges were raised by the firm in March and September 1979. The firm demanded extra payment aggregating Rs.3.68 lakhs on account of rise in price, etc., in respect of 35 jeeps, of which Rs.2.39 lakhs were on account of the increase in price after October 1979. As the extra payment demanded was not made promptly, the firm ultimately supplied 30 jeeps (27 in January and one each in February, March and April 1980). The remaining five jeeps were not supplied (December 1980) by the firm pending full settlement of its extra claims, against which the Director of Agriculture had paid Rs.0.99 lakh in April 1980 and Rs.0.61 lakh drawn in March 1980, in May 1981.

The 30 jeeps supplied by the firm involved extra payment of Rs.2.04 lakhs due to the price escalation, effective from 23rd October 1979; the extra payment in respect of the five jeeps still to be supplied by the firm would be known when the jeeps are actually supplied. The extra payment could have been avoided had the advance payment been made to the firm immediately after the drawal of the amount from the treasury in March 1979. It was noticed that 41 jeeps, for which order was placed with the same firm in November 1978 by the Director of Agriculture and advance payment of Rs. 19.76 lakhs was made in December 1978, were supplied by the firm in January 1979. The Directorate of Agriculture stated (December 1980) that advance payment in full could be made to the firm only on receipt of the Government's sanction which took time.

Thus, delay in remittance of advance payment to the firm in terms of the supply order, even though the money had been drawn, defeated the purpose of getting the supplies early and also resulted in avoidable extra expenditure of Rs.2.04 lakhs in respect of jeeps supplied already. The reasons for the delay in obtaining Government sanction for the payment of advance were not furnished.

The above facts were reported to Government in August 1980: reply is awaited (March 1982).

CHAPTER VI

FINANCIAL ASSISTANCE TO AUTHORITIES AND BODIES

6.1. During 1980-81, Rs. 150.98 crores were paid as grants (15 per cent of the total revenue expenditure) to educational institutions, local bodies, etc., as shown below.—

| | (Rupees in crores) |
|---|--------------------|
| Educational institutions | 19.73 |
| Municipalities, local bodies, etc., on account of compensation for octroi duty abolished. | 27.81 |
| Municipalities, local bodies, panchayats, etc., for other purposes .. | 6.60 |
| Co-operative societies | 6.15 |
| Khadi and Village Industries Board, Handicrafts Board, etc., .. | 3.56 |
| Religious, charitable and public institutions and voluntary bodies .. | 3.87 |
| Town Improvement Trusts and Housing Board | 0.71 |
| Others | 82.55 |
| Total .. | 150.98 |

6.2. Receipt of Utilisation Certificates

The financial rules require that, where grants are given for specific purposes, the administrative authorities should furnish within a reasonable time certificates to Audit to the effect that the grants were utilised for the purpose for which they were paid.

Out of 33,674 certificates (Rs. 89.49 crores) to be furnished in respect of grants upto March 1980, 11,477 certificates (Rs. 17.33 crores) were received, leaving 22,197 certificates (Rs. 72.16 crores) to be received from the following departments :—

| Serial Number | Department | Number of certificates awaited | Amount |
|---|------------|--------------------------------|---------------------------|
| (1) | (2) | (3) | (4) (Rupees in crores) |
| 1. Education | | 1170 | 14.53 |
| 2. Public Health Engineering | | 1980 | 11.33 |
| 3. Tribal and Harijan Welfare | | 4988 | 10.26 |
| 4. Co-operation | | 677 | 9.27 |
| 5. Agriculture | | 210 | 7.83 |
| 6. Panchayat and Rural Development | | 7790 | 5.68 |
| 7. Commerce and Industry | | 143 | 5.34 |
| 8. Animal Husbandry | | 1025 | 1.67 |
| 9. Public Health and Family Welfare | | 838 | 1.49 |
| 10. Local Government | | 365 | 1.05 |
| 11. General Administration | | 895 | 1.03 |
| 12. Other Departments | | 2116 | 2.68 |
| Total .. | | 22197 | 72.16 |

These certificates pertained to grants given in the following years :—

| Year of payment of grant | Number of certificates awaited | Amount |
|-----------------------------------|--------------------------------|-------------------|
| (1) | (2) | (3) |
| | | (Rupees crores) |
| 1975-76 and earlier years | 3,408 | 6.09 |
| 1976-77 | 1,612 | 5.93 |
| 1977-78 | 2,940 | 10.36 |
| 1978-79 | 5,466 | 18.8 ¹ |
| 1979-80 | 8,771 | 30.97 |
| Total.. | 22,197 | 72.16 |

In the absence of these certificates, it is not practicable for Audit to know even in a general way whether the recipients have spent the grants for the purpose(s) for which these were given.

AGRICULTURE DEPARTMENT

6.3. Short term loans to Madhya Pradesh Agro-Industries Development Corporation for purchase and distribution of pesticides

Madhya Pradesh Agro-Industries Development Corporation, a State Government undertaking (Corporation), was granted four short term loans totalling Rs. 80.00 lakhs between September 1974 and March 1980 for purchase and distribution of pesticides to the farmers in drought-affected areas of the State. The loans were repayable by the Corporation within 6 to 16 months and carried interest ranging from 6.5 to 9.5 per cent per annum; penal interest was chargeable in case of default. Test-check (July 1980 and July 1981) of the accounts of the Director of Agriculture revealed that repayments of the loans were generally delayed, interest (including penal interest) on three out of the four loans was not paid at all and Rs. 46.73 lakhs (Principal : Rs. 28.30 lakhs; Interest : Rs. 18.43 lakhs) were outstanding against the Corporation as on 30th June 1981. The department had no information (July 1981) regarding the amount spent on procurement of pesticides and the kind and quantity of pesticides purchased and distributed by the Corporation to the farmers in the drought-affected areas. The State Financial Rules stipulate that a certificate of utilisation of loan should be furnished to Audit in every case of loan made for specific purpose even if conditions are not specifically attached to the loan. However, the Director of Agriculture stated (July 1981) that utilisation of the loans was not watched as the Government orders sanctioning the loans did not contain any provision to that effect.

The matter was reported to the Government in November 1980; reply is awaited (March 1982).

AGRICULTURE (FISHERIES) DEPARTMENT

6.4. Financial assistance to Fish Farmers

Development Agency, Raipur.— Raipur District Fish Farmers Development Agency, Raipur (Agency) was registered (August 1973) as a society to implement the Pilot Project for intensive development of pond fish culture in the district under a scheme sponsored by the Government of India. During 1973-74 to 1979-80, the Agency was paid Rs. 10.04 lakhs (grants-in-aid : Rs. 8.91 lakhs and loans : Rs. 1.13 lakhs) by the State Government out of the funds provided by the Government of India. The main functions of the Agency were to select suitable persons for undertaking intensive fish culture, to train them in modern techniques of fish farming and to make available to them water areas, fish seed, inputs and the capital required for intensive fish farming by effectively involving financing institutions.

A test-check of the accounts records of the Deputy Director of Fisheries, Raipur, through whom the grants and loans were paid, and the information furnished (January and April 1981) by the Agency revealed the following :—

(i) *Improper utilisation of grants and loans.*—The details of the grants and loans paid to the Agency upto March 1980 and the actual utilisation thereof are indicated below :

| Particulars (1) | Amount received | | Actual expenditure | |
|--|-------------------|-------------|--------------------|-------------|
| | Grant (2) | Loan (3) | Grant (4) | Loan (5) |
| | (Rupees in lakhs) | | | |
| Salaries, Vehicles and other contingent and Farm expenditure | 6.23 | .. | 8.07 | .. |
| Training | 1.09 | .. | 0.75 | .. |
| Subsidies for reclamation | 0.47 | .. | .. | .. |
| Inputs to fish farmers | 1.12 | 1.13 | 0.22 | 0.70 |
| Total .. | 8.91 | 1.13 | 9.04 | 0.70 |

The unspent amount of Rs. 0.30 lakh formed part of the closing balance with the Agency as on 31st March 1980. In the utilisation certificates furnished (June 1980) by the Agency, it was certified that the amounts of grants-in-aid received were spent for the purposes for which these were sanctioned. It may be observed that Rs. 1.84 lakhs were spent more on salaries of staff and contingent expenditure by diversion of grant intended for training of fish farmers and for giving subsidies for inputs and reclamation of ponds without approval of the Government on the plea that adequate funds were not provided by the Government as per the demand made by the Agency from time to time.

(ii) *Training to Fish Farmers.*—The Agency was paid Rs. 1.09 lakhs as grants-in-aid during 1974-75 and 1975-76 for providing long-term training to 83 candidates and short-term training to 150 candidates at selected State Fish farms.

The Agency provided long-term and short-term training to 62 and 94 candidates respectively and provided water areas to 74 out of the 156, trained persons by utilising grants amounting to Rs. 0.75 lakh during the period 1974-75 to 1979-80. The *Gram Panchayats*, in whom the control of village ponds was vested, were, however, reluctant to provide tanks to the Agency on long term lease for fish culture but effective steps to get over this difficulty were not taken by the State Government.

Of the 74 fish farmers to whom 192.10 hectares of water area was provided by the Agency, 26 fish farmers discontinued the fish culture over an area of 59.63 hectares after one to four years of start of the operations, reportedly due to objections raised by the *Gram Panchayats* and the local villagers.

(iii) *Reclamation of water area.*—In 1975-76, the Agency was given Rs. 0.47 lakh as grant-in-aid for payment of subsidies to the fish farmers for reclamation of ponds. But the amount was not utilised by the Agency as bank finance could not be arranged because the fish farmers were too poor to furnish adequate security and the State Government did not guarantee repayment of the loans. However, most of the water areas (existing tanks) provided to the fish farmers by the Agency were stated (April 1981) to have been got deweeded out of the Government funds for scarcity relief.

(iv) *Inputs.*—During 1974-75 and 1975-76, the Agency was paid by the Government Rs. 2.25 lakhs (loan : Rs. 1.13 lakhs; grant : Rs. 1.12 lakhs) for providing inputs to the fish farmers on subsidy-cum-loan basis. The actual expenditure incurred for the purpose upto 31st March 1980 was Rs. 0.92 lakh (loan : Rs. 0.70 lakh; subsidy : Rs. 0.22 lakh). The table below indicates the supply of inputs by Agency to the fish farmers vis-a-vis the requirement during different years :

| Year | Water area covered under fish culture | Requirement of inputs | | | Inputs actually provided | | |
|---------|---------------------------------------|--------------------------|----------------------|----------|--------------------------|----------------------|----------|
| | | Fish seed | Fertilisers | Ricebran | Fish seed | Fertilisers | Ricebran |
| (1) | (2) (In hectares) | (3) (Number in lakhs) | (4) (In quintals) | (5) | (6) (Number in lakhs) | (7) (In quintals) | (8) |
| 1975-76 | 98 | 4.90 | 980 | 588 | 5.25 | 49 | 18 |
| 1976-77 | 146 | 7.30 | 1,460 | 876 | 5.73 | 33 | 15 |
| 1977-78 | 156 | 7.80 | 1,560 | 936 | 6.17 | 35 | 2 |
| 1978-79 | 148 | 7.40 | 1,480 | 888 | 7.23 | .. | .. |
| 1979-80 | 132 | 6.60 | 1,320 | 792 | 6.41 | 8 | .. |

From the information furnished (April 1981) by the Agency for the period 1975-76 to 1979-80, it was observed that, in 44 cases, the fish seed was not supplied at all, in 24 cases, it was less than 50 per cent of the requirement, while in 26 other cases, the fish seed supplied exceeded more than double the requirement.

The Chief Executive Officer stated (April 1981) that the fish seed in some cases was supplied in excess of the requirement to make up, at least by number if not by weight, the loss of production caused by non-supply of fertilisers and other inputs. The non-supply or less supply of fish seed in certain cases was attributed (January 1981) by the Agency to :

- (a) non-receipt of indent for fish seed within the time schedule.
- (b) inaccessibility of a number of villages in the monsoon season.
- (c) non-deposit of cost of fish seed by the fish farmers in second and subsequent years.

The fertilisers and other inputs were stated (January 1981) by the Agency to have been supplied in negligible quantities due to objections raised by the local people and the *Gram panchayats* to contamination of water allegedly caused by these inputs.

It was observed that, contrary to what was envisaged in the project report, loans and subsidies amounting to Rs. 0.26 lakh and Rs. 0.08 lakh respectively were given to the fish farmers in 56 cases (out of 74) for the second round.

(v) *Production of fish.*—According to the Project Report, the annual production of fish was to be raised from the existing level of 600 to 700 kilograms per hectare to 1,500 kilograms per hectare. The information furnished (April 1981) by the Agency, however, showed that during 1976-77 to 1979-80, annual average production of fish in the ponds patronised by the Agency ranged between 80 and 277 kilograms per hectare which was far below the normal production. The average production of 277 kilograms per hectare during 1976-77 dropped to 80 kilograms per hectare during 1977-78 and stood at 104 and 214 kilograms per hectare during 1978-79 and 1979-80 respectively. The optimum production of 1,500 kilograms or more per hectare was obtained only in one pond of 1.15 hectares during 1976-77 and another pond of three hectares during 1979-80. The Agency advanced (April 1981) the following reasons for low production of fish :—

- (a) The ponds leased to the fish farmers were seasonal or semi-seasonal and renovation thereof could not be done due to non-availability of the bank finance.
- (b) Some ponds were flooded during monsoon season resulting in washing away of the fish.
- (c) Fertilisers and other inputs were not used in required quantities.

