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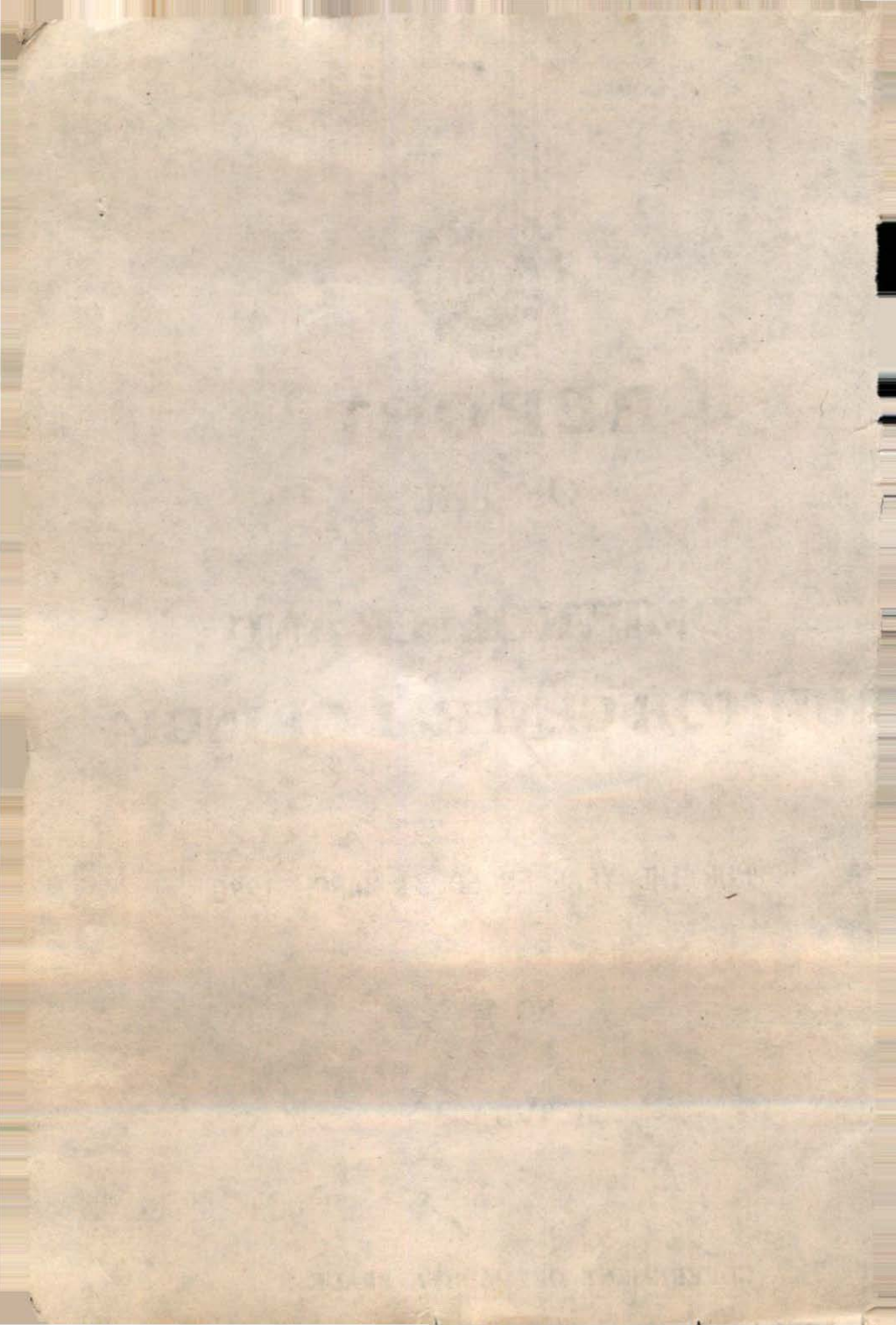
AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 1990

NO. 4

(CIVIL)

GOVERNMENT OF MADHYA PRADESH



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Report of the Comptroller and Auditor General of India
for the year ended 31 March 1990-No:4

(CIVIL)

GOVERNMENT OF MADHYA PRADESH

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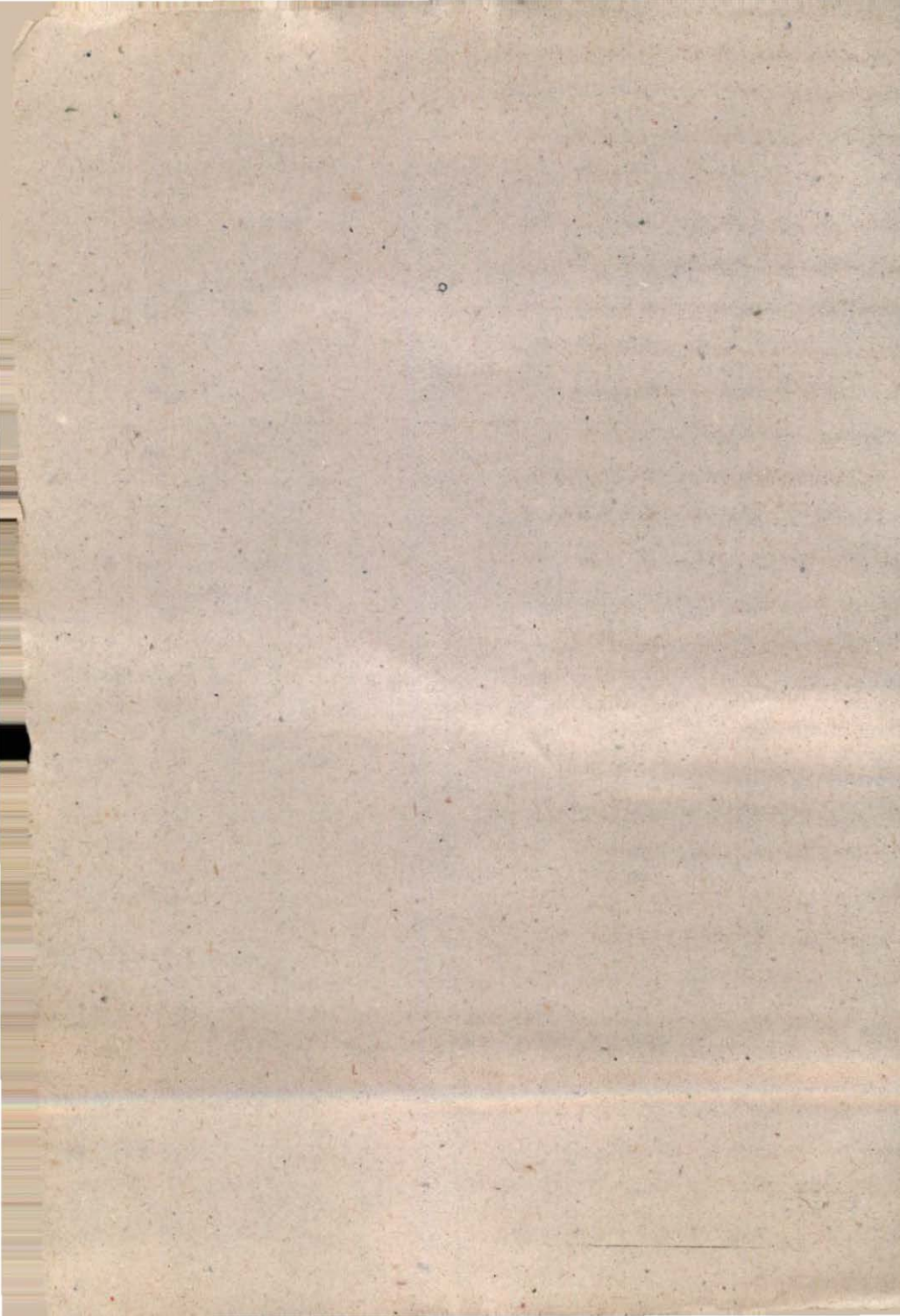


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PREFATORY REMARKS

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 1989-90 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 1989-90.

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 1989-90 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 1989-90 have also been included, wherever considered necessary.

EXHIBIT

This report was made by the
committee on the subject of
the proposed amendment to the
constitution of the State of
New York, and is submitted to
the people of the State for their
consideration and action.

The committee has the honor to
acknowledge the receipt of the
report of the committee on the
subject of the proposed amendment
to the constitution of the State
of New York, and to submit to
the people of the State for their
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OVERVIEW

1. This Audit Report contains two chapters dealing with the financial position of Government of Madhya Pradesh for 1989-90 and Government's overall control over expenditure. The remaining three chapters include 8 performance reviews on the developmental/welfare programmes launched by the Government and 44 paragraphs on various financial irregularities. The more important Audit findings are summarised in the succeeding paragraphs.

2. Financial position and control over expenditure

2.1 The State revenue receipts registered an increase of Rs.401.67 crores (11.59 per cent) over the previous year. No new taxes were levied during the year. The increase was mainly under 'States share of Union Excise Duties'. 'Sales Tax' 'Forestry and Wild Life', 'Taxes on income other than Corporation tax' and 'Taxes and Duties on Electricity'. The decrease was mainly under Grants-in-aid from the Central Government (Rs.126.52 crores). The Plan expenditure during the year decreased by Rs.36.53 crores as compared to 1988-89. (Revenue: decrease Rs.94.09 crores; Capital: increase Rs.57.56 crores). However, the non-plan expenditure under Revenue and Capital, recorded a growth of 9.73 per cent; the increase over 1988-89 being Rs.254.79 crores.

(Paragraphs 1.2.3, 1.2.5 and 1.2.6)

2.2 There was revenue surplus of Rs.97.48 crores during the year as against revenue deficit of Rs.139.68 crores during the previous year.

2.3 The net addition to Public Debt

as adjusted by the effect of remittances, suspense balances, drawals from the Reserve Funds and increase in Deposits and Advances during the year was Rs.838.03 crores. This together with the revenue surplus (Rs.97.48 crores) and net contributions from the Contingency Fund (Rs.7.53 crores) was utilised for capital expenditure (Rs.657.96 crores), net disbursement under loans and advances for development and other programmes (Rs.163.33 crores) and increase in the closing cash balance (Rs.121.75 crores).

(Paragraph 1.2.1)

2.4 While Non-Plan revenue expenditure increased by 9.94 per cent over 1988-89, the growth in collection of tax revenue and State's share of Union taxes was 18.01 per cent and 24.15 per cent respectively. Receipts of grants from the Central Government decreased by 126.53 crores (21.14 per cent). Net receipt under loans and advances from the Central Government (after repayment of loans and advances due) increased from Rs.329.52 crores in 1988-89 to Rs.344.34 crores in 1989-90. The interest (Rs.243.10 crores) paid to the Central Government on loans and advances increased by Rs.35.27 crores (16.97 per cent) limiting the net resources availability from this source to Rs.101.24 crores only. While the net market borrowings during the year increased by Rs.64 crores, loans and advances from other sources decreased by Rs.14.44 crores over that of the previous year. The net collection from small savings, Provident Funds, etc., decreased by Rs.37.64 crores as compared to those of the previous year.

(Paragraph 1.2.2)

2.5 Loans from the Government of India formed 83.66 per cent of the total Public

Debt as on 31st March 1990 as against 83.99 per cent on 31st March 1989. Loans of Rs.525.17 crores were received from the Government of India during the year and Rs.180.83 crores were repaid. Interest paid on these loans was Rs.243.10 crores.

(Paragraph 1.2.9)

2.6 With the fresh investment of Rs.40.51 crores during the year, the total investment of the Government in share capital of Corporations, Government Companies and Co-operative Banks came to Rs.466.56 crores as on 31st March 1990. Dividend received during the year on such investments was Rs.0.74 crore only representing a poor return of 0.16 per cent as against Rs.0.57 crore (0.13 per cent) received during 1988-89.

(Paragraph 1.2.12)

2.7 The contingent liability for guarantees given by the State Government or repayment to loans and payment of interest thereon by Statutory Corporations, Companies and Co-operatives, etc., as on 31st March 1990 was Rs.501.24 crores including interest of Rs.10.12 crores. Total amount paid by the Government on account of invocation of guarantees and recoverable from the beneficiary at the end of 1989-90 was Rs.0.04 crore. No law under Article 293 of the Constitution, laying down the limits within which Government may give guarantees, has been passed by the State Legislature.

(Paragraph 1.2.13)

2.8 As against the provision of Rs.74,06.37 crores, the actual expenditure during the year was Rs.65,87.34 crores resulting in saving of Rs.819.03 crores. Supplementary provision of Rs.110.41 crores obtained in 21 cases

during September 1989 and Rs.71.43 crores obtained in 43 cases during March 1990 proved unnecessary. In 10 cases, Supplementary provision of Rs.69.74 crores obtained during the year proved insufficient, leaving an aggregate uncovered excess expenditure of Rs.70.15 crores.
(Paragraphs 2.1 and 2.2.2)

2.9 In case of 53 grants, the expenditure in each case fell short by more than Rs.1 crore and also by more than 10 per cent of the provision. In respect of 24 plan schemes, savings exceeded 80 per cent of the provision and also by more than Rs.1 crore in each case. Savings against 37 grants/ appropriations exceeded Rs.25 lakhs and also by more than 10 per cent of the provision persistently in each of the three years from 1987-88 to 1989-90. In 3 grants more than 50 per cent of the total expenditure of the year was incurred during March 1990 alone.

(Paragraphs 2.2.4, 2.2.5, 2.2.7 and 2.2.11)

2.10 the system of budgetary procedure and control over expenditure was not followed in certain Departments, inasmuch as the budget estimates were not prepared on the basis of actual requirements. The surrenders generally made at the closing of the year were substantially less than the savings available and in 51 cases, savings to the extent of Rs.297.14 crores remained unsurrendered.

(Paragraphs 2.2.18 and 2.2.6)

2.11 The sanctions for reappropriations/surrenders relating to grants of a financial year are required to be issued well before the close of the year, as such all such sanctions relating to 1989-90 should have been issued by the Government before 31.3.1990 and received

in the Accountant General (A&E)'s office latest by 15th April 1990. It was, however, noticed that about 340 sanctions for reappropriations of funds (Rs.157.43 crores) and for surrenders (Rs.371.83 crores) relating to 1989-90 purported to have been issued on 31.3.90 were actually received in the Accountant general (A&E)'s office, Gwalior during June 1990 to October 1990, after the close of the financial year 1989-90.

(Paragraph 2.2.13)

3. **Audit Reviews on Developmental/Welfare Programmes, etc.**

Audit scrutiny of 8 developmental/welfare programmes revealed non-fixation and non-achievement of targets, ineffective monitoring and evaluation of programmes at various levels of Government and under achievement of desired objectives. In some cases funds were diverted for purposes other than those for which they were provided and consequently the benefit of welfare programmes undertaken by the Government did not reach the intended beneficiaries.

3.1 **Special Rice Production Programme**

With the object of increasing production and productivity of rice by adoption of improved techniques of cultivation, the Government of India introduced a Centrally sponsored Special Rice Production Programme in July 1984. The programme contemplated holding of demonstrations for the benefit of farmers, supply of good quality inputs at fully subsidised cost, and land development works on the fields of the farmers. Demonstrations were held on 8818 hectares at a cost of Rs. 81.43 lakhs as against demonstrations on 6420 hectares at a cost of Rs.64.20 lakhs permitted by the Government

of India. The entire expenditure was charged to the Government of India. Nonmaintenance of proper record for 0.62 lakh empty gunny bags received alongwith seed minikits in 6 test-checked districts during 1984-90 and non-disposal of those gunny bags resulted in a loss of Rs.6.23 lakhs. Due to non-supply of plant protection equipments by the M.P.Agro Industries Development Corporation despite an unadjusted advance of Rs.25.31 lakhs. With it only 0.29 lakh number of equipments were distributed to farmers in 6 test-checked districts during 1985-90, against the targeted distribution of 0.35 lakh items of equipment. Only 0.35 lakh items of equipment were distributed in the State, against the target of 0.55 lakh. In Raipur district, 844 improved agricultural equipments (cost: Rs. 1.80 lakhs purchased in 1988-89 were not distributed to farmers as of May 1990. An expenditure of Rs. 5.21 lakhs incurred on opening of a precasting centre by the ASCO Ambikapur remained unfruitful. An expenditure of Rs.11.33 lakhs was incurred during 1985-86 to 1989-90 on construction of field channels without administrative approval and technical sanction. Rupees 19.25 lakhs provided by the Government of India for repairs/renovation of existing godowns were diverted for the construction of additional rooms in new godowns.

(Paragraph 3.1)

3.2 Technology mission on oilseeds

With a view to achieving the objective of increasing production of oilseeds and thereby reducing imports of edible oils by the end of the Seventh Plan and achieving self reliance during the course of Eighth Plan, two programmes in this State, viz., National Oilseed Development Project (NODP) and Oilseeds Production Thrust

Project (OPTP) were taken up under the Technology Mission on oilseeds with the Central assistance. In 1986-87 the overall production of oilseeds declined steeply due to drought conditions, and during that year and the next one the targets could not be achieved. In the circumstances the target for 1988-89 and 1989-90 was scaled down, but due to the use of better quality fertilisers and Government's special efforts to make the required inputs available, the production picked up during those years. Targets for production and yield per hectare of foundation seed were not fixed during 1986-90. There was a shortfall of 48 per cent (1988-89) and 83 per cent (1989-90) in area coverage for the production of foundation seed. There was shortfall in distribution of certified seed (41 per cent). The average yield of groundnut, soyabean and rapeseed-mustard was also less than the prescribed average. Samples for seed-testing were not taken during 1986-87, and 129.76 tonnes of sub-standard seed was distributed to cultivators before the receipt of test reports. Cases of delay in taking samples for testing, resulting in distribution of sub-standard seed, were noticed. Subsidy of Rs.82.29 lakhs was paid without getting the seed tested as required. Excess payment of subsidy of Rs.2.39 lakhs on demonstrations during 1988-89 was noticed. In Khargone district, subsidy amounting to Rs.4.73 lakhs was irregularly allowed (1988-89) to 772 farmers, who used their own seeds in their demonstration plots. 4,732 tonnes of gypsum (value Rs.42.43 lakhs) was purchased from unapproved suppliers against whom advance of Rs.12.89 lakhs for supply of gypsum was outstanding (July 1990). Sub-standard gypsum (775.45 tonnes) worth Rs.7.21 lakhs was purchased (Khandwa) in 1989-90 from an

unapproved supplier. Percentage of oil content in oilseed crops was not ascertained during 1986-90.

There was excessive expenditure (Rs.140 lakhs against allotment of Rs.59 lakhs under OPTP) on procurement of plant protection equipment during 1986-90. Subsidy amounting to Rs.6.91 lakhs was paid in excess during 1988-90.

Advances amounting to Rs.78.17 lakhs were outstanding against the Beej Nigam (Rs.46.79 lakhs), M.P.Agro (Rs.18.49 lakhs) and Malwa Sahkari Bhandar (Rs.12.89 lakhs). An amount of Rs.35.42 lakhs was kept under 'Civil deposits' (March 1990) for avoiding lapse of budget. Expenditure of Rs.8.60 lakhs was incurred on inadmissible items under NODP/OPTP. Excess procurement of seed during 1986-87 (Mahasamund, district Raipur) resulted in loss of Rs.2.08 lakhs.

(Paragraph 3.2)

3.3 Drought Prone Area Programme

In order to provide a permanent solution to the problem of frequent droughts in the drought prone areas of the State, a Centrally sponsored Drought Prone Area Programme (DPAP) was launched. Implementation of the Programme was test-checked in audit, and it was noticed that though an expenditure of Rs.3581.81 lakhs had been incurred on the implementation of the programme, no evaluation of the impact of the programme was done. During 1985-90 the Central assistance received by the State Government was short to the extent of Rs.180.04 lakhs; action taken to obtain this amount from the Government of India was not intimated by the Development Commissioner. The instructions (July 1987) of the Government of India to narrow down

the range of activities under DPAP and to undertake them in selected micro-water sheds were not followed, and afforestation/pasture development works and percolation tanks were undertaken at a cost of Rs.442.97 lakhs in the areas outside the watersheds in Betul and Dhar districts during 1985-90. In Dhar, Jhabua and Shahdol districts Rs.4.55 lakhs were diverted for the works not related to DPAP.

Government of India instructed not to slow down soil and water conservation activities under normal development programme of the Agriculture Department on introduction of DPAP works. However, the expenditure on normal departmental works in four selected districts came down from Rs.32.01 lakhs (1985-86) to Rs.16.86 lakhs (1988-89) when expenditure on DPAP works increased from Rs.31.45 lakhs (1985-86) to Rs.141.56 lakhs (1988-89).

In Jhabua district a stop dam costing Rs.1.66 lakhs was washed away, and construction of another one was abandoned after expenditure of Rs.0.25 lakh on it.

Eight minor irrigation projects commenced during 1979-85 were incomplete at the end of March 1990 after Rs.261.65 lakhs were spent on them. Irrigation actually provided from completed 83 projects during 1979-90 was only between 25 and 51 per cent of the irrigation potential created. An irrigation tank in Jhabua district breached in September 1975 was neither repaired nor was any responsibility fixed for the damage as of August 1990, though desired by the Public Accounts Committee as far back as in January 1985. Contrary to the instructions of the Government of India, Rs.3.90 lakhs were spent by M.P.Rajya Van Vikas Nigam in Dhar

and Jhabua districts during 1985-90 on maintenance of plantations beyond 3 years.

The fish-seed breeding farm in Jhabua district proposed to be established by March 1988 for increasing fish production was not established despite an expenditure of Rs.34.51 lakhs. The work was now expected to cost Rs.46.65 lakhs.

(Paragraph 3.24)

3.4 Working of Hospitals and Community Health Centres

On the recommendation of the working group set up during the VII plan period (1985-90), the health care delivery services in rural areas were to consist of a 3-tier health infrastructure, i.e., Community Health Centres with indoor facility for 30 patients and providing first referral health services, Civil Hospitals (CH) and District Hospitals (DH) meant to serve as second referral health institutions, as well as specialised treatment provided in Medical College Hospitals. During the review of working of such health institutions it was seen that in 31 districts bed strength was less than 35 (50 per cent) against the authorised bed strength of 70 per one lakh population. In 3 DHs and 70 CHs bed occupancy was less than 75 per cent, for which reasons were not analysed.

Even after incurring expenditure of Rs.7.54 lakhs on construction of buildings and purchase of equipment the Civil Hospital at Sonakhan (Raipur) was not functioning due to non-posting of medical and paramedical staff.

Deployment of staff neither confirmed to the prescribed pattern nor to the work load. Minimum and maximum stocks of each medicine,

especially life saving medicines and medicines for prevention of epidemics were not fixed. Storekeepers were not trained in inventory control.

Out of total purchase of medicines worth Rs.639.87 lakhs between 1987-88 and 1989-90 in 10 districts, medicines worth Rs.226.61 lakhs (35 per cent) were purchased locally. Procurement of 12 medicines through MPLUN resulted in extra expenditure of Rs.24.28 lakhs during 1989-90. Purchase of intravenous sets and blood donor sets at rates higher than contracted rate in 6 districts resulted in extra expenditure of Rs. 2.37 lakhs during 1988-89 and 1989-90.

Scale of diet and its cost (Rs.8 per day) fixed in July 1983 had not been reviewed. The stewards in charge of kitchens were not trained. In CHs Korba, Shivrinarayan and Mangawan, diet was not being supplied but cooks and mess servants were employed resulting in infructuous expenditure of Rs.1.88 lakhs on their wages during January 1987 to February 1990.

Blood banks were not functioning in any of the 41 DHs where they had been sanctioned. Rates of fees for operation, pathological tests, X-Ray, etc. and rents of private wards to be recovered from patients having higher income fixed in 1965 were not revised and no rent from such patients in general wards was recovered.

(Paragraph 3.28)

3.5 National Literacy Mission

Under the National Adult Education Programme, the Government of India set up a

National Literacy Mission with a view to giving special emphasis on provision of Literacy to adults in age group 15-35. The State Literacy Mission and District Adult Education Boards supervised the programme (NAEP) at the State and District level with the assistance of District Adult Education officers. Rural Functional Literacy Projects, Jan Shikshan Nilayams, Shramik Vidyapeeth Indore, State Resource Centre Indore, Universities, Colleges and other voluntary organisations were involved in the Programme. The Programme was implemented with the Central assistance. In the absence of any comprehensive survey for identification and registration of illiterates, the planning and the target of cent per cent coverage of illiterates set for 1985-90 were unrealistic. Till the end of March 1990 the State could provide literacy only to 43.96 lakhs (45 per cent) of the 98.34 lakh illiterates estimated in the 1981 census. During 1986-90, only at 54 to 61 per cent Central Sector AECs and 36 to 72 per cent State Sector AECs, the average daily attendance of learners was to the required extent.

The State Government could not spend Rs.16.45 crores received for the National Adult Education Programme during 1985-90 for reasons not specified by the Director, Panchayat and Social Welfare. Honorarium to the instructors of AECs was not paid by the Panchayats in time, and Rs.37.18 lakhs advanced to Panchayats during 1985-90 for this purpose were lying undischarged with them.

Against the requirement of training all education functionaries by March 1990, only 550 of the 615 Supervisors and 8,367 of the 18,990 Instructors were trained by that date. During 1987-90, only 1,500 of the 2,350 sanctioned

Jan Shikshan Nilayams (JSNs) were established. In the Four test-checked Universities, out of 1.43 lakh learners initially enrolled during 1985-90 under National Service Scheme (NSS), 0.47 lakh dropped out. The supply of essential learning and teaching material was short of requirements to the extent of 33 to 50 per cent in AECs at Ujjain University. In the Mass Programme for Functional Literacy (MPFL) only 0.38 lakh volunteers took part as against the target of 0.72 lakh, during 1986-90.

Amounts aggregating Rs. 125.85 lakhs sanctioned by the Government of India during 1985-90 for purchase of materials for Jan Shikshan Nilayams and vehicles and on account of awards were withdrawn in March 1990 and kept under 'Civil deposits' where they were still lying, as of July 1990

(Paragraph 3.35)

3.6 Financial management in Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur

The Jawaharlal Nehru Krishi Vishwa Vidyalaya was set up with the primary objective of imparting education and prosecution of research in agriculture and allied services. The Comptroller appointed by the Vice-chancellor is responsible for supervision over the funds, property, expenditure, budget and other allied financial matters. During test-check of the amounts of grants to the Vishwa Vidyalaya it was seen that despite repeated mention in Audit Reports and directions of the Public Accounts Committee, rules/guidelines for assessing and regulating the amounts of grants, were not framed and release of grants on an adhoc basis was continued. Responsibilities relating to exercise

of proper and effective control over grants were not fully discharged by the Director of Agriculture to whom these were entrusted in June 1984. In some cases utilisation certificates were issued for the amounts which were in excess of the grants released. Funds from ICAR grants and employees fund accounts were diverted by the Vishwa Vidyalaya to meet the deficits without obtaining sanction of the competent authority. The orders for appointment of auditor as required under amended Act 1985 were not issued. This violated codal provisions for audit of annual accounts. There has been considerable delay in submission of the Audit Reports before the Vidhan Sabha. Audit Reports only upto the period 1981-82 were placed before the Vidhan Sabha in June 1990. The belated submission of Audit Reports had also been viewed seriously by the Paper Committee of the Vidhan Sabha in December 1989.

(Paragraph 5.4)

3.7 District Rural Development Agencies (DRDAs)

A District Rural Development Agency (DRDA) was set up (1980) by the State Government in each district for implementing various rural development programmes in rural areas with the assistance of Blocks, other Government departments, Semi-Government bodies, panchayats, etc. During the course of test-check of records of some DRDAs it was seen that the DRDAs failed to conduct surveys to identify beneficiary families at regular intervals. Perspective plans were prepared only by 8 out of 24 DRDAs, and proper Annual Action Plans were not prepared. Rupees 738.55 lakhs remained unreconciled between the banks accounts and the books of three DRDAs. A sum of Rs.24.12 lakhs, the difference

in the books of DRDA, Guna and bank accounts was written off instead of being reconciled. Rupees 24,33.17 lakhs of Integrated Rural Development Project funds were wrongly utilised for the creation of new and general infrastructure which required to be financed from regular sectoral allocations of the Departments. Lack of timely action on the part of DRDAs in transferring balances in 'Subsidy accounts' to interest bearing saving bank accounts caused heavy loss of interest. Subsidies were overpaid (Rs.1.38 lakhs) and mis-appropriated (Rs.1.59 lakhs). Rupees 149.14 lakhs on account of insurance amount remained unclaimed from LIC by the DRDAs. Foodgrains worth Rs.2.44 lakhs became unfit for consumption due to non-distribution. Monitoring by DRDAs was not effective.

(Paragraph 5.8)

3.8 Programme of Mass Orientation for School Teachers

With a view to equipping school teachers with requisite knowledge, skills to enable them to face challenges of education as generated by the New Education Policy of 1986, the Government of India formulated a national scheme of In Service Training of Teachers. Under this scheme, a Centrally sponsored programme of mass orientation for school teachers was entrusted to the Director State Institute of Education, Bhopal during 1986-90.

Against the Central assistance of Rs.305.62 lakhs received for this Programme during 1986-90, Rs.247.04 lakhs were spent on the PMOST and Rs.48.05 lakhs was spent on another Centrally sponsored scheme. The unutilised balance of Rs.10.53 lakhs along with the interest of Rs.3.86 lakhs earned were not

refunded to the Government of India. Against the objective of training all school teachers in the State within a period of 5 years, only 39 per cent of the school teachers were trained in the first 4 years and they too, were mostly from the schools in or around cities. The trained teachers were not made aware of the latest concepts and method of teaching. The orientation of school teachers under the PMOST, thus, did not appear to have had a significant impact on the enrichment of their knowledge and skills.

(Paragraph 5.9)

4. Other points of interest

4.1 Three irrigation ponds in Jhabua district constructed during April 1986 to June 1988 (cost: Rs.4.66 lakhs) under DPAP and Famine Relief Programme were damaged or washed away in July 1988 due to heavy rains. These ponds were found constructed without proper planning and not in conformity with estimates, thus resulting in a loss of Rs.4.66 lakhs to the Government.

(Paragraph 3.4)

4.2 Purchase of fodder seed from a private supplier at a higher rate, supply of inputs on ad hoc basis irrespective of area of cultivation and categorisation of small farmers as marginal farmers in the drought stricken Surguja district during 1987-88 had resulted in extra expenditure of Rs.1.41 lakhs.

(Paragraph 3.5)

4.3 Twenty industrial units of District Industries centre, Jhabua, to which Central investment subsidy of Rs.9.63 lakhs had been granted during March 1984 to December 1987, had gone out of production within five years from the date of commencement of

production. As there was violation of subsidy conditions, the subsidy paid became infructuous, and was thus recoverable. No action for recovery was intimated to Audit.

(Paragraph 3.8)

4.4 A water supply scheme for industrial units at Shivpuri was completed through MPLUN at a cost of Rs.4.84 lakhs (against advances of Rs. 5.21 lakhs given to MPLUN) in June 1987 but water was not reaching the pump house. The unspent amount of Rs.0.37 lakh was still lying with MPLUN. Moreover, the expenditure of Rs.4.84 lakhs proved unfruitful since no water was drawn from this scheme by industrial units after May 1988.

(Paragraph 3.9)

4.5 The Lal Bagh Palace in Indore, initially acquired by the Indore Development Authority in March 1987 with a bank loan of Rs. 64.46 lakhs, was taken over by the State Government in July 1988. Government paid the money only in November 1989, incurring a liability of Rs.21.65 lakhs on account of interest.

(Paragraph 3.12)

4.6 Grants of Rs. 39 lakhs given to Kamla Nehru Mahila Evam Bal Vikas Samiti during 1985-86 were not utilised as of February 1990, in the absence of Government approval to the rules of the Samiti. Besides blocking of Government funds, the idling amount of Rs.39 lakhs had resulted in loss of interest amounting to Rs.19 lakhs upto February 1991. A further grant of Rs.25 lakhs was also sanctioned in March 1987. This amount was also drawn from the treasury by the Department and kept in Civil deposit to avoid lapse of budget grant. The proposal of dissolution of the Samiti was

under consideration of Government.

(Paragraph 3.18)

4.7 Under the State's Nutrition Programme, supply of ready-to-eat 'energy food' was arranged on contract basis at the rate of Rs.7000 per tonne from Modern Food Industries Ltd, Indore (MFIL) and Karnataka State Agro Corn Products Ltd, Bangalore (KSAC) during 1988-89 to 1990-91 without calling for competitive tenders. The MFIL, Indore was not itself manufacturing the energy food but had been purchasing the energy food at the rate of Rs.5250 per tonne from Andhra Pradesh Food, Hyderabad (APF). In December 1988 the APF informed the Department that it could supply the energy food at the rate of Rs.5250 per tonne. But even on noticing that supply of energy food was available at cheaper rates, the Department did not take appropriate action and continued to make purchases at higher rates resulting in excess payment of Rs.265.16 lakhs.

(Paragraph 3.19)

4.8 In Sailana and Bajna Blocks (Ratlam District) and in Khirkiya Block (Hoshangabad District), quantity of ready-to-eat food supplied by the suppliers was much in excess of that as directed, resulting in the stocks of energy food (6042 bags: value Rs. 6.53 lakhs) becoming unfit for human consumption.

(Paragraph 3.20)

4.9 Transportation of CARE goods from Vishakhapatnam port to Jagdalpur (Bastar) during 1988-89 and 1989-90 was got done by the Collector, Bastar by a contractor at the higher rate of 80 paise per tonne per km, in spite of the approved lower rate of 42.5 paise per tonne per km for distances exceeding 300 km, resulting in avoidable extra expenditure

of Rs.34.05 lakhs.

(Paragraph 3.21)

4.10 In 4 RES Divisions, 32 works which were left incomplete by the original contractors were got completed at an extra cost of Rs.6.14 lakhs during the year 1985-86 to 1989-90. Out of this, Rs.5.57 lakhs were still recoverable from the original contractors (March 1991).

(Paragraph 3.27)

4.11 Construction of a new 250-bed hospital at Dewas, started in May 1982 through Dewas Vikas Pradhikaran as a deposit work and to be completed by May 1985, was still in progress (December 1990) although a sum of Rs.187.47 lakhs (against revised estimates of Rs.181.30 lakhs of May 1982) had been spent. Further expenditure of Rs.31.72 lakhs was also needed for lift, water arrangements, electric fittings and other works necessary for functioning of the hospital and not covered in earlier estimates. Delay in execution of work resulted in rise in cost of construction and also in depriving patients of improved medical aid.

(Paragraph 3.33)

4.12 A defalcation of Rs.0.58 lakh was noticed in the office of the Block Development Officer, Shahpur (district Betul) during the period February 1986 to June 1988 as a result of not carrying forward correct amounts as opening balances, short-accountal of receipts, irregular depiction of payments and bank balances. This amount further increased to Rs.0.97 lakh during special audit covering the earlier period from April 1984. Out of this, Government accepted (December 1990) defalcation of Rs.0.88 lakh.

(Paragraph 3.41)

4.13 Progressive accumulation and prolonged storage of 491.46 lakh 'tasar' cocoons which were purchased for Rs.34.03 lakhs by the Assistant Director of Sericulture, Raigarh resulted in deterioration of reeling quality of cocoons besides entailing the risk of damage due to fungus infection, etc. Further, 4.89 lakh cocoons worth Rs.1.17 lakhs were eaten by rates during 1987-88 to 1989-90 resulting in loss to Government.

(Paragraph 4.5)

4.14 The cost of cement payable to cement factories were inclusive of cost of transportation by rail. In case of transportation of cement by road, the amount equal to railway freight was reimbursable, to the purchaser. In four Divisions of the Housing Board re-imbursement claims for Rs.5.12 lakhs in respect of cement transported by road during July 1980 and December 1987 were not preferred in time. This resulted in loss to the Board.

(Paragraph 5.5)

4.15 A shopping complex of 20 big shops, 12 small shops and 8 car sheds was constructed in January 1982 at Durg at a total cost of Rs.10.34 lakhs, by the Housing Board for which a monthly rent of Rs.19,978 was fixed according to their approved formula. Due to improper selection of site for construction of shops/car sheds, they remained unallotted for different periods ranging from 16 months to 64 months resulting in a substantial portion of the investment becoming infructuous.

(Paragraph 5.6)

4.16 Delay in disposal upto 21 months/non-disposal of HIG-MIG houses/shops constructed at Durg by Housing Board (Total cost: Rs.130.03 lakhs) resulted in blocking of capital Rs.26.59 lakhs for over 2 years besides loss of interest of Rs.14.08 lakhs.

(Paeragraph 5.7)

CHAPTER I

Overall position of State Finances

1.1 Summary of accounts

The summarised position of the Accounts of the Government of Madhya Pradesh emerging from the Appropriation Accounts and Finance Accounts for 1989-90 is indicated in the statement following:

I-Statement of financial position of the Government

Amount as on 31 March 1989 (Rupees in crores)	Liabilities	Amount as on 31 March 1990 (Rupees in crores)
5,63.27	Internal Debt including Ways and Means Advances (Market Loans, Loans from Life Insurance Corporation of India and others)	6,60.55
30,36.62	Loans and Advances from Central Government	33,80.96
11,58.53	Pre 1984-85 Loans	10,98.01
6,96.66	Non Plan Loans	8,82.82
11,16.69	Loans for State Plan Schemes	13,27.77
30.17	Loans for Central Plan Schemes	35.24
34.57	Loans for Centrally Sponsored Plan Schemes	37.12
--	Ways and Means Advances	
15,32.62	Small Savings, Provident Funds, etc.	17,59.93
5,06.37	Deposits	6,60.34
15.76	Over drafts from Reserve Bank of India	--
2,57.09	Reserve Funds	2,92.94
29.11	Contingency Fund	36.64
1,82.43	Suspense and Miscellaneous balances	1,71.01
15,93.51 ^(C)	Surplus on Government Account	16,90.99
-1,39.68	Current year (Revenue Surplus)	97.48
--	Amount closed to Miscella- neous Government Account	--(Y)
17,73.19	Add Surplus upto previous year	15,93.51
77,16.78		86,53.36

(Y) Actual Rs.1900.00

of Madhya Pradesh as on 31 March 1990

Amount as on 31 March 1989	Assets	Amount as on 31 March 1990
(Rupees in crores)		(Rupees in crores)
50,60.34	Gross Capital outlay on Fixed Assets	57,18.29
4,26.04	Investment in shares of Companies, Corporations, etc.	4,66.55 ^(A)
46,34.30	Other Capital Outlay	52,51.74
22,98.28	Loans and Advances	24,61.62
17,75.12	Loans for power projects	18,59.57
4,80.58	Other Development Loans	5,56.67
42.58	Loans to Government Servants and Miscellaneous Loans	45.38
--(C)	Contingency Fund	--
-2.53	Other Advances	-1.88 ^(B)
4,64.82	Remittance Balance	4,57.71
-1,04.13	Cash	17.62
-4.34	Cash in Treasuries and Local Remittances	-14.49
-1,19.85	Deposits with the Reserve Bank of India	11.29
3.45	Departmental Cash Balance including Permanent Advance	3.78
13.13	Cash Balance Investment	13.14
-1,07.61		13.72
3.48	Earmarked Fund Investment	3.90
77,16.78		86,53.36

(A) Does not include investment of Rs.0.01 crore financed from funds of former Gwalior State.

(B) Reasons for minus balance are under investigation.

(C) Decreased by Rs.40 crores (representing corpus of the State Contingency Fund) in view of instructions regarding depiction of Contingency Fund issued vide Headquarters Office Letter No.366-Rep(s)/97-88 dated 14.3.1991.

II- Abstract of Receipts and

Section-A

Receipts

(Rupees in crores)

I- Revenue Receipts

38,76.78

(i)	Tax Revenue	15,77.86
(ii)	Non-Tax Revenue	8,03.15
(iii)	State's share of Union Taxes	10,23.83
(iv)	Non-Plan Grants	61.81
(v)	Grants for State Plan Schemes	1,64.74
(vi)	Grants for Centrally Sponsored Plan Scheme	2,45.39

II- Revenue Deficit

(carried over to Section B)

38,76.78

Disbursements for the year ended 31 March 1990

-REVENUE

Disbursements		(Rupees in crores)		
I-Revenue Expenditure				
	Sector	Non-Plan	Plan	Total
(i)	General Services	10,95.04	7.80	11,02.84
(ii)	Social Services	10,22.45	5,23.00	15,45.45
(iii)	Agriculture and Allied Activities	3,01.42	1,51.79	4,53.21
(iv)	Rural Development	37.53	1,32.40	1,69.93
(v)	Irrigation and Flood Control	52.83	46.41	99.24
(vi)	Energy	88.00	--	88.00
(vii)	Industry and Minerals	45.87	30.86	76.73
(viii)	Transport	1,27.60	23.36	1,50.96
(ix)	Science Technology and Environment	0.01	1.49	1.50
(x)	General Economic Services	8.45	2.61	11.06
(xi)	Grant-in-aid and Contributions	80.36	0.02	80.38
		28,59.56	9,19.74	37,79.30
II- Revenue Surplus				97.48
(carried over to Section B)				
				38,76.78

SECTION- B

Receipts		(Rupees in crores)
III	Opening Cash Balance including Permanent Advance and Cash Balance Investment	-1,07.61
IV	Miscellaneous Capital Receipts	--
V	Recoveries of Loans and Advances	19.66
(i)	From Government Servants	6.49
(ii)	From others	13.17
VI	Revenue Surplus brought down	97.48
VII	Public Debt Receipts	14,55.52
(i)	Internal Debt other than Ways and Means Advances	1,54.65
(ii)	Ways and Means Advances per Contra	7,75.70
(iii)	Loans and Advances from the Central Government	5,25.17
VIII	Recoveries of Advances from the Contingency Fund	10.89
IX	Public Account Receipts	46,20.36
(i)	Small Savings and Provident Fund etc.	5,07.78
(ii)	Reserve Fund etc.	72.47
(iii)	Suspense and Miscellaneous	12,09.84
(iv)	Remittances	20,40.03
(v)	Deposits and Advances	7,90.24
X	Miscellaneous	--
XI	Closing overdrafts from the Reserve Bank of India	--

60,96.30

- OTHERS

Disbursements		(Rupees in crores)	
III	Opening overdrafts from the Reserve Bank of India		15.76
IV	Capital outlay		6,57.96
	Sector	Non-Plan	Plan Total
(i)	General Services	0.81	14.25 15.06
(ii)	Social Services	12.98	60.09 73.07
(iii)	Agriculture and Allied Activities	0.35	25.77 26.12
(iv)	Rural Development	--	46.72 46.72
(v)	Irrigation and Flood Control	-	3,64.14 3,64.14
(vi)	Energy	--	48.40 48.40
(vii)	Industry and Minerals	0.18	17.47 17.65
(viii)	Transport	0.09	65.32 65.41
(ix)	General Economic Services	--	1.39 1.39
	Total	14.41	6,43.55 6,57.96
V	Loans and Advances Disbursed		1,82.99
(i)	For Power Projects		84.45
(ii)	To Government Servants		9.29
(iii)	To others		89.25
VI	Revenue Deficit brought down		--
VII	Repayment of Public Debt		10,13.90
(i)	Internal Debt other than Ways and Means Advances		21.95
(ii)	Ways and Means Advances per Contra		8,11.12
(iii)	Repayment of Loans and Advances to the Central Government		1,80.83
VIII	Advances from the Contingency Fund		3.36
IX	Contingency Fund Public Account		42,08.61
(i)	Small Savings and Provident Fund etc.		2,80.48
(ii)	Reserve Fund etc.		37.04
(iii)	Suspense and Miscellaneous		12,21.25
(iv)	Remittances		20,32.92
(v)	Deposits and Advances		6,36.92
X	Miscellaneous		
XI	Cash Balance at end		13.72
(i)	Cash in treasuries and Local Remittances		-14.49
(ii)	Departmental Cash Balance including Permanent Advances		3.78
(iii)	Cash Balance Investment		13.14
(iv)	Deposits with the Reserve Bank of India		11.29
			60,96.30

III Sources and Application of funds for 1989-90

I	Sources	(Rupees in crores)	
	1. Revenue Receipt		38,76.78
	2. Increase in		
	(i) Public Debt	4,25.86	
	(ii) Small Savings, Prvident Fund, etc.	2,27.30	6,53.16
	3. Net contribution from the Contingency Fund		7.53
	Adjustments		
	Decrease in suspense and Miscellaneous	-11.41	
	Increase in Reserve Funds	+35.85	
	Effect on Remittance Balance	+7.11	
	Increase Deposits and Advances	+1,53.32	1,84.87
	Net Funds available		47,22.34
II	Application		
	1. Revenue Expenditure		37,79.30
	2. Capital outlay		6,57.96
	3. Lending for development and other purposes (net)		1,63.33
	4. Increase in closing Cash Balance		1,21.75
	Total		47,22.34

Explanatory Notes

1.01 The summarised financial statements are based on the statements of Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

1.02 Government Accounts being mainly on cash basis, the revenue surplus or deficit on Government Account has been worked out on cash basis as opposed to accrual basis of Commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

1.03 Although a part of the revenue expenditure and the loans are used by the recipients for the capital formation, its classification in the accounts of the State Government remains unaffected by end use.

1.04 There was an unreconciled difference of Rs.9.71 crores (debit) between the figures of deposits with the Reserve Bank of India as reflected in the accounts (Rs.11.29 crores) and that intimated by the Reserve Bank of India (Rs.1.58 crores), of which Rs.4.75 crores had been reconciled (August 1990). The balance of Rs.4.96 crores is under reconciliation.

1.2 Analysis of the accounts

1.2.01 The outstanding debt of the Government at the end of 1989-90 stood at Rs.58,01.44 crores while the corresponding figure at the end of previous year was Rs.51,48.28 crores. The net increase of Rs.6,53.16 crores in debt was mainly under market loans (Rs.1,33.21 crores), loans and advances from the Central Government (Rs.3,44.34 crores) and small savings and Provident Funds etc (Rs.2,27.30 crores).

The above increase was partly off set by a corresponding decrease under Ways and Means Advances from the Reserve Bank of India (Rs.51.18 crores).

Inclusive of other obligations like deposits of State Electricity Board, Civil and Local Fund deposits, etc., the aggregate liability of the State Government by way of gross debt and other obligations outstanding at the end of the year was Rs.67,50.82 crores.

The net addition to the total (Public) Debt (as adjusted by the effect of remittances, suspense balances, drawals from the Reserve Funds and increase in Deposits and Advances) during the year was Rs.8,38.03 crores. This together with the revenue surplus (Rs.97.48 crores) and net contributions from Contingency Fund (Rs.7.53 crores) was utilised for capital expenditure (Rs. 6,57.96 crores), net disbursement under loans and advances for development and other programmes (Rs.163.33 crores) and increase in the closing cash balance (Rs.1,21.75).

1.2.02 While non-plan revenue expenditure increased by Rs.2,58.60 crores (9.94 per cent) over 1988-89, the growth in collection of tax revenue (Rs.2,40.82 crores) and State's share of Union taxes (Rs.199.14 crores) was 18.01 per cent and 24.15 per cent respectively. Receipt of grants from the Central Government decreased by Rs.1,26.53 crores (21.14 per cent). The return from interest and dividend on investments in companies, corporations, co-operative societies, etc., was negligible Rs.0.74 crore (0.16 per cent). Net receipt under loans and advances from the Central Government (after repayment of loans and advances due) increased from Rs.3,29.52 crores in 1988-89 to Rs.3,44.34 crores in 1989-90. The

interest (Rs.2,43.10 crores) paid to the Central Government on loans and advances increased by Rs.35.27 crores (16.97 per cent) limiting the net resources availability from this source to Rs.1,01.24 crores only. While the net market borrowings during the year increased by Rs.64.00 crores, loans and advances from other sources decreased by Rs. 14.44 crores over that of the previous year. The net collection from small savings, Provident funds, etc., decreased by Rs. 37.64 crores as compared to those of the previous year.

1.2.03 Growth of Revenue

No new taxes were levied during the year. However, certain changes in taxation mainly under 'Sales Tax' and 'Taxes and Duties on Electricity' were made during the year for giving certain reliefs. The estimated fall in revenue due to above taxation changes was Rs. 10.40crores.

The actual collection of tax revenue of Rs. 15,77.86 crores exceeded the anticipated tax revenue of Rs. 14,58.07 crores by Rs. 1,19.79 crores. The additional collection of revenue was mainly under 'Taxes and Duties on Electricity' (Rs. 54.72 crores), 'State Excise' (Rs. 28.86 crores) and 'Sales Tax' (Rs.26.94 crores). The non-tax revenue collection of Rs. 8,03.15 crores exceeded the estimates of Rs. 7,31.90 crores by Rs.71.25 crores. The additional collection of revenue was mainly under 'Forestry and Wild Life' (Rs. 82.90 crores) and 'Crop Husbandry' (Rs. 10.31 crores). The shortfall in collection was mainly under 'Non-Ferrous Mining and Metallurgical Industries' (Rs. 25.31 crores).

Receipt from the Government of India during the year on account of State's share of Union Taxes and grant-in-aid were Rs.14,95.77 crores against the estimates of Rs.1528.59 crores.

The revenue receipts (Rs.38,76.78 crores) during the year 1989-90 thus registered an increase of Rs.4,01.67 crores (11.69 per cent) as compared to those of 1988-89 (Rs.34,75.11 crores). The increase was mainly under 'State's share of Union Excise Duties' (Rs.115.63 crores). 'Sales tax' (Rs.105.49 crores), 'Forestry and Wild Life' (Rs.89.55 crores), Taxes on income other than corporation tax (Rs.83.59 crores) and Taxes and Duties on Electricity (Rs.57.36 crores). The decrease was mainly under Grants-in-aid from the Central Government (Rs.126.52 crores)

1.2.04 Expenditure vis-a-vis Budget provision

The Budget Estimates for Revenue and Capital expenditure including Public Debt and Loans and Advances were Rs.60,98.18 crores (gross) which were augmented to Rs.74,06.37 crores (gross) by obtaining supplementary grants of Rs.1308.19 crores. After accounting for the estimates of recoveries (Rs.529.85 crores) which are adjusted in accounts in reduction of expenditure, the net budget estimates were Rs.68,76.52 crores (Original: Rs.55,68.33 crores; Supplementary: Rs.1308.19 crores). The actual expenditure, however, was Rs.62,20.04 crores indicating overall saving of Rs.6,56.48 crores (9.55 per cent of the net provision).

Savings with reference to approved appropriations occurred as under:-

		Provision	Expenditure	Savings
		(Rupees in crores)		
Revenue	Non-Plan	29,10.73	28,59.56	51.17
	Plan	11,80.71	9,19.74	2,60.97
Capital	Non-Plan	27.62	14.41	13.21
	Plan	803.38	643.55	1,59.83
Public Debt	Non-Plan	16,79.44	15,99.79	79.65
Loans and Advances	Non-Plan	54.23	34.98	19.25
	Plan	220.41	1,48.01	72.40
TOTAL		68,76.52	62,20.04	6,56.48

(More details have been provided in Chapter-II)

1.2.05 Decline in Plan expenditure

Against the aggregate net Plan provision (Budget plus Supplementary) of Rs.22,04.50 crores during 1989-90 the actual expenditure was Rs.17,11.30 crores. Thus the total plan expenditure fell short of the net provision by Rs.4,93.20 crores (22.37 per cent). As compared to 1988-89, the plan expenditure during the year (excluding loans and advances) decreased by Rs.56.53 crores (Revenue: decrease Rs. 94.09 crores; Capital: increase Rs.57.56 crores).

1.2.06 Growth in Non-Plan expenditure

As against the Non-Plan provision of Rs. 46,72.02 crores (including Public Debt and Loans and Advances), the actual expenditure was Rs. 45,08.74 crores resulting in shortfall of Rs.1,63.28 crores (3.49 per cent of the provision).

However, the Non-Plan expenditure under revenue and capital recorded a growth of 9.73 per cent; the increase over 1988-89 being Rs. 2,54.79 crores (Revenue : 258.60 crores; Capital : Rs. 13.81 crores) The increase under Non-plan revenue expenditure was mainly under:

Sub-Sector	Increase over 1988-89 (Rs. in crores)	Percentage of increase
General Education	61.02	11.77
Interest Payments	36.29	9.15
Police	25.11	12.57
Pensions and Miscellaneous General Services	16.02	13.63
Social Security and Welfare	15.02	55.12
Public Works	8.66	38.82

1.2.07(i) Ways and Means Advances

During the year, the balance of the State Government with the Reserve Bank of India fell short of the agreed minimum Rs.80 lakhs on 269 days. The deficiency was made good by taking Ways and Means Advances totalling Rs. 1,75.70 crores on 196 days inclusive of 4 days on which the minimum balance fell short even after taking the above advances but no over draft was taken on these days. Ways and Means Advances totalling Rs. 8,11.12 crores (including the outstanding balance of Rs 59.97 crores of previous year) were repaid leaving a balance of Rs.24.55 crores at the end of the year. A sum of Rs 3.09 crores was also paid during the year as interest on these advances.

(ii) **Overdrafts.-** During the year, overdrafts aggregating Rs.5,70.13 crores were taken on 73 days. The overdrafts (including the outstanding balance of Rs.15.76 crores of previous year) were fully repaid. Interest paid on the overdrafts was Rs.0.67 crore.

1.2.08 Debt position.- At the end of the year 1988-89 the balance under Public Debt was Rs.36,15.65 crores. The receipts and repayments during 1989-90 were Rs.20,25.65 crores and Rs.15,99.79 crores respectively, leaving a balance of Rs.40,41.51 crores. The outstanding debt of the Government thus registered an increase of Rs.4,25.86 crores during the year. The increase was mainly under 'Loans and Advances from the Central Government' (Rs.3,44.34 crores) and 'Market Loans' (Rs.1,33.21 crores). The above increase was partly off set by decrease under 'Ways and Means Advances from the Reserve Bank of India' (Rs.51.18 crores).

1.2.09 Loans from Central Government.- Loans from the Government of India formed 83.66 per cent of the total Public Debt as on 31 March 1990 as against 83.99 per cent on 31 March 1989. Loans of Rs.5,25.17 crores were received from the Government of India during the year and Rs.1,80.83 crores were repaid. Interest paid on these loans was Rs.2,43.10 crores.

1.2.10 Loans and Advances.- In respect of loans and advances the detailed accounts of which are maintained by the Accountant General (Accounts and Entitlement), the amount overdue for recovery at the end of 1989-90 was Rs.28.50 crores (principal: Rs.15.75 crores; interest: Rs.12.75 crores).

In respect of loans and advances the detailed accounts of which are maintained by the departmental officers, the amount over due for recovery at the end of 1989-90 (to the extent information has been received) was Rs.14.26 crores (principal); out of this Rs.14.25 crores (principal) has been outstanding for more than three years. Information about the amount of interest under default on these loans has not been furnished by the departments concerned.

1.2.11 Interest.- Interest paid on debt and other obligations during the year was Rs.4,32.91 crores as against Rs.3,96.62 crores during 1988-89. Interest received during the year was Rs.1,50.89 crores including that from departmental commercial undertakings and others as against Rs.1,45.27 crores during 1988-89. The net interest burden during the year was thus Rs.2,82.02 crores (7.28 per cent of the total revenue receipt and 17.87 per cent of the tax revenue of the State).

1.2.12 Investments.- With the fresh investment of Rs.40.51 crores during the year, the total investment of the Government in shares came to Rs.4,66.56 crores as on 31st March 1990 (Co-operative: Rs.2,05.75 crores; Government Companies: Rs.1,47.56 crores; Statutory Corporations: Rs.1,12.25 crores; Joint-stock companies/Banks: Rs.1.00 crore). Dividend received during the year on such investments was Rs.0.74 crore only representing a poor return of 0.16 per cent as against Rs.0.57 crore (0.13 per cent) received during 1988-89.

1.2.13 Guarantees given by Government.- The contingent liability for guarantees given by the State Government for repayment of loans and payment of interest thereon by Statutory Corporations, Companies and Co-operatives, etc.,

as on 31 March 1990 was Rs.5,01.24 crores including interest of Rs.10.12 crores against the maximum guaranteed amount as Rs.47,83.64 crores. To the extent information has been received from the Government, no guarantee was invoked during the year. Total amount paid by the Government on account of invocation of guarantees which is to be recovered from the beneficiary (The New Bhopal Textile Limited, Bhopal) at the end of 1989-90 was Rs.0.04 crore. A sum of Rs.0.18 crore was received as guarantee fee during 1989-90.

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

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1989-90 against grants/appropriations is as under:

	Original grant/ appropri- ation (1)	Suppleme- ntary appropri- ation (2)	Total (3)	Actual expendi- ture (4)	Variation Saving -/ Excess + (5)
(Rupees in crores)					
I. Revenue-					
Voted	33,91.74	3,96.39	37,88.13	34,60.88	-3,27.25
<u>Charged</u>	<u>6,26.56</u>	<u>16.28</u>	<u>6,42.84</u>	<u>5,81.71</u>	<u>-61.13</u>
II. Capital-					
Voted	9,50.23	56.30	10,06.53	7,50.00	-2,56.53
<u>Charged</u>	<u>1.53</u>	<u>0.30</u>	<u>1.83</u>	<u>0.48</u>	<u>-1.35</u>
III. Public Debt-					
<u>Charged</u>	<u>8,96.70</u>	<u>7,82.74</u>	<u>16,79.44</u>	<u>15,99.79</u>	<u>-79.65</u>
IV. Loans and Advances-					
Voted	2,31.42	56.18	2,87.60	1,94.48	-93.12
Total-					
Voted	45,73.39	5,08.87	50,82.26	44,05.36	-6,76.90
<u>Charged</u>	<u>15,24.79</u>	<u>7,99.32</u>	<u>23,24.11</u>	<u>21,81.98</u>	<u>-1,42.13</u>
GRAND TOTAL	60,98.18	13,08.19	74,06.37	65,87.34	-8,19.03

2.2 The following results emerge broadly from the Appropriation Audit:

2.2.1 **Supplementary provision.**- Supplementary provision obtained during the year constituted 21.45 per cent of the

original budget provision as against 12.09 per cent in the year preceding.

2.2.2 Unnecessary/excessive/inadequate Supplementary provision

Supplementary provision of Rs.1,10.41 crores obtained in 21 cases during September, 1989 (Appendix-I(a)) and Rs.71.43 crores obtained in 43 cases during March, 1990 (Appendix-I(b)) proved unnecessary because of the ultimate saving of Rs.3,83.73 crores and Rs.4,80.39 crores respectively in each case. These could have been restricted to token provision for New Service items wherever necessary. In 20 cases, against supplementary grants aggregating Rs.10,33 crores, the actual requirement of funds was Rs.8,60.61 crores resulting in saving of huge amounts ranging between Rs.0.29 crore to Rs.79.65 crores (Appendix-I(c)). In 10 cases, supplementary provision of Rs.69.74 crores obtained during the year proved insufficient by more than Rs.0.55 crore to Rs.45.04 crores leaving an aggregate uncovered excess expenditure of Rs.70.15 crores (Appendix-I(d)).

2.2.3 Saving/excess over provision

The overall saving of Rs.8,19.03 crores was the result of saving of Rs.9,31.04 crores in 75 grants (Rs.7,88.58 crores) and 46 appropriations (Rs.1,42.46 crores) partly offset by overall excess of Rs.1,12.01 crores. The excess of Rs.1,12,01,29,787 in 12 grants- Revenue section; 6 grants-Capital section; and 3 appropriations- Revenue section; requires regularisation under Article 205 of the Constitution of India as detailed in Appendix-II.

2.2.4 Unutilised provision

In 53 grants/appropriation, the expenditure in each case fell short by more than Rs.one crore and also by more than 10 per cent of the total provision. The details are given in Appendix-III.

2.2.5 Specific schemes in which substantial savings arose

Substantial savings of Rupees One crore and above and also by more than 80 per cent of the provision arose in each case either due to non-implementation or slow implementation of

the plan schemes/projects/programmes. Such cases are given in Appendix-IV.

2.2.6 Lapsing of budget provision

In 51 grants (some of which figure in the 53 grants mentioned in paras 2.2.4 and 2.2.5 above) savings to the extent of Rs.2,97.14 crores out of the total available savings of Rs.666.28 crores were not even surrendered for re-appropriation, and hence lapsed.

2.2.7 Persistent savings.- Savings exceeding Rs.25 lakhs and also by more than 10 per cent of the provision were noticed persistently in all the three years from 1987-88 to 1989-90 in the following grants/appropriations:

Number and name of grant	Amount of saving			
	(Percentage of savings in brackets)			
	1987-88	1988-89	1989-90	
	(Rupees in lakhs)			
REVENUE:				
Voted-				
2	Other Expenditure pertaining to General Administration Department	49.73 (20.83)	31.48 (17.72)	52.76 (19.29)
6	Expenditure pertaining to Finance Department	17167.43 (64.87)	10858.70 (45.62)	9652.56 (39.82)
38	Additional Expenditure under Employment Programme	101.71 (60.90)	107.65 (63.85)	142.52 (65.60)
39	Expenditure pertaining to Food and Civil Supplies Department	310.89 (27.03)	614.19 (45.53)	713.09 (48.93)
40	Expenditure pertaining to Command Area Development Department	128.22 (16.84)	89.50 (12.83)	170.03 (21.47)
41	Tribal Areas Sub-Plan	2997.36 (14.04)	2679.44 (10.55)	7284.29 (23.40)
46	Science and Technology	30.00 (16.67)	27.00 (15)	45.03 (23.21)

Number and name of grant		Amount of saving (Percentage of savings in brackets)		
		1987-88	1988-89	1989-90
		(Rupees in lakhs)		
53	Externally Aided Projects pertaining to Command Area Development Department	72.76 (15.17)	65.77 (14.83)	41.63 (12.05)
58	Expenditure on Relief on account of Natural Calamities and Scarcity	2024.80 (13.48)	2260.59 (14.49)	2831.04 (25.77)
61	Externally Aided Projects pertaining to Public Health and Family Welfare Department	29.33 (24.52)	42.00 (29.68)	167.93 (56.40)
62	Externally Aided Projects pertaining to Rural Development Department	191.50 (90.93)	166.96 (66.60)	111.17 (70.81)
64	Special Component Plan for Scheduled castes	2436.14 (27.35)	2249.22 (25.43)	3900.93 (34.44)
71	Upgradation of standards of Administration as recommended by Finance Commission- Education	662.99 (81.85)	456.01 (51.82)	684.45 (62.45)
79	Expenditure pertaining to Gas Tragedy Relief Works	753.71 (38.93)	805.55 (32.18)	1566.23 (39.34)
Charged				
25	<u>Expenditure pertaining to Mineral Resources Department</u>	<u>730.88</u> (20.88)	<u>2436.67</u> (45.12)	<u>1576.36</u> (31.04)
CAPITAL:				
Voted-				
6	Expenditure pertaining to Finance Department	762.30 (41.58)	2817.00 (70.50)	1765.14 (56.88)
7	Expenditure pertaining to Separate Revenue Department	204.59 (90.73)	217.72 (92.18)	205.45 (87.80)
8	Land Revenue and District Administration	120.06 (23.09)	150.81 (50.78)	102.80 (31.83)
10	Forest	566.28 (39.00)	1218.47 (52.84)	507.32 (31.71)

Number and name of grant	Amount of saving		
	(Percentage of savings in brackets)		
	1987-88	1988-89	1989-90
	(Rupees in lakhs)		
11 Expenditure pertaining to Commerce and Industry Department	312.91 (12.81)	441.91 (16.01)	484.72 (17.03)
12 Expenditure pertaining to Energy Department	1354.92 (19.64)	3905.88 (39.95)	4895.00 (54.68)
13 Agriculture	1486.78 (52.61)	818.24 (35.99)	671.33 (30.50)
17 Co-operation	349.28 (32.63)	214.51 (14.24)	1048.75 (35.47)
20 Public Health Engineering	188.77 (15.52)	229.54 (20.56)	489.68 (38.22)
21 Expenditure pertaining to Housing and Environment Department	232.67 (20.92)	491.40 (39.88)	296.15 (22.82)
23 Major and Medium Irrigation Works	2894.85 (16.93)	2340.51 (13.89)	3839.54 (25.79)
24 Public Works	420.59 (25.18)	524.26 (32.76)	420.63 (18.37)
33 Tribal Welfare	459.23 (60.08)	537.76 (94.50)	172.22 (71.89)
40 Expenditure pertaining to Command Area Development Department	333.23 (36.18)	320.27 (38.42)	358.76 (28.85)
41 Tribal Areas Sub-Plan	2718.22 (21.29)	2977.65 (23.17)	4228.30 (25.11)
48 Narmada Valley Development	997.47 (15.77)	3628.84 (37.79)	4710.81 (35.20)
53 Externally Aided Projects pertaining to Command Area Development Department	454.92 (27.20)	195.89 (10.99)	250.79 (17.24)
57 Externally Aided Projects pertaining to Major and Medium Irrigation Department	5721.40 (30.81)	4722.88 (27.97)	1888.09 (12.40)
59 Externally Aided Projects pertaining to Co-operation Department	594.58 (37.10)	312.54 (16.34)	273.01 (41.70)

Number and name of grant

Amount of saving
(Percentage of savings in
brackets)

		1987-88	1988-89	1989-90
		(Rupees in lakhs)		
61	Externally Aided Projects pertaining to Public Health and Family Welfare Department	51.34 (51.34)	68.59 (62.35)	198.72 (64.60)
68	Public Works relating to Tribal Area Sub-Plan-Buildings	573.18 (50.77)	374.74 (38.87)	460.50 (39.41)
77	Upgradation of Standards of Administration as recommended by Finance Commission- Public Works-Buildings	1054.86 (29.64)	1876.34 (38.38)	1680.64 (58.01)

2.2.8 Significant cases of excesses

In the following grants, the expenditure during the year exceeded the approved provision by more than Rs.1 crore and also by more than 10 per cent of the total provision in each case.

Grant No.	Description of the grant	Amount of excess (Rupees in crores) (Percentage of excess)	Reasons for excess
(1)	(2)	(3)	(4)
REVENUE:			
Voted-			
24	Public Works- Roads and Bridges	45.04 (54.56)	Reasons for the excess have not been intimated (May 1991).
42	Public Works relating to Tribal Area Sub- Plan- Roads and Bridges	7.18 (2393.33)	Reasons for the excess have not been intimated (May 1991).
67	Public Works- Buildings	31.47 (24.07)	Reasons for the excess have not been intimated (May 1991).

Grant No.	Description of the grant	Amount of excess	Reasons for excess
		(Rupees in crores)	
		(Percentage of excess)	
(1)	(2)	(3)	(4)
CAPITAL:			
Voted-			
22	Expenditure pertaining to Local Government Department	2.23 (26.96)	Reasons for the excess have not been intimated (May 1991).

2.2.9 Persistent excesses

In the following grants, persistent excesses were noticed in all the three years from 1987-88 to 1989-90.

Grant Description of grant No.		Amount of excess (Percentage of excess in brackets)		
		1987-88	1988-89	1989-90
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
REVENUE:				
Voted-				
3	Police	649.68 (3.69)	461.15 (2.21)	705.11 (3.03)
8	Land Revenue and District Administration	512.19 (8.04)	841.97 (11.82)	177.11 (2.02)
14	Expenditure pertaining to Animal Husbandry Department	69.55 (2.22)	71.04 (2.01)	93.18 (2.34)
20	Public Health Engineering	1381.05 (9.55)	4120.78 (31.04)	136.29 (0.90)
24	Public Works- Roads and Bridges	2271.69 (27.05)	3505.98 (41.13)	4504.04 (54.56)
29	Administration of Justice and Elections	75.23 (4.72)	213.15 (11.37)	55.01 (2.13)
67	Public Works- Buildings	2224.72 (19.09)	2385.98 (19.41)	3147.35 (24.08)
Charged-				
29	Administration of Justice and Elections	28.90 (13.18)	21.40 (8.47)	27.29 (9.82)

Grant No.	Description of grant	Amount of excess (Percentage of excess in brackets)		
		1987-88 (3)	1988-89 (4)	19889-90 (5)

(Rupees in lakhs)

CAPITAL:

Voted-

22	Expenditure pertaining to Local Government Department	11.45 (2.21)	44.50 (7.82)	222.98 (26.98)
58	Expenditure on Relief on account of Natural calamities and Scarcity	4859.60 (269.92)	2523.95 (70.75)	338.59 (8.60)

2.2.10 Excess over provision relating to previous years, requiring regularisation

Under Article 205 of the Constitution, expenditure in excess of a Grant/Appropriation is required to be regularised in the manner prescribed by the constitution. While such excesses relating to the year 1985-86 (11, grants and 1 appropriation involving Rs.53.82 crores) have been recommended by the Committee on Public Accounts for regularisation in their one hundred and thirty third Report presented to the Legislature in August 1990; action is yet to be taken by the Government to regularise such excesses (May 1990) for the years 1986-87 to 1988-89 vide table given below:

Year	Number of grants/ appropriations	Amount of excess (Rupees in crores)
1986-87	17	77.96
1987-88	17	1,32.19
1988-89	28	1,63.39

2.2.11 Rush of expenditure

Regular flow of expenditure in the year is primary requirement of budget control. During 1989-90, the expenditure in March 1990 in grants and appropriations exceeded more than

18 per cent of the expenditure during the year. Some cases where more than 50 per cent of the total expenditure was incurred during March 1990 are given below:

Sl. No.	Description of grant	Total provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to	
					Total provision	Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
1. 21	Expenditure pertaining to Housing and Environment Department	2564.78	2097.22	1148.01	44.76	54.74
2. 59	Externally Aided Projects pertaining to Co-operation Department	775.26	502.25	502.25	64.78	100
3. 73	Expenditure pertaining to Plantation, Forestry, Environmental and Development of Waste Lands	2026.30	633.19	565.15	27.89	89.25

2.2.12 Injudicious/Irregular/incorrect re-appropriations

Re-appropriation is transfer of funds within a grant, from one unit of appropriation where savings are anticipated to another unit where additional funds are required. Financial rules enjoin that controlling officers should review well in advance the position of savings/excesses in each unit of appropriation and transfer the funds within the financial year, from the units where savings are anticipated to the units where additional funds are required. Scrutiny of re-appropriation

orders revealed the non-observance of this requirement resulting in incorrect re-appropriations. Some such important cases involving re-appropriation of rupees one crore and above are given in Appendix-V.

2.2.13 Sanctions of Re-appropriation/~~Surrenders~~ issued after the close of the year

The sanctions for re-appropriations/surrenders relating to grants of a financial year are required to be issued well before the close of the year. As such, all sanctions relating to 1989-90 should have been issued by Government before 31.3.1990 and received in the Accountant General (A&E)'s office latest by 15th April 1990. It was, however, noticed that about 340 sanctions (Sanctions for Re-appropriations of funds for Rs.157.43 crores; Sanctions for surrender of funds for Rs.371.83 crores) relating to the year 1989-90 purported to have been issued on 31.3.90 were actually received in the Accountant General (A&E)'s office, Gwalior during June 1990 to October 1990. It appears that such sanctions were actually issued after the close of the financial year 1989-90, which is against the principles of financial control and delays the process of preparation of Appropriation and Finance Accounts. Three examples of inordinate delay in issue of sanctions are cited below:-

1. Sanction for surrender of Rs.17.37 lakhs relating to Grant No. 36, purportedly issued on 31.3.90 was actually issued some time in June 1990, as seen from the main letter and received in Accountant General (A&E)'s office, Gwalior on 16.7.90.
2. Sanction for surrender of Rs.908.56 lakhs relating to Grants No.13 and 45 was endorsed by the Finance Department on 31.7.90 (vide No.841/R-1194/IV/B-4/90) i.e.after the close of the financial year.
3. Sanction for re-appropriation of Rs.2.81 lakhs relating to grant No.38 purportedly issued on 31.3.90 was actually posted on 24.9.90 (as per seal of post office on the envelope). The detailed supporting statement enclosed with this sanction was initialled in the office of the Commandant General, GHQ, Land Army M.P., Bhopal on 23rd September.