- (d) Some of the ponds were not adequately stocked with fish seed.
- (e) There was pilferage of fish by local people.
- (f) Some farmers did premature extraction of fish due to drought conditions or low water level in the ponds.

(vi) *Loans to fish farmers.*—Against Rs. 0.70 lakh advanced by the Agency to the fish farmers by way of supply of inputs, etc., Rs. 0.34 lakh were recovered upto the end of December 1980; the amount of interest and penal interest, if any, recoverable from the fish farmers had not been worked out. The outstanding amount included Rs. 0.14 lakh from 16 fish farmers who had not paid even a single instalment towards the repayment of the loan.

The matters mentioned above were reported to Government in June 1981; reply is awaited (March 1982).

AGRICULTURE (VETERINARY) DEPARTMENT

6.5 Financial assistance under Special Live-stock production programme

1. *Introduction.*—With a view to assisting small/marginal farmers and agricultural labourers in supplementing their income through subsidiary occupations, the Government of India formulated, in March 1975, a programme for cross-breed calf-rearing and poultry, piggery and sheep production through these sections of the population during the Fifth Five Year Plan period. In Madhya Pradesh, the programme was launched in 20 districts during 1975-76 (13) and 1977-78 (7), and is being continued as a part of Integrated Rural Development Programme. In six districts, more than one subsidiary occupation programmes were taken up and, thus, calf-rearing, poultry production and sheep production programmes were being implemented in 15, 7 and 4 districts respectively; piggery production programme was not taken up in the State.

Under the programme, birds, sheep and rams and balanced feed for birds and cross-breed heifers were to be supplied to the beneficiaries by the Project authorities. Subsidies at different rates for heifers, sheep and poultry units (rates were slightly higher for marginal farmers and agricultural labourers than for small farmers) were to be provided by the Government through financial institutions which were to arrange loans for the balance amount to the beneficiaries.

A test-check of the accounts and records relating to implementation of the programme was conducted (October 1980 and April-May 1981) in the offices of the Director of Veterinary Services, Bhopal and 14 Project Officers covering calf-rearing, poultry production and sheep production in 9, 5 and 4 districts respectively. Important points noticed are mentioned in the succeeding paragraphs.

2. *Financial outlay and physical targets.*—(i) According to the guidelines issued (March 1975) by the Government of India, 1.08 lakh persons were to be benefited with a financial outlay of Rs. 1,027.50 lakhs in the form of subsidies under the programme in 20 districts of the State over a period of five years. Of these, 0.72 lakh beneficiaries requiring an outlay of Rs. 6,88.50 lakhs on subsidy related to the 14 districts covered by test-check. However, the Project Reports of these 14 districts as prepared by the State Government envisaged coverage of 0.58 lakh beneficiaries with an outlay (subsidy) of Rs. 5,65.78 lakhs only upto 1980-81.

Of Rs. 240.42 lakhs spent by the Government during 1975-76 to 1980-81 on implementation of the programme in the State (20 districts) Rs. 174.59 lakhs (Subsidies: Rs. 109.65 lakhs; establishment and contingencies: Rs. 64.94 lakhs) were spent in the 14 districts covered by test-check. Thus, in these districts, the expenditure on subsidies (Rs. 109.65 lakhs) worked to less than 20 per cent of the proposed financial outlay (Rs. 565.78 lakhs).

(ii) The physical targets of 57,800 beneficiaries envisaged in the Project reports were subsequently reduced substantially by the department, but even the reduced targets were not achieved as indicated below:—

| Components of the programme | Physical targets/achievements | | | Financial targets/achievements | | |
|-----------------------------|----------------------------------|--------------------------------------|---|------------------------------------|--|-----------------------------|
| | Targets as per project reports | Targets as reduced by the department | Targets achieved as claimed by the department | Outlay proposed in project reports | Revised outlay for the reduced targets | Actual expenditure incurred |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | <i>(Number of beneficiaries)</i> | | | <i>(Rupees in lakhs)</i> | | |
| Cross breed | 35,600 | 4,945 | 4,594 | 334.78 | 45.99 | 45.30 |
| Calf-rearing | | | | | | |
| Poultry Production | 12,600 | 2,565 | 2,100 | 132.00 | 19.23 | 40.81 |
| Sheep Production .. | 9,600 | 3,360 | 2,259 | 99.00 | 29.40 | 23.54 |
| Total | 57,800 | 10,870 | 8,953 | 565.78 | 94.62 | 109.65 |

The Project Officers intimated that the targets envisaged in the project reports had to be reduced substantially in respect of all the components of the programme keeping in view the practical difficulties, such as, non-availability of heifers, poultry birds, sheep and exotic rams, non-co-operation by the banks, non-availability of feed, lack of interest in the programme on the part of the beneficiaries, shortage of staff, drought conditions, etc. Non-achievement of even the reduced targets was also attributed to these difficulties. The achievements (8953 beneficiaries) were claimed by the department on the basis of drawal of amounts of subsidies from treasuries irrespective of whether the benefit was actually provided to the eligible persons or not. The test-check, however, revealed that 3389 persons claimed to have been benefited under the programme had not actually received any benefit upto date of audit as explained below:

(iii) Out of 8953 cases in which physical achievements were claimed by the department, 1196 cases (calf-rearing: 235; poultry production: 196 and sheep production: 765) involving subsidy of Rs. 11.83 lakhs did not materialise at all since 1079 beneficiaries refused to avail of the subsidies (Rs. 10.51 lakhs) and the banks declined to sanction loans in 117 cases after drawal of subsidy of Rs. 1.32 lakhs as the applicants had defaulted in repayment of previous loans and did not furnish securities. Out of Rs. 11.83 lakhs drawn as subsidies Rs. 9.00 lakhs (896 cases) were refunded into treasuries belatedly, the delays ranging from a year to over 3 years. The remaining amount of Rs. 2.83 lakhs relating to 300 cases was lying with the banks. Delay in refund/non-refund of amounts was attributed by the Project Officers to the time taken in persuading the beneficiaries to accept the programme and to the delay in receipt back of the amounts from the banks after the cases were finally dropped.

Of the remaining 7757 (8953—1196) cases, no benefit was actually received by the beneficiaries in 2193 cases in which subsidies totalling Rs. 41.26 lakhs were drawn and deposited in banks. These cases included 656 cases of calf-rearing (Rs. 7.09 lakhs) in which no feed was provided for heifers, 1045 cases (Rs. 28.43 lakhs) of poultry production in which even poultry houses were not constructed and 492 cases (Rs. 5.74 lakhs) of sheep production where no animals were supplied to the beneficiaries. The non-utilisation of subsidies was attributed by the Project Officers mainly to non-availability of (a) feed required for rearing calves, (b) sheep and exotic rams, (c) land with beneficiaries for construction of poultry houses and non-completion of formalities for sanctioning loans by the banks and lack of interest on the part of beneficiaries.

(iv) Thus, with reference to actual achievements as verified by Audit, the claim of physical achievement in respect of subsidies totalling Rs. 53.09 lakhs was not tenable and the proportionate central assistance of Rs. 33.77 lakhs claimed thereon by the State Government to end of 1980-81 in respect of the projects covered by test-check was excessive.

3. *Programme and performance.*—A—*Calf-rearing.*—(i) According to the scheme, the heifers were to be fed with balanced feed as per the prescribed schedule from 4th to 28th month of age. Out of 3703 heifers fed under the scheme in nine districts, the feeding had been or was being done according to the prescribed schedule in 485 cases only. In other cases, the feeding was either commenced late or/and was intermittent due to procedural delays in getting the subsidy, non-availability of feed, difficulties in transportation of feed, etc.

(ii) As the amount of subsidy was not adjusted according to the actual feeding done to the heifers upto the age of 28 months and also taking into account the number of heifers which died or were sold, there was excess payment of Rs. 4.06 lakhs in 1540 cases. Besides subsidies totalling Rs. 0.45 lakh in respect of the unutilised period of feeding were not got refunded in cases where the heifers died (number of cases: 57; subsidy: Rs. 0.36 lakh) or were sold (number of cases: 19; subsidy: Rs. 0.09 lakh) by the beneficiaries before their attaining the age of 28 months. The Project Officers agreed to take necessary action to get the excess payments of Rs. 4.06 lakhs refunded through the banks.

(iii) According to the Project reports, milk yield ranging from 1800 to 2000 litres per lactation was expected from the cows brought up under the scheme. Out of 1032 cases in which calving was reported to have occurred, the information regarding production of milk was furnished by the Project Officers in respect of 946 cases. The milk production was reported to be upto expectation or more in 561 cases out of these 946 cases. In Durg, Jabalpur, Raipur and Sagar districts, however, the overall milk yield was stated to be between 56 and 76 per cent of the expectation in 102 out of 109 cases reportedly due to lack of proper feeding of the cows by the beneficiaries. The scheme envisaged that suitable facilities for marketing milk should be developed and appropriate milk pricing policy should be laid down by the State Government to encourage production of cow's milk. However, the Project Officers intimated that most of the beneficiaries sold milk locally at rates varying from Rs. 1.25 to Rs. 2.50 per litre as they were not linked to the dairy plants in the Project areas. The Project Officer, Raipur stated (April 1981) that as the beneficiaries were scattered over a number of villages, the milk supply scheme did not agree to open milk collection centres in the areas.

B—*Poultry Production.*—(i) Out of 859 cases in which poultry units were established in the five districts, as found in test-check, 71 were only cases of replacement of birds in the existing units. The supply of birds to 298 units was made within 3 months of the drawal of the subsidy amounts. The delay in supply of the birds in the other cases ranged from 3 to 6 months in 137 cases, 7 to 12 months in 262 cases and 13 to 28 months in 78 cases. In 13 cases, the birds were not supplied (May 1981) although subsidies were drawn during 1979-80 and 1980-81. The poultry houses in these 13 cases were constructed only in October 1980 (2), February 1981 (1) and April 1981 (10).

The Project Officers attributed the delay in the supply of birds to the delay in construction of the poultry houses in turn due to delay in release of loans by the banks, non-availability of building materials and lack of interest on the part of the beneficiaries. It was however, noticed that supply of birds to 248 units was delayed for periods ranging from one, to eighteen months after completion of the poultry houses. The Project Officers stated that the delay in the supply of birds after completion of the poultry houses was due to non-availability of birds in the Government poultry farms.

(ii) The capital cost of 194 units was less than the ceiling cost envisaged in the scheme and Rs. 0.34 lakh were refundable to Government on that account. No action to get this amount refunded was taken by the Project Officers.

(iii) While working out the cost economics of the poultry units, the Project reports assumed production of eggs at 235 eggs per bird over a period of 12 months after which the culled birds were to be sold and replaced by new stock. It was expected that a unit of 50 layers would make a profit of Rs. 2,298 in every round of 12 months and after repayment of the loan and the interest on the reduced balance basis, would make a net yearly profit ranging between Rs. 1,167 and Rs. 1,705 during the period of five years at the end of which his loan liability would be completely liquidated.

80 units out of 775 units to which the birds were supplied had not reached the egg laying stage upto 31st March 1981 since the birds were supplied after November 1980. According to the information furnished by the Project Officers, the production of eggs in the remaining 695 units was 35.82 lakhs as against the expected production of 71.65 lakh eggs. The Project Officers stated that while there was a tendency on the part of the beneficiaries to under-report the production of eggs so as to avoid pressure for repayment of the loans, the lower production of eggs was due to poor management of the poultry units by the beneficiaries who did not get the training envisaged in the programme. The Project Officers stated that the training could not be arranged as the beneficiaries were reluctant to undergo training due to poor rate of stipend.

(iv) 392 units (subsidy paid: Rs.4.06 lakhs) out of 695 units in which production commenced, ceased to exist between 6 to 32 months. The closure of the units was attributed by the Project Officers to lack of interest on the part of the beneficiaries, refusal by the banks to provide assistance for the first replacement of birds due to default by the beneficiaries in repayment of the earlier loans and/or uneconomical working of the units. Only 53 out of 392 closed units had earned profit exceeding Rs. 600. An analysis by Audit of the remaining 339 closed units showed that 200 closed units incurred losses (upto Rs. 600: 155 units, exceeding Rs.600: 45 units) and that the profit earned by 139 closed units did not, in any case, exceed Rs. 600, the amount required for repayment of the first instalment of the loan and interest. The remaining 303 units were those which had been established in 1976-77 (2), 1977-78 (11), 1978-79 (16), 1979-80 (76) and 1980-81 (198). Of these, 132 units were reported to be running at a loss and 164 units at a profit (below Rs. 600: 63 units; above Rs. 600: 101 units); information in regard to 7 units was not available.