2.2.14 Advances from the contingency fund

The Contingency Fund of the state is in the nature of an imprest placed at the disposal of the Governor, to enable him to make advances for meeting unforeseen expenditure, pending authorisation by the State legislature. Advances from the Contingency Fund are to be made only to meet unforeseen expenditure not provided for in the Budget and of such an emergent nature, that the postponement thereof till its authorisation by legislature would be undesirable. The corpus of the fund is Rs.40 crores. The supplementary estimates for all expenditure met out of advances from the Contingency Fund should be presented to the State legislature, as far as practicable within the same financial year in which the advances are sanctioned the recoupment being thus made within that year.

One hundred and five sanctions were issued during 1989-90 advancing in all an aggregate of Rs.46.46 crores from the Fund. Advances amounting to Rs.17.98 crores (38.70 per cent of the total amount sanctioned) only were drawn, out of which Rs.3.36 crores were not recouped to the Fund till the close of the year. Two sanctions amounting to Rs.4.50 crores were cancelled. Ten sanctions totalling Rs.0.89 crore were not acted upon, while another three sanctions totalling Rs.0.04 crore were partially acted upon, the actual drawal against these sanctions being Rs.0.03[^] crore only. This reveals that the sanctions were apparently issued without ensuring that the expenditure was of an emergent nature.

2.2.15 Trend of recoveries

Under the system of gross budgeting followed by Government, the demands for the grants presented to the Legislature are for gross expenditure and exclude all recoveries/credits which have been shown separately in the budget estimates. During the year 1989-90, recoveries/credits to be adjusted in accounts in reduction of expenditure were estimated at Rs.5,29.85 crores (Revenue: Rs.3,39.53 crores; Capital: Rs.1,90.32 crores) against which the actual recoveries were Rs.3,67.31 crores (Revenue: Rs.2,63.29 crores; Capital: Rs.1,04.02 crores). In 51 cases, there was no recovery against the estimates of Rs.57.06 crores. In 19 other cases, the actual recoveries fell short of the estimates by Rs.1,28.53 crores (34.45 per cent); while in 3 cases, the actuals exceeded the estimates by Rs.23.04 crores (23.10 per cent).

Grant - wise details of estimates/actual recoveries, shortfall in or excess over estimated recoveries have been given in Appendix II to the Appropriation Accounts for the year 1989-90.

2.2.16 Reconciliation of expenditure figures

To enable the controlling officers to exercise proper control over expenditure, standing instructions of the Government provide that the departmental figures of expenditure should be reconciled periodically with those recorded in the books of Accountant General (Accounts and Entitlement). It was, however, noticed that expenditure of Rs.7,77.36 crores incurred by eleven controlling officers was not reconciled during the year, as shown below:

Sl. No.	Head of Account	Grant No.	Amount (Rupees in lakhs)
1.	2202- General Education	26,27,32,34,41, 44,60,64,67,71,79	7,13,51.71
2.	2204- Sports and Youth Services	43	2,61.32
3.	2235- Social Security and Welfare	10,30,34,41,64	39,79.97
4.	2406- Forestry and Wild Life		
	4406- Capital outlay of Forestry and Wild Life	10,41,64	32,21.81
5.	2505- Rural Employment	30	7,29.05
6.	2515- Other Rural Development Programmes	30	2,92.78
7.	4235- Capital Outlay on Social Security and Welfare	30	NIL
Total:			7,77,35.55

Non-reconciliation of expenditure figures by the departments, apart from the ineffective control over expenditure, may also result in non-detection of cases of frauds and defalcations, if any.

2.2.17 Non-receipt of explanations for excesses/savings

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

Out of 1,057 heads under which variations were required to be explained for inclusion in the Appropriation Accounts 1989-90, the explanations for variation were either not received (May 1990) or were incomplete in the case of 963 heads constituting 91.11 per cent of the total heads. In particular, Police, Finance, Land Revenue and District Administration, Agriculture, Public Health Engineering, Major and Medium Irrigation, Public Works- Roads and Bridges/ Buildings, School Education, Panchayat and Rural Development Department, Social Welfare, Command Area Development Department, Minor Irrigation, Narmada Valley Development, Gas Tragedy and Relief Department did not furnish the explanations in large number of cases, such a delay in furnishing material for the Appropriation Accounts results in the Audit Report remaining incomplete in certain essential respects.

2.2.13 Budgetary Procedure and Practices

A test-check of records in respect of the certain grants selected at random revealed that the departmental officers did not fully observe the budgetary and expenditure control procedures which resulted in large variations as given below:

(1) Grant No.10- Forest

Defective preparation of budget proposals

(i) It was observed that provision of Rs.70.50 lakhs was made under the heads '2055- Police-Special Police- Special Police for Forest Protection' (Rs.70.00 lakhs) and '2235-Social Security and Welfare, Other Social Security and Welfare Programmes, Other Programmes- Ex-gratia Grant-in-aid' (Rs.0.50 lakh) although these were not proposed in the estimates submitted by the Forest Department.

The provision made was thus unwarranted, as the actual expenditure was Rs.0.21 lakh only under 2235- Social Security and Welfare and no expenditure under 2055- Police.

(ii) Forest Financial Rules provide that the budget estimates for the provision under 'Wages' should be supported by specific details regarding area in which work is to be undertaken, the number of labourers required and the rate of wages to be paid. It was observed that a provision of Rs.19,18.86 lakhs for wages under various schemes of the Forest Department was obtained on adhoc basis without working out the above details.

(iii) **Injudicious/irregular/incorrect reappropriation**

In eleven sub-heads the expenditure exceeded the provision by 26.53 per cent to 408.16 per cent. The total excess which remained uncovered was Rs.378.21 lakhs. In four cases, original funds were augmented by re-appropriations but still there were excesses of Rs.29.27 lakhs. In sixteen sub-heads Rs.656.05 lakhs was injudiciously withdrawn by re-appropriation resulting in ultimate excess of Rs.272.28 lakhs. This shows lack of proper control and monitoring of the expenditure by the controlling officers.

(2) - Grant No.11- **Expenditure pertaining to Commerce and Industry Department**

There was heavy rush of expenditure, ranging from 52 per cent to 100 per cent of the total expenditure during the year, in the month of March 1990, in certain sub-heads under major heads 2851- Village and Small Industries and 2852- Industries, which was due to receipt of sanctions from the Government at the end of financial year.

(3) **Grant No.12- Expenditure pertaining to Energy Department**

A provision of Rs.6.75 crores was made in the original Budget Estimates under Major Head '2045-Other Taxes and Duties on Commodities and Services' for transfer of Energy Development cess to Energy Development Fund levied under Madhya Pradesh Upkar Adhiniyam 1982 to give budgetary support to Mahila Kalyan Fund. Entire provision was surrendered on 31.3.1990. It was stated that as the additional revenue was being deposited into the treasury, it could be allotted to Women and Children Welfare Fund directly. The plea is not tenable. The controlling officer should have carried out necessary adjustment debiting Major Head 2045 by per contra credit to Major Head '8229-Development and Welfare Funds- Women and Child Welfare Fund'. Thus correct procedure was not followed by the controlling officer.

(4) **Grant No.66- Welfare of Backward Classes**

A test-check of the records of the Directorate revealed that the original provision under head 2225- Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes, 03 Welfare of Backward classes, (277)- Education, 055-Pre-examination Training Centre was Rs.33 lakhs. The entire provision remained unutilised and was surrendered on 31st March 1990 thus proving that budget estimates were not assessed properly and were not based on actual requirement. The controlling officer attributed the saving to non issue of sanction by the Government.

2.2.19 **Incorrect depiction of variances in Appropriation Accounts to extent of recoveries of Festival Advances**

On the advice of the Comptroller and Auditor General of India, the Government of India issued instructions in September 1986 to the State Government that Festival Advances granted to Government servants should be classified in accounts under the detailed head "Salaries" and the recoveries thereof, irrespective of the year in which these are effected, should be minus debited to the same expenditure head "Salaries", so as to avoid inflated depiction in the budget. Accordingly, the provision in the budget for this purpose should be made on net basis i.e. net of recoveries to be effected in that year. Although the Finance Department issued necessary instructions to all budgetary authorities in November, 1987, the budget estimates under the head "Salaries" remained on gross basis for the year 1989-90, despite it being pointed out in the previous year also. As the recoveries of Festival Advances are being shown in the accounts as minus debit to the expenditure, the excesses/savings worked out in the Appropriation Accounts were rendered incorrect to this extent. Test-check of Grant No.19- Public Health and Family Welfare Major Head 2210- Medical and Public Health revealed his incorrectness to the tune of Rs.91.72 lakhs. Non-adoption of the amended procedure in the preparation of budget estimates by the State Government resulted in depiction of incorrect excesses/savings in the Appropriation Accounts.

2.2.20 **Expenditure incurred without the approval of the Legislature**

The rules provide that expenditure on any new item not included in the budget should not be

incurred without obtaining the specific approval of the Legislature in the form of Supplementary Budget Estimates. In case of urgency, such expenditure can be met from out of advance from the Contingency Fund of the State pending authorisation by the Legislature. In the following cases, although no provision was made in the Budget Estimates, funds were provided through re-appropriation orders and expenditure incurred without the approval of the Legislature:

Sl. No.	Name of grant and Head of account	Funds provided through re-appropriation	Expenditure incurred without approval of Legislature
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
1.	Interest Payments and Servicing of Debt		
	2049- Interest Payments-		
	04- Interest on Loans and Advances from Central Government-		
	(106)- Interest on Ways and Means Advances	19.36	13.15
2.	60- Interest on other obligations-		
	(101)- Interest on deposits- Interest on deposits of Public Enterprises-	1,01.53	83.39
3.	Public Debt-		
	6004- Loans and Advances from the Central Government-		
	03- Loans for Central plan Schemes-		
	(195)- Loan for Co-operative Credit Institutions-		
	005- Loans for Water Supply for Bhilai plant	3.33	3.33

3.1 Special Rice Production Programme

3.1.1 **Introduction.**- With the object of increasing production and productivity of rice by adoption of improved techniques of cultivation, the Government of India introduced a Centrally sponsored Special Rice Production Programme (SRPP) in July 1984. The Programme envisaged (i) free or subsidised distribution of seed, fertilisers and plant protection equipments, (ii) popularisation of improved package of practices through demonstrations and training of farmers and (iii) construction of field channels and drainage facilities on farmers' fields. In Madhya Pradesh, the SRPP was launched in 9 Blocks of 8 districts in 1984-85. In 1985-86, it was extended to 33 additional Blocks of 13 districts (5 additional districts) and 2 Blocks covered in the earlier year were excluded from coverage. In 1989-90, the programme was being implemented in 201 Blocks of 14 districts (all the 198 Blocks of 11 districts and 3 Blocks in 3 districts). All these 14 districts were traditional rice-producing districts of the State. The programme was fully financed by the Government of India in 1984-85. Expenditure on it was shared by the Government of India and State Government in the ratio of 50:50 during 1985-89 and 75:25 thereafter, respectively.

A State level Committee was to be set-up to approve Blockwise plans and to monitor the implementation of the SRPP. The Chairman of the Committee is the Secretary, Agriculture Department.

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

3.1.2 Organisational set-up.- The Director of Agriculture (Director) at the State level and the Divisional Joint Directors of Agriculture (JDsA) at the Division level supervised the actual execution of the SRPP done by the Deputy Director of Agriculture (DDsA), with the assistance of the extension and technical staff of the Department.

3.1.3 Audit Coverage.- A test-check of records relating to the implementation of the SRPP during 1984-85 to 1989-90 was conducted in the offices of the Director, the Project Executive Officer, Assistant Soil Conservation Officer (ASCO) and Executive Engineer, Rural Engineering Services (RES) at Raipur and in the Offices of the DDsA and ASCOs at Ambikapur, Bilaspur, Durg, Mahasamund and Rajnandgaon during April to September 1990. The points noticed are mentioned in succeeding paragraphs.

3.1.4 Highlights

- Demonstrations were held on 8618 hectares at a cost of Rs.81.43 lakhs, as against 6420 hectares at a cost of Rs.64.20 lakhs permitted by the Government of India. The entire expenditure was charged to Government of India. In contravention of provisions of the SRPP, demonstrations were held on more number of Blocks incurring additional expenditure.

(Paragraph 3.1.6(i))

- Non-maintenance of proper record for 62,272 empty gunny bags received along with minikits in 6 test-checked districts during 1984-90 and non-disposal of those gunny bags resulted in a loss of Rs.6.23 lakhs.

(Paragraph 3.1.6(ii))

- Due to non-supply of plant protection equipment by the Madhya Pradesh Agro Industries Development Corporation despite an unadjusted advance of Rs.25.31 lakhs with it, only 0.29 lakh were distributed to farmers in 6 test-checked districts during 1985-90 against the targeted distribution of 0.35 lakh items of equipment. Only 0.35 lakh items were distributed in the State, against the target of 0.55 lakh equipments.

(Paragraph 3.1.7(c))

- In Raipur District, 844 improved agricultural implements (cost: Rs.1.80 lakhs) purchased in 1988-89 were not distributed to farmers as of May 1990.

(Paragraph 3.1.7(d))

- Contrary to the provisions of SRPP, the DDsA, Ambikapur, Mahasamund and Rajnandgaon spent Rs.2.55 lakhs on repairs and maintenance of field channels during 1985-89 and Rs.1.28 lakhs on preparation of signboards during 1986-90.

(Paragraph 3.1.8(a))

- An expenditure of Rs.5.21 lakhs incurred on opening of a pre-costing centre remained unfruitful.

(Paragraph 3.1.8(a)(v))

- An expenditure of Rs.11.33 lakhs was incurred during 1985-86 to 1989-90 on construction of field channels without administrative approval and technical sanction.

(Paragraph 3.1.8(a)(vii))

- Only 205 of the 245 input godowns sanctioned between August 1986 and May 1989 were constructed in the State as of March 1990. Rupees 19.25 lakhs provided by the Government of India for the repair/renovation of existing godowns were diverted for the construction of additional rooms for 77 new godowns.

(Paragraph 3.1.8(b))

- Rupees 64.90 lakhs were advanced to RES prior to acquisition of land (Rs.61.20 lakhs for 33 godowns) and to other agencies not technically equipped (Rs.3.70 lakhs for 3 godowns) by 4 DDsA during 1988-90.

(Paragraph 3.1.8(b)(i) and (ii))

3.1.5 Finance.- During 1984-85 to 1989-90 the State Government spent Rs.2227.15 lakhs on the SRPP. Against Central Assistance of Rs.1318.23 lakhs to which the State Government was entitled on the basis of the above expenditure at the prescribed norms, it actually received Rs.1434.55 lakhs; the central assistance of Rs.116.32 lakhs received in excess was not yet refunded to the Government of India (June 1991).

The SRPP contemplated holding of demonstrations for the benefit of farmers, and supply of good quality inputs, at fully subsidised cost land development works on the fields of the farmers, and training. The points noticed by Audit in a review of implementation of various components of the programme are mentioned below:

3.1.6 Demonstrations.- (a) Under

the SRPP, 20 demonstrations with full package of practices were to be held on compact one-hectare plots in each Block of the selected districts, subject to a maximum expenditure of Rs.1000 per hectare from 1986-87. According to the information supplied (September 1990) by the Director, demonstrations were actually held on 8,818 hectares at a cost of Rs.81.43 lakhs against the targeted demonstrations on 6,420 hectares (1986-89: 2,400 hectares, 1989-90: 4020 hectares) at a cost of Rs.64.20 lakhs. Since the Government of India permitted holding demonstrations only on 6,420 hectares, charging of expenditure above the permissible limit of Rs.64.20 lakhs to this programme was irregular. The position of demonstrations required to be held and actually held in the 6 test-checked districts* and the expenditure incurred on them vis-a-vis the admissible expenditure during 1986-87 to 1989-90 is shown in the table below:

Year	Demonstrations required to be held and admissible expenditure			Demonstrations actually held		
	Number of Blocks	Area (in hect.)	Expenditure (Rs. in lakhs)	Number of Blocks	Area (in hect.)	Expenditure (Rs. in lakhs)
1986-87	24	480	4.80	63	616	6.53
1987-88	24	480	4.80	29	582	4.69
1988-89	24	480	4.80	93	1500	14.25
1989-90	72	1440	14.40	98	1955	18.53
Total	144	2880	28.80	283	4653	44.00

Test-checked districts: Ambikapur, Bilaspur, Durg, Mahasamund, Raipur and Rajnandgaon.

The demonstrations actually held (283) almost doubled the number required to be held (144). But against the requirement of holding demonstrations on 2880 hectares at a maximum cost of Rs.28.80 lakhs, demonstrations were held on 14,653 hectares at a cost of Rs.44 lakhs (average cost: Rs.946 per hectare). Thus, in contravention of the provisions of the SRPP, demonstrations were held in more number of blocks incurring additional expenditure.

(b) From 1986-87, the Government of India introduced holding of fully subsidised herbicide demonstrations on the fields of individual farmers in order to popularise use of herbicides to control weeds. The position of demonstrations required to be held and actually held in the SRPP districts in the State and the expenditure incurred on them vis-a-vis the admissible expenditure (at the prescribed rate of Rs.250 per hectare) during 1986-87 to 1989-90, as reported (September 1990) by the Director, is shown in the table below:

Year	Coverage by demonstration		Demonstrations required to be held and admissible expenditure		Demonstrations actually held		
	Dist-ri-cts	Number of blocks covered by SRPP	Area (in hect)	Expen-diture (in Rupees lakhs)	Area (in hect)	Expen-diture (in Rupees lakhs)	Expen-diture per hect. (Rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1986-87	13	40	4000	10.00	65	5.76	8861
1987-88	13	40	4000	10.00	3177	10.04	316
1988-89	13	40	4000	10.00	6517	7.93	122
1989-90	14	201	8040	20.10	8993	18.04	201
Total:			20,040	50.10	18,752	41.77	

Thus, although the area covered by demonstrations in the first two years was far less, the expenditure incurred on them was not accordingly, reduced and the Department spent much more than the permissible amount. On the other hand in the third year the coverage was very high and consequently lesser amount was spent on the cost of herbicide which implied that the demonstrations held were perhaps not adequate.

No demonstration was held in 5 (Bilaspur, Durg, Mahasamund, Raipur and Rajnandgaon) of the 6 test-checked units in 1986-87 and in Durg unit in 1989-90. In Ambikapur unit, demonstrations were held only on 60 hectares against the targeted 120 hectares and Rs.0.75 lakh was spent on subsidy against the permissible expenditure of Rs.0.15 lakh in the year 1986-87. In the subsequent three years (1987-90), demonstrations were held on 10,720 hectares in the 6 units as against the targeted 7,680 hectares and the expenditure on subsidy ranged between Rs.131 per hectare (1988-89) and Rs.316 per hectare (1987-88). Further, 34 of the 58 blocks in these 6 districts, where demonstrations were held in 1988-89, were not covered by SRPP. Thus, the impression mentioned in the preceding sub-paragraph was reinforced.

3.1.7 (a) **Certified seeds.**- In order to enable small and marginal farmers to increase production of rice, minikits containing 5 or 10 kilograms of certified seeds were to be distributed to farmers free of cost during 1984-85 to 1987-88 and at 10 per cent of the cost during 1988-89 and 1989-90. Further quantities of certified seeds were also to be distributed at subsidised rates. According to the information

supplied (September 1990) by the Director, 9.60 lakh minikits costing Rs.284.08 lakhs were distributed to the farmers during 1985-86 to 1989-90 against the targeted distribution of 8.13 lakh minikits. In addition to the minikits, Rs.141.27 lakhs were spent by the State Government on subsidised distribution of 0.82 lakh quintals of certified seed during the above period against the targeted distribution of 1.75 lakh quintals. In the six selected units, 5.98 lakh minikits costing Rs. 182.16 lakhs were distributed to the farmers during 1985-90 against the target of 4.97 lakh minikits. Similarly, Rs.101.21 lakhs were spent in the selected units on subsidised distribution of 1.08 lakh quintals of certified seeds against the targeted distribution of 1.28 lakh quintals. The reasons for shortfall in the distribution of certified seed were not intimated by the Director and the DDsA concerned.

The DDsA of the selected units obtained supplies of seed minikits and the certified seed from the Madhya Pradesh Beej Evam Farm Vikas Nigam. Rupees 5.10 lakhs advanced to the Nigam by four DDsA (Ambikapur, Durg, Mahasamund and Rajnandgaon) during 1988-89 were still lying unadjusted with the Nigam since supplies against them were not yet made (August 1990).

The minikits of 5 or 10 kilograms paddy seed were supplied to the districts in gunny bags, one gunny bag was being used for 12 minikits of 5 kilograms each or 6 minikits of 10 kilogram each. Although the empty gunny bags were saleable at approximately Rs.10 per bag, in 6 test-checked units neither any record of the 62,272 gunny bags received by them during 1984-85 to 1989-90 were kept nor were the gunny bags disposed of. This resulted in a loss of

Rs.6.23 lakhs (approximately). The units assured to maintain proper account of gunny bags in future.

(b) **Fertiliser.**- Under the SRPP, farmers were to be supplied fertiliser minikits containing 20 kilograms urea and 25 kilograms superphosphate. According to the information supplied by the Director (September 1990), 3,70 lakh fertiliser minikits (cost: Rs.374.08 lakhs) were distributed to the farmers in the State during 1985-90 against the target of 3.78 lakh minikits. In the test-checked districts*, 2.30 lakh minikits costing Rs.266.60 lakhs were distributed to the farmers during 1985-90 against the targeted distribution of 2.16 lakh minikits.

(c) **Plant protection equipment.**- The SRPP provided for subsidised supply of plant protection equipment to farmers. Subsidy at the rate of 75 per cent of the cost of equipment subject to a maximum of Rs.400 to small and marginal farmers and 50 per cent of the cost of equipment subject to a maximum of Rs.250 to other farmers was to be paid during 1985-86. From 1986-87, the rate of subsidy was 50 per cent to all farmers subject to the monetary limits fixed earlier. The Director intimated (September 1990) that against the targeted distribution of 0.55 lakh items of equipment with a subsidy of Rs.183.06 lakhs, 0.35 lakh items of plant protection equipment were distributed to farmers in the State on subsidised rates and expenditure of Rs.158.31 lakhs was incurred on payment of subsidy during 1985-86 to 1989-90. In the six test-checked districts, 0.29 lakh items of equipment were

* Test-checked districts: Ambikapur, Bilaspur, Durg, Mahasamund, Raipur and Rajnandgaon.

distributed with a subsidy of Rs.111.38 lakhs against the targeted distribution of 0.35 lakh items of equipment with a subsidy of Rs.112.32 lakhs during 1985-86 to 1989-90. The equipment distributed in the State fell short of the target in all the years except 1989-90. The shortfall in distribution of plant protection equipment was attributed inter alia to non-supply of equipment by the Madhya Pradesh Agro Industries Development Corporation. The advances aggregating Rs.25.31 lakhs given during 1986-87 (Rs.2.80 lakhs), 1987-88 (Rs.3.37 lakhs), 1988-89 (Rs.13.24 lakhs) and 1989-90 (Rs.5.90 lakhs) were also outstanding with ^{the} Corporation at the end of March 1990 owing to non-supply of equipment.

It was also noticed that the DDA, Rajnandgaon, withdrew Rs.3.72 lakhs and Rs.0.30 lakh from treasury during 1986-87 and 1987-88 respectively, and deposited the amounts into the District Central Co-operative Bank, Rajnandgaon. Neither the items of equipment and seed were procured nor was any interest received.

(d) **Improved agricultural implements.**

To motivate farmers for using improved agricultural implements (bullock-drawn and hand-operated) the SRPP provided for distribution of those implements at 50 per cent subsidy from 1986-87. The Director reported (September 1990) that 1.08 lakh implements (Subsidy: Rs.40.41 lakhs) were distributed in the State during 1986-87 to 1989-90 against the targeted distribution of 0.32 lakh implements (Subsidy: Rs.92.25 lakhs). According to the information supplied by the DDsA of the districts test-checked, 0.80 lakh items of implements (Subsidy: Rs.37.19 lakhs) were distributed during 1986-90 against

the targeted distribution of 0.18 lakh items of implements (subsidy: Rs.43.81 lakhs). The distribution of larger number of implements in the State as well as in the test-checked districts was rendered possible mainly due to the fact that smaller and cheaper implements were actually distributed to the farmers. It was not intimated by the DDsA how far these smaller implements helped in increasing the production of paddy in the year 1989-90. In Raipur district, 844 items of implements (cost: Rs.1.80 lakhs) purchased during 1988-89 for subsidised distribution to farmers were still lying with the Rural Agriculture Extension Officers (May 1990). Although according to the instructions of the Director, only one power tiller (subsidy: Rs.0.10 lakh) could be supplied to one block in 1989-90, the DDA Rajnandgaon supplied four power tillers to 4 farmers in the same Block and consequently the distribution of power tillers to farmers of other Blocks could not be made.

3.1.8 Development works

(a) **Construction of field channels and drainage.**- For creating irrigation facilities, the SRPP envisaged construction of field channels and drainage improvement works on fields of farmers in command areas of irrigation projects at a fully subsidised cost, subject to a maximum limit of Rs.1000 per hectare. These works were to be executed by the ASCOs of the districts. According to the Director, field channels and drainage improvement works were undertaken in 0.39 lakh hectares in the State, as targeted, at a cost of Rs.351.53 lakhs during 1985-89. Since no funds were received for the works during 1989-90, no works were undertaken in that year. In the 6 test-checked districts,

works were undertaken in 0.26 lakh hectares at a cost of Rs. 214.33 lakhs during 1985-89. The ASCOs Ambikapur and Raipur reported that 21 works (projected area: 1663 hectares; estimated cost: Rs.14.64 lakhs) taken up in 1988-89 in 5 Blocks were still incomplete after spending Rs.4.05 lakhs (June 1990). Since no funds were allotted for the works in 1989-90, the works were not completed and consequently the designed area could not be irrigated.

Following cases of irregular expenditure from the funds meant for construction of field channels and drainage improvement works were also noticed in test-check:

(i) During 1985-89 the ASCOs, Ambikapur, Mahasamund and Rajnandgaon irregularly spent Rs.2.59 lakhs on repairs and maintenance of field channels constructed in the same period although the SRPP did not provide for such expenditure. The ASCOs stated that the expenditure was incurred because the estimates for the works provided for expenditure on maintenance. The reply is not tenable as the scheme did not provide for such expenditure.

(ii) During 1985-89, the ASCOs (CADA) Bilaspur, ASCO, Durg and Rajnandgaon constructed field channels without restricting expenditure to the maximum limit of Rs.1000 per hectare prescribed in SRPP, and spent Rs.5.11 lakhs in excess of the admissible amount.

(iii) Although the SRPP did not provide for payment of supervision charges in respect of the construction works, ASCO, Ambikapur spent Rs.0.46 lakh on supervision charges during 1985-89.

(iv) The ASCOs, Ambikapur, Durg and Rajnandgaon spent Rs.1.28 lakhs on preparation of 252 signboards during 1986-90, although such expenditure was not permissible under the programme. Further, all the 40 signboards prepared at Ambikapur in 1986-87 and 72 of the 131 signboards prepared at Rajnandgaon during 1987-88 to 1989-90 were not yet installed and were lying in stores (July 1990).

(v) While precast cement concrete structures needed for the construction works were obtained by ASCOs, Mahasamund, Raipur and Rajnandgaon from a State Government undertaking, the ASCO, Ambikapur opened a precasting centre at Ajirma, under orders of JDA, Bilaspur, and spent Rs.1.38 lakhs on purchase of moulds, frames and other articles for the centre during January/March 1986. The centre opened in February 1986 functioned till March 1989 when it was closed because there was no further requirement of structures due to suspension of works in the absence of funds. Precast structure valued at Rs.3.50 lakhs and 460 cubic metres sand worth Rs.0.33 lakh were still lying at the centre since its closure. Besides, the idle outlay of Rs.5.21 lakhs on the above articles, avoidable expenditure of Rs.0.07 lakh on wages of a chowkidar engaged for security of these articles was incurred during April 1989 to June 1990.

(vi) The ASCO, Ambikapur spent Rs.0.35 lakh on purchase of 499 check-gate shutters in March 1986. None of these shutters was fixed as of June 1990, as the projects for which they were purchased were stated to have been completed between March 1986 and March 1987. The ASCO, stated that the shutters would

be fixed now. Since the shutters were not yet fixed, expenditure of Rs.0.35 lakh on their purchase was an idle outlay and the supply of water to the fields was not being regulated according to the actual requirement.

(vii) During 1985-90, the ASCO, Durg spent Rs.11.33 lakhs on construction of field channels without obtaining administrative approval and technical sanction.

(b) Construction of input godowns.-

The SRPP provided for construction of one godown at each block headquarters to keep the stock of inputs and also for repairs/renovations of existing godowns constructed prior to introduction of SRPP. Accordingly, Rs.1.70 lakhs per godown per Block for construction of godown and Rs.0.25 lakh per block for repairs/renovations of each existing godown were to be provided during 1986-87 to 1989-90 and 1987-88 to 1988-89, respectively. The godowns were to be constructed or repaired through the agency of the RES as per design and estimate approved by the Director. The details of the funds provided by the Government of India, those sanctioned by the State Government and the number of godowns sanctioned to be constructed/repared during 1986-87 to 1989-90 are shown in the table below:

Year	Funds provided by Government of India				Funds sanctioned by State Government			
	Construction of new godowns		Repairs/renovations of existing godowns		Construction of new godowns		Repairs/renovations of existing godowns	
	Number	Amount (Rupees in lakhs)	Number	Amount (Rupees in lakhs)	Number	Amount (Rupees in lakhs)	Number	Amount (Rupees in lakhs)
1986-87	40	68.00	-	-	40	68.00	-	-
1987-88	-	-	37	9.25	4	6.80	37	9.25
1988-89	-	-	40	10.00	-	-	-	-
1989-90	161	273.70	-	-	201	341.70	40	10.00
Total	201	341.70	77	19.25	245	416.50	77	19.25

In May 1989, the Director instructed the units to utilise Rs.273.70 lakhs sanctioned in 1989-90 towards construction of a farmers training-cum-information centre besides godowns. However, design and estimate for this additional building were not approved by him. Further, under SRPP, funds were available for repairs/renovations of only old existing godowns in the blocks. Although old godowns did not exist in any of the 201 blocks covered under SRPP in the State, the State Government sanctioned Rs.19.25 lakhs in February 1988 (37 godowns: Rs.9.25 lakhs) and November 1989 (40 godowns: Rs.10 lakhs) for the repair of godowns. The Director, instructed (February 1989) the DDsA to utilise this amount for construction of an additional room in the new godowns being constructed under SRPP. These instructions of the Director were contrary to the purpose for which the amount was made available by the Government of India. The Director intimated that 205 out of 245 godowns sanctioned had been constructed and against 77 godowns sanctioned to be repaired, 69 additional rooms

were constructed as of the end of March 1990. Information about the number of works not taken up so far and the progress of work in respect of incomplete works was, however, not supplied by him. In the 72 blocks covered under SRPP in the 6 test-checked districts, the position of construction of godowns and additional rooms till the end of March 1990 was as shown in table below:

	<u>Godowns</u>		<u>Additional rooms</u>	
	Number	Cost (Rupees in lakhs)	Number	Cost (Rupees in lakhs)
1. Number planned to be constructed	72	122.40	48	12.00
2. Number actually constructed	20	34.00	14	3.50
3. Number actually handed over	9	15.30	4	1.00
4. Number actually functional and being utilised	9	15.30	4	1.00

Reasons for delay in commencement and completion of works were not intimated by the DDsA. Thus, 52 of the 72 godowns and 34 of the 48 additional rooms were yet to be constructed (November 1990).

Following irregularities in the construction works in test-checked units were also noticed:

(i) Normally, funds meant for construction of godowns should have been drawn and advanced to the construction agencies only after handing over the plots of land to them. But 4 district officers (Ambikapur, Mahasamund,

Raipur and Rajnandgaon) withdrew Rs.61.20 lakhs meant for construction of 33 godowns from treasuries and advanced them to RES during March 1990 even before acquiring land.

(ii) The Deputy Director of Agriculture, Ambikapur, advanced Rs.3.70 lakhs to the Assistant Soil Conservation Officer, Ambikapur (Rs.1.70 lakhs) and Senior Agriculture Development Officer, Mainpat, (Rs.2 lakhs) during 1989-90 for construction of 2 godowns, although these officers were not technically equipped to execute the construction works. These works were still incomplete.

(iii) Although Rs.170.05 lakhs were provided for construction of godowns (Rs.158.25 lakhs) and repair/renovation of old godowns (Rs.11.80 lakhs) in 6 districts (Ambikapur, Bilaspur, Durg, Mahasamund, Raipur and Rajnandgaon) during 1986-87 to 1989-90, the designs approved by RES and the Director were for construction of one hall, one office room with attached toilet and a small room for storing inputs, besides water and electric fittings and 6 to 10 Ceiling fans. Obviously, the funds were misutilised for the construction of the office buildings.

(iv) Construction of 3 godowns at Chatapara, Masturi and Takhatpur in Bilaspur district was awarded by RES, Bilaspur, to a contractor in October 1987 and was scheduled to be completed within 3 months at a cost of Rs.3.98 lakhs. As the contractor failed to complete the work till August 1988, his contract had to be terminated and the work was awarded to three different contractors on higher rates involving extra expenditure Rs.0.57 lakh.

Although the extra expenditure incurred was recoverable from the original contractor, it was not recovered (March 1990).

3.1.9 Training and incentives to farmers.- Under the SRPP, 300 farmers and 800 labourers from each Block were to be trained each year in camps on improved agricultural practices. Besides this training, the farmers were to be taken on tour to areas having good paddy production within and outside the State to make them aware of improved technologies in production of rice. To develop healthy competition among farmers and agricultural extension workers of the Department, incentives in the form of prizes were also to be given to the best among them. The Government of India provided Rs.0.50 lakh in each year for each block for this purpose. According to the Director, 1.27 lakh farmers and 2.49 lakh agricultural labourers were trained in the camps at a cost of Rs.55.71 lakhs and Rs.44.46 lakhs respectively, during 1985-90. Further, 1.42 lakh farmers were taken on educational tours during the same period at a cost of Rs.62.14 lakhs. The number of farmers trained during 1986-89 and the number of farmers sent on tour exceeded the target. The incentive prizes envisaged in the SRPP were not given in the State except in 1985-87. The DDsA of the 6 test-checked districts intimated that 0.22 lakh farmers of those districts were sent on educational tours during 1985-90 and Rs.46.50 lakhs were spent on their tour. The DDsA also intimated that 0.67 lakh farmers and 0.27 lakh labourers were trained against the target of 0.62 lakh and 0.29 lakh respectively and Rs.18.86 lakhs and Rs.24.93 lakhs respectively were spent on the training. Incentive prizes to farmers

and extension staff of the district were also not given during 1985-90. In 1989-90 the DDA Mahasamund diverted the whole allotment of Rs.2.40 lakhs received for educational tours and incentives towards construction of input godowns.

3.1.10 Monitoring and evaluation.-

A State level Committee was to be set up for monitoring and implementation of SRPP and adequate staff was to be positioned in the selected blocks and State Headquarter for this purpose. The Director, informed that the State level Committee was formed as required. Information about the number of meetings of the Committee and the minutes of the meeting was not supplied by him. He further intimated that additional staff was not provided to the selected blocks or the State headquarter, and the SRPP was being implemented with the existing staff.