C—Sheep Production.—(i) Out of 1002 sheep production units established in the four districts as found in test-check, 418 units were established within 3 months of the drawal of the subsidy. The delay in establishment of the other 584 units ranged from 3 to 6 months in 218 cases, 7 to 12 months in 274 cases and more than 12 months in 92 cases. Further, the required number of 20 ewes were not supplied to 58 units and 270 units were supplied ewes but no rams. Delay in supply/non-supply of the animals was attributed by the Project Officers to non-availability of ewes and rams of good quality.

(ii) The capital cost of 733 units was less than the ceiling cost envisaged in the scheme and Rs. 1.03 lakhs were refundable to Government on that account. The Project Officers agreed to examine these cases and take further action in the matter in consultation with the banks.

(iii) Information furnished by the Project Officers in respect of 999 out of 1002 units, however, showed that 206 (subsidy paid: Rs. 2.04 lakhs) of these units established in 1976-77 (6), 1977-78 (70), 1978-79 (72), 1979-80 (53) and 1980-81 (5) ceased to exist reportedly because the beneficiaries sold their entire stock, one of the reasons given being that the beneficiaries could not afford the fodder cost. In 558 units, the strength of

the units was reported to have increased over the initial supply by 10 per cent to more than 30 per cent, while in the remaining 235 units, the number was less than the initial supply due to death/sale of animals.

(iv) According to the economics of the sheep production units as worked out in the Project Reports, a beneficiary would, during the first year of the establishment of the unit, make a net profit of Rs.75 if he was a small farmer and Rs.148 if he was a marginal farmer/agricultural labourer increasing progressively to Rs.1912 in the case of small farmer and Rs.1964 in the case of marginal farmer/agricultural labourer by the 5th year. Out of 793 units reported to be in existence, 485 units had worked for one year or more. Of these, information about the receipts realised by way of sale of lambs, wool, culled stock, etc., was furnished by the Project Officers in respect of 333 units. An analysis of this data revealed that only 23 units were viable while 255 units were not able to meet, out of their receipts, even the cost of feed.

4. *Other Points.*—(i) *Project registers and Vivaran Pustika* to be maintained by the Project Officers for detailing the status of the beneficiary, financial assistance sanctioned and released from time to time, details of health cover provided to the animals/birds, details of feeding, conceiving, calving of heifers, production of milk, eggs, wool, etc., expenditure incurred on and receipts realised from various activities and repayment of the loans, for their own use and for being furnished to the beneficiaries were either not maintained or were incomplete.

(ii) *Health cover.*—The scheme envisaged that health cover for all the diseases prevalent in the area should be provided through a calendar of operations to all the heifers, birds, and sheep covered under the programme. A test-check of the cases of heifers in Jabalpur district revealed that 162 out of 199 heifers were not vaccinated against foot and mouth disease as the beneficiaries were reported to be unable to bear half the cost of the vaccination required of them.

(iii) *Repayment of bank loans.*—Information about repayment of the loan under calf-rearing programme was furnished only by the Project Officer, Raipur in April 1981, when Rs.0.19 lakh was reported to be overdue for recovery in 51 cases where calving had occurred. Information about repayment of loan under the poultry/sheep production programme was not furnished by the Project Officers, Mandsaur and Sagar. In the remaining seven districts, Rs.7.66 lakhs were reported to be overdue for recovery in 722 cases. The arrears in recovery of the loans were reported to be due to closure of poultry/sheep units, non-co-operation by the beneficiaries and drought conditions in some areas.

(iv) *Utilisation certificates.*—Utilisation certificates against the subsidies were not furnished except by the Project Officers, Dhar, Khandwa, Raipur and Ujjain who had furnished utilisation certificates in all for Rs.6.18 lakhs in 686 cases out of Rs.25.94 lakhs drawn by them in 2459 cases.

5. *Summing up*—The facts mentioned above would show that—

- (i) The project reports for various components of the programme were prepared without taking into account the practical difficulties such as non-availability of heifers, poultry birds, non-co-operation by the bank, non-availability of feed, shortage of staff, etc., and, as a result, the physical targets had to be reduced by about 81 per cent.
- (ii) Achievements of the physical targets were claimed by the department even when no benefits were actually provided to the eligible persons. The actual achievements corresponded to less than 10 per cent of the projected targets and about 51 per cent of the reduced targets.

- (iii) Out of Rs.109.65 lakhs drawn on account of subsidies, Rs.53.09 lakhs were not utilised at all and the unspent amount was lying mostly with the banks/project officers for one month to five years. Rupees 64.94 lakhs were spent on establishment and contingencies against Rs.56.56 lakhs utilised on subsidies.
- (iv) Feeding of the cross-breed heifers was not done as per the prescribed schedule. Facilities were also not provided to the beneficiaries for proper marketing of milk.
- (v) Poultry/sheep production units were generally established long after drawal of the subsidies and most of these units did not prove viable with the result that instead of proving to be a source of supplementary income to the beneficiaries, the units become a burden on them in the shape of the bank loans. About 35 per cent of the units were closed prematurely.
- (vi) In some cases, subsidies to the tune of Rs.5.43 lakhs were paid in excess of the admissible amounts.
- (vii) Essential project records were not maintained properly in most of the districts.
- (viii) Information about repayment of the bank loans by the beneficiaries was not furnished by several Project Officers and that furnished showed that Rs.7.85 lakhs were overdue for recovery in 773 cases.
- (ix) Utilisation certificates against the subsidies were not furnished by Project Officers in most of the cases.

The facts mentioned above were reported to the Government in August 1981, reply is awaited (March 1982).

CO-OPERATION DEPARTMENT

6.6. Co-operative institutions

1. (a) *Investment in share capital.*—The position regarding total number of societies in the State registered under the Madhya Pradesh Co-operative Societies Act, 1960, as on 30th June 1979/1980/1981, their total paid-up capital, the number of societies in the share capital of which the Government had participated and the amount of investments is indicated below :—

| As on June 30th | Societies registered | | Societies with Government investments | |
|-----------------|----------------------|-------------------|---------------------------------------|-------------------|
| | Number | Paid-up capital | Number | Amount |
| (1) | (2) | (3) | (4) | (5) |
| | | (Rupees in lakhs) | | (Rupees in lakhs) |
| 1979 | 10,653 | 10545.61 | 10,146 | 4726.63 |
| 1980 | Not available | 11494.57 | 11,216 | 5343.36 |
| 1981 | Not available | Not available | Not available | Not available |

(b) *Financial assistance.*—The financial assistance granted to the institutions in various forms during the three years ending 30th June 1981 is indicated below :—

| Year | Share Capital | | Assistance granted in the form of | | | |
|---------|---------------------|-------------------|-----------------------------------|-------------------|---------------------|-------------------|
| | Number of societies | Amount | Subsidy | | Loan | |
| | | | Number of societies | Amount | Number of societies | Amount |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | (Rupees in lakhs) | | (Rupees in lakhs) | | (Rupees in lakhs) |
| 1978-79 | 1232 | 282.67 | 3731 | 239.46 | 425 | 683.69 |
| 1979-80 | 1070 | 616.73 | 1883 | 269.26 | 115 | 334.92 |
| 1980-81 | 6295 | 666.94 | 893 | 675.58 | 429 | 1137.40 |

During 1978-79 and 1979-80, 1,891 and 2,039 societies having Government investments incurred losses of Rs.421.98 lakhs and Rs.455.08 lakhs respectively.

troller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 of the records for the co-operative year 1976-77 and general review of the on-going schemes upto June 1981 are contained in the succeeding paragraphs.

3. *Subscriptions and contributions from affiliated co-operative institutions.*—

(a) No proper records were maintained to watch the receipt of annual membership subscription from the societies affiliated to the Union. The arrears of such subscription which stood at Rs. 1.18 lakhs due from 34 institutions as on 30th June 1976 increased to Rs. 2.20 lakhs due from 114 institutions as on 30th June 1980. Year-wise details of such arrears were not furnished by the Union.

(b) According to the information furnished by the Union, Rs. 10.12 lakhs were due from 85 member societies as contributions out of the profits earned upto 30th June 1980. The year-wise break-up had not been worked out. The Public Accounts Committee, in its 48th Report, recommended (April 1981) that the contributions payable by the member societies may be assessed and recovered on the basis of their final annual accounts subject to adjustment after audit of the accounts. No action in this regard was found to have been taken.

4. *Education of members of co-operatives.*—During the co-operative years 1976-77 to 1979-80, the Union received Rs. 45.24 lakhs as grants for arranging, through the peripatetic units, training courses for secretaries and members of central co-operative banks at district and branch levels, managing committee members, etc., of village level societies and members and prospective members. The expenditure incurred against these grants was Rs. 53.76 lakhs. The figures of expenditure against grant of Rs. 7.23 lakhs given under this scheme during 1980-81 were not readily available (August 1981) with the Union. While all the 86 sanctioned peripatetic units were operated during 1976-77 to 1978-79, the number of units were reduced to 67 and 66 during 1979-80 and 1980-81 respectively. The following table depicts the achievement of these units.

| Year | Actual units operated against sanctioned strength of 86 units | Duration of training (days) | Courses (Number of classes) | | | Trainees | |
|---------|---|-----------------------------|--------------------------------|--------------|---------|----------|------------|
| | | | Targets | Achievements | Targets | Actuals | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1976-77 | .. 86 | 28 | 43 | 20 | 860 | 751 | 87 |
| | | 5 | 1720 | 926 | 25800 | 14272 | 55 |
| | | 3 | 1720 | 1499 | 25800 | 30993 | 120 |
| 1977-78 | .. 86 | 28 | 43 | 6 | 860 | 102 | 12 |
| | | 5 | 1720 | 734 | 25800 | 10512 | 41 |
| | | 3 | 1720 | 2650 | 25800 | 50492 | 196 |
| 1978-79 | .. 86 | 28 | 31 | 1 | 620 | 11 | 2 |
| | | 5 | 1720 | 31 | 25800 | 484 | 2 |
| | | 3 | 1720 | 3338 | 25800 | 63998 | 248 |
| 1979-80 | .. 67 | 28 | 67 | 2 | 1005 | 35 | 3 |
| | | 5 | 804 | 388 | 12060 | 5538 | 46 |
| | | 3 | 2010 | 1714 | 30150 | 33470 | 111 |
| 1980-81 | .. 66 | 28 | 66 | 4 | 990 | 86 | 9 |
| | | 5 | 792 | 523 | 11880 | 8025 | 68 |
| | | 3 | 1980 | 2057 | 29700 | 36096 | 122 |

The Union attributed the shortfall in the achievements to non-sponsorship of sufficient number of trainees by the member societies and late receipt of grants for arranging the training.

5. *Co-operative training centres.*— (i) For training the employees of co-operatives and co-operative department of the Government at four co-operative training centres located at Agar, Bilaspur, Jabalpur and Nowgong, the Union received grants of Rs. 19.44 lakhs from the Government during the co-operative years 1976-77 to 1980-81 against which the expenditure incurred was Rs. 20.73 lakhs. The details of grants received, the expenditure incurred, the targets fixed and the number of persons actually trained during these years were as under :—

| Year | Grant received | Expenditure incurred | Number of trainees | | Percentage of actuals to target |
|-------------------|----------------|----------------------|--------------------|---------|---------------------------------|
| | | | Targets | Actuals | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| (Rupees in lakhs) | | | | | |
| 1976-77 | 3.50 | 3.75 | 840 | 335 | 40 |
| 1977-78 | 3.00 | 4.19 | 840 | 241 | 29 |
| 1978-79 | 4.00 | 3.94 | 840 | 192 | 23 |
| 1979-80 | 3.94 | 4.08 | 840 | 303 | 36 |
| 1980-81 | 5.00 | 4.77 | 840 | 397 | 47 |

The shortfalls in achievements were attributed by the Union to non-sponsoring of sufficient number of trainees by the co-operative bodies. The Union stated (August 1981) that committees would be formed at divisional and district levels to ensure admissions according to the capacity of training centres.

(ii) As per the orders of the Registrar, Co-operative Societies (February 1977) the co-operative bodies sponsoring candidates for training were to pay fees at the rate of Rs. 150 per trainee per session. Fees to the extent of Rs. 0.18 lakh were outstanding in respect of 118 trainees sponsored during 1977-78 to 1979-80.

6. *Special courses.*—During the co-operative year 1976-77, the Union received Rs. 0.11 lakh as grant for arranging short-term management courses, each of eight weeks duration in co-operative banking, marketing and auditing at the four training centres. The grant was utilised in full by training 53 persons against the target of 160. The scheme was discontinued from 1977-78 due to failure by the co-operative bodies and the department to sponsor candidates for the training.

7. *Propaganda and Publicity.*—During the co-operative years 1976-77 to 1980-81, the Union received Rs. 2.42 lakhs as grants for propaganda and publicity and spent Rs. 4.43 lakhs on this account; the income realised during this period from advertisements and sales of periodicals and books was Rs. 2.09 lakhs.

8. *Accounts and Audit.*—(a) Physical verification of the stores was not done. Scrutiny of the stock register showed that articles worth Rs. 0.28 lakh were not handed over (June 1980) by the storekeeper to the new incumbent. The Union stated (August 1981) that the matter would be investigated.

(b) Bank reconciliation statements to reconcile the balances as shown in the cash book with the balances in the bank records were never prepared.