The Director intimated in December 1989 that the evaluation cell of the Directorate evaluated the SRPP only in one year. However, neither was the specific year indicated by him nor was any evaluation report shown to Audit.

3.1.11 The above points were reported to the Government in October 1990 and the reply had not been received (August 1991).

3.2 Technology Mission on Oilseeds

3.2.1 The Technology Mission on Oilseed (TMO) was launched by the Government of India in May 1986. Its main objective was to increase production of oilseeds and, thereby, reducing imports of edible oils by the end of the Seventh Plan and ultimately achieve self-reliance during the course of the Eighth Plan. To achieve this objective, two programmes, i.e., National Oilseed Development Project (NODP) and Oilseeds Production Thrust Project (OPTP) were taken up under TMO.

(a) NODP was sanctioned in 1984-85 but the necessary funds were made available from 1985-86. The pattern of funding in respect of this programme was 50:50 between the Central and State Government except for the production of breeder and foundation seeds for which the Central assistance was 100 per cent to the Indian Council of Agricultural Research (ICAR) and Agricultural Universities. The components of the Project were (i) production of foundation seed (ii) prepositioning of certified seed (iii) market distribution (iv) opening of additional retail outlets in interior areas, (v) prepositioning of plant protection chemicals, (vi) supply of plant protection equipment, (vii) arrangement of mobile plant protection squads in endemic areas, (viii) distribution of improved farm implements and sprinkler-sets in ground-nut producing areas (ix) supply of Rhizobium culture and soil testing and (x) demonstration, etc., NODP was in operation in 22 districts (Balaghat, Bastar, Betul, Bhind, Bilaspur, Chhindwara, Dewas, Dhar, Durg, Hoshangabad, Indore, Khargone, Mandla, Mandsaur, Morena, Raigarh, Raipur, Rajgarh, Rajnandgaon, Shajapur, Surguja and Ujjain) in the State.

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

(b) OPTP was sanctioned by the Government of India in 1987-88, for accelerating development of four major oilseeds, i.e., groundnut, rapeseed, mustard, soyabean and sunflower, which accounted for 85 per cent of oilseed production. The programme was fully financed by the Government of India and was in operation in 27 districts (Bastar, Betul, Bhopal, Chhindwara, Dewas, Dhar, Gwalior, Hoshangabad, Indore, Jhabua, Khandwa, Khargone, Mandsaur, Morena, Raigarh, Raipur, Raisen, Rajgarh, Sagar, Sehore, Seoni, Shahdol, Shajapur, Surguja, Shivpuri, Ujjain and Vidisha). In case of district covered by both NODP and OPTP, the area under each was to be distinct. Under OPTP special emphasis was laid on (i) seed production on a large scale, (ii) plant protection through demonstrations (iii) supply of improved farm implements, (iv) application of sulphur in groundnut and rapeseed/mustard for augmenting seed yield and oil content, and (v) extension of sunflower cultivation to non-traditional areas.

(c) A four-pronged strategy was to be adopted under TMO for achieving;

- improvement of oilseed crop technology for stepping up yield and profit to the farmer,
- improved processing and post-harvest technology which could increase the oil yield from traditional and non-conventional sources of oil,
- strengthening services to the farmers particularly to supply technology, seed, fertilizers pesticides, irrigation, credit, etc., and
- improving institutions for post-harvest

services including price support to processing industry.

3.2.2 Organisational set-up.- In the State the programmes were implemented by the Director of Agriculture (Director) under the Agriculture Secretary at the State level, assisted by Joint Directors (JDA) at divisional level and Deputy Directors of Agriculture (DDA), Senior Agriculture Development Officer (SADO) and Rural Agriculture Extension Officer (RAEO) at district, block and village levels respectively. Besides the Agriculture Department, which was the nodal department, a consortium of Departments namely the Department of Agricultural Research and Education, Civil Supply, Commerce, Scientific and Industrial Research, Bio-technology, Planning, Economic Affairs, Co-operation and others were to help in developing a holistic and harmonised programme for achieving the common objective of self-reliance.

3.2.3 Audit Coverage.- Implementation of the programme for the years 1986-87 to 1989-90 was test-checked by Audit in nine districts (Chhindwara, Dhar, Indore, Khandwa, Khargone, Mandla, Morena, Shajapur and Ujjain) and in the Directorate of Agriculture (Directorate); the points noticed are mentioned in the succeeding paragraphs:

3.2.4 Highlights

- During 1986-87 and 1987-88 the area of coverage. Production and yield were less than that targeted. The average yield of groundnut, Soyabean and rapeseed-mustard was also less than the prescribed average.

(Paragraph 3.2.6)

- There was shortfall (41 per cent) in supply of breeder seed by ICAR during 1986-90.

(Paragraph 3.2.8(b))

- There was shortfall (41 per cent) in supply of breeder seed by ICAR during 1986-90.
(Paragraph 3.2.8(b))
- Targets for production and yield per hectare of foundation seed were not fixed during 1986-90. There was shortfall of 48 per cent (1988-89) and 83 per cent (1989-90) in area coverage for the production of foundation seed. (Paragraph 3.2.7(b and c))
- State level figures of area coverage, production and payment of subsidy in respect of certified seeds were not available in the Directorate. There was shortfall in distribution of certified seed (41 per cent). During 1986-90, only 1 to 5 per cent of requirement of certified seed was met. (Paragraph 3.2.8(b and c))
- Irregular/Excess payment of subsidy to the tune of Rs.21.58 lakhs was noticed.
(Paragraph 3.2.8(e and g))
- Targets for seed testing were not fixed. Samples for seed testing were not taken during 1986-87. 129.76 tonnes of sub-standard seed was distributed to cultivators before the receipt of test reports. Cases of delay in taking samples for testing, resulting in distribution of sub-standard seed were noticed.
(Paragraph 3.2.9)
- Under the, 'Beej Gram Yojna', subsidy of Rs.82.29 lakhs was paid without getting the seed tested, as required.
(Paragraph 3.2.10)
- Excess payment of subsidy amounting to Rs.2.39 lakhs on demonstrations during 1988-89 was noticed. In Khargone district

subsidy amounting to Rs.4.73 lakhs was irregularly allowed (1988-89) to 772 farmers, who used their own seeds in their demonstration plots. (Paragraph 3.2.11)

4,732 tonnes of gypsum (value: Rs.42.43 lakhs) was purchased from unapproved suppliers against whom advance of Rs.12.89 lakhs for supply of gypsum was still outstanding (July 1990). Sub-standard gypsum (775.45 tonnes) worth Rs.7.21 lakhs was purchased (Khandwa) in 1989-90 from an unapproved supplier. (Paragraph 3.2.12)

Percentage of oil content in oilseed crops was not ascertained during 1986-90. The M.P.State Co-operative Oil Growers Federation reported low percentage of oil content during 1986-90 in Rapeseed-mustard and Soyabean. (Paragraph 3.2.13)

There was excessive expenditure (Rs.140 lakhs against allotment of Rs.59 lakhs) on procurement of plant protection equipment during 1986-90, under OTP. An amount of Rs.2.95 lakhs paid to M.P. Agro during 1986-90 for supply of P.P. equipment was outstanding (April 1990). Subsidy amounting to Rs.6.91 lakhs was paid in excess during 1988-90.

(Paragraph 3.2.14)

Advances amounting to Rs.78.17 lakhs were outstanding against the Beej Nigam (Rs.46.79 lakhs), M.P.Agro (Rs.18.49 lakhs) and Malwa Sahakari Bhandar (Rs.12.89 lakhs). An amount of Rs.35.42 lakhs was kept under Civil Deposits (March 1990) for avoiding lapse of budget. Expenditure of Rs.8.60 lakhs was incurred on inadmissible items under NODP/OTP.

- Excess procurement of seed during 1986-87 (Mahasamund, district Raipur) resulted in loss of Rs.2.06 lakhs.

(Paragraph 3.2.15)

3.2.5 Finance. - Details of approved annual outlays (Central and State shares), funds actually released by the Government of India, budget provision and expenditure thereagainst under NODP and OPTF for the four years ending 1989-90, reported by the Directorate, were as under:•

Year	Outlay approved by Government of India			Funds released by Government of India	Funds provided in the state budget	Actual expenditure			Excess (+) Saving (-) over approved outlay 'A' (Col.4) 'B' (Col.5)
	Central share	State share	Total			Central share	State share	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(Rupees in lakhs)									
A. NATIONAL OILSEED DEVELOPMENT PROJECT (NODP):									
1986-87	140.346	120.886	261.232	92.676	427.00	98.91	79.49	178.40	(-) 82.832
1987-88	141.846	122.386	264.232	141.846	400.00	130.344	103.454	233.799	(-) 30.433
1988-89	141.846	122.386	264.232	130.345	326.32	114.461	104.365	218.826	(-) 45.406
1989-90	186.350	155.150	341.500	173.350	345.00	118.023	107.964	225.987	(-) 115.513
TOTAL	610.388	520.808	1131.196	538.217	1498.32	461.738	395.273	857.012	(-) 274.184
B. OILSEED PRODUCTION THRUST PROJECT (OPTP):									
1987-88	182.65	-	182.65	182.65	-	92.052	-	92.052	(-) 90.600
1988-89	319.80	-	319.80	255.84	-	319.698	-	319.698	(+) 63.858
1989-90	409.80	-	409.80	409.80	-	332.643	-	332.643	(-) 77.157
TOTAL	912.25	-	912.25	848.29	-	744.393	-	744.393	(-) 103.899

Savings were attributed to:

- (i) Non-availability of Breeder/foundation and certified seed.
- (ii) Less expenditure on positioning and stocking of certified seed.
- (iii) No expenditure on opening of additional outlets.
- (iv) shortfall in supply of minikits on account of shortage of certified seeds.
- (v) Non stocking of plant protection (PP) Chemicals due to (reportedly) less incidence of pest and diseases.

Rush of expenditure was observed in March each year during 1986-90 over the total expenditure. It ranged between 35 per cent and 87 per cent, except in respect of OPTP during 1987-88. Yearwise position of expenditure in March was as indicated below:

Year	Name of scheme	Total expenditure	Expenditure in the month of March	Percentage of expenditure in the month of March
(1)	(2)	(3) (Rupees in lakhs)	(4)	(5)
1986-87	NODP	178.400	71.570	40
	OTPT	-	-	-
1987-88	NODP	233.799	204.284	87
	OTPT	92.052	2.752	3
1988-89	NODP	218.826	116.575	53
	OTPT	319.698	208.381	65
1989-90	NODP	225.987	82.598	37
	OTPT	332.643	117.359	35
Total	NODP	857.012	475.027	55
1986-90	OTPT	744.393	328.492	44
Grand Total	NODP/	1601.405	803.519	50
1986-90	OTPT			

3.2.6 Area, Production Yield

(i) Total area under oilseed crops in the State and production of oilseeds during 1985-86 and 1986-90 was as under:

Year	Area coverage			Production			Yield per hectare	
	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement	Target	Actual
	(In 000 hect.)			(In 000 tonnes)				
1985-86	3120	2856	92	1853	1416	76	594	495
1986-87	3190	2746	86	2050	1252	61	643	455
1987-88	3266	3030	93	2262	1610	71	693	531
1988-89	3187	3299	104	1860	2348	126	584	711
1989-90	3275	3478	107	2160	2257	104	660	648
TOTAL								
1986-90	12918	12553	97.5	8332	7467	90.5	2580	2345

During 1986-87 production (12.52 lakh tonnes) came down (12 per cent) with reference to the production level (14.16 lakh tonnes) of 1985-86. The Director of Agriculture stated (January 1991) that the decline in production during 1986-87 was due to drought conditions in the State. In view of continuing drought conditions, the Government of India had fixed lower targets for oilseed cultivation area and production in 1988-89 and 1989-90. However, due to the use of better quality fertilisers and efforts made by the State Government to improve the availability of the required inputs, the achievement exceeded the targets during those years.

According to guidelines issued by the Director (July 87) the average yield of groundnut and soyabean was to be 18 quintals and that of rapeseed-mustard 15 quintals per hectare. Against this, the actual average yield of groundnut, soyabean and rapeseed-mustard during 1986-90 was 9 quintals (50 per cent), 7 quintals (39 per cent) and 8 quintals (53 per cent) per hectare respectively, as detailed below:

Name of seed	Total Area in 000 hectares	Anticipated production		Actual production	Actual average per hectare
		per hectare	Total		
		(quintal)	(tonne)	(tonnes)	(quintal)
Groundnut	1193	18	2147400	1065000	<u>9</u> (50 <u>per cent</u>)
Soyabean	5769	18	10342000	4165000	<u>7</u> (39 <u>per cent</u>)
Rapeseed	1676	15	2514000	1297000	<u>8</u> (53 <u>per cent</u>)

Shortfall in production was due to short supply of breeder/foundation/certified seeds, delayed soil testing, delayed use of gypsum and lack of co-ordination between different agencies, as brought out in succeeding paragraphs.

3.2.7 Production of Breeder and Foundation seed.— For increasing the yield potential of oilseeds under TMO by 20 to 50 per cent, it was planned to produce nucleus and breeder seeds for subsequent large scale multiplication. The work of production and supply of nucleus and breeder seeds was entrusted to Project Co-ordinator (Oilseeds), ICAR, Hyderabad. The State Government was to intimate its annual requirement of breeder seeds to ICAR each year under intimation to the Government of India.

(a) Against the requirement of 457.69 tonne of breeder seeds during 1986-90, the ICAR supplied only 269.86 tonnes (59 per cent) breeder seeds (groundnut: 30.35, rapeseed/mustard: 0.61, toria: 0.12, niger: 0.69, linseed: 6.18, sesamum: 0.19 and soyabean: 231.12 tonnes). The percentage of shortfall in supply of breeder seed during 1986-90 ranged between 31 and 54 (1986-87: 54, 1987-88: 41, 1988-89: 44 and 1989-90: 31 per cent). In respect of groundnut and soyabean (major oilseed crops) against requirement of 104.93 tonnes and 348 tonnes the supply during 1986-90 was 30.35 tonnes (29 per cent) and 231.13 tonnes (66 per cent) respectively.

(b) Assistance for production of foundation seed at the rate of Rs.3000 per hectare, to be borne completely by the Central Government, was payable to the Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam (Beej Nigam), Tilhan Sangh (OILFED), Co-operative societies and registered societies. Although financial and area coverage targets were fixed by the State Government, targets for production and yield per hectare of foundation seed were not fixed and information regarding the actual yearly production of foundation seed per hectare during each of the years from 1986-87 to 1989-90 was not available in the Directorate of Agriculture.

(c) During 1988-89 and 1989-90, against targeted coverage of 1946 hectares and 3120 hectares for foundation seeds the actual coverage was 1010 hectares (52 per cent) and 520 hectares (17 per cent) respectively. Shortfall in coverage of area by foundation seed adversely affected the performance of NODP/OTTP under TMO.

3.2.8 Certified Seed

Certified seed was the basic input for increasing per hectare yield. It was to be the progeny of either the breeder or foundation seed. TMO provided for various schemes for production and procurement of certified seed, which was to be used in demonstrations and in minikits, to be supplied to small, marginal and SC/ST farmers on subsidised rate of 10 per cent of the cost.

Assistance at the rate of Rs.150 per quintal (shared equally between the Centre and the State) under NODP and at the rate of Rs.300 per quintal (borne fully by the Central Government) under OPTP was admissible to agencies producing certified seeds.

(a) State level information regarding area coverage, production of certified seed, payment of subsidy thereagainst and schemewise figures for NODP and OPTP were not available in the Directorate. Only combined figures of NODP/OPTP in respect of distribution of certified seed were available although TMO guidelines envisaged maintenance of separate records in respect thereof.

(b) Against requirement of 3,46,509 quintals of certified seed during 1986-90, actual distribution was 2,38,660 quintals (69 per cent) constituting 1,40,929 quintals (59 per cent) certified seed and 97,731 quintals (41 per cent) truthfully labelled seed though there was no provision for the distribution of TL seed under TMO.

(c) Coverage under groundnut, soyabean and rapeseed-mustard was 86.38 lakh hectares for which the requirement of certified seed was 76.42 lakh quintals (groundnut: 17.89; soyabean: 57.69 and rapeseed-mustard: 0.84 lakh quintals). Against this the actual supply was only 2.26 lakh quintals (3 per cent) of which 0.93 lakh (69 per cent) was TL seed. The Director stated (July 1990) that during 1986-90 the overall supply of certified seed ranged between 1 to 5 per cent of requirement for the total area under various oilseed crops.

(d) In respect of groundnut, against requirement of certified seed of 49,830 quintals during 1986-90, distribution was 29,062 quintals (58 per cent), of which 28,758 quintals (99 per cent) was TL seed. Only 277 quintals (1 per cent) was certified seed. As against requirement of 2,111 quintals certified sunflower seed during the same period, distribution was 725 quintals (34 per cent), of which 380 quintals (52 per cent) was TL seed, only 345 quintals (48 per cent) was certified seed.

(e) Although subsidy at the rate of Rs.300 per quintal was admissible on production of certified seed, DDA Ujjain paid subsidy amounting to Rs.17.72 lakhs to the Regional Soyabean Producers Co-operative Union on distribution of 709 tonnes Soyabean seed (at the rate of Rs.250 per quintal). DDA stated (August 1990) that the payment in question pertained to NODP but was paid from OTPF funds as per instructions of JDA. The Director, stated (August 1990) that the subsidy was payable only on production and not on distribution of certified seed. Action for recovery/regularisation of irregular payment of subsidy was still to be taken (August 1990).

(f) According to NODP guidelines (1989-90) issued by the Directorate, subsidy at approved rates was admissible on 10 per cent of the oilseeds stocked and positioned during the current year over and above the quantity of oilseeds actually distributed during the previous year. But subsidy amounting to Rs.2.36 lakhs was paid on distribution of seeds during the current year over and above that of the previous year, which was not covered by guidelines. Comments of the Director were awaited (August 1990).

(g) In 9 districts test-checked the following points were noticed:

In Chhindwara District allotment of Rs.6 lakhs each during 1988-89 and 1989-90 for production of 2,000 quintals of certified (groundnut) seed during each year was utilised on purchase of PP equipment and improved agricultural implements as foundation seed was not supplied by the Beej Nigam during the year in question.

Production of soyabean (certified) seed also came down to 1,700 quintals (by 64 per cent) during 1989-90 with reference to production level of 4,776 quintals in 1988-89. Comments of the DDA/Director were awaited (August 1990).

In Khargone District (i) against requirement of 3,800 quintals certified seed (NODP/OPTP) during 1986-90, distribution thereof was 2,868 quintals (75 per cent). DDA attributed the shortfall to non-supply of certified seed by the M.P.Beej Evam Farm Vikas Nigam (Beej Nigam). (ii) In respect of groundnut, against allotment of Rs.17 lakhs (1988-89) under OPTP for production of 5,666 quintals certified seed, only 172.57 quintals (3 per cent) was produced for which the actual expenditure was Rs.2.02 lakhs against the admissible expenditure of Rs.0.52 lakh (at the rate of Rs.300 per quintal)

resulting in overpayment of Rs.1.50 lakhs. In 1989-90 against allotment of Rs.18.78 lakhs for production of 62,060 quintals certified (groundnut seed, actual production was 3,110 quintals (5 per cent) only for which subsidy of Rs.9.33 lakhs (at the rate of Rs.300 per quintal) was admissible. Against this only Rs.31,800 were paid to the Beej Nigam and Rs.9.01 lakhs remained to be paid at the close of (VIIth Plan) 1989-90, although, out of the unspent allotment (Rs.18.46 lakhs), Rs.15.71 lakhs were utilised on other components (PP equipment, demonstrations and soil testing, etc.) and Rs.2.75 lakhs lapsed at the close of the year 1989-90.

DDA (Khargone) attributed (June 1990) the shortfall in production of certified seed to shortfall in rains during 1988-89. Comments in respect of overpayment of Rs.1.50 lakhs and outstanding payment of Rs.9.01 lakhs were awaited (August 1990).

Under the provisions of TMO guidelines, only certified seed was to be used in minikits. But in Mandsaur District 525 quintals of groundnut (uncertified) seed, procured from Beej Nigam under NODP during 1989-90 for use in demonstrations, was used in minikits for distribution to small, marginal scheduled castes and scheduled tribes farmers at subsidised rates. Against the payable amount of Rs.11.98 lakhs only Rs.5.17 lakhs were paid as subsidy to the Beej Nigam and Rs.6.81 lakhs remained to be paid at the close of 1989-90 (VIIth Plan). The Director stated (August 1990) that the cost of seed supplied by the Beej Nigam was high and farmers did not come forward to purchase it for demonstration purposes. Hence, it had to be utilised in minikits.

3.2.9 **Seed Testing.**- TMO guidelines provided for procurement and distribution of quality seed to farmers. For ensuring this, Sections 14 and 15 of the Seed Act, 1966 provided that samples should be drawn from the seed received from the Beej Nigam, Tilhan Sangh and other sources and sent to State testing laboratories for ensuring that the seed conformed to the prescribed limits of germination and purity. There were three seed-testing laboratories in the State at Gwalior, Indore and Jabalpur.

(a) Unit-wise annual targets for drawing samples and sending them to laboratories for seed testing were not fixed either by the Directorate or by the units during 1986-90.

(b) In the 9 districts test-checked it was noticed that:

(i) samples for seed testing were not taken by any of the districts in 1986-87, by Chhindwara and Khandwa Districts during 1986-90 and by Indore and Khandwa Districts in respect of groundnut, during 1986-90.

(ii) Out of 103 seed samples drawn during 1987-90, 47 (46 per cent) samples proved sub-standard (2 out of 5 in 1987-88, 29 out of 50 in 1988-89 and 16 out of 48 in 1989-90) but 129.76 tonnes sub-standard seed (Dhar: 32.40 tonnes; Indore: 39.10 tonnes; Khandwa: 0.12 tonne; Mandsaur: 19.06 tonnes; Shajapur: 37.06 tonnes and Ujjain: 2.02 tonnes) was distributed to cultivators before receipt of test reports.

(iii) In Dhar, Indore, Khandwa, Shajapur and Ujjain seed-samples were taken after commencement of the sowing season (June/July) rendering fruitless seed-test results which were received (July to November) after commencement/completion of sowing season.

Out of 1,305 seed samples sent to the seed-testing laboratory, Indore during 1986-89; 555 samples (43 per cent) were found to be sub-standard.

DDA, Ujjain and Mandsaur attributed (August 1990) the delay in taking/sending of seed samples to late receipt of seed from the Beej Nigam.

3.2.10 **Beej Gram Yojna.**- Under the 'Beej Gram Yojna' the Agriculture Department, M.P.Rajya Beej Nigam and Tilhan Sangh were to select the Beej Grams and farmers for production of groundnut and soyabean certified seed. Each Beej Gram, so selected, was to produce at least 150 quintals certified seed. For this, foundation seed was to be supplied by the above agencies. Subsidy of Rs.150 per quintal and Rs.300 per quintal respectively under NODP and OTP was admissible to the Beej Nigam and Tilhan Sangh.

Against allotment of Rs.147.87 lakhs during 1986-90 under 'Beej Gram Yojna' for production of 987 quintals certified seed, subsidy amounting to Rs.82.29 lakhs was paid for production of 570 quintals (58 per cent) certified seed. The subsidy was allowed during 1986-90 without getting the seed tested.

3.2.11 **Demonstrations**

(a) According to the guidelines issued (May 1988) by the Director, out of subsidy of Rs.1000 per hectare in the form of

inputs in respect of groundnut (Kharif) demonstrations, Rs.35 per hectare were admissible for plant protection chemicals. During 1988-89 subsidy at the rate of Rs.334.35 per hectare for plant protection chemicals for demonstrations in 800 hectares was allowed in Khargone District, resulting in excess payment of Rs.2.39 lakhs. The Director stated (August 1990) that the matter was under investigation.

(b) Foundation and certified seeds only were to be used in demonstrations. In case of non-availability of certified seed, the farmers concerned were to use their own seed but no subsidy was admissible on the use of such seed.

In Khargone District subsidy amounting to Rs.4.73 lakhs was irregularly allowed (1988-90) to 772 farmers, who used their own seed in their demonstration plots, as detailed below:

Year	Number of demonstrations	Rate of subsidy per hectare (in Rupees)	Total subsidy paid in cash (in Rupees)
1988-89 (Kharif)	154	500	77,000
1988-89 (Rabi)	500	675	3,37,500
1989-90 (Kharif)	118	500	59,000
TOTAL	772		4,73,500

The Director, stated (August 1990) that the matter was being examined.

3.2.12 Gypsum/Pyrite.- Micronutrient research in soils and plants revealed that fertilisation of oilseed crops with one or other form of sulphur sources resulted in significant increase both in the yield and oil content of

oilseed crops. Gypsum and Pyrite were found to be the most suitable forms of sulphur for application in groundnut, soyabean and repeseed-mustard crops. Gypsum and pyrite were to be procured through the Madhya Pradesh Rajya Vipnan Sangh (MARKFED). The micronutrients were to be applied at the rate of 250 kg. (gypsum) per hectare and 50 kg. (pyrite) per hectare for which subsidy at the rate of Rs.200 per hectare was admissible to small and marginal farmers.

The Director of Agriculture was to communicate the State level annual requirement of gypsum/pyrite to the MARKFED well in advance to ensure supply thereof (by the end of May) before commencement of the sowing season (June) for treatment of soil before sowing.

(a) Gypsum/pyrite were not procured/distributed during 1986-87. State level figures of physical targets and achievements in respect of procurement and distribution of gypsum/pyrite were not available in the Directorate. During 1987-90, against allotment of Rs.15 lakhs for gypsum/pyrite under NODP, expenditure was Rs.15.64 lakhs (104 per cent). Against targeted coverage of 7,500 hectares under gypsum/pyrite, achievement was only 4651 hectares (62 per cent). Similarly, under OPTP against allotment of Rs.64 lakhs during 1988-90, the expenditure was Rs.94.94 lakhs (148 per cent) whereas against targeted coverage of 32,000 hectares actual coverage was 28,788 hectares (90 per cent).

(b) In the test-checked districts, out of total procurement of 6390 tonnes gypsum during 1987-90 (value: Rs.58.56 lakhs) only 1658 tonnes was supplied by MARKFED and the remaining (Dhar: 510; Indore: 171; Khandwa: 2091; Khargone: 1460 and Mahdsaur: 500 tonnes) 4732

tonnes (74 per cent) (valued: Rs.42.43 lakhs) was procured from other sources in contravention of State Government directives and without observing the Stores Purchase Rules. DDsA, Dhar and Khandwa stated (June 1990) that the purchase was made from other sources as per directions of JDA.

During 1989-90, Rs.23.63 lakhs were advanced by three units (Dhar: Rs.2.88 lakhs; Indore: Rs.1.30 lakhs and Khandwa: Rs.19.45 lakhs) to an unapproved supplier for supply of 2541.60 tonnes gypsum (Dhar: Rs.310 tonnes; Indore: 140.60 tonnes and Khandwa: 2091 tonnes). Against this only 1156.45 tonnes (Dhar: 310 tonnes; Indore: 71 tonnes and Khandwa: 775.45 tonnes), valued at Rs.10.75 lakhs was supplied, and the supply of remaining quantity (1385.15 tonnes) was still awaited (July 1990) for which an advance of Rs.12.89 lakhs was outstanding against the supplier.

Against provision (OPTP) of Rs.2 lakhs (1988-89) in Khandwa for procurement of gypsum for 19,000 hectares under groundnut, gypsum was not purchased during the year and the allotment was utilised for purchase of plant protection equipment and demonstrations. DDA stated (July 1990) that arrangement for procurement of gypsum could not be made before commencement of sowing season in 1988-89.

In 1989-90 against the allotment (OPTP) of Rs.2.40 lakhs the DDA, Khandwa, placed an order for purchase of 2091 tonnes gypsum valued at Rs.19.45 lakhs from an unapproved supplier, out of which 775.45 tonnes valued at Rs.7.21 lakhs were received till the end of March 1990. Samples of gypsum sent for analysis (April 1990) proved sub-standard as per Indian Standards

Institute (ISI) specification, rendering the entire expenditure of Rs.7.21 lakhs infructuous. The Director, stated (July 1990) that under TMO (NODP/OPTP) gypsum was to be procured from the MARKFED.

3.2.13 Percentage of oil content.- TMO envisaged increase in oil contents of oilseed crops by 6 to 25 per cent through use of culture, gypsum and pyrite, etc.

Information regarding percentage of oil contents obtained from various oilseed crops was neither assessed or collected nor was monitored during 1986-90. Breakthrough in respect of increase in oil contents of oil seed crops was also not achieved as, according to the data furnished (July 1990) by the M.P.State Co-operative Oil Growers Federation, Madhya Pradesh, Bhopal, percentage of oil contents in rapeseed-mustard during 1989-90 was 32.12 per cent against envisaged 40 to 42 per cent, and in soyabean 17.33 per cent against envisaged 18 to 22 per cent during 1986-90. The position in respect of other oilseed crops was not known.

3,2,14 Plant Protection Equipment.- Subsidy for plant protection (PP) equipment was admissible to small and marginal farmers at the rate of 50 per cent of the cost of equipment or Rs.300, whichever was less under NODP, and the actual cost of equipment or Rs.300, whichever was less, under OPTP. In both the schemes equipment was to be procured from the Madhya Pradesh Rajya Krishi Udyog Vikas Nigam (M.P. Agro).

(a) During 1986-90, against the provision of Rs.208 lakhs (NODP: Rs.149 lakhs and OPTP: 59 lakhs) for procurement of 58,948 PP equipment expenditure was Rs.251 lakhs

(NODP: Rs.111 lakhs i.e. 74 per cent of allotment and OPTP: Rs.140 lakhs, i.e. 237 per cent of allotment) for 89,223 ^{items of} equipment. Excessive expenditure on PP equipment under OPTP during 1986-90 was due to diversion of savings under other components of TMO to PP equipment according to instructions issued by the Director (February 1989).

(b) Year-wise details of number of PP equipment received, remaining to be received, amount lying as advance with the M.P.Agro, PP equipment distributed and lying in stock during 1986-90 were not available in the Directorate.

(c) In the 9 districts test-checked, against the provision of Rs.55 lakhs (1986-90) under NODP for PP equipment, expenditure was Rs.73 lakhs (133 per cent), out of which Rs.2.95 lakhs (1988-89: Rs.0.45 lakh and 1989-90: Rs.2.50 lakhs) was outstanding (April 1990) against the M.P.Agro but of 2608 ^{items of} equipment received, 1169 (45 per cent) were still to be distributed (June 1990).

(d) Under OPTP, against allotment of Rs.3.36 lakhs during 1988-90 for payment of subsidy on 960 items of equipment, the actual expenditure was Rs.87.87 lakhs (2,615 per cent) for subsidy on 26,988 items. Although the subsidy under OPTP was to be restricted to Rs.300, it was allowed at the rate of Rs. 325.59 per equipment resulting in overpayment of Rs. 6.91 lakhs.

(e) In Khargone District against allotment of Rs.0.23 lakh (1988-89) for targeted payment of subsidy on 150 ^{items of} equipment, expenditure during the period was Rs.19.52 lakhs (8,487 per cent) for subsidy on 6,922 items.

The excessive expenditure under PP

equipment was incurred by diverting savings under all the other components under NODP/OPTP for avoiding lapse of budget grants under instructions from the Directorate (February 1989), although, against allotment of Rs.78.50 lakhs during 1987-90 for PP chemicals, expenditure was Rs.25.64 lakhs only (33 per cent) due to less incidence of pests. This did not justify excessive distribution of equipment. Comments of the Director were awaited (August 1990).

3.2.15 Other points of interest

(a) Advance of Rs.27.59 lakhs (detailed below) given to the Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam under TMO during 1986-87 was still outstanding (August 1990).

Year	Outstanding Advance, given to M.P.Rajya Beej which given Evam Farm Vikas Nigam (Rupees in lakhs)	Purpose for
1986-87	20.00	Purchase of soyabean seed
1986-87	7.59	Construction of godowns
TOTAL	27.59	

(b) In the test-checked districts advances amounting to Rs.50.58 lakhs (Dhar: Rs.17.86 lakhs; Indore: Rs.2 lakhs; Khandwa: Rs.12.24 lakhs; Mandsaur: Rs.16.15 lakhs; Shajapur: Rs.1.18 lakhs and Ujjain: Rs.1.15 lakhs) given to M.P.Agro (Rs.18.49 lakhs), Beej Nigam (Rs.19.20 lakhs) and Malwa Sahkari Bhandar (Rs.12.89 lakhs) were outstanding (August 1990), as detailed below, even after

close of the VIIth Plan. The Director was not aware of these outstanding advances reported by the district authorities.

Name of Agency	1986-87	1987-88	1988-89	1989-90	Total
1. M.P. Agro	3.96	2.91	8.07	3.55	18.49
2. M.P.Rajya Beej Nigam	-	19.20	-	-	19.20
3. Malwa Sahakari Bhandar	-	-	-	12.89	12.89
TOTAL	3.96	22.11	8.07	16.44	50.58

Comments of the Director were awaited (August 1990).

(c) Rules provide that unless otherwise expressly authorised by any law or rule or order having the force of law, moneys may not be removed from the Consolidated Fund and kept in Public Account for investment or deposit elsewhere without the consent of the Government. But it was observed that an amount of Rs.35.42 lakhs (OPTP) was drawn and kept under Civil Deposits in March 1990 (Dewas: Rs.4 lakhs; Hoshangabad: Rs.7.54 lakhs; Mandsaar: Rs.4 lakhs; Sehore: Rs.5.88 lakhs; Shajapur: Rs.10 lakhs and Ujjain: Rs.4 lakhs) for payment against expected supplies during 1990-91. This was done to avoid the lapse of budget grants, although rules did not permit keeping unspent balances beyond the VIIth Plan period. Comments of the Director were awaited (August 1990).

Expenditure on items not covered under NODP/OPTP.- Expenditure of Rs.8.60 lakhs on items not covered under NODP/OPTP was incurred during 1989-90 as per details given below:

(Rupees in lakhs)

NODP:	Sprinkler sets	1.87
OFTP:	Seed minikits	0.69
	Soil Testing	3.50
	Training	1.27
	POL and repairs of jeep	1.27
	TOTAL	8.60

Comments of the Director were awaited (August 1990).

DDA Mahasamund (District Raipur) placed an order (January 1986) with the Beej Nigam for supply of 295.37 quintals groundnut seed. But he cancelled in January 1986 the order stating that irrigation facilities would not be available. The Nigam, however, (till March 1986) supplied 293.37 quintals of seed, out of which a balance of 172.25 quintals remained in stock.

Test-check (January 1987) of the remaining stock of seed by the Seed Testing Officer, Indore, revealed that the seed was unfit for sowing. Lack of co-ordination between different agencies resulted in a loss of Rs.2.08 lakhs (cost of 172.25 quintal seed @ Rs.1,097.50 per quintal: Rs.1.89 lakhs and rent of warehouse: Rs.0.19 lakh). Comments of the Director/State Government were awaited (August 1990).

3.2.16 Publicity, Monitoring and Evaluation

(a) Although the need for publicity and advertisement in respect of various schemes under TMO was emphasised in meetings of the State Level Committee, no financial provision for

this was made under TMO, during 1986-90. Comments of the Director, for non-utilisation of this media for popularising the scheme under TMO were awaited (August 1990).

(b) Monitoring of the following aspects of TMO was not done by the Directorate during 1986-90.

- Distribution of fertilisers by the MARKFED and co-operative societies during each year.

- Prepositioning of seed, PP chemicals and pesticides during each year.

- Information regarding percentage of oil contents in respect of each variety of oilseed produced during each year. The Directorate was not aware whether the envisaged levels were achieved and what further measures were necessary for further improvement. The Director stated (June 1990) that this information was available at the district level. In the 9 districts test-checked the information, however, was not found maintained.

- District-wise requirement of seed, procurement thereagainst and details of subsidy paid thereon.

(c) For periodical evaluation of various schemes under TMO, four sub-committees were constituted. The Committees were to meet quarterly for reviewing the performance of various schemes. Against the envisaged 16 meetings each year, no meetings were held during 1986-88. During 1988-90, against the requirement of 32 meetings the committees met only 14 times (44 per cent). Recommendation (June 1989) of the

Tilhan Fasal Utpadan Technology 'sub-committee' regarding use of good quality certified seed was not complied with as the use of certified seed during 1989-90 remained between 2 and 5 per cent of requirement.

Comments of the Director in this regard were awaited (August 1990).

The above points were reported to the Government in October 1990 and the reply had not been received (August 1991).

3.3 Irregular retention of money in current account

The Financial Rules provide that all monetary transactions should be entered in the cash book as soon as they occur, and all unspent balances at the close of the financial year should be credited to Government Account. A test-check of the records of the Director of Agriculture, Bhopal, made in 1989-90 and further information collected in January 1991 revealed that several types of receipts (including moneys received as grants from the Government of India, moneys received from other departments as well as public corporations, and unspent subsidy, etc., received back from Commissioners and other offices) were not entered in the cash book. Instead, they were kept, out of Government Account, in a current account with the State Bank of India, operated (1971-72) in the name of the Assistant Accounts Officer of the Department. Payments such as pay and allowances of staff, telephone bills, etc., were sometimes made from the current account.

Scrutiny of the current account revealed that unspent amounts totalling Rs.57.98 lakhs (1987-88: Rs.56.12 lakhs: 1988-89: Rs.1.86

lakhs) had not been remitted into ^{the} treasury, but had been handled in this account. The Director, stated in January 1991 that although relevant orders to open ^{the} current account were not available, it seemed that the then Director had opened such an account for ~~the~~ Department's convenience and that transactions for amounts drawn from treasury and those received in cash only were accounted for in the cash book, and other kinds of receipts and payments against these were passed through the bank account. The reply of the Director was not tenable as the arrangement was not covered under any financial rules.

The matter was reported to the Government in July 1990; reply had not been received (August 1991).

3.4 Deficiencies in construction of ponds

Three irrigation ponds (at Dalpura, Sajeli Jokhani and Sajelia) in the District Jhabua, were constructed during April 1986 to June 1988, at a cost of Rs.4.66 lakhs, under Drought Prone Area Programme (one) and Famine Relief Programme (two). A test-check of the records of the Assistant Soil Conservation Officer (ASCO) of the district in Thandla, conducted in December 1989, and further information collected during June 1990, revealed that these ponds were not completed at all due to delay in waste-weir cutting.

All these three ponds were damaged or washed away in July 1988 due to heavy rains. According to the report of a committee set up by the Joint Director of Agriculture, Indore, to

investigate the damage, the main reasons in the case of the incompleeted ponds at Dalpura, Sajeli Jokhani and Sajelia were that besides heavy rains, they had been constructed without proper planning and not according to planned estimates. The Executive Engineer, Irriation Division, Jhabua and the Sub-Engineer, Meghanagar Block, District Jhabua, had stated in May 1986 that the selection of site for Sajelia Jokhani pond was not suitable for construction of the pond, and the scheme for the Sajelia pond had been prepared without obtaining a feasibility report.

Thus, implementation of the scheme without proper survey or planning, and execution of work not in conformity with the estimates, resulted in a loss of Rs.4.66 lakhs to the Government. Further, the cultivators were deprived of an additional income of about Rs.0.83 lakh during 1988-89 to 1989-90 in respect of Dalpura and Sajelia ponds for which information was available.

The matter was reported to the Government in June 1990; reply had not been received (August 1991)

ANIMAL HUSBANDRY DEPARTMENT

3.5 Irregularities in fodder subsidy scheme

In November 1987, the Deputy Director of Veterinary Services (DDVS), Ambikapur, received an allotment of Rs.4.20 lakhs, for subsidised production of fodder on one-hectare plots belonging to targeted 600 small and 600 marginal farmers in the drought-stricken Surguja District during 1987-88. Under this scheme each small and marginal farmer was to be paid subsidy at the rate of Rs.300 and Rs.400 per hectare

respectively. A test-check of the records relating to the above programme made by Audit in December 1989 and April 1990 revealed the following points:

(i) The allotment was not utilised for production of fodder in the year of drought, since the amount which was withdrawn from the Treasury in March 1988, was kept under 'Civil Deposits'. Only Rs.3.84 lakhs out of it were actually utilised upto February 1989.

(ii) There were instructions (August 1986) of the Director of Veterinary Services, to purchase fodder seed from private suppliers only, if Government and other autonomous agencies producing seed in the State, certified its non-availability with them. Contrary to the guidelines, the DDVS purchased 624.70 quintals of maize seed from a Gwalior-based supplier at Rs.345 per quintal, when the seed was available at Rs.300 per quintal at the Jawaharlal Nehru Krishi Vishwa Vidyalaya Farm at Ajirma in Surguja District itself. The DDVS, stated in October 1990 that it was presumed that such a huge quantity of maize seed might not be available with them. This resulted in avoidable extra expenditure of Rs.0.28 lakh. Moreover, the quality of the seed available with the supplier was not tested, and no agreement to safeguard the interests of the Government was got executed before issuing the supply order to him. Of the 624.70 quintals of seed received from the supplier, 236 quintals (cost: Rs.0.81 lakh) were sub-standard and weed-infected. Although the supplier, when approached for replacement of the substandard seed, had proposed its being tested by a seed-testing laboratory, the seed was not got tested, and he was paid at the full rate for the sub-standard seed also. According to

the reports on production of fodder received from Development blocks to which the purchased seed was supplied for sowing, the sub-standard seed was found to have yielded fodder between 104 and 287 quintals per hectare as against the average expected yield of 325 quintals.

(iii) Subsidised supply of inputs of seed and fertilizers was to be made on the basis of the area actually sown by the farmers. But the DDVS subsidised the supply of inputs for one hectare to each of the 551 small and 641 marginal farmers on adhoc basis without reference to the area proposed to be covered by fodder cultivation mentioned by them in their applications. As a result of this, 607 farmers were subsidised for areas in excess of the areas actually sown by them, and excess expenditure of Rs.0.89 lakh was incurred on subsidy. The DDVS admitted the facts in October 1990. His contention, however, that inputs for one hectare were supplied looking to severe drought condition and grave scarcity, was not in conformity with the scheme. The Director, stated (January 1991). "It is not denied that the Deputy Director issued more seed at the rate of one hectare on adhoc basis, it seems he had done this due to sheer ignorance of the scheme and its implementation".

(iv) The area for which inputs were supplied to both categories of farmers was taken as one hectare, and 50 kilograms of seed and 16 kilograms of urea were supplied to each of them. But super phosphosphate was supplied at the rate of 50 kilograms to each small farmer, and 150 kilograms to each marginal farmer. Due to supply of different quantities of inputs to small and marginal farmers, the subsidies given to them worked out to Rs.267 and Rs.365.50 per hectare, respectively. While making subsidised supply of

inputs, the DDVS, categorised 362 small farmers as marginal farmers, and thus, incurred extra expenditure of Rs.0.24 lakh.

(v) The quantities of fertilisers supplied were far less than the standard rates of 130 kg. urea and 250 kg. Super phosphate suggested by the Jawaharlal Nehru Krishi Vishwa Vidyalaya, and must have, therefore, been less effective. The Director, stated in October 1990 that the production of fodder per hectare which ranged between 104 and 287 quintals was not far below the normal production, but admitted that the requirement of fertiliser, as prescribed by the JNKVV, was not given due consideration.

Thus, purchase of fodder seed from private supplier at a higher rate, supply of inputs on adhoc basis irrespective of area of cultivation, and categorisation of small farmers as marginal farmers had resulted in extra expenditure of Rs.1.41 lakhs.

The matter was reported to the Government in May 1990; reply had not been received (August 1991).

AYACUT DEPARTMENT

3.6 Outstanding recoveries

A Challenge Demonstration Programme was introduced during 1983-84 by Government under the Command Area Development Programme, Harijan Component Plan and Tribal Area Sub-Plan. The programme, envisaged providing high-yielding seed and other inputs to the cultivators for demonstration purposes. The cost was to be borne initially by Government and recovered from the cultivators with 10 per cent surcharge thereon at the time of harvesting.

A test-check of the records of the Deputy Directors of Agriculture, Bhind and Morena Districts in Chambal Ayacut area, made in March 1989 and June 1990 respectively, revealed that out of Rs.12.42 lakhs (Bhind: Rs.5.65 lakhs; Morena: Rs.6.77 lakhs) including 10 per cent surcharge to be recovered in respect of 884 and 366 demonstrations respectively during 1983-84 to 1989-90, only Rs.7.09 lakhs had been recovered, leaving a balance of Rs.5.33 lakhs outstanding (Bhind: Rs.2.31 lakhs; Morena: Rs.3.02 lakhs).

The Deputy Director, Bhind, had recommended in June 1987 that the amount might be written off, attributing the non-recovery to excessive rains in 1983-84 and drought conditions in 1987-88. The Deputy Director, Morena, stated in June 1990 that the farmers were reluctant to remit the amount since they were expecting the amounts to be written off by Government.

The matter was reported to the Government in July 1990; reply had not been received (June 1991).

3.7 Unauthorised financial Assistance

With a view to increasing agriculture production by proper application of required doses of inputs and improved agricultural practices, the Government implemented (1983-84) a scheme of 'Challenge Demonstration' in the Chambal Ayacut Areas. The scheme envisaged providing inputs like improved seeds, fertilizers, pesticides and irrigation by Government to the farmers, for organising demonstration in half a hectare of land. The scheme also provided that the farmers, under an agreement, would pay back the cost of the inputs

with 10 per cent interest. It was decided in the meeting held in September 1985 under the Chairmanship of Collector, Morena, for reviewing progress of agricultural programme that the recovery would be made by the Morena Mandal Sahkari Shakkar Karkhana Maryadit (The Morena District Co-operative Sugar Factory Limited) Kailaras, District Morena, (Karkhana) at the time of sale of sugarcane by the farmers of the factory area to the Karkhana. The Collector is also the Managing Director of the Karkhana.

A test-check of the records of the Assistant Director of Agriculture (Cane), Kailaras, (ADA) District Morena, in March 1989 and April 1990, revealed that inputs costing Rs.9.96 lakhs were provided to the farmers for organising 417 demonstrations of sugarcane during 1985-86 (334), 1986-87 (63) and 1987-88 (20). Against Rs.10.86 lakhs representing the cost of such inputs and interest recoverable from the farmers during succeeding years, Rs.5.13 lakhs only were recovered. Out of that, moreover, Rs.4.49 lakhs recovered by the Karkhana were not deposited into Government account. This resulted in an unauthorised financial aid of Rs.4.49 lakhs to the Karkhana, besides loss of interest of Rs.1.21 lakhs upto March 1990 on the said amount.

The ADA, intimated in April 1990 that the recovery was made by the Karkhana as ordered by the Collector, Morena. The recovery made by the Karkhana was, however, not in conformity with the scheme. The ADA did not intimate the reasons for not taking action for recovery of the remaining amount from farmers as arrears of land revenue, as envisaged in the agreements.

According to the norms laid down,

fertilizers costing Rs.1,000 were to be provided for each demonstration of sugarcane in an area of half a hectare. But in 343 cases, fertilizers costing Rs.0.45 lakh were given in excess during 1985-86 (323) and 1987-88 (20). The excess over Rs.1,000 ranged between Rs.18 and Rs.209 during 1985-86 and Rs.103 and Rs.105 during 1987-88. The ADA, intimated in April 1990 that the excess expenditure on fertilizers was due to increase in the cost.

The matter was reported to the Government in July 1990; reply had not been received (August 1991).

COMMERCE AND INDUSTRIES DEPARTMENT

3.8 Non-recovery of infructuous investment subsidy

The Central Investment Subsidy Scheme provides that where an industrial unit, to which Central Investment Subsidy has been granted goes out of production within five years from the date of commencement of production, the central investment subsidy paid to the industrial unit shall be recoverable (unless the cessation of production is for short periods of less than six months due to compelling circumstances).

A test-check of the records of the General Manager, District Industries Centre, Jhabua, (General Manager) in January 1990, and further information collected in May 1990, revealed that 20 industrial units to which central investment subsidy of Rs.9.63 lakhs had been granted during March 1984 to December 1987, had gone out of production (April 1988 to July 1989) within five years from the date of commencement of production. The subsidy in all these cases

had, however, not been recovered as of June 1990. The General Manager, intimated in May 1990 that action to recover the subsidy would be taken.

The matter was reported to the Government (June 1990); reply had not been received (August 1991).

3.9 Unfruitful expenditure on water supply scheme

With a view to providing water for industrial units situated in the Small Urban Industrial Estate (SUIE) at Shivpuri, Government had sanctioned a water supply scheme at an estimated cost of Rs.1.31 lakhs in October 1972. The amount was advanced to Laghu Udyog Nigam (LUN) in two instalments of Rs.0.30 lakh in 1972-73 and Rs.1.01 lakhs in 1973-74. LUN did not execute any work upto September 1979. The estimates of the work were revised to Rs.5.21 lakhs by LUN in March 1984 and approved by Government in March 1985. The additional amount of Rs.3.90 lakhs was also advanced to LUN (Rs.1 lakh: 1984-85 and Rs.2.90 lakhs: 1985-86).

A test-check of the records of the General Manager, District Industries Centre (DIC), Shivpuri, made in January-February 1988, and information collected in May 1990, revealed that the work completed at a cost of Rs.4.84 lakhs was taken over by DIC, Shivpuri, in June 1987 but water was not reaching the pump house. The unspent amount of Rs.0.37 lakh was still lying with LUN.

Due to abnormal delay in completion of work and inadequate supply of water to the consumers, the latter made their own arrangements. Water was supplied only to 13

consumers, and that too only upto May 1988, and an amount of Rs.210 only was recovered out of Rs.0.10 lakh due from them.

The Commissioner, Industries, stated in May 1990 that the balance amount would be deposited by LUN after completion of accounts, and that information regarding recovery of water charges was being collected from the General Manager, DIC. Meanwhile, the expenditure of Rs.4.84 lakhs had become unfruitful, since no water was drawn from this scheme by industrial units after May 1988.

The matter was reported to the Government in March 1990; reply had not been received (August 1991)

3.10 Abortive oilseed-crushing centre

A test-check (March 1988) of the records of the Manager, Oil Unit, Dhar, and information collected (August 1990) from the Khadi and Village Industries Board, revealed that an inedible oilseed-crushing centre established in Dhar in 1982-83 had stopped production since 1984-85 due to lack of marketing facilities and administrative reasons. The building (Rs.0.64 lakh) and machinery (Rs.0.99lakh) had been lying idle in the centre, resulting in a blocking of Government money Rs.1.63 lakhs for over 5 years.

Further, Rs.0.37 lakh were spent during 1984-85 to August 1988 (power cut off in August 1988) on account of payment of minimum charges for electric connection obtained for the centre.

On this being pointed out, the Board intimated (August 1990) that the matter regarding restarting of production was under consideration; further progress was awaited.

The matter was reported to the Government in June 1990; reply had not been received (August 1991).

3.11 Irregular grant of sales tax subsidy

New industrial units going into production after 1st April 1981 were exempted from payment of sales tax for a period of 5 years by the State Government, provided the units did not change their location, dispose of any part of fixed capital investment, or effect any change in the ownership except with prior written permission of the competent authority. A closed unit revived by an entrepreneur would not be considered as a new unit for the grant of this exemption.

A test-check of the records of the General Manager (GM), District Industries Centre, Dhar, in June 1989 and further information collected during May 1990 revealed the following facts in respect of a unit to which certificate of eligibility for exemption from sales tax had been issued in March 1988, covering the period March 1982 to March 1987.

It was observed that though the unit in its application for issue of certificate of exemption had intimated in June 1984 its location at 153 Bakhtawar Marg, Dhar, the unit did not exist since one year from January 1984 as per inspection report of GM in January 1985. The unit intimated in September 1987 its location in Pithampur, District Dhar. As the unit had changed its location without prior written permission, it was not entitled for the exemption. Further, the unit remained closed for more than a year from January 1984, it was deregistered by GM in April 1985 and again registered in August 1986 as a fresh unit, and therefore, was not entitled, as per provision, for

exemption from payment of Sales Tax.

Thus, an amount of Rs.1.55 lakhs exempted from payment (out of which Rs.1.14 lakhs related to 1982/1983) was recoverable along with interest of 18 per cent per annum.

The GM, however, intimated in May 1990 that the new registration number was allotted as the old one was cancelled, but the unit was the same and it had started its production from March 1982, and thus, was eligible for exemption certificate. The reply was not tenable, since it was disclosed by the GM of the DIC in his inspection report dated January 1985 that the unit did not exist during the year 1984.

The matter was reported to the Government in July 1990; reply had not been received (August 1991).

CULTURE DEPARTMENT

3.12 Loss in the purchase of a palace

With a view to protecting ancient monuments of archaeological importance, the Director (now Commissioner) of Archaeology and Museums, Bhopal, proposed to Government in December 1980 to acquire from a Trust, the Lal Bagh Palace at Indore, valued at Rs.35.06 lakhs by the Public Works Department. The palace, however, could not be acquired as no budget provision had been made for the purpose. Later on, in January 1986, in a meeting held between representatives of the Government and the Indore Development Authority, it was decided that as the Authority was already negotiating with the Trust for acquisition of the palace, along with its adjacent land, for its own use, the Authority would first acquire it and the Government would then take possession.

Scrutiny of records of Commissioner, Archaeology and Museums, Bhopal (December 1988 and January 1989), and information collected (June and December 1989) from the Deputy Director, Archaeology and Museums at Indore revealed the following:

(i) The Authority initially acquired (March 1987) the palace and land for Rs.64.46 lakhs by borrowing from the banks at 12.5 per cent interest. Government took possession of it in July 1988, but the amount of Rs. 64.46 lakhs was paid to the Authority only in November 1989, thereby incurring interest liability amounting to Rs.21.65 lakhs for the period March 1987 to November 1989. Out of this, an amount of Rs.8.41 lakhs only had been paid by Government in May 1988.

Government attributed the delay to not making budgetary provisions for the cost of the palace and land, as allotment of funds for the purpose were expected from the Government of India in the Nehru Centenary year. The reply of Government was not tenable as budgetary provision could be made pending receipt of funds from Government of India and incidence of interest avoided.

(ii) In May 1988, furniture, fixtures and interior decorations having antique value were also decided to be purchased for Rs.15 lakhs. The Commissioner, Archaeology and Museums, drew an amount of Rs.8.80 lakhs in May 1988 (against sanction accorded by Government in April 1988 from the Contingency Fund), and paid it to the Authority for making payment to the Trust, for furniture and fixtures in the palace. The Authority, however, did not make the payment because of a property case pending in court between the Trust and certain members of the erstwhile rulers of Indore State. Government sanctioned another amount of Rs.5.95 lakhs in March 1989 for the same purpose, with instructions to the Collector, Indore, to deposit both the amounts with the court. The Collector, however, did not deposit (December 1989) the amount of Rs.14.75 lakhs (including Rs.8.80 lakhs received from Authority in May 1988) into the court at the instance of Trust and Deputy Director, Archaeology and Museums, Indore.

Thus, Government incurred a liability

of Rs.21.65 lakhs on account of interest by not making provision in ^{the} budget; drew an amount of Rs.8.80 lakhs out of the Contingency Fund in anticipation of requirement, and also lost interest of Rs.3.26 lakhs upto March 1990 on Rs.14.75 lakhs laying with the Collector, Indore.

The matter was reported to the Government in March 1990: reply had not been received (August 1991).

DAIRY DEPARTMENT

3.13 Idle infrastructure and machines

A test-check of the records of the Manager, Milk Supply Scheme (MSS), Ambikapur in October 1989, and further data collected during March 1990 and January 1991 revealed that two milko-pack semi-auto-poly bag fillers (cost: Rs.0.69 lakh, each having a capacity of filling 500 bags per hour, were purchased by the MSS out of funds provided by the District Rural Development Agency, Ambikapur, and were installed in December 1985. These machines were lying idle till August 1990 for want of milk-pouches. Milk was, thus, being sold to consumers, in un-packed condition.

On this being pointed out, the Milk Commissioner, stated in January 1991 that milk-pouch producers in the State were limited and were located at distant places. Besides, in view of limited production, these producers were making supplies on 'first come first served' basis. The MSS, Ambikapur, could get supply of only 89.30 kilogram milk-pouches from an Indore based firm as late as in September 1990, which were sufficient to meet the demand during a couple of months only. The Milk Commissioner, further stated that arrangements were being made

for procuring milk pouches and the machines would be put to use in future.

Thus, purchase of machines without first making arrangements for regular supplies of the required pouches was not judicious, and had resulted in idle outlay of Rs.0.75 lakh (including Rs.0.06 lakh on installation) for about 5 years. The objective of making supply of packed milk to consumers was also not achieved.

FISHERIES DEPARTMENT

3.14 Delay in construction of bundhs

The Director of Fisheries sanctioned in March 1988 Rs.3 lakhs (Rs.0.50 lakh each) to six Assistant Directors for construction of Bangla Bundhs at Bilaspur, Chhatarpur, Damoh, Rewa, Sagar and Ujjain Districts during 1987-88. The work was to be done through the agencies of either of the Fish Farmers Development agencies, Rural Engineering Services or the Irrigation Department as deposit works. The Bundhs were to yield 50 lakh spwn which would further produce 15 to 20 lakh fry.

A test-check of the records of the Assistant Director of Fisheries, Ujjain, made in September 1989, and information collected in May 1990 from the Director of Fisheries, revealed that the construction of four Bangla bundhs (Bilaspur, Damoh, Sagar and Ujjain) had not yet started (May 1990); an amount of Rs.2 lakhs had been provided only in March 1988 to the executing agencies. The Director of Fisheries intimated in May 1990 that the delay was caused because the constructing agencies were pre-occupied with their own departmental works. But it was apparent that no effective pursuance for

timely completion of deposit works had been made at any level.

The details of the actual expenditure incurred and the date(s) of completion of construction in respect of other two bundhs (Chhatarpur and Rewa) were not available with the Directorate.

The delay in construction not only meant the blocking of Government money (Rs.2 lakhs), but also adversely affected the fish-seed production programme and was likely to result in escalation of the cost.

The matter was reported to the Government (July 1990); reply had not been received (August 1991).

JAIL DEPARTMENT

3.15 Extra expenditure on purchase of dietary articles

According to the conditions of the contracts entered into by the Superintendents of Central Jails at Indore and Bhopal with suppliers of dietary articles during 1987-88 and 1988-89, the rates of the articles were valid upto 30th June of the subsequent year or the date of sanction of the rates for the subsequent year, whichever was earlier. A test-check of the records of the above jails in December 1989 and May 1990 respectively, revealed that pending approval of rates for the years 1988-89 and 1989-90 by the Director General of Prisons (Director General), the Superintendents, instead of purchasing dietary articles from outgoing contractors, purchased 340.44 quintals of pulses,

amchur*, roasted gram and gur during April to June 1988 and 1989 from new tenderers whose quoted rates were under consideration. This resulted in extra expenditure of Rs.0.75 lakh. The Superintendents stated in December 1989 and May 1990 respectively, that the purchases were made in anticipation of the sanction of the rates of the new contractors by the Director General, and that in future the purchases would be made from the outgoing contractors.

The matter was reported to the Government in May and June 1990; reply had not been received (August 1991).

LABOUR DEPARTMENT

3.16 Wasteful expenditure on abortive dispensaries

According to the requirement of Employees State Insurance (ESI) Medical Manual, actual implementation of the ESI scheme in any area is to be decided by the State Government in consultation, and with approval of the ESI Corporation. After completion of preliminary arrangements the State Government recommends the final target date for extension of medical benefits under the Act to insured persons, whereafter the corporation takes steps for issue of required notification from Government of India, Ministry of Labour in pursuance of ESI Act, 1948.

A test-check of the records of the Insurance Medical Officer, (IMO), Raipur, in August 1989/June 1990 and further information collected in January 1991 revealed that an ESI dispensary at Lalkhadan in Bilaspur District was ordered to be opened in September 1981, for

* 'Amchur' - dried mango powder

which furniture worth Rs.0.16 lakh was purchased during 1981-82 and a building was hired in April 1987 at a monthly rent of Rs.1200 . Although most of the staff for the dispensary was appointed between January 1988 to November 1989, the dispensary could not start functioning (January 1991) reportedly due to non-reservation of beds in District Hospital and non-availability of part-time specialists by the Medical Department due to which final target date to start dispensary was not proposed.

Lack of proper planning resulted in wasteful expenditure of Rs.4.12 lakhs (Rs.3.43 lakhs; Salary, Rs.0.53 lakh: Rent of building, and Rs.0.16 lakh on furniture) to the end of December 1990, besides depriving medical aid to intended beneficiaries. The IMO, Raipur, intimated (January 1991) that the staff had been attached with ESI dispensary at Raipur and efforts were being made to start the dispensary at Lalkhadan at the earliest.

The matter was reported to the Government in July 1990; reply had not been received (August 1991).

3.17 Payment of penal charges for electricity

The Director of Health Services, Employees State Insurance Scheme, Indore, entered into an agreement in December 1965 with the Madhya Pradesh Electricity Board for the supply of 150-KW High Tension (HT) electricity per month. The agreement was, however, revised due to reduction in demand in October 1968 to 50-KW electricity. According to the agreement, the ESIS

was to restrict the consumption to the maximum, and any excess over the contracted demand was chargeable at twice the normal tariff. Clause 13 of the agreement envisaged that it was open to the consumer to get the contracted demand raised by giving a written notice to that effect.

A test-check of the records of the Employees State Insurance Services, General Hospital, Indore, conducted during November 1989, and further information collected during July 1990, revealed that although the contracted demand was continuously being exceeded, no effective steps were taken to get the limit raised in terms of the above clause. The resulting avoidable expenditure during the period April 1985 to March 1990 amounted to Rs. 4.54 lakhs. On this being pointed out by Audit, the Director intimated in November 1990 that proposal to increase the demand from 60 KVA to 75 KVA was made first in June 1986 and a revised proposal to increase the demand to 100 KVA was made in July 1989. But action proposed by the Board during discussion held in September 1989 followed by letter in November 1989 was yet to be taken by the Director as of April 1991.

The matter was reported to the Government in August 1990; reply had not been received (August 1991).

MAHILA EVAM BAL VIKAS VIBHAG

3.18 Unutilised grant supplemented

With a view to promoting the activities connected with the welfare of women and children, and extending financial aid to voluntary organisations engaged in such activity, the Kamla

Nehru Mahila Evam Bal Vikas Samitti was registered on 15th April 1985. The Chief Minister and the Director, Social Welfare Department, were the Chairman and Secretary respectively.

During 1985-86 the State Government sanctioned grants amounting to Rs.39 lakhs to the Samiti for its 'Welfare Fund', with the condition that it should be utilised in conformity with the Rules of the Samiti. The Director, drew the entire amount and deposited it (March 1986) in a savings bank account opened with the State Bank of India in favour of the Samiti.

A test-check of the records of the Secretary to the Government, Mahila Evam Bal Vikas Vibhag, (December 1989-February 1990) and further information collected in February 1991 revealed that till February 1991 no amount had been utilised by the Samiti on the welfare of women and children, because the rules of the Samiti, which were submitted in August 1985, had not yet been approved by Government.

Upto December 1990 the Samiti had earned interest amounting to Rs.10.34 lakhs on its initial deposit of Rs.39 lakhs in the savings bank account. Even though the original grant had not been utilised during 1986-87, a further grant-in-aid amounting to Rs.25 lakhs was sanctioned in March 1987 with the direction that it should be held under 'Civil Deposits' till 90 per cent of the initial grant was utilised. The amount of Rs.25 lakhs was drawn in March 1987 by the Director and placed in deposit, though the previous grant could not be utilised immediately because Government had not yet approved the rules of the Samiti. Obviously the grant of Rs.25 lakhs had

been sanctioned and drawn only to avoid lapse of budget grant. Besides blocking of Government funds, the idling amount of Rs.39 lakhs had resulted in loss of interest amounting to Rs.19 lakhs upto February 1991 calculated at the rate of 10 per cent which the State Government has to pay on its ways and means advances/overdrafts. This figure would be further increased by the loss of interest in subsequent months and that in respect of the second grant.

The matter was reported to Government in June 1990; the Government earlier stated (January 1990) that a proposal to dissolve the Samiti and transfer its balance to the Mahila Kalyan Kosh was under consideration of Government since October 1989. However, in February 1991 Government intimated that the amount lying with the Samiti (which has not yet been dissolved) was now proposed to be invested in the share capital of Mahila Aarthik Vikas Nigam and that in case the proposal falls through, the amount shall be refunded. Final decision about investment in the share capital of the Nigam or its refund into the treasury was awaited (August 1991).

3.19 **Avoidable extra expenditure on energy food**

Under the State's Nutrition Programme, the Commissioner, Mahila Evam Bal Vikas, Bhopal (Commissioner) arranged for distribution of ready-to-eat 'energy food' to beneficiaries in 13 districts in the State. The Commissioner, without inviting any tenders, placed orders on the Modern Food Industries Limited, Indore (MFIL), a Government of India enterprise, for the supply of energy food at the rate of Rs.7,000 per tonne, and purchased 4047 tonnes during the period February

1988 to December 1990. Similarly, 11,105 tonnes energy food was purchased since 1988-89 (upto December 1990) from the Karnataka State Agro Corn Products Limited, Bangalore (KSAC), at the same rate. The agreements with MFIL and KSAC were initially for the period February 1988 to March 1989 and ^{were} January 1988 to March 1989 respectively, and ^{and} further extended upto March 1991 in both the cases on similar terms and conditions.

Audit scrutiny of the records of the office of the Commissioner, in December 1989-February 1990, and further information collected upto February 1991, revealed that MFIL was not itself manufacturing the energy food, and had been purchasing the supplies at the rate of Rs.5,250 per tonne from the Andhra Pradesh Food, Hyderabad (APF), a Government of Andhra Pradesh enterprise. In December 1988 APF informed the Commissioner that it was willing to supply energy food at the rate of Rs.5,250 per tonne if the order for supply was placed on it directly. The supplies in question were more or less of similar specifications, and the rates were inclusive of transportation upto destination in all cases.

No action, however, was taken to discontinue the purchases from MFIL or KSAC nor the firms were asked to revise their rates. Had tenders for supply of energy food been floated well in advance, the Commissioner could have availed of the benefit of competitive rates and avoided excess payment of Rs.265.16 lakhs on 15,152 tonnes. The Commissioner did not attribute any reason for making purchases without inviting open tenders.

The matter was reported to the Government

in May 1990, the Commissioner-cum-Secretary, Mahalia Evam Bal Vikas Vibhag stated (October 1990) that even on noticing that APF was supplying energy food at cheaper rates to MFIL, the supply MFIL/KSAC could not be stopped as it would have adversely affected implementation of the programme till alternative arrangements were made. It was, further, stated (February 1991) that unilateral abrogation of the contract was not possible. The fact remains that had tenders been called for in time, excess expenditure on supply of energy food could have been avoided.

3.20 Loss due to maldistribution of food

Under the State-Funded Nutrition Programme, ready-to-eat food is distributed to school students through the pay centres @ 80 grams per beneficiary and to expectant mothers, undernourished children and nursing mothers @ 135 grams per beneficiary, per day. The Commissioner, Mahila Evam Bal Vikas placed orders in January 1989 on Andhra Pradesh Food(APF), Hyderabad, for supply of ready-to-eat food for 1.72 lakh beneficiaries in 66 Blocks of 25 districts. The supplier was directed to provide the food according to requirement of each Block for 15 days at a time. For this purpose, Blockwise details of number of beneficiaries covered under the scheme was furnished to the supplier, and the supplies were to be rendered direct to the Blocks.

A test-check of the records of the Sailana Tribal Block, District Ratlam, conducted in August 1989, revealed that the supplier had, during February and March 1989, supplied 3,850 bags (77,000 kg.) of ready-to-eat food, out of which 2,805 bags (56,100 kg: costing Rs.2.95 lakhs) were lying in stock and had become unfit for consumption.

On this being pointed out, by Audit, the Block Development Officer, stated that during February and March 1989, excessive quantities had been received, which was brought to the notice of the Commissioner, Mahila Evam Bal Vikas. The Commissioner, had instructed (April 1989) the supplier to divert excess supplies to other Blocks, but this was not done by the supplier resulting in the stocks becoming unfit for consumption. It was further, noticed from the records of the Directorate that 2,972 bags (value: Rs.3.12 lakhs) had further become unfit for consumption in another Block (Bajna) of the same district. The Department had temporarily withheld a sum of Rs.5^{lakhs} against the loss of Rs.6.07 lakhs, from the payments made to the supplier in the month of November 1990.

A test-check of the records in another Block Khirkiya of Hoshangabad District in December 1989, revealed that against 17 schools approved under the programme for distribution of ready-to-eat food, the Commissioner had advised another supplier (M/s Karnataka State Agro Corn Limited, Bangalore) to provide supplies meant for all the 39 schools of the Block, with the result that 265 (out of 440) bags (value: Rs.0.46 lakh) were rendered surplus in February 1989 and became unfit for consumption in storage.

On this being pointed out by Audit, the Department intimated (February 1991) that the shelf life of energy food being short and the Department being newly established, no timely action could be taken for use or diverting the surplus supply to other needy Blocks. It was, further, stated that before the supply order was placed, proposal for distribution of the food to the other 22 schools had already been submitted to the Finance Department, but it had not been approved.

Thus, due to fault on the part of the supplier in the case of Sailana and Bajna block (District Ratlam), and that on the part of the Department in the case of Khirkiya Block (District Hoshangabad), the Government had to suffer a loss of Rs.6.53 lakhs. Action taken by the Department for final adjustment of Rs.5 lakhs and for effecting recovery of the balance of Rs.1.53 lakhs was awaited (August 1991).

3.21 Avoidable expenditure on transportation

The Collector, Bastar, invited quotations in December 1987 for transportation of goods/material pertaining to various developmental schemes under District Rural Development Agency (DRDA) and Mahila Evam Bal Vikas. The lowest tendered rate of 42.5 paise per tonne per kilometre exceeding 300 km. of contractor 'A', was accepted in March 1988. (The rates for distances up to 300 km. were different). An agreement to that effect was signed in April 1988 for the period 1988-89 and any subsequent date as extended by the Collector, Bastar.

Audit scrutiny of the records of the District Mahila Evam Bal Vikas Adhikari (DMBVA), Jagdalpur, District Bastar, made in July 1990, revealed that advantage was not taken of the above agreement by the Department, and transportation of CARE goods from Vishakhapatnam port to Jagdalpur during 1988-89 was entrusted to another contractor 'B' at the rate of 80 paise per tonne per km. with effect from May 1988. This was done in spite of the lower rate of 42.5 paise being brought specifically to the notice of the sanctioning authority, by the DMBVA.

During 1989-90, the transportation of CARE goods from Vishakhapatnam port to Bastar District, and other districts of the State as well, was entrusted to the Collector, Bastar. Instead of inviting any tenders, the Collector allowed the contractor 'B' to undertake transportation work at the earlier rate of 80 paise per tonne per km.

The above courses of action resulted in avoidable extra expenditure of Rs.34.05 lakhs incurred by the DMBVA, Jagdalpur, during 1988-89 and 1989-90, for the transportation of 12,515 tonnes. The Commissioner-cum-Secretary, Mahila Evam Bal Vikas, stated in February 1991 that the agreement with firm 'A' did not contain any condition for transportation from Vishakhapatnam. This reply was not tenable since in the absence of any stipulation to the contrary the contractor was bound to transport goods from any place to any place.