(c) The final accounts of the Union were audited by the Registrar, Co-operative Societies upto the co-operative year 1977-78 and the accounts for the year 1978-79 were reported to be under audit. The final accounts for the years 1979-80 and 1980-81 had not been prepared (March 1982).

Summing up—

(i) Proper records were not maintained to assess and watch realisation of the subscriptions and contributions, which added upto Rs. 2.20 lakhs and Rs. 10.12 lakhs respectively by the end of June 1980, from the member societies.

(ii) The achievements in the field of co-operative education and training were much below the targets.

HOUSING AND ENVIRONMENT DEPARTMENT**6 8. Lease of a Hotel Complex by the Madhya Pradesh Housing Board**

A hotel complex at Indore constructed by the Madhya Pradesh Housing Board (B card) at a cost of Rs. 78.76 lakhs was leased to a private limited company of New Delhi for a period of 20 years from 1st April 1978. The agreement entered into with the lessee on 9th January 1978 provided, *inter alia*, that:

(i) The lessee shall pay to the Board monthly licence fee at the rate of Rs. 0.50 lakh during the first three years, Rs. 0.55 lakh during the fourth year, Rs. 0.60 lakh during the fifth and sixth years, Rs. 0.65 lakh during the seventh year and Rs. 0.70 lakh from the eighth year onwards.

(ii) The Board shall provide furniture, furnishing and decoration of rooms, restaurant, conference hall, etc., at a cost not exceeding Rs. 8.50 lakhs and replace the furniture, etc., after every five years at a cost not exceeding Rs. 1.25 lakhs on each replacement. The monthly licence fee payable by the lessee for the furniture, etc., shall be Rs. 5,000.

(iii) The lessee shall be entitled to a maintenance allowance equivalent to one month's licence fee for maintenance of the building, furniture, fixtures, etc.

(iv) All taxes connected with the building such as property tax, ground rent, etc., as in force from time to time, shall be paid by the Board.

(v) The property of the Board shall be duly insured and the insurance premia paid by the Board.

The following points were noticed (July 1980) in audit:—

(a) The recurring annual liability of the Board on the hotel complex building worked out to Rs. 8.52 lakhs as detailed below.—

| | (Rupees in lakhs) |
|--|-------------------|
| Interest at the pool rate of 8.5 per cent per annum on the borrowed funds utilised on construction of the building | 6.69 |
| Property tax on the building | 1.23 |
| Maintenance allowance payable to the lessee | 0.50 |
| Insurance premia (estimated) | 0.10 |
| Total | 8.52 |

The licence fee receivable by the Board over a period of 20 years would range between Rs. 6.00 lakhs and Rs. 8.40 lakhs per annum indicating that the lease arrangement on the terms agreed upon was not advantageous to the Board. During the three years ending March 1981 alone, the Board's loss on this account amounted to Rs. 7.56 lakhs.

(b) Acceptance by the Board of the commitment to furnish the hotel at its cost was unusual and the normal procedure prescribed for purchase of stores was not followed in as much as the lessee was allowed to select and purchase the furnishing and furniture; the Board had no say in the matter except for payment of bills to the extent of Rs. 8.50 lakhs.

(c) After taking into account the liability for replacement of the furniture, etc., falling on the Board under the agreement, the net licence fee for the furniture, etc., receivable by the Board worked to Rs. 0.35 lakh (0.60—0.25) per annum. As against this, the interest charges on Rs. 8.50 lakhs payable by the Board amounted to Rs. 0.72 lakh, resulting in a further loss of Rs. 0.37 lakh per year and Rs. 1.11 lakhs for the three years ending 31st March 1981.

(d) The lessee did not pay the licence fee regularly and the arrears on this account for the period from November 1978 to August 1981 amounted to Rs. 9.09 lakhs.

Thus, apart from not getting minimum return on its investment in the hotel complex at Indore, the Board sustained loss of Rs. 8.67 lakhs during the first three years of lease.

The above facts were reported to the Government in December 1980; reply is awaited (March 1982).

6.9. Special Area Development Authority, Korba

1. *Introductory.*—1.1. The Special Area Development Authority, Korba was constituted with effect from 3rd August 1973, under the *Madhya Pradesh Nagar Tatha Gram Nivesh Adhiniyam*, 1973, with the object of improving housing and environment by development of plots, providing municipal services and management of special area in the manner done by a municipal corporation under the *Madhya Pradesh Municipal Corporation Act*, 1956.

1.2. The accounts of the SADA for the years 1975-76 to 1977-78 were test-checked (March 1981) under Section 14 of the *Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act*, 1971 and the results are set out in the succeeding paragraphs.

2. *Accounting procedure.*—No accounting procedure has been prescribed by the Government for the SADA. The SADA, Korba in a resolution passed in February 1978, decided to adopt the *Nagar Palika Lekha Niyam*, 1971 from 1st March 1978. According to these rules Receipt and Payment Account, Memorandum of liabilities and claims have to be prepared. The SADA, Korba has, however, prepared only Receipt and Payment Account for the years 1975-76 to 1977-78.

3. *Unspent balances.*—The Authority had un-utilised grants and loans from Government amounting to Rs. 5.00 lakhs, Rs. 6.33 lakhs and Rs. 4.96 lakhs as on 1st April 1976, 1977 and 1978 respectively. No schemes were formulated before the loans were sanctioned by the Government.

4. *Expenditure on works.*—Following points were noticed in connection with the construction of shopping centre near I.T.I. Junction Scheme No. 8 under Revolving Fund Scheme.

The work was completed by the contractor on 8th June 1978 and the building was taken over by the Authority on 15th July 1978. Penalty leviable in terms of the contract for the delay in execution was not imposed on the contractor.

Actual cost of the work was Rs. 14.36 lakhs as against contract value of Rs. 6.00 lakhs and estimate of Rs. 11.79 lakhs.

Items finally executed were different from those mentioned in the schedule appended to the tender form and in the estimates.

The building which consisted of 10 shops and a banking hall, restaurant and kitchen in the ground floor, 22 rooms each in 1st and 2nd floors was taken over on 15th July 1978. The restaurant with kitchen which was expected to fetch a rent of Rs. 3,500 per month was still vacant (March 1981). It was stated by the authority that offers received so far in this regard were not beneficial to the Authority.

5. *Collection of Property Tax.*—Collection of property tax hitherto done by the State Excise Department was entrusted to the Authority from 1976-77. This is the major source of revenue for the Authority.

As the Assessment Registers were not complete in essential aspects the extent of loss of revenue to the Authority due to non-assessment and delay in assessment could not be verified.

6. *Environmental Improvement in Slum Areas.*—6.1. During 1975-76 to 1977-78, work of environmental improvement was taken up, at Pathanpara, Nayapara, Satnami Mohalla and Dhanwarpara and expenditure of Rs. 4.28 lakhs was incurred upto 1977-78 against grant of Rs. 7.50 lakhs received during 1976-77 and 1977-78. The environmental improvement scheme had, however, been taken up in areas not declared as slums under the relevant rules of the Government.

6.2. No time limit had been fixed nor any phased programme been drawn up for the completion of the work. Out of the five works (water supply, storm water drains, street lights, paving of lanes and construction of community latrines) to be taken up under the scheme, the construction of community latrines has not been taken up at all in any of these areas.

7. *Stores and Stock Accounts.*—No periodical verification of stores and stock had been done. Reserve stock limit of stores had also not been prescribed.

The matter was reported to Government (June 1981); reply is awaited (March 1982).

TOURISM DEPARTMENT

6.10 Loans to Madhya Pradesh State Tourism Development Corporation

Three loans totalling Rs. 10.16 lakhs were paid to the Madhya Pradesh State Tourism Development Corporation in February 1979 (Rs. 4.50 lakhs), March 1979 (Rs. 2.66 lakhs) and March 1980 (Rs. 3.00 lakhs) for purchase of vehicles (Rs.4.00 lakhs), purchase of a lodge at Mandu (Rs. 2.00 lakhs), minor works (Rs. 1.50 lakhs) and maintenance of tourist accommodation (Rs. 2.66 lakhs). The terms and conditions for repayment of the loan, including rates of interest and penal interest, were however, specified only in the order (March 1979) sanctioning loan of Rs. 2.66 lakhs while these had not been prescribed upto the date of audit (June 1981) in respect of the loans of Rs. 4.50 lakhs and Rs. 3.00 lakhs even though the sanction orders provided for finalisation of the terms separately. Meanwhile, the Corporation has not made any repayment of the loans/interest. Interest and penal interest to the tune of Rs. 0.45 lakh on the loan of Rs. 2.66 lakhs was outstanding against the Corporation as on 30th June 1981.

The Director of Tourism had also no information (June 1981) about utilisation of the three loans by the Corporation, although in the case of the loan of Rs. 4.50 lakhs, it was stipulated by the Government in the sanction (January 1979) that in case the amount was not utilised by the Corporation before the end of February 1979, the amount should be refunded immediately.

The matter was reported to the Government in July 1981; reply is awaited (March 1982).

CHAPTER VII COMMERCIAL ACTIVITIES

7.1. As on 31st March 1981 there was only one departmentally managed commercial undertaking viz. Sales Dispensary, Indore.

Mention was made in paragraph 7 of the Audit Report (Civil) for 1979-80 regarding transfer of the management of Milk Supply Schemes at Bhopal and Indore to the Madhya Pradesh State Dairy Development Corporation Limited with effect from 1st January 1979 and non-settlement of rent payable to the Government by the Corporation. The final decision of the Government regarding fixation of rent is still awaited (March 1982).

The management of the remaining two schemes viz., Government Milk Supply Schemes at Gwalior and Jabalpur has been transferred to the Madhya Pradesh State Dairy Development Federation (Co-operative) Limited with effect from 9th February 1981. The terms and conditions of transfer of schemes are awaited (March 1982).

There were also six State trading schemes, viz., Grain supply, Purchase and Sale of *tendu* leaves, Minor Forest Produce, Timber, Bamboos and *Sal* seeds.

7.2. During the year, the Sales Dispensary, Indore finalised its *pro forma* accounts for the year 1978-79. This unit has been incurring losses continuously since 1973-74 and its accumulated loss, as on 31st March 1979, amounted to Rs. 1.59 lakhs. The sale of medicines declined sharply from Rs. 3.23 lakhs in 1977-78 to Rs. 0.79 lakh in 1978-79. The stock of medicines with the unit at the close of 1978-79 (Rs.1.15 lakhs) included obsolete stock (time barred medicines) amounting to Rs. 0.17 lakh. The financial results of the unit are given in Appendix XI.

The *pro forma* accounts for the year 1979-80, rendered to Audit in October 1981, are under scrutiny (March 1982).

7.3. The *pro forma* accounts of the following schemes/undertakings were in arrears (March 1982) for the period shown against each :—

| (1) | Year from which <i>pro forma</i> accounts are awaited (2) | Remarks (3) |
|---|--|---|
| <i>Forest Department—</i> | | |
| Purchase and sale of <i>tendu</i> leaves. | 1965-66 | Mention was made in paragraph 7 of the Audit Report (Civil) for 1978-79 about recommendation of a departmental committee for preparing <i>pro forma</i> accounts in respect of Minor Forest Produce from the year 1979-80. Further developments are awaited (March 1982). |
| Minor Forest Produce | 1969-70 | |
| State trading in timber | 1970-71 | |
| State trading in Bamboos | 1973-74 | |
| State trading in <i>Sal</i> seeds | 1975-76 | |

The Chief Conservator of Forests intimated (July 1980) that efforts were being made to obtain *pro forma* accounts for the year 1979-80 from the concerned departmental officers and that the same would be furnished to Audit after their receipt and consolidation.

| (1) | (2) | (3) |
|--|---------|---|
| <i>Food Department—</i> | | |
| Grain Supply Scheme | 1973-74 | <p data-bbox="729 488 1239 692">Mention was made in paragraph 7 of the Audit Report (Civil) for 1978-79 about non-recasting of the <i>pro forma</i> accounts for the period upto 1969-70. The recast accounts are still awaited (March 1982).</p> <p data-bbox="729 721 1239 924">The Department prepared and rendered to Audit <i>pro forma</i> accounts for the year 1970-71 to 1972-73, based on departmental figures which were not reconciled with those booked by the Accountant General.</p> |
| <i>Veterinary Department—</i> | | |
| Government Milk Supply Scheme, Bhopal | 1976-77 | <p data-bbox="729 1013 1239 1289">Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1977-78 about non-certification of <i>pro forma</i> accounts for the year 1970-71 to 1975-76 owing mainly to large differences in the trial balances. The recast accounts, after reconciling the differences in trial balance, are still awaited (March 1982).</p> |
| Government Milk Supply Scheme, Gwalior | 1979-80 | <p data-bbox="729 1318 1239 1488">Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1977-78 about non-certification of <i>pro forma</i> accounts of the schemes for 1976-77 due to large amount kept under suspense.</p> |
| Government Milk Supply Scheme, Indore | 1977-78 | <p data-bbox="729 1389 1239 1488">Mention was also made in paragraph 7 of the Audit Report (Civil) for 1979-80 about non-certification of <i>pro forma</i> accounts of Gwalior and Jabalpur schemes for 1977-78 due to non-receipt of recast accounts for 1976-77. For the same reason accounts for 1978-79 in respect of Gwalior and Jabalpur schemes rendered to Audit in May/March 1981 could not be certified.</p> |
| Government Milk Supply Scheme, Jabalpur | 1979-80 | <p data-bbox="729 1459 1239 1864">Mention was also made in paragraph 7 of the Audit Report (Civil) for 1979-80 about non-certification of <i>pro forma</i> accounts of Gwalior and Jabalpur schemes for 1977-78 due to non-receipt of recast accounts for 1976-77. For the same reason accounts for 1978-79 in respect of Gwalior and Jabalpur schemes rendered to Audit in May/March 1981 could not be certified.</p> |
| <i>Public Health and Family Welfare.</i> | | |
| Sales Dispensary, Indore | 1980-81 | <p data-bbox="729 1948 1239 2010">The recast accounts for 1976-77 are still awaited (March 1982).</p> |

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

(a) Audit observations on financial transactions of the Government are reported to the departmental authorities concerned, so that appropriate action is taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement.