Scrutiny of the records, further, revealed that the contractor 'B' claimed more mileage between the two places than authorised distance in the departmental records which also resulted in extra payment of Rs.0.34 lakh. The Department replied in February 1991 that the matter was being examined and suitable action would be taken shortly. Further report was awaited (August 1991).

3.22 Distortions in food supply arrangements

For implementation of wheat-based Nutrition Programme in the State, supply of wheat is arranged by Government of India through the Food Corporation of India (FCI), and the cost of wheat is paid direct to FCI by Government of India at full FCI issue rate and taxes thereon.

Under a Centrally sponsored wheat-based expanded special Nutrition Programme for additional coverage, dalia* was being supplied to 2.55 lakh beneficiaries in 66 development Blocks of the State. The Department decided (January 1988) to discontinue supply of dalia and provide ready-to-eat energy food (panjeeri)** to the beneficiaries by procuring supplies from M/s Karnataka State Agro Corn Product Limited, Bangalore (KSAC) at the rate of Rs.7,000 per tonne.

A test-check of the records of the Commissioner, Mahila Evam Bal Vikas, Bhopal (Commissioner), conducted in December 1989/January 1990 revealed that, although supply of wheat was not stipulated in the agreement executed by the State Government with the supplier of panjeeri, on 1 January 1988, the entire allotment of 2,450 tonnes of wheat (1,450 tonnes for 1988-89 and 1,000 tonnes for 1989-90) received from Government of India was diverted to KSAC. The cost of wheat amounting to Rs.49.98 lakhs (excluding taxes) supplied to KSAC had neither been recovered from the supplier of panjeeri nor adjusted against their bills.

* 'Dalia' means- crushed wheat in coarse form
Dalia is required to be cooked with milk and sugar before consumption.

** 'Panjeeri' means- a combination of wheat (60 per cent) maize, gram and groundnut (15 per cent) and sugar (25 per cent) roasted and crushed together.

On this being pointed out by audit, the Commissioner stated (February 1991) that the entire cost of wheat amounting to Rs.49.98 lakhs along with taxes paid, would be recovered from the pending claims of the supplier. Final action taken by the Department for recovery of cost of wheat was awaited (August 1991).

MANPOWER PLANNING DEPARTMENT

3.23 Soft-loans as margin money to educated unemployed persons

Mention was made in paragraph 3.12 of the Report of the Comptroller and Auditor General of India, for the year 1980-81 (Civil) regarding the grant of soft loans as margin money to educated unemployed persons. The Public Accounts Committee (PAC) in its 90th Report (December 1986) had inter alia recommended that the PAC may be informed of the (a) impact of the programme in terms of employment generated; (b) utilisation certificates and certified audited accounts to be collected from the loanees; (c) information about recovery of loans and penal interest from beneficiaries who had closed industry/business before the stipulated period of 5 years. The PAC had also desired that a timebound programme be chalked out for early recovery of outstanding loans/interest. The report of the Government was, however, still awaited (July 1990).

Further information collected from the Director, Manpower Employment Programme, during July 1989 and May 1990 revealed that even though necessary amendments in rules for inspecting the industries/business houses by District Employment Officers (DEOs) were made, the number

of industries/business houses actually inspected (and the results of inspection) were not available. Information regarding the number of utilisation certificates and audited accounts received and action taken against defaulters was also not available. Nor was any information available regarding industries/business houses closed before the stipulated period of 5 years, and impact of the programme and yearwise breakup of outstanding loan and interest. Against the loans of Rs.386.78 lakhs provided during 1975-76 to 1989-90 (December 1990) to 4,150 beneficiaries in the State, amounts totaling Rs.338.05 lakhs (loans: 221.24; interest: 116.81) were still due for recovery from 3,162 beneficiaries in May 1990. The Director, however, stated in November 1990 that timebound programme for recovery would be prepared in near future.

The matter was reported to the Government in August 1989; reply had not been received (August 1991).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

3.24 Drought Prone Area Programme

3.24.1 Introduction.- In order to provide a permanent solution to the problem of frequent droughts in the drought prone areas of the State, a Centrally sponsored Drought Prone Area Programme (DPAP) was launched in 3 districts of the State in January 1971 and in 1 district in December 1971. It was extended to 42 blocks of 6 districts (Betul, Dhar, Jhabua, Khargone, Shahdol and Sidhi), during 1972-73. On the recommendation (January 1982) of a Task Force set up by it, the Government of India, Ministry of Rural Development

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

approved inclusion of 6 more blocks (3 each in Khargone and Shahdol Districts) for coverage by the DPAP from July 1982. But, against this approved coverage, the State Government included 7 blocks (Khargone: 3 and Shahdol: 4). The Development Commissioner, (DC) did not intimate if the approval of the Government of India for coverage of 1 additional block by DPAP was obtained (September 1990).

During the Fourth Plan period (1969-74), the focus of the DPAP was on creation of durable and employment-oriented assets. In the Fifth Plan period (1974-79), however, the focus was shifted to the integrated area development approach with its main thrust on efforts for restoration of ecological balance in areas covered under DPAP. In the Sixth Plan period (1980-85) the approach adopted in the earlier Plan periods was continued. In the Seventh Plan period (1985-90), however, emphasis was on the activities contributing directly to restoration of ecological balance as also on increase in per capita income through effective development of land and other natural resources and efficient utilisation of scarce water and conservation of scanty rainfall by arresting its runoff. Besides soil and water conservation, afforestation, pasture development and water resource development works directly contributing to drought proofing, the programme envisaged horticulture, sericulture, animal husbandry and fisheries development activities.

3.24.2 Organisational set-up.- At the State level, the Development Commissioner was supervising implementation of the DPAP besides processing action plans received from the districts. He was also responsible for providing funds to the District Rural Development Agencies (DRDAs) for execution, and for monitoring and

evaluation of the implementation of the DPAP in the State. Actual execution of the DPAP works in the districts was done by various departmental offices and the Madhya Pradesh Rajya Van vikas Nigam (MPRVVN) which was co-ordinated by the DRDAs.

3.24.3 Audit Coverage.— Mention about the irregularities in execution of works, shortfall in utilisation of the irrigation potential created and in execution of soil conservation works, high incidence of mortality of forest plantations, etc., noticed in test-check of the records relating to implementation of DPAP during 1970-78 was made in paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year 1977-78. Another test-check of the records relating to implementation of the DPAP during 1985-86 to 1989-90 was conducted in the offices of the DC and the DRDAs and executing departments in Betul, Dhar, Jhabua and Shahdol Districts during June to December 1990. The test-check showed that many irregularities, brought to the notice of the agencies executing the DPAP earlier, still persisted.

3.24.4 Highlights

- Though an expenditure of Rs.3581.81 lakhs had been incurred on the implementation of the programme, no evaluation of the impact of the programme was done

(Paragraph 3.24.5 and 3.24.9)

- During 1985-90, the Central assistance, received by the State Government, was short to the extent of Rs.180.24 lakhs; action taken to obtain this amount from the Government of India was not intimated by the Development Commissioner.

(Paragraph 3.24.5)

- The norms prescribed by the Government of India for incurring expenditure on land development, development of water resources and afforestation/pasture development activities were not followed.
(Paragraph 3.24.5)
- In Dhar, Jhabua and Shahdol Districts Rs.3.25 lakhs were diverted for the works not related to DPAP.
(Paragraph 3.24.5 and 3.24.6)
- The instructions (July 1987) of the Government of India to narrow down the range of activities under DPAP and to undertake them in selected micro-water sheds were not followed and afforestation/pasture development works and percolation tanks were undertaken at a cost of Rs.442.97 lakhs in the areas outside the watersheds in Betul and Dhar Districts during 1985-90.
(Paragraph 3.24.6)
- The Government of India instructed not to slow down soil and water conservation activities under normal development programme of Agriculture Department on introduction of DPAP works. However, the expenditure on normal departmental works in four selected districts came down from Rs.32.01 lakhs (1985-86) to Rs.16.86 lakhs (1988-89), when expenditure on DPAP works increased from Rs.31.45 lakhs (1985-86) to 141.56 lakhs (1988-89).
(Paragraph 3.24.7(i))
- In Jhabua District a stop dam costing Rs.1.66 lakhs was washed away and construction of another one was abandoned after expenditure of Rs.0.25 lakh on it.
(Paragraph 3.24.7(ii))

- Eight minor irrigation projects commenced during 1979-85 were incomplete at the end of March 1990 after Rs.261.65 lakhs were spent on them. Irrigation actually provided from completed 83 projects during 1979-90 was only between 25 and 51 per cent of the irrigation potential created.

(Paragraph 3.24.8 (i))

- An irrigation tank in Jhabua District, breached in September 1975, was neither repaired nor was responsibility fixed for the damage as of August 1990, though desired by the Public Accounts Committee as far back as in January 1985.

(Paragraph 3.24.8 (iv))

- Contrary to the instructions of the Government of India, Rs.3.90 lakhs were spent by MPRVVN in Dhar and Jhabua Districts during 1985-90 on maintenance of plantations beyond 3 years.

(Paragraph 3.24.9 (ii))

- The fish-sheed breeding farm in Jhabua District proposed to be established by March 1988 for increasing fish production was not established despite an expenditure of Rs.34.51 lakhs. The work was now expected to cost Rs.46.65 lakhs.

(Paragraph 3.24.10 (b))

3.24.5 Finance.- Central assistance at 50 per cent of the actual expenditure was available from 1974-75 onwards. The position of outlay approved by the Government of India for DPAP, the Central assistance received, the budget provision made in the State Budget and the expenditure incurred during 1985-86 to 1989-90 was as shown in the table below:

Year	Outlay approved by the Govern- ment of India	Funds received from the Gover- nment of India	Funds provided in the State Budget	Expendi- ture
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
1985-86	588.00	294.00	720.00	740.08
1986-87	735.00	367.50	748.00	728.33
1987-88	735.09	322.75	732.00	693.64
1988-89	809.00	295.76	732.00	726.70
1989-90	809.00	330.85	746.00	693.06
TOTAL	3676.09	1610.86	3678.00	3581.81

While the provision made by the State Government for DPAP activities during 1985-87 exceeded the outlay approved by the Government of India, the provision made in the subsequent three years fell short of the approved outlay. The DC did not give any reasons for the excessive provision but stated that the shortfall in budget provision was on account of the ceilings communicated by the Planning Department. Further, while the expenditure in 1985-86 exceeded the budget provision and the outlay approved by the Government of India, in the remaining four years, the actual expenditure fell short of both the budget provision and the approved outlay. The reasons for this were not intimated by the DC. As against Rs.1,790.90 lakhs (50 per cent of actual expenditure) due to the State Government as Central assistance, the State Government actually received Rs.1,610.86 lakhs during 1985-90. The reasons for the short receipt of Rs.180.04 lakhs on account of Central Assistance and the action taken to get it from the Government of India were also not intimated by the DC.

In July 1987, the Government of India decided that the annual allocation made for various activities under DPAP should be spent by the State Government according to the percentages

fixed by them. The details of activity-wise expenditure incurred by the State Government during 1989-90 were not supplied by the DC. The position of activity-wise percentages fixed by the Government of India and the percentage of expenditure on each activity during 1987-88 to 1988-89 was, however, as shown in the table below:

Activity	Percentage prescribed by Government of India	Expenditure incurred		Percentage of expenditure with reference to total expenditure	
		1987-88 (Rupees in lakhs)	1988-89	1987-88	1988-89
Land Development, land shaping, moisture conservation, etc.	30	93.49	199.40	13	27
Water resources development	20	313.58	243.65	45	34
Afforestation and pasture development	25	221.85	226.55	32	31
Other activities	15	61.41	52.12	9	7
Project administration	10	3.31	4.98	1	1
TOTAL		693.64	726.70		

Thus, the State Government spent much more than the prescribed percentage on water resources development works and on afforestation when the expenditure incurred by it on land development, project administration and other activities was far less than the prescribed percentage.

In the 4 test-checked districts, the pattern of actual expenditure on various components of DPAP during 1987-88 to 1989-90 was almost similar to that mentioned above and, out of Rs.1568.34 lakhs spent in these districts, Rs.308.70 lakhs (20 per cent) were spent on land development, Rs.608.30 lakhs (39 per cent) on development of water resources, Rs.474 lakhs (30 per cent) on afforestation/pasture development, Rs.146.31 lakhs (9 per cent) on other activities, and Rs.31.03 lakhs (2 per cent) on project administration. Year-wise analysis of expenditure in the selected districts showed that the expenditure on land development was less than the prescribed percentage in all the years (except in Betul in 1988-89 when it was 41 per cent) and was as low as 9 per cent in Jhabua in 1987-88. On the other hand expenditure on development of water resources and afforestation was more than the prescribed percentages and ranged from 21 to 69 per cent and 21 to 49 per cent, respectively.

Although the Government of India disapproved (November 1988) schemes such as ongoing minor irrigation schemes of Fifth and Sixth Plans, Nistar* tanks, seed exchange, tube-wells, etc., (estimated cost: Rs.256.66 lakhs) from the Action Plan for DPAP of the State for the year 1988-89, the State Government issued (January 1989) instructions to continue execution of those schemes. The position of actual expenditure on those schemes was not intimated by the DC. The DC stated that the schemes were continued because their

*Nistar tank: tanks for daily needs of water of villagers other than irrigation purpose.

discontinuance would have rendered the expenditure incurred on them/infructuous. The DC, further, stated (August 1990) that the State Government was persuading the Government of India for giving approval.

The Project Officers of DRDA, Dhar and Jhabua diverted Rs.0.84 lakh towards printing of forms, purchase of motor cycle and some other works not related to DPAP in 1985-86 (Dhar: Rs.0.32 lakh) and 1986-87 (Jhabua: Rs.0.52 lakh). No reasons for the diversion were intimated by the Project Officers. Although construction of tube-wells under DPAP was disallowed by the Government of India being an ineligible item, the DRDA Shahdol irregularly spent Rs.2.41 lakhs during 1987-88 on construction of 17 tube-wells. Further, this expenditure included unfruitful expenditure of Rs.0.22 lakh on publication of notice inviting tender because the work was allotted to a non-tenderer (Evangelical Lutheran Church, Betul) whose rates were obtained separately.

3.24.6 Scope and approach

Since the area affected by drought in the State was very large it was not possible to cover the entire drought affected area by drought proofing works with the limited resources available and if the works were started in the entire area simultaneously no significant impact of the works could be made any where. The Government of India, therefore, asked the State Government to identify the hard core drought prone areas on considerations such as (i) incidence of rainfall, (ii) land revenue suspension data and (iii) declaration of scarcity in the past. On the recommendations made by the State Government on the basis of these considerations, the Government of India approved

(1971-73) the coverage of 42 blocks of six districts in the State under the DPAP. On the suggestion of the State Government and the recommendations of the Task Force set up by the Ministry of Rural Development, Government of India, 7 blocks were included by the State Government for coverage under DPAP in 1982-83. However, the basic data, on consideration of which the State Government identified the hard core drought prone areas and made proposals to the Government of India, was not made available to Audit by the DC.

For complete drought proofing of the drought prone areas, a perspective plan, called shelf of projects, containing potential schemes for optimum utilisation of land and water resources and the infrastructure needed for it was to be prepared block-wise and district-wise, so that priority of schemes could be decided and their execution financed from funds received for various Central and State Plan Programmes. Such a shelf of projects was to be prepared after carrying out a detailed survey of water harvesting structure. In the test-checked districts neither was the survey conducted nor was the shelf of projects prepared. No reasons for this were stated by the district authorities or by the DC.

According to the guidelines (November 1973) and further clarification (October 1975) issued by the Government of India, treatment of drought prone areas by drought-proofing works like soil and water conservation measures was to be done on all lands in selected watershed areas (private, community and Government land including forest) leaving no gaps in between the works. The Central Sanctioning Committee on DPAP also decided (June 1987), to narrow

down the range of activities under DPAP and to undertake them in selected micro-watersheds in each block instead of in widely dispersed areas. However, as admitted by the State Government in a review of the DPAP activities done in December 1988 and also seen by Audit in test-checked districts, the activities under DPAP were not undertaken in the selected micro watersheds, and many works such as afforestation and pasture development (expenditure: Rs.429 lakhs) in Betul and Dhar Districts during 1985-90, Sericulture plantation (expenditure: Rs.11.47 lakhs) during 1988-90 in Betul District and percolation tanks (expenditure: Rs. 2.50 lakhs) during 1988-89 in Betul District; were undertaken in areas falling outside the watersheds. Reasons for not following the watershed approach were not intimated by the DC (August 1990).

Information about the area/number of works relating to the various components of DPAP required to be undertaken in all the 6 concerned districts of the State, the position of works actually completed and the works in progress was not supplied by the DC(August 1990). The position of woks undertaken in the test-checked districts under various components is mentioned in the succeeding paragraphs.

3.24.7 Land Development measures.-

According to the information supplied by the officers in the Agriculture Department, executing land development works, 0.16 lakh hectares of land were covered by land development works and 174 stop dams/tanks were constructed during 1985-90 at a cost of Rs. 385.04 lakhs, against the targeted works in 0.13 lakh hectares and construction of 200 dams/tanks. Following points were noticed in respect of these works.

(i) In paragraph 3.1.6(d) of the Report of the Comptroller and Auditor General of India (Civil) for the year 1977-78 it was pointed out that, on introduction of the DPAP, the pace of soil and water conservation works taken up under normal development programme of the Agriculture Department of the State was slowed down, in contravention of the specific instructions of the Government of India prohibiting such slowing down. The irregular practice was, however, continued in Betul, Dhar, Jhabua and Shahdol Districts during 1985-90 also when the expenditure on normal development programme of soil conservation works of Agriculture Department came down from 15 per cent in 1985-86 to 8 per cent in 1989-90 as against expenditure on such works under DPAP which increased from 15 per cent in 1985-86 to 45 per cent in 1989-90, the remaining expenditure being on works under other Central sector programmes like Rural Landless Employment Guarantee Programme, National Rural Employment Programme, Jawahar Rojgar Yojna, etc., This is shown in the table below:-

Year Expenditure on soil conservation works in Betul, Dhar, Jhabua and Shahdol Districts under

	Normal deve- lopment programme	DPAP	Other Cen- tral Sector Programmes	Total
(1)	(2)	(3)	(4)	(5)
	(Rupees in lakhs)			
1985-86	32.01	31.45	141.61	205.07
1986-87	16.63	37.62	210.56	264.81
1987-88	15.68	77.85	185.82	279.35
1988-89	16.86	141.56	197.12	355.54
1989-90	19.81	102.70	105.79	228.30

(ii) In soil conservation Sub-Division, Thandla (Jhabua) 5 stop dams (estimated cost: Rs.9.55 lakhs) taken up during 1986-88 were incomplete after Rs.11.75 lakhs were spent on them upto March 1989 (4 dams) and March 1990 (1 dam). The works could not be completed because sanction to the revised estimate was yet to be received. One stop dam (Sajelia No.1) out of these five stop dams, on which Rs.1.66 lakhs were spent, was washed away in July 1988. The Assistant Soil Conservation Officer (ASCO), Thandla, stated that departmental enquiry against the concerned officials was being processed.

(iii) Construction of one stop dam (Ambua-4) in Alirajpur (Jhabua) taken up in January 1989 was abandoned (March 1989) after spending Rs.0.25 lakh on it because of some difference of opinion with the Ambua Panchayat and due to commencement of departmental enquiry against the concerned surveyor.

(iv) During 1985-89, the Soil Conservation Sub-Divisions, Dhar and Shahdol irregularly spent Rs.1.30 lakhs meant for soil conservation works on construction of a store building (Rs.0.62 lakh) and on cattle proof trenches at departmental nursery (Rs.0.68 lakh), without obtaining necessary sanction of competent authority. Reasons for the diversion of funds were not intimated by the ASCOs, Dhar and Shahdol.

(v) The DPAP envisaged taking up of dry land farming measures in areas where soil conservation treatment had already been undertaken. However, schemes for dry land farming were never proposed in the Action Plans under the Programme so far, although this deficiency was reported to the Government earlier in October 1978 and also through para 3.1.6(c) of

the Report of the Comptroller and Auditor General of India for the year 1977-78. No reasons for this were stated by the DC.

3.24.8 Development of water resources

(i) The position of the irrigation projects taken up, completed and in progress in the selected districts at the end of March 1990, was as shown in the table below:

Period	Projects taken-up		Projects completed upto March 1990		Projects in Progress at the end of March 1990	
	Number	Estimated Cost	Number	Expenditure	Number	Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(Rs. in lakhs)					
1979-85	41	824.46	33	528.71	8	261.65
1985-90	131	917.43	50	141.94	81	604.74
Total:	172	1741.89	83	670.65	89	866.39

Thus, 8 projects (Betul: 4; Jhabua: 3 and Shahdol: 1) taken up during 1979-85 and 81 projects (Betul: 11; Dhar: 16; Jhabua: 18 and Shahdol: 36) taken up during 1985-90 were incomplete for want of funds. Consequently, the concerned areas were deprived of the benefits of irrigation.

(ii) Year-wise position of the irrigation potential created and the area actually irrigated in respect of the 83 completed projects in the selected districts was as shown in table below:

Year	Potential created (Progressive)	Actual irrigation	Percentage
(1)	(2)	(3)	(4)
	(In hectares)		
1979-80 to 1984-85	19,816	9,930	50
1985-86	21,577	5,424	25
1986-87	23,020	11,657	51
1987-88	23,844	9,154	38
1988-89	24,053	11,763	49
1989-90	24,156	11,189	46

Thus, the irrigation actually provided was only between 25 and 51 per cent of that created. Further, 2 projects (designed potential: 171 hectares) at Mogra (Dhar District) and Amargarh (Jhabua District) completed in March 1986 and March 1989 at a total cost of Rs.66.47 lakhs provided no irrigation since their completion, while in 4 other projects (cost: Rs.43.24 lakhs; potential: 318 hectares) completed between March 1986 and March 1989 irrigation was provided to 61 hectares only. The under-utilisation of irrigation potential was attributed by departmental officers to seepage of water through canals, unwillingness of cultivators to use water, scanty rainfall and short collection of water in the tanks.

(iii) On 11 projects completed during 1985-90 actual expenditure exceeded the sanctioned cost of Rs.163.39 lakhs by Rs.138.11 lakhs and the excess of expenditure on individual projects ranged between 22 to 199 per cent. Approval to the revised estimates was not yet obtained (November 1990).

(iv) Mention was made in paragraph 3.1.6 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1977-78 about breach of an irrigation tank (Gumlihat in Jhabua District) which took place in September 1975 due to lack of proper supervision during construction.

The Public Accounts Committee in its 62nd Report (January 1985) expressed severe concern over non-repairing and non-fixation of responsibility for defective construction for over 8 years. Even then, neither was the breached tank repaired nor was responsibility for its defective construction fixed as of (August 1990), as noticed in the present test-check of records in the Irrigation Division, Jhabua. The Executive Engineer, stated (August 1990) that estimates for repairs amounting to Rs.8.60 lakhs submitted to the Superintending Engineer, Mahi circle, Dhar, during December 1989 was still awaiting his sanction, and that the responsibility against defaulter would be fixed after taking final decision on the revised charge sheet issued to him during November 1989.

(v) With a view to assessing the possibility of utilisation of ground water, hydrological surveys were to be carried out to identify specific areas where exploitation of ground reserves was possible. In Betul, the survey reports in respect of ground water surveys completed in March 1985 (1 scheme) and in March 1988 (3 schemes) at a total cost of Rs.5.13 lakhs were not finalised and submitted to Government for follow-up action. Another scheme on the survey of which Rs.0.18 lakh were spent during 1987-88 was left incomplete as no funds for its execution were received. The expenditure incurred on survey had become unfruitful. Although the hydrological survey in 5 blocks of Dhar District was completed during 1974-80 at a cost of Rs.6.93 lakhs and reports thereon were submitted as far back as in November 1988 for 3 Blocks and in February 1989 for 2 blocks, no action on those reports had so far been taken and the reports were stated to be still under consideration.

The reasons for delay in submission of survey reports and for not taking any action on the survey reports were not intimated. In Jhabua, survey reports in respect of ground water surveys completed in March 1982 and March 1984 (one scheme each) and in March 1987 (2 schemes) at a total cost of Rs.4.90 were not finalised and submitted. The survey of another scheme, on which Rs.1 lakh were spent during 1987-88, could not be completed so far for want of funds. Thus, the entire expenditure of Rs.5.90 lakhs proved unfruitful. While admitting the delay in preparation of survey reports, the Assistant Geohydrologist, Jhabua, stated that the instructions for finalisation of the reports were received late in 1988 and the reports were under preparation now.

3.24.9 Afforestation

(i) According to the Government of India, establishment of nurseries (grass, fodder, trees and timber), plantation of degraded forests, social/forestry works on Government and community lands, road-side plantation, distribution/sale of saplings for planting on private lands, were to be undertaken by the State Government under forestry component of DPAP. However, in the test-checked districts the plantation works on 8,413 hectares (target: 8,655 hectares) and pasture development works on 20,006 hectares (target: 19,645 hectares) were only taken up during 1985-90 and other items of works were not taken up at all. Reasons for this were not intimated.

(ii) According to the instructions of the Government of India, the plantations done under DPAP were to be maintained from DPAP funds for succeeding three years and from the departmental funds of the Forest Department

thereafter. However, the Divisions of MPRVVN at Dhar and Jhabua did not transfer the plantation to regular Forest Divisions for maintenance after 3 years and irregularly spent Rs.3.90 lakhs (Dhar:Rs.2.26 lakhs; Jhabua Rs.1.64 lakhs) from DPAP funds during 1985-86 to 1989-90 on maintenance of plantations beyond 3 years.

(iii) In the 4 test-checked districts, Rs.518 lakhs were spent during 1986-87 to 1989-90 on development of pasture lands. The residents of the nearby areas were to cut the grass grown and carry bundles of grass for feeding their animals. No account of grass actually grown and distributed to the villagers during above period was, however, maintained in Dhar, Jhabua and Shahdol Districts. In Betul District, where such account was maintained, the quantity distributed was not available in that account. Thus, the extent to which the pastures developed could fulfil the expectations was never ascertained.

(iv) As per orders (October 1966) of the Forest Department, plantations having survival percentage of less than 20 per cent, were treated as complete failure. In 6 plantations (1980) and 4 plantations (1981) done by the MPRVVN in Dhar District, the survival percentage was 5 per cent in 6 plantations; 10 per cent in 2 plantations, 12 per cent in 1 plantation and 15 per cent in one plantation. Expenditure of Rs. 5.75 lakhs on 7 of these 10 failed plantations (expenditure in respect of 3 plantations was not reported) was, thus, not fully fruitful.

(v) Unlike in the case of employment-oriented programmes, like Rural Landless Employment Guarantee Programme^{and} National Rural Employment Programme, whole amount of wage of each labourer

employed on DPAP works was to be paid in cash. Accordingly, all Departments executing DPAP works were paying the labourers at their departmental rates or at the rates fixed by the Collector. The Division of MPRVVN, Jhabua, however, paid a part of wages in the form of foodgrains received under the World Food Programme. In addition to this, expenditure of Rs. 1.38 lakhs on storage and Rs.2.56 lakhs on transportation of foodgrains was also incurred by the Division from DPAP funds without approval of the Government.

(vi) The MPRVVN Division, Dhar, supplied 12.43 lakh plants (Cost: Rs.8.61 lakhs) from DPAP nurseries to Forest Department during 1987-88. The cost has not, so far, been received from the Forest Department (August 1991).

(vii) According to the instructions of the Government of India, only upto 10 per cent of total expenditure on any component could be on establishment/contingent expenditure. However, expenditure in all the 4 divisions of MPRVVN exceeded the prescribed limit by Rs.54.69 lakhs during 1985-90 and it ranged between 1.3 per cent (Shahdol: 1985-86) and 25 per cent (Dhar: 1987-88). The Divisions attributed this to the establishment of separate divisions for DPAP and stated that action would be taken in consultation with their Head Office.

3.24.10 Other activities

(a) **Animal Husbandry.-** Following two schemes were taken up under the programme during 1985-86 to 1989-90.

(i) **Key village scheme.-** Under the scheme approved by the Government of India, Multai Block in Betul, Sardarpur Block in Dhar,

Jobat Block in Jhabua and Manpur Block in Shahdol were to be developed as key village blocks for providing various services such as control of disease, artificial insemination, castration, vaccination, etc.. However, veterinary schemes were not implemented at all in Betul during 1984-85 and in Dhar during 1986-88 although Rs. 3.76 lakhs and Rs. 10.10 lakhs respectively were sanctioned. Specific reasons for non-implementation were not stated by the Deputy Directors of Veterinary Services, Betul and Dhar.

(ii) **Fodder demonstrations.**- To popularise fodder cultivation among the farmers in the DPAP areas, fully subsidised fodder demonstrations were to be held on 0.1 hectare plots at a maximum cost of Rs. 200 each. During 1985-90, the Veterinary Department in the 4 test-checked districts held 11,175 fodder demonstrations against the target of 10,000 demonstrations. Although the number of demonstrations actually held exceeded the targets in all the four districts, the expenditure incurred on them was far short of the targets fixed at the maximum rate of Rs.200 per demonstration in Dhar (target: Rs. 6.80 lakhs; actual: Rs. 4.68 lakhs), Jhabua (target: Rs. 7 lakhs; actual: Rs. 4.82 lakhs) and Shahdol (target: Rs.1.20 lakhs; actual: Rs. 0.51 lakh). and equalled the target of Rs. 5 lakhs in Betul. Analysis of the demonstrations showed that:

- In Betul District, the demonstrations were held on 0.2 hectare plots instead of on 0.1 hectare plots when the quantity of inputs used was sufficient for 0.1 hectare or less.

- In Dhar District, only seed was provided for the demonstrations laid during 1989-90.

- In Jhabua District, the quantities of inputs provided for demonstrations held during 1986-89 were less than the required quantities.

The demonstrations were, thus, not adequate and could not help convince the farmers about advantages of fodder cultivation. Further, the results of the demonstrations were neither recorded nor were analysed by the Department to assess their success.

(b) **Fisheries development.**- A fish-seed breeding farm near Modsagar reservoir (Jhabua) was proposed to be established under DPAP in three stages during 1984-85 to 1986-87 at an estimated cost of Rs.30.04 lakhs, in order to solve problems of mal nutrition of poor tribals, by increasing fish production. Since no work was done in 1984-85 and very little work was done during 1985-87, the estimates for the work had to be revised to Rs.42.47 lakhs during 1987-88.

Construction works in respect of a breeding pond, a Chinese hatchery, an over head tank, 10 nursery ponds and 8 rearing ponds at the farm were entrusted to the Irrigation Division, Alirajpur. The entire sanctioned amount of Rs.42.47 lakhs (Rs.36.73 lakhs for construction works and Rs.5.74 lakhs for purchase of Jeep with trolley, tractor and equipment) was provided by the DRDA to the Fisheries Department, which, in turn, advanced Rs.35.25 lakhs to the Division during 1984-90 according to the progress of work. The Division spent Rs.34.51 lakhs (Out of the advance of Rs. 35.25 lakhs) during 1984-90 on the above works which were scheduled to be completed latest by 1987-88. But at the end of March 1990, five works (estimated cost: Rs.11.03

lakhs) were incomplete after spending Rs. 17.38 lakhs on them, 3 works (estimated cost:Rs.10.20 lakhs) were not taken up at all, and construction of one approach road (estimated cost: Rs. 1 lakh) was abandoned after spending Rs.0.07 lakh.

The essential works which remained incomplete included construction of pucca breeding pond and Chinese hatchery where construction of an over head tank was not even commenced. Till March 1990, the Division completed construction of 18 nurseries and rearing ponds (estimated cost: Rs.14.50 lakhs) only at a cost of Rs.17.06 lakhs after delay ranging between 2 and 4 years.

The Executive Engineer of the Division intimated (August 1989) that due to changes in the designs and specifications made at the instance of Fisheries Department and cost escalation due to passage of time, the completion of construction of works on the farm was expected to cost Rs. 46.65 lakhs against approved cost of Rs.36.73 lakhs. He, further, intimated (August 1990) that conversion of already constructed kaccha pond into a pucca pond caused avoidable expenditure of Rs.0.35 lakh. He attributed the delay in completion of the construction work to delayed finalisation of drawings and designs by Fisheries Department and to entrusting of works to different contractors.

Thus, the fish breeding farm could not be functional and the poor tribals could not derive the proposed benefits.

3.24.11 Other points of interest

- (i) In Jhabua District plantation of

Tusser plants was entrusted (June 1989) to Forest Department due to non-availability of required 250 hectares revenue land with the Sericulture Department. The Forest Department purchased polythene bags weighing 10.12 tonnes for keeping germinated seed before its transplantation in pits. According to the requirement proposed in Action Plan, polythene bags weighing only 3 tonnes, were sufficient for the seed required for plantation in 250 hectares. The purchase of polythene bags weighing 7.12 tonnes (cost: Rs.3.11 lakhs) was, thus, excessive. The Divisional Forest Officer, Jhabua, stated that the bags would be utilised in coming years.

(ii) One jeep purchased in April 1984 (cost:Rs.0.91 lakh) for key village scheme Jobat in Jhabua District was requisitioned by the Collector, Jhabua, in April 1987 and not returned, so far (August 1990). Reasons for non-returning of jeep by the Collector, were not known to the Deputy Director of Veterinary Services, Jhabua.

(iii) The payment of wages to labourers was required to be made within 8 days of the period of their engagement. In Betul District, however, the wages of Rs. 4.99 lakhs (relating to May 1986 to December 1986, May 1988 to October 1988 and November 1989 to February 1990) were paid with delays ranging from 15 days to 4 months. The delay was attributed to delayed receipt of allotments from the DRDA and to the Disbursing Officer being busy with some other departmental work.

3.24.12 Monitoring and evaluation.- The Development Commissioner was to monitor and supervise the implementation of the DPAP and the State Level Co-ordination Committee (SLCC) was to

review the progress of implementation in its quarterly meeting. However, against 23 posts of various categories sanctioned for the monitoring cell and also filled up, only 4 persons (one each of Officer on Special Duty, ASO, UDC and LDC) were working in the cell and the remaining persons were deployed in different sections. This hampered the monitoring work and consequently vital information such as the physical targets and achievement under different components, irrigation potential created, irrigation actually done and employment generated under the programme was not available. The SLCC met only six times during 1985-86 to 1989-90 as against the required 20 quarterly meetings during the above period. No reasons for the diversion of staff, improper monitoring and shortfall in SLCC meetings were intimated by the DC.

Evaluation of the implementation of the DPAP was not done by the DC or by the implementing departments. The evaluation was, however, done in Jhabua, Shahdol and Sidhi Districts during 1979-80 by the Director of Economics and Statistics and was again being done by the Institute of Regional Analysis, Bhopal, (in 8 blocks of Khargone), the National Centre of Human Settlement and Environment, Bhopal (in 8 blocks of Dhar), the Agriculture Finance Corporation, Bhopal, (in 8 blocks of Betul and 12 blocks of Jhabua) and by the Director of Economics and Statistics, Bhopal, (in 8 blocks of Sidhi and 6 blocks of Shahdol). The Director of Economics and Statistics, Bhopal had already submitted the Report in respect of evaluation done in 1979-80 and the Agriculture Finance Corporation also submitted the report in respect of recent evaluation done in Betul District. No action had been taken by the DC on any of the reports.

The DC intimated that action would be taken on receipt of the reports from all the agencies.

3.24.13 The matter was reported to the State Government in November 1990: reply had not been received so far (August 1991).