The following table shows the number of audit observations issued upto the end of March 1981 and outstanding on 30th September 1981 compared with the corresponding position indicated in the two preceding reports :—

| (1) | As on 30th September | | |
|--|----------------------|-------------|-------------|
| | 1979 (2) | 1980 (3) | 1981 (4) |
| Number of observations | 2,55,738 | 2,99,066 | 3,06,577 |
| Amount involved (<i>Rupees in crores</i>) .. | 1,53.24 | 1,73.88 | 2,32.93 |

Year-wise break-up of the outstanding items is as follows:—

| Year (1) | Number of Observations | | Amount (3) |
|---------------------------------|---------------------------|----------------|---------------|
| | (2) | (3) | |
| <i>(Rupees in crores)</i> | | | |
| 1976-77 and earlier years | 1,01,028 | 50.03 | |
| 1977-78 | 28,224 | 15.53 | |
| 1978-79 | 46,452 | 29.69 | |
| 1979-80 | 53,016 | 37.55 | |
| 1980-81 | 77,857 | 1,00.13 | |
| Total .. | 3,06,577 | 2,32.93 | |

(b) The following departments have comparatively heavy outstanding observations :—

| Sl.No. (1) | Department (2) | Number (3) | Amount (4) <i>(Rupees in crores)</i> |
|---------------|--|---------------|--|
| 1. | Irrigation | 99,435 | 54.94 |
| 2. | Public Works (Buildings and Roads) | 59,653 | 38.44 |
| 3. | Public Health Engineering | 48,451 | 31.55 |
| 4. | Tribal and Harijan Welfare | 8,950 | 17.16 |
| 5. | Forest | 4,562 | 14.27 |
| 6. | Public Health and Family Welfare | 6,457 | 9.18 |
| 7. | Medical | 9,983 | 8.66 |
| 8. | Agriculture | 8,256 | 7.90 |
| 9. | Education | 18,070 | 6.44 |
| 10. | Animal Husbandry | 7,589 | 6.40 |
| 11. | Dairy Development | 2,957 | 6.05 |
| 12. | Community Development | 3,021 | 4.72 |
| 13. | Home (Police) | 3,964 | 4.71 |
| 14. | Tube Wells | 3,654 | 2.52 |
| 15. | Stationery and Printing | 900 | 2.48 |
| 16. | Law and Legislature | 1,992 | 1.95 |
| 17. | Land Revenue | 3,353 | 1.81 |
| 18. | Panchayat and Social Welfare | 1,079 | 1.80 |
| 19. | Separate Revenue | 614 | 1.43 |
| 20. | Revenue | 2,491 | 1.27 |
| 21. | Home (Jails) | 724 | 1.27 |

(c) The following are some of the major reasons for which audit observations have remained outstanding :—

| Sl. No. (i) | Nature of observation (2) | Number (3) | Amount (4) <i>(Rupees in crores)</i> |
|----------------|---|---------------|--|
| 1. | Payees' receipts not received | 2,34,489 | 1,44.39 |
| 2. | Sanctions for reserve limit of stock not received .. | 100 | 6.95 |
| 3. | Agreements with contractors/suppliers not received .. | 413 | 11.99 |
| 4. | Detailed bills for lump-sum drawals not received .. | 24,142 | 19.43 |
| 5. | Vouchers not received | 12,505 | 16.40 |
| 6. | Sanctions for contingent expenditure not received .. | 5,773 | 4.09 |
| 7. | Sanctions for establishment not received | 2,012 | 0.76 |

(d) It would be seen that a sizable portion of the total outstandings was due to non-submission of payees' receipts and vouchers. The departments with comparatively heavy outstandings on this account were :—

| Sl. No. (1) | Department (2) | Amount (3) <i>(Rupees in crores)</i> |
|----------------|---------------------------------------|--|
| 1. | Irrigation | 45.62 |
| 2. | Public Works (Buildings and Roads) .. | 23.39 |
| 3. | Public Health Engineering | 31.55 |
| 4. | Tribal and Harijan Welfare | 7.35 |
| 5. | Diary Development | 5.94 |
| 6. | Public Health and Family Welfare .. | 5.90 |
| 7. | Veterinary | 5.16 |
| 8. | Home (Police) | 4.12 |
| 9. | Community Development and Planning .. | 2.72 |
| 10. | Tube Wells | 2.37 |
| 11. | Stationery and Printing | 2.32 |
| 12. | Panchayat and Social Welfare | 1.85 |
| 13. | Medical | 1.61 |
| 14. | Agriculture | 1.60 |
| 15. | Education | 1.60 |
| 16. | Law and Legislature | 1.55 |
| 17. | Separate Revenue | 1.33 |

(e) The facility of drawing amounts as advances on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases but they are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents), which should be sent to the Audit Office by 25th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is not practicable for Audit to know whether the whole amount has been spent for the purpose(s) for which the advances were drawn. Rupees 19.43 crores are held under observation due to non-receipt of detailed contingent bills in the Audit Office. The departments with comparatively heavy outstandings are mentioned below :—

| Sl. No. | Department | Amount |
|---------|--|--------------------|
| (1) | (2) | (3) |
| | | (Rupees in crores) |
| 1. | Tribal and Harijan Welfare | 3.93 |
| 2. | Forest | 3.82 |
| 3. | Medical | 1.84 |
| 4. | Education | 1.80 |
| 5. | Community Development | 1.55 |
| 6. | Home (Jails) | 1.21 |
| 7. | Agriculture | 1.21 |
| 8. | Public Health and Family Welfare | 1.14 |

8.2. Outstanding inspection reports

(a) Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the heads of offices and to the next higher departmental authorities through audit inspection reports for the purpose of taking appropriate action for rectifying the defects and omissions. The more important irregularities are reported to the Heads of Departments and the Government. The Government have prescribed that first replies to inspection reports should be sent within five weeks.

At the end of September 1981, 9,724 inspection reports issued upto March 1981 were not settled as shown below with corresponding figures for the earlier two years :—

| Number of | As on 30th September | | |
|-----------------------|----------------------|--------|--------|
| | 1979 | 1980 | 1981 |
| (1) | (2) | (3) | (4) |
| Inspection reports .. | 13,342 | 10,080 | 9,724 |
| Paragraphs .. | 60,804 | 46,985 | 40,250 |

Year-wise break-up of the outstanding inspection reports is given below :—

| | Year | Number of inspection reports | Number of paragraphs |
|---------------------------|---------|------------------------------------|-------------------------|
| | (1) | (2) | (3) |
| 1976-77 and earlier years | .. | 4,756 | 15,297 |
| 1977-78 | .. | 1,083 | 4,869 |
| 1978-79 | .. | 1,395 | 7,032 |
| 1979-80 | .. | 1,511 | 8,047 |
| 1980-81 | .. | 979 | 5,005 |
| | Total.. | 9,724 | 40,250 |

(b) Department-wise details of the reports (9,724) and paragraphs (40,250) outstanding and the number of reports in which even the first replies had not been received (1,701) till the end of September 1981 are given in Appendix XII.

(c) A review of the outstanding observations contained in the inspection reports of offices under the control of Irrigation, Public Works and Public Health Engineering Departments revealed the following :—

60 paragraphs of inspection reports of 27 divisions [9 under Chief Engineer, Bargi and Upper Waingagna Projects, Bargi Hills, Jabalpur, 11 under Chief Engineer (North), Public Works Department, Bhopal and 7 under the Engineer-in-Chief, Public Health Engineering Department, Bhopal] were outstanding due to non-settlement of the following irregularities :—

| Nature of irregularity | Particulars |
|---|--|
| (1) | (2) |
| (i) Entertainment of work-charged establishment without the sanction of the competent authority | 1,401 persons in 19 divisions |
| (ii) Non-submission of material-at-site accounts with the sub-divisional officers | 45 sub-divisions |
| (iii) Non-maintenance of the register of check measurements by the Executive Engineers | 6 divisions |
| (iv) Grant of advances for tour and allied purposes out of cash meant for works | Rs. 2.93 lakhs outstanding against 1,057 persons |

(d) 148 paragraphs of 46 inspection reports pertaining to 46 Treasuries/Sub-treasuries were outstanding due to non-settlement of the irregularities mentioned below :—

| Sl.No. | Nature of irregularity | Particulars | Amount |
|--------|----------------------------|-------------|-------------------|
| (1) | (2) | (3) | (4) |
| | | | (Rupees in lakhs) |
| 1. | Shortage of stamps | 2 | 0.54 |
| 2. | Shortage of cash | 1 | 0.25 |
| 3. | Excess payment of pensions | 9 | 0.18 |

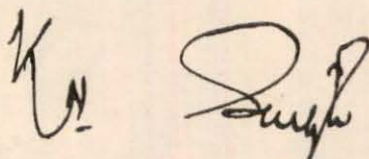
| Sl.No. | Nature of irregularity | Particulars | Amount |
|--------|--|-------------|---|
| (1) | (2) | (3) | (4) |
| | | | (Rupees in lakhs) |
| 4. | Excess payment of commission to vendors .. | 1 | 0.06 |
| 5. | Loss of tokens | 5 | 0.15 |
| 6. | Loss to Government due to miscellaneous irregularities | 4 | 0.08 |
| 7. | Retention of stamps in excess of prescribed limit .. | 6 | Ranging from Rs. 31 lakhs to Rs. 131 lakhs. |
| 8. | Non-obtaining of securities from officials handling cash and valuables | 5 | .. |
| 9. | Non-observance of rules for maintaining deposit accounts | 22 | .. |
| 10. | Non-observance of rules regarding lodging of items in double lock | 8 | .. |
| 11. | Non-observance of rules relating to safeguarding of strong rooms | 8 | .. |

(e) 5,228 paragraphs of 1,031 inspection reports relating to the Tribal and Harijan Welfare (3,782), Animal Husbandry (844), Forest (542) and Co-operation (60) departments were outstanding for want of settlement of the following irregularities :—

| Sl. No. | Nature of irregularity/ observation | Number of paragraphs | | | |
|---------|--|----------------------------|------------------|--------|--------------|
| | | Tribal and Harijan Welfare | Animal Husbandry | Forest | Co-operation |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1. | Non-observance of rules relating to custody and handling of cash, defective maintenance of cash book, physical verification of cash not done, etc. | 413 | 102 | 33 | 5 |
| 2. | Defective maintenance of initial records/ accounts. | 366 | 56 | 6 | 2 |
| 3. | Cases of extra expenditure and over payments. | 54 | 101 | 53 | 7 |
| 4. | Instances of shortages, losses and defalcations. | .. | 57 | 20 | 5 |
| 5. | Non-recovery or non-adjustment of outstanding advances, loans and other dues. | 161 | 107 | 54 | 16 |
| 6. | Incurring expenditure without sanction/ authority. | 146 | 72 | 20 | 2 |

| Sl. No. | Nature of irregularity/ observation | Number of paragraphs | | | |
|---------|---|----------------------------|------------------|--------|--------------|
| | | Tribal and Harijan Welfare | Animal Husbandry | Forest | Co-operation |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 7. | Irregularities in the accounts of stores and stock. | 437 | 97 | 29 | 1 |
| 8. | Irregularities relating to drawal of funds | 85 | 45 | .. | 7 |
| 9. | Non-production of records | .. 143 | 63 | 45 | 4 |
| 10. | Other miscellaneous irregularities | .. 1977 | 144 | 282 | 11 |
| | Total number of paragraphs | .. 3782 | 844 | 542 | 60 |
| | Total number of inspection reports | .. 736 | 208 | 63 | 24 |

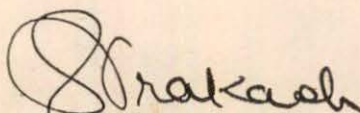
(f) Non-observance of the financial rules and orders of the Government may result in possible loss to the Government by way of irregular and extra expenditure, blocking of Government funds, overpayments, non-recovery/non-adjustment of outstanding advances/loans/other dues, etc.



Gwalior,
The 20 AUG 1982

(K. N. SINGH)
Accountant General-I, Madhya Pradesh

Countersigned



New Delhi,
The 25 AUG 1982

(GIAN PRAKASH)
Comptroller and Auditor General of India

APPENDICES

APPENDIX I

(Reference : Paragraph 1.4, Page 4)

PLAN AND NON-PAN PROVISION AND EXPENDITURE ON REVENUE ACCOUNT

| Sector of expenditure (1) | Plan | | | | Non-Plan | | | |
|--------------------------------------|-------------------------|----------------------------------|----------------------|-------------------|-------------------------|----------------------------------|----------------------|-------------------|
| | Budget estimates (2) | Budget plus supplementary (3) | Actuals (*) (4) | Variations (5) | Budget estimates (6) | Budget plus supplementary (7) | Actuals (*) (8) | Variations (9) |
| | (Rupees in crores) | | | | (Rupees in crores) | | | |
| A—General Services | 3.81 | 3.82 | 1.72 (2.33) | -2.10 | 2,22.70 | 2,56.65 | 2,31.97 (1,86.80) | -24.68 |
| B—Social and Community Services | 1,19.11 | 1,31.95 | 1,10.18 (39.81) | -21.77 | 2,63.42 | 2,72.53 | 2,61.53 (2,29.08) | -11.00 |
| C—Economic Services— | | | | | | | | |
| (i) General Economic Services | 8.24 | 8.24 | 7.99 (3.75) | -0.25 | 5.17 | 5.19 | 4.67 (4.82) | -0.52 |
| (ii) Agriculture and Allied Services | 1,14.34 | 1,40.06 | 1,48.64 (1,15.38) | +8.58 | 1,28.10 | 1,31.22 | 1,27.36 (1,18.42) | -3.86 |
| (iii) Industry and Minerals | 8.94 | 9.38 | 8.59 (5.73) | -0.79 | 3.55 | 3.61 | 2.11 (2.33) | -1.50 |
| (iv) Water and Power Development | 0.33 | 6.99 | -2.41 (-7.67) | -9.40 | 40.59 | 42.85 | 40.59 (30.28) | -2.26 |
| (v) Transport and Communications | 1.38 | 1.38 | 1.23 (0.90) | -0.15 | 37.99 | 39.42 | 42.86 (33.79) | +3.44 |
| D—Grants-in-aid and Contributions | .. | .. | .. (..) | .. | 35.64 | 35.87 | 29.13 (25.79) | -6.74 |
| Total | 2,56.15 | 3,01.82 | 2,75.94 (1,60.23) | -25.88 | 7,37.16 | 7,87.34 | 7,40.22 (6,31.31) | -47.12 |

(*) The figures within brackets indicate the expenditure during 1979-80.

APPENDIX II

(Reference : Paragraph 1.5, Page 5)

PLAN AND NON-PAN PROVISION AND EXPENDITURE ON CAPITAL ACCOUNTS

| Sector of expenditure (1) | Plan | | | | Non-Plan | | | |
|-------------------------------------|-------------------------|----------------------------------|----------------------|-------------------|-------------------------|----------------------------------|--------------------|-------------------|
| | Budget estimates (2) | Budget plus supplementary (3) | Actuals (*) (4) | Variations (5) | Budget estimates (6) | Budget plus supplementary (7) | Actuals (*) (8) | Variations (9) |
| | (Rupees in crores) | | | | (Rupees in crores) | | | |
| Capital expenditure on— | | | | | | | | |
| A—General Services | 0.43 | 0.43 | 0.55 (0.23) | +0.12 | 3.19 | 3.20 | 0.63 (0.93) | —2.57 |
| B—Social and Community Services | 14.29 | 14.32 | 10.93 (13.05) | —3.39 | 2.41 | 2.41 | 1.21 (0.42) | —1.20 |
| C—Economic Services— | | | | | | | | |
| (a) General Economic Services | 6.82 | 6.97 | 5.40 (6.72) | —1.57 | .. | .. | .. (..) | .. |
| (b) Agriculture and Allied Services | 48.25 | 58.08 | 69.61 (56.70) | +11.53 | 1.08 | 1.25 | 1.80 (4.12) | +0.55 |
| (c) Industry and Minerals | 3.38 | 3.68 | 4.23 (3.05) | +0.55 | .. | 0.02 | 0.14 (—0.76) | +0.12 |
| (d) Water and Power Development | 1,07.03 | 1,07.10 | 1,05.22 (99.97) | —1.88 | .. | .. | .. (..) | .. |
| (e) Transport and Communications | 33.64 | 50.16 | 61.01 (32.25) | +10.85 | 0.01 | 0.01 | 0.02 (0.01) | +0.01 |
| Total | 2,13.84 | 2,40.74 | 2,56.95 (2,11.97) | +16.21 | 6.69 | 6.89 | 3.80 (4.72) | 3.09 |

(*) The figures within brackets indicate the expenditure during 1979-80.

APPENDIX III

(Reference: Paragraph 1.6, Page 6)

LOANS AND ADVANCES

| Categories | 1978-79 | | | 1979-80 | | | 1980-81 | | | |
|---|---------------------------------------|-----------------|-----------------|---|-----------------|-----------------|---|-----------------|-----------------|--|
| | Outstanding balance on 1st April 1978 | Loans disbursed | Loans recovered | Outstanding balance on 31st March/ 1st April 1979 | Loans disbursed | Loans recovered | Outstanding balance on 31st March/ 1st April 1980 | Loans disbursed | Loans recovered | Outstanding balance on 31st March 1981 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| | (Rupees in crores) | | | (Rupees in crores) | | | (Rupees in crores) | | | |
| (i) Loans for Social and Community Services | 55.16 | 14.11 | 1.59 | 67.68 | 10.70 | 3.45 | 74.93 | 9.65 | 2.45 | 82.13 |
| (ii) Loans for Economic Services— | | | | | | | | | | |
| (a) General Economic Services | 31.97 | 15.02 | 11.23 | 35.76 | 14.14 | 12.98 | 36.92 | 27.55 | 8.51 | 55.96 |
| (b) Agriculture and Allied Services | 34.35 | 4.22 | 2.62 | 35.95 | 8.41 | 2.07 | 42.29 | 30.69 | 9.01 | 63.97 |
| (c) Industry and Minerals | 7.64 | 2.00 | 0.27 | 9.37 | 2.11 | 0.36 | 11.12 | 2.09 | 2.85 | 10.36 |
| (d) Water and Power Development | 3,95.18 | 94.11 | .. | 4,89.29 | 1,23.99 | .. | 6,13.28 | 1,44.12 | 1.39 | 7,56.01 |
| (e) Transport and Communications | 0.69 | 0.05 | 0.05 | 0.69 | 0.40 | 0.05 | 1.04 | 2.27 | 0.05 | 3.26 |
| Total (ii) | 4,69.83 | 1,15.40 | 14.17 | 5,71.06 | 1,49.05 | 15.46 | 7,04.65 | 2,06.72 | 21.81 | 8,89.56 |
| (iii) Loans to Government servants | 6.24 | 8.42 | 7.26 | 7.40 | 9.95 | 8.75 | 8.60 | 10.89 | 8.60 | 10.89 |
| (iv) Loans for miscellaneous purposes | 0.18 | .. | .. | 0.18 | .. | 0.02 | 0.16 | .. | .. | 0.16 |
| Total | 5,31.41 | 1,37.93 | 23.02 | 6,46.32 | 1,69.70 | 27.68 | 7,88.34 | 2,27.26 | 32.86 | 9,82.74 |

APPENDIX IV

(Reference: Paragraph 2.1, Page 13)

SUMMARY OF GRANTS/APPROPRIATIONS AND EXPENDITURE

| Authorised to be spent (grants and charged appropriations) | Revenue | Capital | Loans and Advances | Public Debt | Transfer to Contingency Fund | Total |
|--|----------|---------|-----------------------|----------------|---------------------------------|----------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| (Rupees in crores) | | | | | | |
| Original— | | | | | | |
| Voted .. | 9,88.33 | 2,70.14 | 2,14.22 | .. | 20.00 | 14,92.69 |
| Charged .. | 1,11.18 | 0.18 | .. | 1,49.63 | .. | 2,60.99 |
| Supplementary— | | | | | | |
| Voted .. | 90.07 | 27.00 | 27.14 | .. | .. | 1,44.21 |
| Charged .. | 5.79 | 0.10 | .. | 5,58.50 | .. | 5,64.39 |
| Total— | | | | | | |
| Voted .. | 10,78.40 | 2,97.14 | 2,41.36 | .. | 20.00 | 16,36.90 |
| Charged .. | 1,16.97 | 0.28 | .. | 7,08.13 | .. | 8,25.38 |
| Actual expenditure— | | | | | | |
| Voted .. | 10,84.19 | 3,13.40 | 2,27.26 | .. | 20.00 | 16,44.85 |
| Charged .. | 1,10.92 | 0.19 | .. | 6,24.33 | .. | 7,35.44 |
| Excess(+) Voted .. | +5.79 | +16.26 | -14.10 | .. | .. | +7.95 |
| Shortfall(—)Charged .. | -6.05 | -0.09 | .. | -83.80 | .. | -89.94 |

APPENDIX V

(Reference: Paragraph 2.2, Page 16)

GRANTS/APPROPRIATIONS WHERE EXCESS REQUIRES REGULARISATION
OTHER THAN THOSE MENTIONED IN PARAGRAPH 2.1

(a) Grants

| Serial number | Number and name of grant | Total grant | Expenditure | Excess |
|-------------------------|---|----------------|----------------|--|
| (1) | (2) | (3) | (4) | (5) |
| | | Rs. | Rs. | Rs. |
| <i>Revenue Section:</i> | | | | |
| 1. | 6—Expenditure pertaining to Finance Department | 18,08,15,500 | 19,56,46,038 | 1,48,30,538 |
| | | | | Excess was due mainly to finalisation of more pension cases and receipt of more debits for pensions from other States than anticipated. |
| 2. | 7—Expenditure pertaining to Separate Revenue and Registration Departments | 11,34,07,100 | 11,35,35,967 | 1,28,867 |
| | | | | Excess occurred mainly on account of (a) payment of bills of the Central Stamps Stores for the cost of stamps supplied and (b) purchase of more liquor and spirits. |
| 3. | 13—Agriculture | 36,96,64,200 | 38,87,81,689 | 1,91,17,489 |
| | | | | Excess was attributed mainly to more demand for subsidy for pumps, rahats and construction of wells from Harijan cultivators. |
| 4. | 37—Tourism | 22,30,000 | 22,72,622 | 42,622 |
| | | | | Excess occurred mainly under "Grants-in-aid to Madhya Pradesh Development Corporation for Information and Publicity" due to promotion of tourist inflow in the State. |
| <i>Capital Section:</i> | | | | |
| 1. | 10—Forest | 6,26,09,100 | 6,33,82,428 | 7,73,328 |
| | | | | Excess occurred mainly under "construction of buildings and roads", reasons for which have not been intimated (March 1982). |
| 2. | 11—Expenditure pertaining to Commerce and Industry Department | 5,25,72,000 | 5,71,12,031 | 45,40,031 |
| | | | | Excess was attributed mainly to more investment in the Small Scale Industries Corporation to strengthen its capital base and payment of more loans to new industrial units owing to reported repaid growth of industries in the State. |
| 3. | 23—Irrigation works | 1,42,06,69,100 | 1,50,01,64,844 | 7,94,95,744 |
| | | | | Excess was attributed mainly to accelerated progress of minor irrigation works in scarcity affected areas. |

APPENDIX V—contd.

| Serial number | Number and name of grant | Total grant | Expenditure | Excess |
|---------------|---|--|--------------|-----------|
| (1) | (2) | (3) | (4) | (5) |
| | | Rs. | Rs. | Rs. |
| 4. | 35—Rehabilitation | 33,62,000 | 40,78,639 | 7,16,639 |
| | | Excess occurred mainly under "521—Capital Out lay on Village and Small Industries-b—Small Scale Industries" and '688—Loans for Social Security and Welfare—b—Rehabilitation Scheme-2—Other Parties', reasons for which have not been intimated (March 1982). | | |
| 5. | 40—Irrigation Command Areas Development | 10,23,79,100 | 11,02,27,756 | 78,48,656 |
| | | Excess occurred due mainly to purchase of more materials for stock under "Chambal Project" and more expenditure on 'Canals' under "Chambal Irrigation Schemes", reasons for which have not been intimated (March 1982). | | |

(b) Charged appropriations

| Serial number | Number and name of appropriation | Total appropriation | Expenditure | Excess |
|-------------------------|---|--|--------------|-----------|
| (1) | (2) | (3) | (4) | (5) |
| | | Rs. | Rs. | Rs. |
| <i>Revenue Section:</i> | | | | |
| 1. | Interest payments and servicing of Debt | 79,74,63,000 | 80,58,80,338 | 84,17,338 |
| | | Excess occurred due mainly to larger amounts deposited in G.P. Fund on which more interest than anticipated, was paid. | | |
| 2. | 27—Education | 1,50,000 | 1,68,923 | 18,923 |
| | | Excess occurred mainly under "277—Education—University and Other Higher Education—Government Colleges—Arts, Science and Commerce Colleges, reasons for which have not been intimated (March 1982). | | |
| 3. | 29—Administration of Justice | 84,85,000 | 87,52,837 | 2,67,837 |
| | | Excess occurred under "214—Administration of Justice—High Courts", reasons for which have not been intimated (March 1982). | | |
| 4. | 30—Expenditure pertaining to Panchayat and Rural Development Department | 73,08,000 | 73,25,693 | 17,693 |
| | | Excess occurred on grants-in-aid/contributions/subsidies to local bodies and Panchayati Raj Institutions. | | |