3.25 Infructuous expenditure on plantation

Under the Rural Landless Employment Guarantee Programme, the Development Commissioner sanctioned two projects viz., plantation of an orchard and fuel-cum-forestry on 25 hectares of land and fuel-cum-fodder plantation on 10 hectares, in Hasudia Parihar village of Sehare District at a total cost of Rs.2.23 lakhs and Rs.0.79 lakh respectively during 1985-86 to be executed by the Director, Horticulture and Farm Forestry (Director). At district level the Assistant Director (Horticulture) was entrusted with the work, and an amount of Rs.3 lakhs was released till 1987-88.

The Chairman, District Rural Development Agency, Sehare, inspected the sites in February 1987 and found that the expenditure incurred was not commensurate with the value of work done on account of inflated measurements and sub-standard work. As against 13,490 fruit trees reportedly planted, only 450 fruit trees were found to have been actually planted in the orchard, and the funds were found to have been mostly mis-utilised. The Director was advised by the Chairman in March 1987 to initiate an enquiry into the matter. The Director got the matter investigated and reported to the Development Commissioner in November 1987 that the Chairman's report about plantation of fruit trees was not correct as on the date of inspection 3,030 fruit trees were found to be surviving. No action in the matter could be taken by the Development Commissioner as the Chairman's letter of February

1987 and Director, Horticulture, letter of November 1987 were reportedly not received in his office (March 1991). The total expenditure incurred on the projects was Rs. 2.25 lakhs and Rs.0.75 lakh respectively. The entire project area was reportedly destroyed in a fire in January 1989. Thus, the expenditure of Rs.3 lakhs had become infructuous.

On this being reported in April 1990, Government stated in March 1991 that Agriculture Department was being asked to take necessary action for compensating the loss caused to Government.

3.26 Mis-utilisation of assistance

According to instructions issued by Government in April 1985, all beneficiaries in receipt of assistance under the Integrated Rural Development Programme were required to execute an agreement under which subsidy paid was recoverable in lump sum as arrears of land revenue in case of proven misuse. A test-check of the records of the Block Development Officer, Bhatapara, District Raipur, in March 1990 revealed that amounts totalling Rs. 0.77 lakh were paid to 53 beneficiaries without executing proper agreements. All the beneficiaries had since closed their business and sold the assets created out of the assistance. Thus, the purpose of the assistance was defeated. The BDO, stated in June 1990 that efforts were being made to recover the amounts from defaulting beneficiaries. In the absence of agreements such recoveries were not likely to materialise.

The matter was reported to the Government in July 1990; reply had not been received (August 1991).

3.27 Non-recovery of extra cost from original contractors on works left incomplete

The agreements executed with contractors by the Executive Engineers (EE), Rural Engineering Services (RES) provided that if any work is left incomplete mid-way or delayed beyond the permissible time-limit, fresh tenders would be invited for completing the works and any extra expenditure incurred would be recovered from the defaulting contractor.

A test-check of the records of 4 RES Divisions (Bhopal, Gwalior, Hoshangabad and Rewa) conducted between November 1989 and January 1990, and further information collected during February-March 1991, by Audit, revealed that retendering had to be done in 4 Divisions for 32 works left incomplete, which had to be got executed from other contractors at an extra cost of Rs. 6.14 lakhs. Out of this, amounts totalling Rs.5.57 lakhs were still to be recovered from the original contractors (March 1991), as detailed below:

Year of retendering	No of works	Extra cost recoverable from original contractors (Rs. in lakhs)
1985-86	5	1.16
1986-87	11	2.01
1987-88	6	1.52
1988-89	8	0.40
1989-90	2	0.48

These works had been entrusted to the original contractors for execution during 1982-83 to 1988-89. Unless timely action is taken, the amounts may become irrecoverable with passage of time.

On this being pointed out, the EE, Hoshangabad, intimated (February 1991) that recovery of Rs.0.08 lakh had been made and Revenue Recovery Certificate (RRC) was issued (January 1991) for the balance amount of Rs.0.30 lakh recoverable. The EE, Rewa, stated (February 1991) that out of 16 works part recovery of Rs.0.16 lakh was made in 8 works, and action to recover the balance amount of Rs.1.35 lakhs was under progress. The EE, Gwalior intimated (March 1991) that recovery of Rs.0.33 lakh (7 works) had been made and action to issue RRC for the balance amount of Rs.0.96 lakh was being taken. However, the EE Bhopal intimated (February 1991) that extra cost of Rs.2.96 lakhs was yet to be recovered. Besides the above, in respect of 12 works relating to earlier years, extra cost amounting Rs.1.34 lakhs was to be recovered which can hardly be done now. Such inaction in the face of repeated audit objections is indicative of the Department's indifference in this context.

The matter was reported to Government in July 1990; reply had not been received (August 1991).

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.28 Working of Hospitals and Community Health Centres

3.28.1 Introduction

Madhya Pradesh is the largest State in India (area: 443 thousand sq.km.). Nearly 80 per cent of its 52 million population lives in rural areas. Some parts of the State are sparsely populated; the density of population per sq.km. varies between 94 (Bastar) and 255 (Indore). On account of its economic backwardness the health infrastructure in the State is poorly developed.

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

The health institution population ratio is much lower in comparison with more affluent States of the country (Punjab/Maharashtra). At the end of the Five Year Plan period (31st March 1985) the per capita expenditure on Public Health was as low as Rs.1.86 and the bed-population ratio per lakh of population was only 39 against the National average of 74.

On the recommendations of the Working Group set up for the purpose during the VII Plan period (1985-90) the health care delivery services in rural areas were to consist of a 3 tier health infrastructure, they are (i) community health centres providing treatment for 30 indoor patients, and first referral health services (ii) civil hospitals and district hospitals meant to serve as second referral health institutions (iii) specialised treatment provided in medical college hospitals and other specific disease hospitals.

3.28.2 Organisational set-up

The Secretary, Public Health and Family Welfare Department, the Director, Medical Services and the Director, Public Health and Family manage and control the working of district hospitals, civil hospitals and community health centres at the State health centres at the State level assisted by Joint Directors, Health Services (JDHS), at divisional level and Chief Medical and Health Officers (CMHO) at district level. The senior most doctor attached with each hospital generally discharges the duties of Superintendent of the hospital.

3.28.3 Audit coverage

A review of the working of the district

hospitals (DH), civil hospitals (CH) and community health centres (CHC) having indoor bed capacity for treatment of patients was conducted between March and August 1990 with reference to records of the Directorate of Health Services and those in selected offices of the Chief Medical and Health Officers of 15 districts (Barwani, Betul, Chhindwara, Durg, Jagdalpur, Morena, Panna, Raisen, Raipur, Rajgarh, Seoni, Shahdol, Shivpuri, Sidhi and Vidisha) relating to 14 DHs, 26 CHs and 76 CHCs out of 42 DHs, 126 CHs and 172 CHCs in the State. The review covers the period from 1987-88 to 1989-90 for study of trend of statistics and selected months of 1989-90 for detailed review of initial records.

3.28.4 Highlights

- In 37 district hospitals the bed strength was less than 35 (50 per cent) against the required bed strength of 70.
(Paragraph 3.28.6(b))
- Out of 29 DHs and 80 in 3 DHs and 70 CHs bed occupancy was less than 75 per cent for which reasons were not analysed.
(Paragraph 3.28.6(b))
- Even after incurring expenditure of Rs. 7.54 lakhs on construction of buildings and purchase of equipment, the CH Sonakhan was not functioning due to non provisions of medical and para medical staff.
(Paragraph 3.28.6(c))
- The First Phase of development had not been completed in 76 CHCs which were deemed to have been established. Comprehensive health care to one lakh rural population as

contemplated could not be provided by any CHC (July 1990).

(Paragraph 3.28.6(d))

Deployment of staff did not conform to the prescribed pattern nor to the work load.

(Paragraph 3.28.7)

In 10 out of 13 DHs, the number of laboratory technicians were more than the approved pattern.

(Paragraph 3.28.7)

Minimum and maximum stocks of each medicines, especially life saving medicines and medicines for prevention of epeemics were not fixed. Store keepers were not trained in inventory control.

(Paragraph 3.28.8)

Average expenditure on medicine per patient per day (fixed at Rs.0.50 and Rs.2.50 in October 1980) in 11 DHs ranged between Rs.0.79 (Rajgarh) and Rs.5.14 (Jagdalpur) in respect of out-patients and between Rs.3.93(Rajgarh) and Rs.25.71 (Jagdalpur) in respect of in-patients during 1989-90.

(Paragraph 3.28.8(c))

Out of total purchase of medicines worth Rs.639 87 lakhs between 1987-88 and 1989-90, in 10 districts medicines worth Rs.226.61 lakhs (35 per cant) were purchased locally. Procurement of 12 medicines through Madhya Pradesh Laghu Udyog Nigam (LUN) resulted in extra expenditure of Rs.24.28 lakhs during 1989-90. Purchase of intravenous sets and blood donar sets at rates higher than contracted

rate in 6 districts resulted in extra expenditure of Rs.2.37 lakhs during 1988-89 and 1989-90. (Paragraph 3.28.8(d)(e)(g))

- Scale of diet and its cost (Rs.8 per day) fixed in July 1983 had not been reviewed. The stewards incharge of kitchens were not trained. (Paragraph 3.28.9)
- In CHs at Korba, Shivrinarayan and Mangawan, diet was not being supplied but cooks and mess-servants were employed resulting in infructuous expenditure of Rs.1.88 lakhs on their wages during January 1987 to February 1990. (Paragraph 3.28.9)
- Blood banks were not functioning in any of the 41 DHs where they had been sanctioned. (Paragraph 3.28.11(a))
- Rates of fees for operation, pathological tests, X-Ray, etc., and rent of private wards fixed in 1965 to be recovered from patients having higher income were not revised and recovered. (Paragraph 3.28.11(f))

3.28.5 Finance.- The position of allotment made in the budget and expenditure incurred there against on district hospitals and civil hospitals during 1987-88 to 1989-90 was as under:

Year	Budget allotment	Expenditure
	(Rupees in lakhs)	
1987-88	2500.45	2616.07
1988-89	3040.88	3135.46
1989-90	3532.52	3490.29

The expenditure on community health centres (30 bedded hospitals) was not distinctly identifiable in the accounts.

3.28.6 Infrastructure for health care delivery

(a) **Categorisation of hospitals.**— The details of the first and second referral hospitals/centres categorised as community health centres, civil hospitals and district hospitals as given in the book-let "Medical Institutions in Madhya Pradesh 1988" were as below:

Category	Bed strength sanctioned	Number of hospitals/centres	Total No of beds available
District Hospitals	80-99	2	173
	100-199	23	3178
	200-299	12	2895
	300 and above	5	2034
	Total	42	8280
Civil Hospitals	2-29	81	815
	30-99	38	1787
	100-199	6	622
	Above 200	1	206
	Total	126	3430
Community Health Centres	30-36	129	3930
Grand Total		297	15,640

Eighty one hospitals having bed strength from 2 to 29, which generally neither provide specialist treatment nor deal with referral cases, had been categorised as civil hospitals. The Director, stated (May 1990) that no criteria for categorisation of institutions had been fixed.

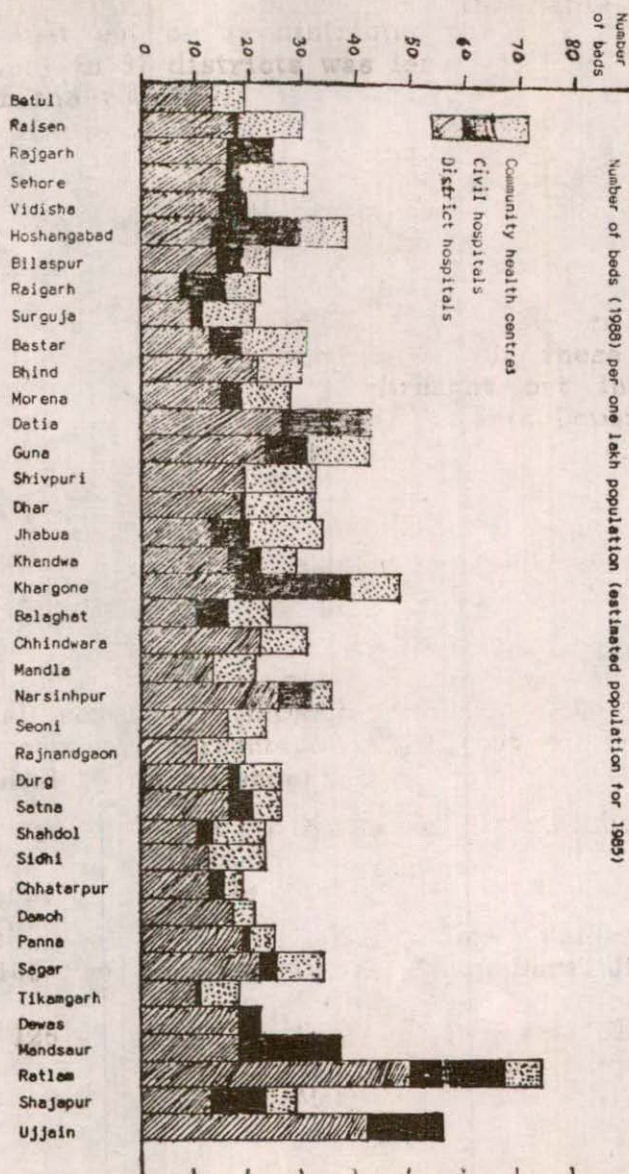
Out of 45 districts in the State, three districts (Gwalior, Raipur and Rewa) had no district hospitals; eight districts (Betul,

Bhind, Chhindwara, Damoh, Mandla, Seoni, Shivpuri and Sidhi) had no Civil Hospitals; and six districts (Datia, Dewas, Mandsaur, Rajgarh, Ujjain and Vidisha) had no Community Health Centres (March 1988).

The bed strength existing in DHs, CHs and CHCs as on 1.4.1990 was not available with the Directorate (August 1990).

(b) **Shortage of beds.**- As per recommendations of the Working Group, in the VII Five Year Plan, there should be atleast 100 beds per one lakh population; out of these the CHC at first referral stage, and DH, CH at second referral stage were to have 30 and 40 beds respectively. In 39 districts, (excluding Bhopal, Gwalior, Indore, Jabalpur, Raipur and Rewa districts in which medical college hospitals are situated) the sanctioned bed strength per one lakh population as on 31st March 1988 in DH, CH and CHC based on estimated population for 1985, was as shown in the diagram and table given below:

No of beds per lakh population	No of districts	Names of districts
Less than 20	4	Tikamgarh, Betul, Rajnandgaon, Chhatarpur
20-24	10	Damoh, Shahdol, Sidhi, Dewas, Mandla, Seoni, Balaghat, Bilaspur, Surguja, Raigarh.
25-29	8	Morena, Panna, Satna, Shajapur, Rajgarh, Vidisha, Raisen, Durg
30-34	9	Bhind, Shivpuri, Sagar, Jhabua, Dhar, Khandwa, Sehore, Chhindwara, Bastar.
35-39	3	Mandsaur, Hoshangabad, Narsinghpur
40-44	3	Datia, Guna, Khargone
45-49	NIL	NIL
More than 50	2	Ratlam, Ujjain.



It would be seen from the table given above that out of 39 districts, the bed strength sanctioned in 37 districts was less than 35 (50 per cent of the required bed strength). The Director, stated (August 1990) that during Seventh Plan 6274 beds had been increased but hospital wise details thereof were not furnished. However, in 172 thirty bedded CHCs stated to have been established by upgrading existing PHCs (6 bedded) and CH none of the additional bed strength approximately 4,128 to end of March 1990, could be made operative as infrastructure for these CHCs could not be provided as brought out in subparagraph (d). Further Indore Patients Department in 24 CHs with a bed strength of 152 were not functioning during 1989 as per data furnished by the CMHOs.

(c) **Indoor bed capacity utilisation**

(i) **District hospitals.**— Based on the monthly and annual statements in respect of indoor and outdoor patients treated in each hospital sent by CMHOs to the Directorate, the bed occupancy percentage in 29 (out of 42) DHs was found to be as under:

Percentage of bed occupancy	Number of district hospitals	Names of district hospitals
Less than 75	3	Datia, Indore, Raisen
76 - 100	5	Dewas, Dhar, Durg, Jhabua, Sidhi
101 - 125	14	Balashat, Barwani, Bilaspur, Ohhindwara, Jagdalpur, Mandla, Mandsaor, Morena, Ratlam, Raigarh, Sehore, Seoni, Shahdol, Shajapur
126 - 150	5	Betul, Chhatarpur, Tikamgarh, Shivpuri, Satna
More than 150	2	Rajgarh, Vidisha

Information in respect of 13 DHs was either not furnished or the data reported was found to be incorrect.

The bed occupatncy in 3 DHs was less than 75 per cent. In 7 DHs it was more than 125 per cent, extra beds being improvised. The Director, stated (August 1990) that it was not possible to give specific reasons for low or high percentage of bed occupancy in certain hospitals. Action taken to augment the bed strength of the DHs in which the bed occupancy was more than 100 per cent of sanctioned bed strength was not intimated by the Director.

(ii) **Civil hospitals.**- In respect of 38 CHs data regarding bed occupancy was either defective or was not furnished. The bed occupancy percentage for the year 1989 in respect of 88 CHs was as shown below:

Percentage of bed occupancy	Number of Civil Hospitals
Nil	24
1-25	27
26-50	14
51-75	5
76-100	6
101-125	7
126-150	3
Above 150	2

Thus, IPD in 24 CHs (28 per cent) was not functioning at all, and in 41 CHs (46 per cent) the capacity utilisation was less than 50 per cent during 1989. Reasons for non-functioning of IPD or low utilisation of bed strength in CH were not intimated by the Direcrtor. Action taken to augment the bed strength in 12 CHs where the bed occupancy was more than 100 per

cent was not intimated by the Director (March 1991).

(iii) **Non-functioning of a civil hospital.-**

The Government accorded (January 1984) administrative approval of Rs.6.81 lakhs for construction of a 10-bedded CH building and staff quarters at Sonakhan (Raipur). The buildings were completed (actual cost not intimated by the CMHO) and the hospital was formally inaugurated (December 1988). The Government, however, sanctioned the posts of 12 assistant surgeons, 3 staff nurses, 1 pharmacist and 10 class IV only in March 1989. It was noticed in audit that no medical/para-medical staff had been posted till April 1990. It was, further, noticed that ^{items of} equipment worth Rs.0.73 lakh purchased during 1988-89 were lying idle. Reasons for non-posting of medical and para-medical staff and non-functioning of the hospital were not intimated by Government (March 1991). Non-functioning of the hospital resulted in an idle outlay of Rs.7.54 lakhs, besides depriving the local population of the benefit of medical care to the public more than five years ago.

(d) **Community Health Centres**

(i) As mentioned in sub-paragraph (b), the extension of rural health care during the Seventh Plan period was to consist of a 3 tier system with CHC to serve as first referral health institution for rural population. With the object of providing comprehensive health care through its referral units, that is PHCs and sub-centres, the CHCs (30 bedded) were established by upgrading of existing PHCs and CHs. Mention was made in sub-paragraph 2.5 of paragraph 3.1 of the Report of the Comptroller and Auditor General, for the year 1982-83 (Civil) regarding failure

to convert PHCs into 30 bedded rural hospitals till March 1983. The Public Accounts Committee in its 120th report (April 1989) expressed severe concern on non-production of departmental replies. A CHC was to cater to the medical care needs of a population of one lakh and to have 4 clinical specialists in medicines, surgery, paediatrics and gynaecology. It was expected to have 30 indoor beds facility, an X-ray unit and clinical investigation facilities. As per directions of Government India (June 1986) a CHC was to be developed as an integrated unit providing comprehensive health care of rural population in three phases as under:

- Phase I- Minimum 2 clinical specialists and 20 beds should be operative before CHC was deemed to be established, and an X-ray unit must be provided.
- Phase II- Posting of supporting staff should be ensured;
bed strength must be raised to 30;
clinical investigation facilities must provided; and
linkage with PHCs and DHs
- Phase III- All specialists, supporting staff, equipment and vehicles should be ensured, and
the CHC should function as an integrated unit providing comprehensive health care for one lakh population, etc..

As per mid-term assessment (1987) the State was to have 480 CHCs. By the end of

March 1990 only 172 CHCs were reported to have been established in the State. The avowed objective of providing effective rural health care was, thus, not achieved.

(ii) With a view to reviewing the actual progress achieved in establishment of CHCs information was called for (April-June 1990) from all CMHOs. An analysis of the information furnished by 16 CMHOs (Balaghat, Barwani, Betul, Durg, Mandla, Mandsaur, Morena, Panna, Raisen, Raipur, Ratlam, Rewa, Satna, Seoni, Shahdol and Sidhi) in respect of establishment of 76 CHCs revealed the following:

Buildings for CHCs.- Buildings for additional wards to accommodate increased bed strength (from 6 to 30) had not been constructed in 67 CHCs.

It was reported by the CMHOs and the Director that buildings for 30 bedded hospitals were available for only 8 CHCs, e.g. Chicholi (Betul) Dindori (Mandla), Bhatapara (Raipur), Amarpatan (Satna), Beohari (Shahdol), Waidhan, Majholi and Rampur-naikin (Sidhi) and a 20 bedded hospital at Nainpur (Mandla).

Deployment of specialists.-According to Government of India directives 2 specialists were to be provided to CHCs in 1st phase and all 4 specialists by the 3rd phase of development.

Out of 9 CHCs for which 30/20 bedded hospital buildings were available, no clinical specialist was in position in 8 CHCs and only one specialist was in position in CHC Chicholi.

In 14 CHCs, 32 specialists had been posted (Athner, Bhanupratappur, Bhikhangaon, Chicholi and Gunderdehi: 1 each; Jaithari and

Katangi: 2 each; Bagbahara, Dondilohara, Gogoam, Nawagarh and Pushparajgarh: 3 each; Barghat and Maheshwar: 4 each). Six (out of 32) specialists (Gogoan: 2; Bagbahara: 3 and Pushparajgarh: 1) were observed to have been attached to the DHs and 2 (Pushparajgarh) were found absent as intimated (April-June 1990) by the CMHO concerned.

Thus, out of 76 CHCs only 2 had full complement of specialists, 12 had 1 to 3 specialists and 62 had no specialist.

Provision of equipment, furniture and stores.- Full information in regard to equipment, furniture, linen, etc., purchased and provided for each CHC was not furnished by the Directorate. Information furnished by 8 CMHOs revealed that by March 1990 equipment, furniture, linen, etc., had been purchased for 28 CHCs for which wards for additional beds had not been constructed resulting in idle outlay of Rs.8.10 lakhs.

Extension of X-Ray facility.- in 14 CHCs (Chicholi, Dondilohara, Nawagarh, Saja, Maheshwar, Amanganj, Bareli, Udaipura, Bagbahara, Jawa, Sirmaur, Manasa, Karera and Badarwas) the X-Ray machines provided during 1980-81 to 1989-90 had not yet been installed/commissioned (August 1990) due to non-construction of dark-room, resulting in an idle outlay of Rs.14.26 lakhs.

Deployment of supporting staff.-According to Government of India's directives, supporting staff to CHCs was to be provided after 1st phase of its development was over. It was noticed that though minimum 20 beds in each CHC had not become operative and at least 2 specialists had not been posted, yet the supporting staff e.g. staff nurses, ward boys, laboratory technicians, chaukidar, mali, dhobi, sweeper, etc.,

had been provided by the Department to almost all 76 CHCs. From the information furnished by 5 CMHOs (Betul, Khargone, Barwani, Panna and Balaghat) and DHO, Kanker, it was noticed that in 13 CHCs expenditure of Rs.44.12 lakhs (2 CHCs: March 1982 to March 1990; Rs.7.15: 1 CHC: March 1986 to March 1990; Rs.1.21 lakhs: 10 CHCs: 1987-90; Rs.35.76 lakhs) was incurred on the pay and allowances of supporting staff. The appointment of supporting staff before completion of the 1st Phase development of the CHC was not proper and had resulted in infructuous expenditure on their pay and allowances amounting to Rs.44.12 lakhs.

The Director, stated (July 1990) that non-construction of CHC buildings was due to paucity of funds, present position of posting of specialists was not available and necessary sanction for construction of dark room and fittings of electric installations for X-Ray machine was being provided. However, reasons for appointment of specialists and supporting staff and purchase of equipment etc., before construction of building and posting of specialists were not intimated by the Director (March 1991).

Thus, any of the 76 CHCs for which information was furnished could not be deemed to have been established as even the first phase of their development had not been completed (July 1990) and comprehensive health care to one lakh rural population could not be provided by any CHC.

(iii) According to annual data of patients treated in each medical institution of district for the year 1989 sent by the CMHOs to the Director, it was seen that out of 172 CHCs sanctioned by Government upto 1989-90, 110 institutions

had not been included in the statements as CHCs. In respect of ^{the}remaining 62 CHCs, the daily average number of indoor patients treated as reported by the CMHOs was as below:

Daily average number of indoor patients	Number of CHCs
Nil	5
1-5	37
6-10	12
11-15	3
16-20	1
Above 20	4

Thus, only in 4 CHCs Sardarpur, Manawar (Dhar), Nainpur (Mandla) and Nagod (Satna) out of 172 CHCs sanctioned upto 1989-90 minimum 20 beds were operative during 1989. The Director, stated (August 1990) that CMHOs would be instructed to depict the institutions correctly as CHCs in future. It was, further, stated that sanctioned 30 beds for each CHC could not be operative due to delay in construction of buildings and appointment of specialists and staff.

3.28.7 Strength of medical and para-medical staff.- In relation to the sanctioned bed strength of hospitals the Department had not been following the norms laid down in 1976 for deployment of medical staff. During ^{the}Seventh Five Year Plan period it was proposed (1985) to provide specialists on uniform basis in the first and second referral hospitals. Periodical study of norms of staffing pattern had not also been conducted.

A comparison of staffing pattern (proposed in January 1976 and in ^{the}draft VII Plan)

and actual men in position during 1989-90 in respect of three categories of posts, namely doctors, nurses and pathological staff in 13 DHs and 1 CH revealed the following:

(a) **Doctors.-** In CHs Chhindwara, Barwani and Morena, having bed strength above 200, against requirement of 8 specialists in each, actual number of specialists in position were 5, 2 and 4 respectively. In 10 DHs having bed strength between 100 and 200, against requirement of 7 specialists each, the actual number was as follows:

Number of specialists	District Hospitals
6	Sidhi, Shivpuri
5	Vidisha, Chhatarpur, Raisen
4	Jagdalpur, Seoni
3	Shahdol
2	Betul, Rajgarh

However, Assistant Surgeons were in excess at each DH except Barwani. Taking into consideration the total number of doctors (Specialists and Assistant Surgeons) there were shortages in DHs Barwani and Rajgarh, (3 each) and in CH Dhamtari (4). However, in 11 DHs the number of doctors in position were in excess. The excess deployment of doctors ranged from 1 to 18 (Morena, Seoni: 1 each; Betul, Raisen, Shahdol: 2 each; Chhindwara: 3; Chhatarpur: 4; Shivpuri: 7; Sidhi, Vidisha: 9 each and Jagdalpur: 18). No reasons for short/excess deployment of Doctors in DHs were intimated.

Wide disparity in doctor-bed ratio was noticed in 13 DHs information in respect of which

was made available to Audit. Due to deployment of doctors without having predetermined norms, the average number of beds per doctor in DHs ranged from 7 to 16 (Rajgarh, Vidisha: 7; Betul, Chhatarpur, Jagdalpur, Shivpuri, Sidhi, Raisen: 9; Morena, Shahdol, Seoni: 10; Chhindwara: 13; Barwani: 16) and in CH Dhamtari these were 15 beds per doctor. The table below shows the overall doctor-patient ratio in 12 DHs and 1 CH during 1989:

District Hospital (1)	Overall doctor-patient ratio		
	IPD (2)	OPD (3)	Total (4)
	(Number of patients per doctor per day)		
Barwani	20	47	67
Betul	12	30	42
Chhatarpur	11	24	35
Chhindwara	14	32	46
Jagdalpur	10	27	37
Morena	11	31	42
Raisen	8	21	29
Rajgarh	12	31	43
Seoni	15	22	37
Shahdol	11	15	26
Shivpuri	7	16	23
Sidhi	7	12	19
Civil Hospital			
Dhamtari	14	50	64

The Number of IPD patients treated per doctor per day ranged from 7 (Shivpuri and Sidhi) to 20 (Barwani). The number of OPD patients per doctor per day ranged from 12 (Sidhi) to 50 (Dhamtari). No uniform pattern was visible in this regard.

(b) **Nurses.**- Out of 12 hospitals for which information was furnished by the CMHOs, the nurses (nursing sisters and staff nurses) were found to be in excess of the sanctioned strength in 10 DHs (Shahdol: 1; Durg, Morena: 2 each; Raisen, Sidhi: 4 each; Panna, Vidisha: 5 each; Rajgarh: 8; Betul: 18; Jagdalpur: 12) and short in 2 hospitals (DH Barwani: 6; CH Dhamtari: 1). The average number of beds per nurse in DHs ranged from 3 to 10 (Jagdalpur: 3; Betul: 4; Panna, Rajgarh: 6 each; Durg, Morena, Raisen, Sidhi: 7 each; Vidisha: 8; Barwani: 9; Shahdol: 10) and was 8 in CH Dhamtari.

Thus, the deployment of nurses did not conform to any standard pattern or norms, and resulted in uneven work load.

(c) **Pathological staff.**-According to staffing pattern laid down (January 1976), 5, 4, 2 and 1 posts of laboratory technicians were recommended for hospitals having bed strength of 300, 200, 100 and 50 respectively. One post of biochemist was further sanctioned for each DH during 1986-87. The position regarding number of posts of laboratory technicians/biochemists as per pattern sanctioned and posted and the number of tests conducted in the test-checked DHs is given in the table below:

District Hospital	Number of labora- tory technicians + biochemists		Number of tests con- ducted during 1987-90	
	As per pattern	Sanctioned and posted	Total	Average per technician per day
Barwani	3	6	1,40,196	21
Betul	3	5	44,802	8
Chhindwara	6	5	48,639	9
Durg	5	7	1,01,253	13
Jagdalpur	3	6	1,60,404	24
Mandsaur	3	8	58,404	7
Morena	3	7	30,600	4
Panna	3	5	30,024	5
Rajgarh	3	7	26,988	4
Raisen	3	7	47,250	6
Shahdol	3	3	56,217	17
Sidhi	3	5	24,438	5
Vidisha	3	3	77,790	24

Civil Hospital

Dhamtari	1	1	28,965	26
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The Number of laboratory technicians sanctioned and posted were far more than the recommended staffing pattern in 10 DHs out of 13 DHs test-checked.

The average number of tests conducted per technician/biochemist per day ranged from 4 (Rajgarh) to 26 (Dhamtari). In 8 hospitals it was below 10, in 2 hospitals between 11 and 20 and in 4 more than 20. Norms for number of tests to be conducted per technician per day were not prescribed. Reasons for sanctioning the posts of laboratory technicians in disregard

of the recommended staffing pattern and work load were not intimated.

3.28.8 Medical Stores

(a) In terms of Government orders (August 1984) every CMHO was to ensure that sufficient quantity of life saving drugs and medicines for prevention of epidemics were available in the hospitals and that the minimum and the maximum quantity of medicines to be kept in stock was fixed for each hospital.

During the test-check of 22 hospitals it was seen that no list of life saving drugs and medicines for prevention of epidemics indicating minimum and maximum limits was prepared and kept in any hospital store.

(b) Store keepers of all these units were also not sent for training in inventory control.

(c) **Expenditure on medicines per patient.** - According to Government orders issued in October 1980 the patients treated in OPD and IPD were to be supplied medicines at rates not exceeding Rs.0.50 and Rs.2.50 per patient per day respectively. These rates have not been revised as of August 1990.

In 11 DHs, information in respect of which was made available to Audit, the expenditure on medicines per patient per day ranged between Rs.0.79 (Rajgarh) and Rs.5.14 (Jagdalpur) in respect of OPD patients, and between Rs.3.93 (Rajgarh) and Rs.25.71 (Jagdalpur) in respect of IPD patients as shown below:

**Expenditure per day
per patient
OPD Patients
(Rupees)**

District hospitals

0.50 to 1	- Betul, Rajgarh
1-2	- Barwani, Guna, Mandasaur, Shivpuri
2-3	- Raisen
4-5	- Mandla, Sidhi, Shahdol
5-6	- Jagdalpur

**IPD Patients
(Rupees)**

3.50 to 5.50	- Betul, Rajgarh
5.51 to 10.50	- Barwani, Guna, Mandasaur, Shivpuri
10-51 to 15.50	- Raisen
15.51 to 20.50	- -
20.51 to 25.50	- Mandla, Sidhi, Shahdol
25.51 to 30.50	- Jagdalpur

Reasons for excessive expenditure on medicines per patient were not intimated by the Director (March 1991).

(d) Local purchase of medicines.-

According to purchase policy (August 1984) of Government, medicines for hospitals were to be purchased from Government of India Undertakings/Enterprises at lowest rates/competitive tenders. Medicines which were not manufactured by Government of India undertakings were to be purchased on the basis of rate contracts approved by Government, and medicines which were not included in the formulary, were to be purchased from private suppliers on obtaining sanctions from the Director. No rate contract

was approved by the Government/Directorate for procuring medicines not manufactured by Government of India undertakings/enterprises.

On test-check of records of 10 districts, it was seen that out of total purchase of medicines worth Rs.639.87 lakhs between 1987-88 and 1989-90, medicines worth Rs.226.61 lakhs (35 per cent) were purchased locally.

Of the total value of medicines purchased by hospitals, the percentage of local purchase of medicines varied between 9 (Jagdalpur) and 64 (Shivpuri) as indicated below:

Percentage of local purchase of medicines (Value-wise)	District
9-30	- Jagdalpur, Guna
31-40	- Shahdol
41-50	- Barwani, Vidisha, Mandsaur, Sidhi
51-60	- Rajgarh
61-64	- Betul, Shivpuri

Reasons for not entering into rate contract and resorting to local purchase instead of purchase from Government of India undertakings/enterprises were not intimated by the Director. Sanctions of the Director were also not obtained by the respective CMHOs for local purchase of medicines and reasons therefor were also not intimated.

(e) **Extra expenditure on purchase of medicines through Madhya Pradesh Laghu Udyog Nigam (LUN).**- A test-check of 12 medicines included in medicine kits purchased during 1989-90 from small scale units through LUN revealed that the rates of medicines purchased through LUN were higher than those of the Government

of India undertakings/enterprises, resulting in extra cost of Rs.24.28 lakhs. Reasons for purchases of these medicines from LUN at higher rates instead of Government of India undertakings/enterprises were not intimated (March 1991).

(f) **Purchase of medicines in excess over the budget allotment.**— According to the delegation of financial powers CMHOs can purchase medicines subject to budget allotment. On test-check it was noticed that CMHOs had purchased medicines far in excess of budget allotment and 257 bills for Rs.20.45 lakhs were pending (March 1990) for a long period, as shown below:

CMHO	Period of purchase	Number of bills pending	Amount (Rupees in lakhs)
Ambikapur	1989-90	65	6.31
Betul	1987-90	62	5.82
Raigarh	1989-90	32	3.28
Satna	1982-86	98	5.04
Total		257	20.45

On this being pointed out, CMHOs intimated that the bills could not be paid for want of budget allotment. Reasons for purchase of medicines in excess of allotment were not intimated (March 1991).