APPENDIX V—*contd.*

| Serial number | Number and name of appropriation | Total appropriation | Expenditure | Excess |
|-------------------------|---|---|-------------|----------|
| (1) | (2) | (3) | (4) | (5) |
| | | Rs. | Rs. | Rs. |
| <i>Capital Section:</i> | | | | |
| 1. | 21— <i>Expenditure pertaining to Housing and Environment Department</i> | 1,00,000 | 2,05,038 | 1,05,038 |
| | | Excess occurred under "484—Capital Outlay on Urban Development—Bhopal Capital Project—Non-residential Buildings", reasons for which have not been intimated (March 1982). | | |
| 2. | 23— <i>Irrigation Works</i> | 7,00,600 | 7,23,022 | 22,422 |
| | | Excess occurred mainly under "506—Capital Outlay on Minor Irrigation, Soil Conservation and Area Development" on minor and micro-minor Irrigation Schemes. | | |
| 3. | 42— <i>Public Works relating to Tribal Areas Sub-Plan</i> | 1,21,000 | 1,35,368 | 14,368 |
| | | Excess occurred on major bridge construction works, reasons for which have not been intimated (March 1982). | | |

APPENDIX VI

(Reference : Paragraph 2.3, Page 16)

UNNECESSARY, EXCESSIVE AND INADEQUATE SUPPLEMENTARY GRANTS/
APPROPRIATIONS OTHER THAN THOSE MENTIONED IN PARAGRAPH 2.1

I—Significant cases of unnecessary supplementary grants.—

| Serial number | Number and name of grant | Original grant | Supplementary grant | Expenditure | Saving |
|---------------|---|---|---------------------|-------------|--------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | (Rupees in lakhs) | | | |
| 1. | 30—Expenditure pertaining to Panchayat and Rural Development Department (Revenue—Voted) | 54,52.42 | 5,22.00 | 54,06.84 | 5,67.5 |
| | | Shortfall occurred mainly under “Food for Work Programme”, “Schemes for small and marginal farmers and agricultural labourers” and “Guaranteed Rural Employment Programme” reasons for which have not been intimated (March 1982). | | | |
| 2. | 41—Tribal Areas Sub-Plan (Revenue—Voted) | 67,37.40 | 2,81.35 | 64,76.57 | 5,42.1 |
| | | Shortfall was attributed mainly to posts remaining vacant, engagement of less number of labourers, non-implementation/late implementation of various schemes for the welfare of tribals owing to non-receipt/late receipt of Government sanction, non-opening of branches of Tribal Sewa Co-operative Societies, non-payment of grants to some societies for “Establishment of cadre fund for large area multipurpose societies”, less purchase of foodstuff and non-payment of grants-in-aid on establishment of electric and oil pumps and new well reasons for which have not been intimated (March 1982). | | | |

II—Significant cases of excessive supplementary grants—

| | | | | | |
|----|---|--|---------|----------|---------|
| 1. | 3—Police (Revenue—Voted) | 61,83.00 | 5,10.68 | 63,91.27 | 3,02.41 |
| | | Shortfall was attributed mainly to posts remaining vacant, non-purchase of furniture other equipments and vehicles and non-filling up of newly created posts due to late finalisation of sanction for ‘upgradation of standards in administration; | | | |
| 2. | 4—Other Expenditure pertaining to Home Department (Revenue-Voted) | 4,09.82 | 1,41.49 | 4,13.85 | 1,37.46 |
| | | Saving was ascribed mainly to posts remaining vacant and reduction in travelling and other office expenses. | | | |

APPENDIX VI—contd.

| Serial number | Number and name of grant | Original grant | Supplementary grant | Expenditure | Saving |
|---------------|--|---|---------------------|-------------|---------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | (Rupees in lakhs) | | | |
| 3. | 13—Agriculture (Capital-Voted) | 18,73.39 | 7,10.00 | 23,82.83 | 2,00.56 |
| | | Shortfall occurred mainly under "698-Loans for Co-operation—Loans to Apex Co-operative Bank for purchase of fertilizers", reasons for which have not been intimated (March 1982). | | | |
| 4. | 39—Expenditure pertaining to Food Department (Capital—Voted) | 5,17.00 | 4,48.50 | 8,83.53 | 81.97 |
| | | Shortfall occurred due mainly to distribution of foodgrains through Co-operative Banks by some Collectors, resulting in less purchase of grain under 'Grain Supply Scheme'. | | | |
| 5. | 41—Tribal Areas Sub-Plan (Capital—Voted) | 45,29.27 | 3,66.18 | 46,89.86 | 2,05.59 |
| | | Shortfall occurred mainly under minor irrigation schemes and construction of medium projects in tribal areas, reasons for which have not been intimated (March 1982). | | | |

III—Significant cases of inadequate supplementary grants/appropriations—

| Serial number | Number and name of grant/ appropriations | Original grant/ appropriation | Supplementary grant/ appropriation | Expenditure | Excess (*) |
|-----------------------------------|---|----------------------------------|---------------------------------------|-------------|------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | (Rupees in lakhs) | | | |
| <i>(a) Grants</i> | | | | | |
| <i>Revenue Section—</i> | | | | | |
| 1. | 6—Expenditure pertaining to Finance Department | 17,93.09 | 15.06 | 19,56.46 | 1,48.31 |
| 2. | 13—Agriculture | 36,96.59 | 0.05 | 38,87.82 | 1,91.188 |
| 3. | 20—Public Health Engineering | 43,70.47 | 12,49.45 | 81,40.98 | 25,21.06 |
| 4. | 24—Public Works | 87,67.70 | 19,99.93 | 1,19,99.68 | 12,32.05 |
| <i>Capital Section—</i> | | | | | |
| 1. | 23—Irrigation Works | 1,40,06.68 | 2,00.01 | 1,50,01.65 | 7,94.96 |
| 2. | 40—Irrigation Command Areas Development | 9,89.25 | 34.54 | 11,02.28 | 78.49 |
| <i>(b) Charged appropriations</i> | | | | | |
| <i>Revenue Section—</i> | | | | | |
| | Interest payments and Servicing of Debt | 74,29.28 | 5,45.35 | 80,58.80 | 84.17 |

(*) Reasons for the excess, to the extent received, are given in paragraph 2.1 and Appendix V.

APPENDIX VII

(Reference : Paragraph 2.4, Page 16)

PROVISION AND EXPENDITURE DURING LAST THREE YEARS IN SOME SECTORS/SUB-SECTORS WHICH INDICATED PERSISTENT SHORTFALL

| Sector/Sub-Sector of expenditure (1) | Year (2) | Provision (3) | Expenditure (4) | Saving (5) |
|--|-------------|------------------|--------------------|---------------|
| <i>(Rupees in crores)</i> | | | | |
| Social and Community Services | 1978-79 | 3,17.41 | 2,98.78 | 18.63 |
| | 1979-80 | 4,18.18 | 3,61.44 | 56.74 |
| | 1980-81 | 4,33.07 | 3,93.50 | 39.57 |
| Economic Services—General Economic Services. | 1978-79 | 29.62 | 25.56 | 4.06 |
| | 1979-80 | 34.45 | 29.84 | 4.61 |
| | 1980-81 | 51.75 | 45.61 | 6.14 |
| Agriculture (excluding Allied Services). | 1978-79 | 38.93 | 31.52 | 7.41 |
| | 1979-80 | 53.71 | 40.02 | 13.69 |
| | 1980-81 | 65.72 | 56.74 | 8.98 |
| Industry and Minerals | 1978-79 | 15.46 | 12.57 | 2.89 |
| | 1979-80 | 17.41 | 13.35 | 4.06 |
| | 1980-81 | 19.58 | 17.16 | 2.42 |
| Water and Power Development | 1978-79 | 2,75.08 | 2,51.00 | 24.08 |
| | 1979-80 | 3,28.81 | 3,19.86 | 8.95 |
| | 1980-81 | 3,01.26 | 2,87.52 | 13.74 |

(Reference: Paragraph

CASES OF MISAPPROPRIATION, LOSSES, ETC., REPORTED UPTO 31ST

| Serial number | Department | Cases reported in 1975-76 and earlier years | | Cases reported during 1976-77 | | Cases reported during 1977-78 | |
|----------------------------------|------------|---|--------|-------------------------------|--------|-------------------------------|--------|
| | | Number of cases | Amount | Number of cases | Amount | Number of cases | Amount |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. Education | | 29 | 7.55 | 6 | 4.06 | 22 | 3.04 |
| 2. Revenue | | 80 | 10.54 | 19 | 1.64 | 20 | 6.00 |
| 3. Stamps | | 5 | 3.24 | 1 | 0.08 | 2 | 0.01 |
| 4. Public Health | | 15 | 9.18 | 2 | 0.03 | 6 | 1.71 |
| 5. Tribal and Harijan Welfare | | 91 | 8.33 | 16 | 1.15 | 6 | 0.51 |
| 6. Police | | 37 | 4.59 | 11 | 1.13 | 9 | 0.37 |
| 7. Agriculture | | 50 | 4.38 | 3 | 0.12 | 5 | 0.24 |
| 8. Public Works | | 18 | 1.75 | 1 | 2.64 | 2 | 0.27 |
| 9. Forest | | 8 | 1.96 | 3 | 0.52 | 23 | 1.94 |
| 10. Medical | | 14 | 3.31 | .. | .. | 7 | 1.78 |
| 11. Food | | 7 | 2.77 | 1 | 0.42 | .. | .. |
| 12. Finance | | 2 | 0.21 | 1 | 4.01 | 2 | 0.15 |
| 13. Law | | 54 | 2.10 | 5 | 0.35 | 4 | 1.19 |
| 14. Irrigation | | 13 | 0.90 | 4 | 0.25 | 2 | 0.0 |
| 15. Planning and Development | | 23 | 2.17 | 2 | 0.31 | 2 | 0.0 |
| 16. Industries | | 18 | 2.10 | .. | .. | .. | .. |
| 17. Excise | | 6 | 1.48 | 1 | 0.01 | .. | .. |
| 18. Home (Transport) | | .. | .. | .. | .. | .. | .. |
| 19. Stationery and Printing | | .. | .. | .. | .. | .. | .. |
| 20. Dairy Development | | 10 | 0.71 | .. | .. | .. | .. |
| 21. Rehabilitation | | 11 | 0.38 | .. | .. | .. | .. |
| 22. Animal Husbandry | | 11 | 0.55 | .. | .. | .. | .. |
| 23. Jails | | .. | .. | 1 | 0.52 | .. | .. |
| 24. Public Health Engineering | | 5 | 0.23 | .. | .. | .. | .. |
| 25. Social Welfare and Panchayat | | 2 | 0.18 | 2 | 0.08 | .. | .. |
| 26. Co-operation | | 1 | 0.01 | .. | .. | .. | .. |
| 27. General Administration | | .. | .. | .. | .. | .. | .. |
| 28. Labour and Employment | | 1 | 0.08 | .. | .. | .. | .. |
| 29. Mines and Minerals | | 3 | 0.05 | .. | .. | .. | .. |
| 30. Information and Publicity | | .. | .. | .. | .. | .. | .. |
| TOTAL | | 514 | 68.75 | 79 | 17.32 | 112 | 17.29 |

DIX VIII

3.16, Page 64)

MARCH 1981 BUT NOT FINALISED TILL 30TH SEPTEMBER 1981)

(Rupees in lakhs)

| Case reported during 1978-79 | | Cases reported during 1979-80 | | Cases reported during 1980-81 | | Total | |
|---------------------------------|--------|----------------------------------|--------|----------------------------------|--------|--------------------|--------|
| Number of cases | Amount | Number of cases | Amount | Number of cases | Amount | Number of cases | Amount |
| (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| 10 | 0.73 | 10 | 7.09 | 5 | 1.05 | 82 | 23.52 |
| 14 | 0.61 | 17 | 2.03 | 15 | 1.32 | 165 | 22.14 |
| .. | .. | 2 | 10.32 | .. | .. | 10 | 13.65 |
| 3 | 0.43 | 4 | 0.94 | 5 | 0.52 | 35 | 12.81 |
| 11 | 0.18 | 4 | 1.01 | 8 | 1.25 | 136 | 12.43 |
| 25 | 0.69 | 30 | 0.93 | 13 | 0.61 | 125 | 8.32 |
| 4 | 2.22 | .. | .. | 2 | 0.42 | 64 | 7.38 |
| .. | .. | 4 | 2.62 | .. | .. | 25 | 7.28 |
| 2 | 0.18 | 5 | 0.31 | 7 | 0.64 | 48 | 5.55 |
| .. | .. | 5 | 0.30 | 4 | 0.13 | 30 | 5.52 |
| .. | .. | 1 | 1.86 | 1 | 0.17 | 10 | 5.22 |
| .. | .. | 1 | 0.17 | .. | .. | 6 | 4.54 |
| 6 | 0.07 | 7 | 0.31 | 10 | 0.11 | 86 | 4.13 |
| 5 | 0.49 | 2 | 0.29 | 7 | 1.24 | 33 | 3.21 |
| 5 | 0.29 | .. | .. | 1 | 0.04 | 33 | 2.85 |
| .. | .. | 1 | 0.03 | .. | .. | 19 | 2.13 |
| .. | .. | 1 | .. | 1 | 0.10 | 9 | 1.59 |
| .. | .. | 6 | 1.28 | .. | .. | 6 | 1.28 |
| 18 | 0.75 | 3 | 0.45 | 1 | 0.01 | 22 | 1.21 |
| .. | .. | 3 | 0.21 | .. | .. | 13 | 0.92 |
| .. | .. | .. | .. | 11 | 0.40 | 22 | 0.78 |
| .. | .. | .. | .. | .. | .. | 11 | 0.55 |
| .. | .. | .. | .. | 2 | 0.03 | 3 | 0.55 |
| 1 | 0.26 | .. | .. | .. | .. | 6 | 0.49 |
| 1 | 0.02 | .. | .. | 2 | 0.05 | 7 | 0.33 |
| .. | .. | 1 | 0.01 | 2 | 0.24 | 4 | 0.26 |
| .. | .. | 2 | 0.24 | .. | .. | 2 | 0.24 |
| .. | .. | .. | .. | .. | .. | 1 | 0.08 |
| .. | .. | .. | .. | .. | .. | 3 | 0.05 |
| 1 | 0.02 | 2 | .. | 2 | 0.01 | 5 | 0.03 |
| 106 | 6.94 | 111 | 30.40 | 99 | 8.34 | 1021 | 149.04 |

APPENDIX IX

(Reference : Paragraph 3.17 Page 64)

LOSSES, ETC., WRITTEN OFF DURING 1980-81

| S. No. (1) | Department (2) | Write off of losses irrecoverable revenue, advances, etc. | |
|---------------|----------------------------|---|---------------------------|
| | | Number of cases (3) | Amount (4) (Rupees) |
| 1. | Sales Tax | 117 | 6,58,038 @ |
| 2. | Forest | 39 | 3,14,508 † |
| 3. | Veterinary | 146 | 2,25,362 |
| 4. | Irrigation | 9 | 2,21,942 * |
| 5. | Medical | 8 | 1,44,069 |
| 6. | Tribal and Harijan Welfare | 19 | 57,179 ₠ |
| 7. | Food | 5 | 50,834 |
| 8. | Administration of Justice | 11 | 33,216 ₠ |
| 9. | Home (Police) | 11 | 30,419 |
| 10. | Agriculture | 67 | 14,842 |
| 11. | Weights and Measures | 3 | 9,809 ₠ |
| 12. | Education | 4 | 6,640 * |
| 13. | Home (Jails) | 1 | 1,200 |
| 14. | State Excise | 4 | 861 * |
| Total | | 444 | 17,68,916 |

@ Represents remission of revenue.

† Includes 14 items (Rs. 94,554) waiver of recoveries.

* Includes item, 1 of Rs. 2,065 pertaining to Irrigation, 1 of Rs. 4,725 to Education and 4 of Rs. 851 to State Excise Departments of waiver of recoveries.

₠ Represents *ex-gratia* payments.

APPENDIX X

DETAILS OF EXPENDITURE ON UNECONOMICAL REPAIRS OF HEAVY
EARTH MOVING MACHINERY

(Reference : Paragraph 4. 2.6.2, Page 71)

| Name of machine | Total expenditure on repairs (Rs. in lakhs) | Period of repairs | Anticipated performance after repairs (In hours) | Actual performance after repairs | Remarks |
|--|--|---|---|----------------------------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) |
| T. S. 200/Scraper No. 24 (Original Purchase Value : Rs. 1.40 lakhs). | 0.32 | 1978-79 | 1000 | Nil | Written off by the Govt. on 31st August 1979. |
| D-8 (2-U) No. 8 Dozer (Purchase Price : Rs. 1.30 lakhs). | 1.49 | 1977-78 1978-79 | 1000 1000 | 170 71 | Proposals for write off submitted to Govt. in November 1979. |
| Let. C-Scraper No. 1 (Original Purchase Price : Rs. 1.55 lakhs). | 1.50 | 1975-76-77 1977-78 1978-79 1979-80 | 1000 1000 1000 1000 | 387 | Proposed for write off in September 1980. |
| Let. C-Scraper No. 24 (Purchase Price : Rs. 1.55 lakhs) | 0.60 | June 1978 to August 1980 | 1000 | | |
| Let. C-Scraper No. 11 (Purchase Price : Rs. 1.50 lakhs). | 1.40 | June 1978 to June 1980 | 1000 1000 | 365 | Proposed to be written off in June 1980. |
| H. D. 20 No. 4 (Purchase Price : Rs. 1.88 lakhs). | 1.89 | December 1978 to September 1980 | 5000 | 1888 | The machine was lying idle since 1970 and was proposed to be written off in 1970 itself. |
| Let. C. Full Scraper No. 9 (Purchase Price : Rs. 1.55 lakhs). | 2.02 | 1976-77 to 1980-81 (three spells) | 3000 | 185 186 | Proposed to be written off. |
| Warco Grader No. 1 (Purchase Price : Rs. 0.62 lakh in 1959) | 1.13 | February 1976 to October 1980 | 1000 | Nil | Proposed to be written off in February 1980. |
| Warco Grader No. 3 (Purchase Price : Rs. 0.62 lakh). | 0.96 | Repairs completed in March 1977. | 1000 | Nil | Declared surplus by the Chief Engineer, E & M, in October 1980. |
| Two Russian Dumpers bearing Nos. 2 & 11 (Original Purchase Price : Rs. 0.57 lakh). | 1.58 | Repairs completed in March 1978 | 1000 | Nil | Declared surplus by the Chief Engineer in October 1978. Lying idle (November 1980) in Central Workshop. |

APPENDIX X—concl'd.

| Name of machine | Total expenditure on repairs (Rs. in lakhs) | Period of repairs | Anticipated performance after repairs (In hours) | Actual performance after repairs | Remarks |
|---|---|--|--|----------------------------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) |
| D-8 (14-A) No. 7 (Purchase Price: Rs. 1.32 lakhs). | 3.89 | November 1978 to February 1980 (One spell). | 1000 | 16 | Lying idle at Binjil Project (Narayanpur) October 1980. Another repair estimate for further repairs for Rs. 0.43 lakh has been proposed by Raipur Division. |
| CAT-D-8(2-U) No. 9 (Purchase Price: Rs. 1.32 lakhs). | 4.19 | 1976-77 to 1980-81 (five spells). | 5000 | 1418 | Engine was taken out from this machine and fitted (December 1979) in CAT-D(2-U) No. 4 at Narayanpur. Proposed for write off in October 1980. |
| CAT-D-8(2-U) No. 4 (Purchase Price: Rs. 1.32 lakhs). | 1.07 0.86 | May 1977 to December 1978 September 1979 to October 1979 | 1000 1000 | 557 Nil | Original engine was taken out and replaced by an engine of another machine No. CAT-D-8 (2-U) No. 9 (December 1979). Machine was proposed to be written off (October 1980). |
| Drott Shovel No. 1 (Purchase Price: Not available). | 0.55 | August 1977 to November 1979 | 1000 | Nil | It failed after a few minutes of commissioning and was brought back to the Regional Workshop, Raipur in October 1980, write off sanction accorded in August 1981 by the Chief Engineer, E & M. |
| Crane No. T. D. 14 | 1.34 0.31 | December 1976 to October 1978 and April 1980 to December, 1980 | 1000 1000 | 118 Nil | The crane was lying idle/unused for 10 years (November 1966 to November 1976). Repairs started in December 1976. No performance reported by Satna Division (June 1981). |
| | <u>25.10</u> | | <u>32000</u> | <u>5425</u> | |

APPENDIX XI

(Reference : Paragraph 7.2, page 112)

SUMMARISED FINANCIAL RESULTS OF THE GOVERNMENT COMMERCIAL
AND QUASI-COMMERCIAL UNDERTAKINGS

| Name of Undertaking | Sales Dispensary, Indore. | |
|---|-----------------------------------|----------|
| Name of Administrative Department | Public Health and Family Welfare. | |
| Period of Account | 1977-78 | 1978-79 |
| | (Rupees in lakhs) | |
| 1. Government capital at the close of the year .. | 2.61 | 2.39 |
| 2. Mean capital | 1.64 | 1.54 |
| 3. Block assets (net) | 0.03 | 0.03 |
| 4. Cumulative depreciation | 0.10 | 0.11 |
| 5. Turnover | 3.23 | 0.79 |
| 6. Net Profit(+)/Net Loss(-) | (-)-0.22 | (-)-0.66 |
| 7. Interest on capital | 0.10 | 0.09 |
| 8. Total return | (-)-0.12 | (-)-0.57 |

APPENDIX XII

(Reference : Paragraph 8.2, Page 117)

DEPARTMENT-WISE DETAILS OF OUTSTANDING INSPECTION REPORTS AND
INSPECTION REPORTS IN WHICH EVEN FIRST REPLIES WERE AWAITED
AS ON 30th SEPTEMBER 1981

| Serial Number | Department | Total number of inspec- tion reports/paragraphs outstanding at the end of September 1981 | | Total number of inspection re- ports to which even first replies had not been received till the end of Septem- ber 1981 |
|--------------------|--|---|------------|--|
| | | Reports | Paragraphs | |
| (1) | (2) | (3) | (4) | (5) |
| CIVIL DEPARTMENTS— | | | | |
| 1. | Education | 1,463 | 5,987 | 253 |
| 2. | Agriculture | 614 | 2,846 | 81 |
| 3. | Revenue | 604 | 2,962 | 105 |
| 4. | Tribal and Harijan Welfare | 595 | 3,101 | 103 |
| 5. | Forest | 471 | 2,136 | 99 |
| 6. | Community Development Projects | 443 | 1,657 | 90 |
| 7. | Public Health and Family Welfare | 435 | 1,912 | 62 |
| 8. | Administration of Justice (Law with Elec- tion Department). | 292 | 1,093 | 22 |
| 9. | Veterinary | 208 | 844 | 49 |
| 10. | Home(Police)(including Homeguards) | 203 | 782 | 29 |
| 11. | Panchayat and Social Welfare | 194 | 982 | 40 |
| 12. | Labour and Employment (including Emp- loyees State Insurance Scheme). | 129 | 294 | 11 |
| 13. | Dairy Development | 101 | 418 | 8 |
| 14. | Commerce and Industries (including Regis- trar of Firms and Societies.) | 98 | 331 | 33 |
| 15. | Fisheries | 97 | 442 | 13 |
| 16. | Home(Jails) | 96 | 465 | 23 |
| 17. | Separate Revenue (State Excise) | 68 | 225 | 24 |
| 18. | Finance | 68 | 180 | 19 |
| 19. | Food | 66 | 283 | 13 |
| 20. | Separate Revenue (Stationery and Printing) | 62 | 305 | 4 |

APPENDIX XII—concl.

| Serial Number | Department | Total number of inspection reports/paragraphs outstanding at the end of September 1981 | | Total number of inspection reports to which even first replies had not been received till the end of September 1981 |
|--|------------|--|------------|---|
| | | Reports | Paragraphs | |
| (1) | (2) | (3) | (4) | (5) |
| 21. Separate Revenue(Sales Tax) .. | .. | 61 | 213 | 18 |
| 22. Rehabilitation | .. | 57 | 235 | 3 |
| 23. Land Records | .. | 52 | 216 | 9 |
| 24. Information and Publicity | .. | 49 | 177 | 5 |
| 25. Registration and Stamps | .. | 47 | 131 | 14 |
| 26. Treasuries and Accounts | .. | 46 | 148 | 2 |
| 27. Co-operation | .. | 24 | 60 | 1 |
| 28. Economics and Statistics | .. | 23 | 55 | 1 |
| 29. Home (Transport).. .. | .. | 19 | 61 | 5 |
| 30. Home(Zila and Rajya Sainik Board) .. | .. | 19 | 59 | 11 |
| 31. Scientific Departments | .. | 16 | 76 | 7 |
| 32. Town and Country Planning | .. | 12 | 64 | 3 |
| 33. Natural Resources.. .. | .. | 12 | 41 | 4 |
| 34. Weights and Measures | .. | 12 | 22 | |
| 35. General Administration | .. | 10 | 46 | 2 |
| 36. Tourism | .. | 6 | 30 | 1 |
| 37. Local Self Government | .. | 5 | 30 | |
| 38. Public Service Commission | .. | 4 | 27 | .. |
| 39. Revenue(<i>Muafi</i>) | .. | 2 | 4 | .. |
| 40. Languages | .. | 1 | 1 | .. |
| Total—Civil Departments .. | | 6,784 | 28,817 | 1,173 |
| PUBLIC WORKS— | | | | |
| 1. Irrigation | .. | 1,430 | 5,892 | 23 |
| 2. Buildings and Roads | .. | 960 | 3,071 | 127 |
| 3. Public Health Engineering | .. | 550 | 2,470 | 170 |
| Total—Public Works .. | | 2,940 | 11,433 | 320 |
| GRAND TOTAL .. | | 9,724 | 40,250 | 1,701 |