(g) **Purchase of IV/BD sets.**— The Director of Health Services had entered into rate contracts with supplier A (February 1988) and B (April 1989) for purchase of intravenous sets and blood donor sets. The rates were

as follows:

	<u>Rupees per set</u>	
	<u>IV</u>	<u>BD</u>
1988-89 (Supplier A)	2.02	2.95
1989-90 (Supplier B)	2.95	3.00

During test-check (November 1989 to June 1990) the CMHOs Betul, Bilaspur, Durg, Raigarh and Satna it was noticed that 64150 IV sets and 7420 BD sets were purchased from open market at higher rates, as shown below:

CMHO	Year	<u>IV sets</u>		<u>BD sets</u>		Extra expen- diture (Rupees in lakhs)
		<u>Quan- tity</u>	<u>Rate paid (Rupees per set)</u>	<u>Quan- tity</u>	<u>Rate paid (Rupees per set)</u>	
Betul	1988-89	2000	7.38	-	-	0.16
		1000	7.50			
	1989-90	2500	7.38			
		3000	7.05	-	-	0.28
		1000	7.60			
Bilaspur	1988-89	28650	5.00	4400	5.50	1.07
Durg	1988-89	-	-	1000	8.65	0.07
	1989-90			20	10.09	
Raigarh	1989-90	15000	5.60	-	-	0.38
Satna	1988-89	9000	6.00	1000	5.50	0.32
	1989-90	2000	6.24	1000	5.50	0.09
Total		64150		7420		2.37

The purchase of IV sets and BD sets at rates higher than the contracted rates resulted in extra expenditure of Rs.2.37 lakhs. The CMHOs, stated (March-July 1990) that the purchases were made considering the quality of sets (Betul) and non-receipt of information about rate contract (Betul: 1989-90, Bilaspur).

(h) **Hospital bedding and linen.-** The Government had not prescribed the periodicity of change of items of beddings and linen needed for hospitals. Information furnished by the CMHOs in respect of 13DHs revealed that the issue of items of bedding and linen for hospital wards was made in an arbitrary manner. The average number of issues of a few items of beddings and linen during 1987-90 per 100 beds per year ranged from 19 (Raisen) to 83 (Vidisha) in respect of mattresses; from 160 (Raisen) to 560 (Mandla) in respect of bed sheets; and 5 (Jagdalpur) to 61 (Sidhi) in respect of blankets, as shown below.-

Average number per 100 beds per year	District hospitals
(i) Mattress:	
Less than 25	- Raisen
26-50	- Chhindwara, Jagdalpur and Shivpuri
51-75	- Sidhi, Shahdol, Panna, Barwani, Betul, Durg and Rajnandgaon
more than 75	- Vidisha

(ii) **Bed sheet:**

upto 200	-	Raisen
201-300	-	Jagdalpur, Chhindwar, Shivpuri
301-400	-	Durg, Sidhi, Rajgarh and Barwani
401-500	-	Panna, Shahdol and Vidisha
501 to 600	-	Betula and Mandla

(iii) **Woollen blankets:**

upto 25	-	Jagdalpur, Chhindwara, Durg, Rajgarh
26-50	-	Shivpuri, Shahdol, Barwani, Vidisha, Raisen, Mandla, Panna
51-75	-	Betul, Sidhi

The Director, stated (July 1990) that Government had not prescribed norms relating to provision of mattress, bed sheets etc., and they were issued on the basis of requirement.

(i) **Idle X-Ray machines.-** In 9 DHs (Barwani, Durg, Guna, Mandsaur, Panna, Rajgarh, Satna, Shahdol and Sidhi) 11 X-Ray machines (cost: Rs.7.23 lakhs) purchased during 1956 to 1983 were lying out of order for periods ranging from 6 months to 13 years. No action was taken either to get these machines repaired or survey reported. Survey Boards for identification of surplus or obsolete X-Ray machines and other equipments which had outlived their life cycle were not formed (August 1990).

One 300 MA X-Ray, machine (cost: Rs.2.50 lakhs) purchased in 1987 for DH, Barwani, had not been installed (June 1990). Reasons for delay in installation were not intimated by the CMHO Barwani (March 1991)

3.28.9 Diet.- Indoor patients in general wards of hospitals who in the opinion of the medical officer in charge of the hospital were not able to support themselves or be supported by their family members are provided diet in hospitals at the expense of Government, on such a scale of diet that the maximum cost per patient did not exceed Rs.8 per day. This scale fixed in July 1983 was to be reviewed at the end of 5 years at the State level. On test-check of the records of the diet supplied to in-patients in the hospitals, the following discrepancies were noticed:-

- The income of the patients or that of their family members were not taken into account.

- Against three scales of diet, e.g. full half and spoon (liquid diet) only full and spoon diets were supplied to patients irrespective of their age and general condition.

- Exact quantity of condiments (Masala) supplied per full diet was not specified in the authorised scale under 'other vegetable masala'. The quantity of masala supplied was observed to vary between 5 gms (Chhindwara) and 80 gms (Shahdol) per diet.

- The scale of diets for indoor patients and the cost per diet which was to be reviewed in 1988 had not been reviewed as of August 1990. The Director stated (August 1990) that scale of diet had been prescribed by the State Government and that suggestions had been asked from the CMHOs for recommending revision in the scale of diet.

- In each hospital, the arrangement of diet supply was being supervised by a steward. However, minimum qualification required for steward, who was to look into balanced diet, cooking and catering had not been laid down by the Department no was any training imparted the stewards.

- The quality of the milk purchased was not being tested periodically in any of the district hospitals test-checked. For example the milk purchased for district hospital, Shahdol was tested on 29th May 1988 and was found to be sub-standard. Reasons for non-testing of milk supplied to district hospitals at periodical intervals were not intimated by the CMHOs. Chances of Sub-standard milk being supplied in other hospitals in the State can not be ruled out.

- In CHs, Korba, Shivrinarayan (Bilaspur) and Mangawan (Rewa) diet was not being supplied to indoor patients, but 3 cooks and 4 mess servants in CH Korba and 1 cook and mess servant each in CH Shivrinarayan and Managwan were being employed and paid for. The expenditure incurred between January 1987 and February 1990 on such officials amounted to Rs.1.88 lakhs. The CMHO, Bilaspur, stated (December 1989) that the matter would be investigated and action taken. The CMHO, Rewa, stated (March 1990) that the matter had been taken up with the Government. Final action in the matter was awaited (March 1991).

3.28.10 Inspection and Monitoring.- The Madhya Pradesh Medical Manual enjoins upon the Director to inspect carefully once a year every DH. According to the schedule of inspection prescribed (January 1980 and November 1981) by the Government, the regional JDHS should conduct once in each year a detailed inspection of each DH and CH having more than 20 beds within his jurisdiction and issue an inspection note to the CMHO. In addition, CMHO should inspect every month one branch of the DH so that each branch gets inspected once in every six months. A compliance report on the inspection note is to be furnished by the CMHO within two months. Government had not prescribed a regular return to be sent by the inspecting officers about the number of inspections conducted by them and compliance of the schedule prescribed.

According to the information furnished by the 18 CMHOs during three years commencing from 1987-88 to 1989-90, against the required 54 inspections of 18 DH, the Director had conducted only 7 inspections of 4 DHs (Chhindwara:3, Durg: 1, Seoni:2 and Sidhi: 1). JDHS had conducted 5 inspections of 3 DHs (Chhindwara: 1, Seoni:3, Dhamtari: 1) against required 54 inspections. The CMHOs, Durg and Shahdol, stated (June and August 1990) that inspection of the district hospitals had been conducted. However, the inspection notes and compliance thereof were not shown to Audit and reasons for non-issue/compliance of inspection notes were not intimated (March 1991).

11. Other points of interest

(a) **Blood Banks.-** According to VII Five Year Plan, a blood bank was to be established in each DH in the State. The Director intimated (May 1990) that blood banks had been sanctioned in 41 DH. However, licence for establishment of blood banks had not been issued by the Drug Controller, and cool rooms had also not been constructed for the purpose. No effective blood bank had been established in any of the 41 DHs.

(b) **Physiotherapy Units.-** Establishment of physiotherapy unit in 12 DH was proposed in 1986-87. The Director intimated (May 1990) that since no administrative sanction was received from the Government, the scheme was not implemented.

(c) **Alternate arrangements for power supply in operation theatres.-** It was necessary that the hospitals should have electricity generators of their own for supply of power particularly in operation theatres, so that in case of power failure alternate arrangements could be made immediately to avoid any mishappenings. Out of 22 DHs for which information was received, in 9 hospitals (Chhindwara, Betul, Dhamtari, Morena, Mandla, Panna, Sidhi, Shahdol and Shivpuri) no alternate arrangements for power supply to operation theatres were found to have been made.

(d) **Failure of solar hot water equipment.**- Solar hot water equipment was provided for Barwani and Morena DHs in March 1985 and April 1985 at a cost of Rs.1.56 lakhs and Rs.0.84 lakh respectively. But the items of equipment have remained out of order since January 1986 and February 1990 respectively. No action was taken to get the equipments repaired, resulting in idle outlay of Rs.2.40 lakhs on purchase of solar hot water equipment.

(e) **Use of Ambulances.**- According to the instructions issued by Government in November 1980, hospital ambulances were to be used (i) to transport patients; and (ii) to transport doctors and staff from their residence to attend emergency cases in hospitals outside their duty hours.

In 1 CH (Dhamtari) and 5 DH, (Durg, Rajgarh, Satna, Sidhi and Shahdol) test-checked during April-July 1990, 9 ambulances covered a total distance of 3.47 lakh km., out of which only 0.46 lakh km. (13 per cent) was for transportation of patients, 1.13 lakh km. (33 per cent) for transportation of doctors and nurses and

1.88 lakh km. (54 per cent) for other purposes. Reasons for utilisation of ambulances for other purposes were not intimated. In respect of 6 DH (Guna, Jagdalpur, Mandasaur, Ratlam, Satna and Shivpuri), the purpose for which ambulances were utilised was not furnished by the CMHOs.

(f) **Receipts of hospitals.-** According to the provisions of ~~the~~ Medical Manual, fees for operations, confinement, pathological, bacteriological and radiological work and rent of private wards are recoverable from patients having higher income. The rates of fees for different services rendered by hospitals to patients concerned and charged from them were fixed by Government in May 1965^{and}, had not been revised for the past twenty five years (August 1990). Reasons for non-revision of rates of fees to be charged from well-to-do patients, their income limit and rent of private wards were not intimated by the Director and reasons for non-recovery of fees from well-to-do patients in general wards were not intimated by the CMHOs (March 1991).

3.28.12 The points mentioned in this Review were referred to Government in September 1990; reply had not been received (August 1991).

3.29 Irregular payment of insurance charges

The State Government sanctioned in July 1988 the purchase of a "Planthysmograph" for use in the Gandhi Medical College, Bhopal. The equipment was imported from a Singapore-based firm through its agent in India, at a cost of US \$ 66,149 (Rs.10.98 lakhs) in June 1989. According to the quotation submitted by the Indian agent,

insurance charges equivalent to Rs.0.56 lakh were to be borne by the supplier. However, full payment of the bill inclusive of insurance charges submitted by the firm in June 1989 was made, resulting in extra payment of Rs.0.56 lakh. The Dean, Gandhi Medical College, Bhopal, stated (October 1989) that the matter would be taken up for recovery.

The matter was reported to the Government in December 1989 and March 1990; reply had not been received (August 1991)

3.30 Unfruitful expenditure on dialysis machine

In order to provide life-saving facility to patients, the Hamidia Hospital, Bhopal, purchased (April 1977) a Cordis Dialysis Machine from a Singapore-based firm, at a cost of Rs.0.93 lakh. It was noticed in June 1989 that the machine was put to use for the benefit of only three patients, and was lying idle since May 1985 for want of trained medical and para-medical staff. The staff, which was selected in December 1988 for undergoing training, found in April 1989 that the Dialysis Machine required repairs for proper functioning and also to avoid danger to the life of the patients.

The local agents of the supplying firm, however, intimated in May 1989 that the machine had since become obsolete and no repairs were possible.

Thus, the Dialysis Machine largely remained idle for the past 12 years for want of trained staff and repairs and the public was deprived of the benefits of dialysis facility. The expenditure of Rs.0.93 lakh incurred on the purchase of the machine and of Rs.10,470 on the purchase of its ancillaries was, thus, rendered unfruitful.

The matter was reported to the Government in March and May 1990; reply had not been received (August 1991)

3.31 Delay in funding and constructing hospital

Government decided in November 1979 to construct a new 250-bed hospital at Dewas, and accorded administrative approval for Rs.118.72 lakhs in April 1981. The work of construction was entrusted to Dewas Vikas Pradhikaran (DVP) as a deposit work, and a sum of Rs. 5 lakhs was paid to it in April 1981. The estimates were revised in April 1982, and administrative approval was accorded by Government in May 1982 for Rs.181.30 lakhs at the instance of DVP, due to escalation in construction cost and allowing payment of 15 per cent supervision charges to DVP. Government released a sum of Rs.165.07 lakhs piecemeal between 1980-81 to 1990-91. The estimates prepared by DVP were to be checked by the State Public Works Department (PWD), but the work was started in May 1982 without that being done.

A test-check of the records of the Public Health and Family Welfare Department in October 1987, and further information collected from the Chief Medical and Health Officer/DVP, Dewas, (March 1988 to December 1990), revealed that the construction, which was started in May 1982 and was to be completed by May 1985, was still in progress as of December 1990, although a sum of Rs.187.47 lakhs had been spent on it by DVP. The Government had, however, released only amounts totalling Rs.57 lakhs to DVP upto May 1985 (the due date for completion of work), which delayed the construction and increased the cost of the work. Further, expenditure of Rs.16.02 lakhs inclusive of supervision charges

was still needed, to provide a lift, electricity, tarring of approach road, fire fighting equipment and finishing works. Another amount of Rs.15.70 lakhs was required for providing new items like two tube-wells and other works, which were necessary for the functioning of the hospital but had not been covered in the earlier estimates.

DVP requested Government for release of Rs.15.70 lakhs in May 1990.

DVP stated in July 1990 that the remaining work could be completed within 3 months of release of the balance amount and further delay in release of funds might result in further rise in cost. Thus, delay in execution of work and in providing amounts required for completion of work in time had already resulted in rise in cost of construction by 12.24 per cent (Rs.22.19 lakhs) till December 1990, which was likely to go up further.

The delay in completion of hospital building further resulted in depriving patients of improved medical aid which was the primary object of the whole scheme.

The matter was reported to the Government in September 1988 and April 1990; reply had not been received (August 1991)

PUBLIC RELATIONS DEPARTMENT

3.32 Blocking of funds

According to the financial rules of Government, no money should be drawn unless it is required for immediate disbursement. A test-check of the records of the Director, Public Relations Department, revealed that an amount of Rs.5 lakhs was paid to the Madhya Pradesh Madhyam (an autonomous body) in March 1988, for the production of a film under the 'Harijan

Visheshankh Yojana". The amount, however, remained unutilised till March 1990. The Director stated in March 1990 that the amount could not be utilised for want of subject matter from the concerned Department. Thus, an amount of Rs.5 lakhs remained blocked for two years, involving a loss of interest of Rs.0.90 lakh (calculated at 9 per cent).

The Government endorsed in October 1990 the views of the Madhyam that the work on script of the film was in process and shooting of the film was proposed after rainy season.

3.33 Irregular and avoidable expenditure on printing works

On the occasion of visit of the Prime Minister, in December 1987, the Department placed orders for printing of two books, viz. Aage Badhta Madhya Pradesh (6,000 copies) and Safalta ki Kahaniyan (5,000 copies) which highlighted the achievements of the State Government with two private unregistered presses. During a test-check of the records of the Director of Public Relations in August 1989, and further information collected during March 1990, it was revealed that only 17 and 15 per cent of the two books respectively were received on the specific occasion and the balance books were received upto 1st week of January 1988. However, since the work was got done on an urgent basis, higher rates were paid. These rates were 318 and 341 per cent respectively of the rates of the Government press. Since all the books were not supplied on the specific occasion, the purpose of incurring the extra expenditure of Rs.1.53 lakhs was not served.

SCHOOL EDUCATION DEPARTMENT

3.34 Extra expenditure on purchase of tat-patties

The Store Purchase Rules provide that Government Departments should make purchases exclusively through ^{the} State owned Madhya Pradesh Laghu Udyog Nigam which arranges marketing of products manufactured by small scale industries and that the authority purchasing it should not invite tenders separately for the purpose. A test-check (April 1990) of the records of the Deputy Director, Public Instructions, Bemetara, District Durg, for the period May 1981 to March 1990 revealed that contrary to the rules, the Deputy Director, invited quotations in September 1988 for purchase of 'tat-patties' (jute mats). Of the 4 quotations received, although the rate quoted by the Nigam was the lowest, being Rs.45 per tat-patti of 30 Sq.ft., the purchase committee approved higher rate of Rs.60 per tat-patti of only 24.6 Sq.ft. offered by the Project Officer, District Supply and Marketing Authority, Chhindwara. The Deputy Director stated in April 1990 that the purchases were made according to the orders of the Collector, Durg, issued in October 1988. Thus, purchase of 5,000 tat-patties from the Project Officer resulted in extra expenditure of Rs.1.15 lakhs as compared with the rates of the Nigam.

The matter was reported to the Government in June 1990; reply had not been received (August 1991)

SOCIAL WELFARE DEPARTMENT

3.35 National Literacy mission

3.35.1 Introduction.- The National Adult Education Programme (NAEP), which was in operation from 2nd October 1978, suffered from several shortcomings like poor quality of training of functionaries, defunct learning environment/irregular participation/drop-out by learners, relapse to illiteracy by participants, absence of arrangements for post-literacy education etc. In the light of these shortcomings, the Government of India decided (June 1988) to set up a National Literacy Mission (NLM) with a view to giving special emphasis on provision of literacy to adults in age group 15-35, besides technological and qualitative improvement of the NAEP.

3.35.2 Organisational set up.- The State Literacy Mission headed by the State Chief Minister and the District Adult Education Boards headed by the District Collector were incharge of overall supervision over the performance of the NAEP at the State and the district levels, respectively. The Director, Panchayat and Social Welfare (Director), implemented and monitored the progress of NAEP, with the assistance of 45 District Adult Education Officers (DAEO). The actual implementation of NAEP¹⁹⁸⁸ done by 64 Rural Functional Literacy Projects (RFLPs) (Central: 52, State: 12); 1944 Jan Shikshan Niliyams (Central: 1500, State: 444) the Shramik Vidapeeth, Indore (SVP), and the National Service Schemes (NSS) functioning under Universities, Colleges and voluntary organisations in the State. The State Resource Centre (SRC), Indore provided technical support to the NAEP at the State level.

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

3.35.3 Audit Coverage.- A test-check of records relating to implementation of the NAEP covering the period from 1985-86 to 1989-90 was conducted in the offices of the Director, 8 DAEOs (Bhopal, Gwalior, Indore, Jabalpur, Jhabua, Morena, Shivpuri and Ujjain), 10 RFLPs (Alirajpur, Bhopal, Gwalior, Indore, Jabalpur, Jhabua, Meghnagar, Morena, Shivpuri and Ujjain), the SRC and the SVP, Indore, 3 voluntary organisations (Gwalior: 2; Indore: 1), and 4 Universities (Gwalior, Indore, Jabalpur and Ujjain) during April to August 1990. Important points noticed in the test-check are mentioned in the succeeding paragraphs.

3.35.4 Highlights

- The State Government could not spend Rs.16.45 crores received for the National Adult Education Programme during 1985-90, for reasons not specified by the Director.

(Paragraph 3.35.5)

- In the absence of any comprehensive survey for identification and registration of illiterates, the planning and the target of cent per cent coverage of the illiterates set for 1985-90 were unrealistic. Till the end of March 1990 the State could provide literacy only to 43.96 lakhs (45 per cent) of the 98.34 lakh illiterates estimated in the 1981 census.

(Paragraph 3.35.6)

- though there was not much shortfall in organising the required number of AECs in Central and State RFLPs, the number of persons made literate was only between 2.85 and 3.19 lakh during 1985-90 as

against 4.68 lakhs persons to be provided with literacy during this period.

(Paragraph 3.35.7(ii))

- During 1986-90, only at 54 to 61 per cent central sector AECs and 36 to 72 per cent State Sector AECs, the average daily attendance of learners was to the required extent.

(Paragraph 3.35.7(vi))

- Honorarium to the instructors of AECs was not paid by the Panchayats in time and Rs.37.18 lakhs advanced to Panchayats during 1985-90 for this purpose were lying undisbursed.

(Paragraph 3.35.7(xi))

- Against the requirement of training all education functionaries by March 1990, only 550 of the 615 Supervisors and 8,367 of the 18,990 Instructors were trained by that date.

(Paragraph 3.35.8(ii))

- During 1987-90, only 1,500 of the 2,350 sanctioned Jan Shikshan Niliyams (JSNs) were established.

(Paragraph 3.35.9)

- In the four test-checked universities, out of the 1.43 lakh learners initially enrolled during 1985-90 under National Service Scheme (NSS), 0.47 lakh dropped out. The supply of essential learning and teaching materials was short of requirements to the extent of 33 to 50 per cent in AECs at Ujjain University.

(Paragraph 3.35.10(ii))

- In the Mass Programme for Functional Literacy (MPFL) during 1986-90 as against the target of 0.72 lakh only 0.38 lakh volunteers took part.

(Paragraph 3.35.11)

Amounts aggregating Rs.125.85 lakhs sanctioned by the Government of India during 1985-90 for purchase of materials for JSNs and vehicles and on account of awards were withdrawn in March 1990 and kept under 'Civil Deposits' where they were still lying in July 1990.

(Paragraph 3.35.14)

3.35.5 Finance.- Against allotment of Rs.4804.58 lakhs (Central assistance: Rs.3361.08 lakhs and State share: Rs.1443.50 lakhs), Rs.3159.65 lakhs (Central Sector: 2243.22 lakhs and State Sector: Rs.916.43 lakhs) were spent during 1985-86 to 1989-90, resulting in saving of Rs.1644.93 lakhs (Central: Rs.1117.86 lakhs and State: Rs.527.07 lakhs). Reasons for the saving were not intimated by the Director.

3.35.6 Inadequate survey and planning.- Detailed survey for identification and registration of illiterate persons was not conducted in the State, as provided in the guidelines issued by the Government of India. Consequently, the planning and fixing of targets for cent-per cent coverage by March 1990 were not realistic. This could be seen from the fact that out of the estimated 98.34 lakh illiterates (1981 census) in the State only 17.74 lakhs were made literate till the end of March 1985 (Target: 63.16 lakhs). Like wise, only 26.22 lakh illiterates out of the earlier backlog of 80.60 lakhs were made literate during 1985-90, when the targeted coverage was 45.96 lakh illiterates.

3.35.7 Rural Functional Literacy Projects

(i) All the 52 Centrally sponsored RFLPs planned for the State functioned in all years during 1985-90. In the State Sector, all the

6 planned RFLPs functioned in 1985-86, only 10 of the planned 12 RFLPs functioned in 1986-87 and 2 RFLPs scheduled to be opened in tribal areas of Bastar District were not functional: during 1987-90, all the 12 RFLPs were functional.

(ii) Each RFLP was required to organise 300 Adult Education Centres (AECs) each year for providing literacy to 30 learners in the age group of 15.35 for one-year, first 8 months for providing basic literacy and next 4 months for revision and continuation. Against 15,600 AECs required to be organised each year at the 52 Centrally sponsored RFLPs, between 15,308 and 15,498 AECs were organised during 1986-90, indicating a nearly full achievement of the target. Similarly, the number of Adult Education Centres organised in the State Sector RFLPs were also commendable, as shown below:

Year	Required No. of AECs	No. of State Sector RFLPs involved	No. of AECs actually organised
1985-86	1800	6	1775
1986-87	3000	10	2581
1987-88	3600	12	3512
1988-89	3600	12	3435
1989-90	3600	12	3472

However, against the requirement of providing literacy to 4.68 lakh illiterates each year, the Central sector AECs provided literacy to only between 2.85 and 13.19 lakh illiterates during 1985-90. Likewise, against the requirement of providing literacy to 0.54 lakh, 0.90 lakh and 1.08 lakh illiterates during 1985-86, 1986-87 and in each year during 1987-90 respectively, the

State Sector AECs provided literacy to only 0.36 lakh, 0.47 lakh and between 0.58 and 0.64 lakh illiterates respectively.

(iii) Analysis of the yearwise data showed that; while the number of illiterates made literate at the Central Sector AECs came down from 3.19 lakhs in 1985-86 to 2.85 lakhs in 1989-90, the expenditure increased from Rs.276.49 lakhs in 1985-86 to Rs.647.62 lakhs in 1989-90.

(iv) Shortfall in provision of literacy to the extent of 8.09 lakh illiterates (Central Sector AECs) and 2.01 lakh illiterates (State Sector AECs) with reference to the targets during 1985-90 were attributed (July 1990) by the Director mainly to the apathy of the learners.

(v) 619 Central Sector AECs and 177 State Sector AECs opened in various years during 1985-90 did not function for the one full year term and became defunct because, as intimated by the Director, the instructors left the courses in mid-sessions.

(vi) The data regarding attendance of learners at the AECs during 1985-86 was not available in the Directorate. The position of average daily attendance of learners at the AECs in the subsequent 4 years was as shown in the table below:

Range of average daily attendance	1986-87		1987-88		1988-89		1989-90	
	Number of AECs	Per- cen- tage	Number of AECs	Per- cen- tage	Number of AECs	Per- cen- tage	Number of AECs	Per- cen- tage

Central Sector

Upto 10 learners	419	3	215	1	710	4	152	1
11 to 20 learners	5,621	37	5,944	38	5,953	38	6,833	45
21 to 30 learners	9,330	60	9,333	61	8,835	58	8,323	54
TOTAL	15,370	-	15,492	-	15,498	-	15,308	-

State Sector

Upto 10 learners	-	-	-	-	-	-	-	-
11 to 20 learners	1,159	45	969	28	2,185	64	2,085	60
21 to 30 learners	1,422	55	2,543	72	1,250	36	1,387	40
TOTAL	2,581	-	3,512	-	3,435	-	3,472	-

Thus, 54 to 61 per cent of the Central Sector AECs and 36 to 72 per cent of the State AECs only had the attendance of learners to the required extent (viz 21 to 30).

(vii) The Project officer in charge of each RFLP was assisted by one Assistant Project Officer (APO), one office Accountant, one typist, one driver, one contingency paid class IV and ten supervisors. The position of men in position in 52 Central RFLPs from 1985-86 to 1987-88 was not intimated by the Director. Consequent upon the expansion of NAEP and with the launching of NLM, the Government of India increased the posts of APOs from 1 to 4 in each Project, and sanctioned 37 posts of various categories at the state level and 248 posts at various categories at district level from the year 1988-89 on cent per cent assistance basis. Against 52 posts of Project officers in Central Sector only 32 and 47 were in position during 1988-89 and 1989-90 respectively. Similarly, against 208 posts of APOs, only 41 were in position during these years. The

State level position of supervisors was not available in the Directorate. Further, out of 37 State level posts (15 categories) sanctioned by the Government of India from 1988-89, 16 posts (7 categories) were not created by the State Government. Similarly, 34 district level posts of Programme Assistant sanctioned by the Government of India from 1988-89 were not created by the State Government till July 1990. The Director stated (July 1990) that the State Government had been approached (February 1988) for creation of these posts. One of the two State level posts of Assistant Directors, and 27 of the 45 district level post of District Adult Education Officers (DAEOs), were lying vacant till July 1990.

(viii) In the test-checked projects, the post of PO was lying vacant in Alirajpur during 1988-89 and 1989-90 and in Jhabua and Bhopal during 1989-90. None of the 4 posts of APOs sanctioned for each project from 1988-89, was filled in Jhabua and Alirajpur whereas only 1 post was filled in other 9 projects. in 1989-90 no post of APO was filled in Ujjain where as only one post was filled in ^{the} other 9 projects. Since the Project Officer is in overall charge of the Project, his absence hampered proper working of the Projects.

(ix) The Government of India sanctioned fixed pay for post of Supervisors (Rs.260 raised to 400 per month in 1988-89) and contingent staff (Rs. 200 p.m. raised to Rs. 300 p.m. from 1988-89) for 52 RFLPs. The State Government had appointed ^{the} above staff on prevailing Central time scales of pay which resulted in extra expenditure to the tune of Rs. 533.52 lakhs approximately.

in the Supervisors cadre, and Rs.23.71 lakhs approximately in contingent paid staff.

(x) Under a scheme of 'technology demonstration' for improving pace and quality of literacy programme included in the NLM from May 1988, improved teaching aids like audio-visual sets, improved plastic slates and lighting equipments were to be provided in the selected AECs and JSNs, in addition to the traditional learning and teaching aids. In Madhya Pradesh, Indore (well-endowed) and Jhabua (under-endowed) districts were selected for this purpose.

While 28 television and audio-visual sets were provided to selected JSNs of Jhabua district in October 1989, none was provided to Indore. Of the 28 television sets provided to Jhabua District, only 25 were installed by 15 January 1990 and 9 of those installed went out of order within one month of installation. The facility of videorama was not utilised by the SRC for imparting training. Improved plastic slates were not provided to any of the 2 Projects. Of the 1200 Solar Power Packs (SPP) required to be provided to 300 AECs in Indore and 900 AECs in Jhabua, for improved lighting arrangement, only 80 SPPs were provided and installed in Indore (20) and Jhabua (60) in February 1990. Six Power Packs (cost Rs. 0.99 lakh) went out of order within three months of installation. Thus, the object of improving^h quality of Literacy Programme envisaged in the Technology Demonstration Scheme was not fulfilled.

(xi) In terms of the instructions (October 1985 and January 1986) of the Government, honorarium to instructors of AECs was to be paid regularly every month through Janpad Panchayats. In November 1987, the Director ordered that total amounts

payable to the instructors in each Janpad Panchayats each month on the basis of attendance of instructors certified by Gram Panchayat and countersigned by the Supervisors should be paid to each panchayat in advance, and the Panchayat should open accounts of all the instructors in bank and credit the amount of honorarium in their accounts regularly every month.

In RFLPs Jhabua, Meghnagar, Shivpuri and Ujjain abnormal delay ranging from 12 to 31 months in payment of honorarium during 1985-90 was, however, noticed. No effective watch on timely payment of honorarium by the Janpad Panchayats by crediting it to the bank accounts of instructors was kept. The Janpad Panchayats did not also submit accounts of the amounts received by them from the very beginning and Rs.37.18 lakhs paid during 1985-90 were lying with the Janpad Panchayats at Alirajpur (Rs.10.52 lakhs), Gwalior (Rs.3.04 lakhs), Jhabua (Rs.11.37 lakhs) and Meghnagar (Rs.12.25 lakhs) at the time of test-check.

(xii) Project Officers and Assistant Project Officers were required to inspect AECs within their jurisdiction. Each RFLP was required to be provided with a jeep for conducting regular inspection of the AECs and JSNs working under it. Till March 1990, only 42 of the 52 Central Sector RFLPs and 3 of the 12 State Sector RFLPs were provided ^{with} jeeps and one jeep was being used in the Directorate. The Director did not prescribe any norms for conducting inspections and the district officers fixed their own targets ranging from 100 per year (Indore and Shivpuri) to 300 per year (Alirajpur, Bhopal, Jhabua and Meghnagar). In Bhopal and Morena projects no inspections were conducted during 1988-90 and

1985-89 respectively. The Project Officer, Morena, attributed it to the vehicle being very old and the requisitioning of the vehicle for law and order arrangements. In Indore maximum 62 inspections were done in any year upto 1988-89.

(xiii) Each learner was to be supplied two prescribed books - 'Praveshika' and 'Abhyas Pustika' - free of cost. To meet additional requirement; the Government sanctioned (December 1988) Rs.78.60 lakhs for printing of 15 lakh copies of 'Praveshika' and 11 lakh copies of 'Abhyas Pustika'. While 15 lakh copies of 'Praveshika' were printed (cost: Rs.43.50 lakhs) and supplied in May 1989, 'Abhyas Pustika' were not supplied till July 1990. Thus, AECs were run without 'Praveshika' during 1988-89 and without 'Praveshika' and 'Abhyas Pustika' during 1988-89 and 1989-90. The Director, stated that timely supply of books could not be ensured due to administrative constraints.

The details of supply of books to the learners were not furnished by 6 of the 10 test-checked units. During 1985-86 to 1988-89 (details for 1989-90 were not furnished) supply of 'Praveshika' in Shivpuri, Indore, Ujjain, Meghnagar and Alirajpur was short to the extent of 78, 71, 62 and 12 per cent respectively. This book was not supplied at all during 1985-86 (Indore), 1986-87 (Shivpuri and Ujjain), 1987-88 (Indore, Shivpuri, Meghnagar and Ujjain), 1988-89 (Shivpuri, Meghnagar and Ujjain). Similarly supply of 'Abhyas Pustika' in Morena, Indore, Ujjain, Meghnagar, Shivpuri and Alirajpur was short to the extent of 100, 88, 88, 87, 80 and 10 per cent respectively. This book was also not supplied at all during 1985-86 (Indore, Morena,

Shivpuri and Ujjain), 1986-87 (Morena), 1987-88 (Indore, Meghnagar, Morena, Shivpuri and Ujjain), and 1988-89 (Indore, Morena, Shivpuri and Ujjain).

3.35.8 State Resource Centre.- Under NLM State Resource Centres SR were to be created for organising training activities, formulating curriculum and diversified teaching and learning materials and for organising necessary services connected with the NLM. In Madhya Pradesh, the SRC was established in August, 1985 under the Bhartiya Gramin Mahila Sangh, Indore (BGMS), a voluntary organisation. The following points were noticed in this context:

(i) Besides teaching and learning materials printed under 'Mass Programme for Functional Literacy (MPFL)', the SRC produced two primers in regional languages 'Halvi' and 'Bhili'. A literacy kit consisting one primer, its exercise book, teachers guide, evaluation sheet, post cards of initial and terminal reports, etc. was prepared and distributed by the SRC under Mass Programme of Functional Literacy (MPFL). During 1986-87 to 1989-90 the SRC prepared 1.66 lakh kits and distributed 1.47 lakh kits. Reasons for non-distribution of 0.19 lakh kits were not intimated. The SRC also printed 24.54 lakh books during the above period but could distribute only 12.78 lakh books and sell 7.50 lakh books leaving a balance of 4.20 lakh books. Reasons for printing books in excess of requirement and for their non-distribution were not intimated.

(ii) The State Government decided, in consultation with the SRC, to train all adult education functionaries by March 1990. However, according to the information supplied by the Director and the SRC, only 550 (89 per cent) of the 615 supervisors and 8367 (44 per cent) of the 18,990 Instructors were trained by March, 1990. It was reported by SRC that 18 DAFO, 28 POs and 156 Preraks were only trained till March 1989. While in 7 of the 10 test-checked units information in respect of training of Supervisors was not supplied, in Alirajpur all the 10 were trained and only 5 day training was imparted to 4 out of the 10 Supervisors in Indore and 7 out of 10 Supervisors in Shivpuri. While in 8 test-checked units none of the Preraks was trained, 29 (Alirajpur) and 12 (Jhabua) of the 37 working Preraks were trained for 2 days instead of 11 days. Further, none of the Instructors in Gwalior and Shivpuri projects and ^{only} 100 out of the 200 Instructors in Morena were trained till March 1990. Likewise, the POs/APOs of Alirajpur, Gwalior, Indore, Jhabua and Meghnagar projects did not get any training whereas the training of those in Bhopal, Jabalpur, Morena, Shivpuri and ujjain was for only 5 to 11 days, as against the prescribed 21 days. Reasons for lack of training to a large number of personnel and for curtailment in training of those trained were not intimated by the SRC. Since the above personnel were to teach the learners at the AEC's, the absence/curtailment of training must have obviously affected their teaching methods adversely.

(iii) According to the instructions (April 1988) of the Government of India, the SRC was permitted to create a Revolving Fund out of the sale proceeds of books published by them and to utilise it for meeting cost of publication and its own establishment expenses. At the end of March 1989 Rs.5.40 lakhs had accumulated in the Fund (position at the end of March 1990 and not known as the accounts were not finalised). Further, Rs.0.41 lakh on account of cost of books sold were yet to be recovered by the SRC for which action was in progress.

(iv) The expenditure of SRC was to be met by the Government of India, the State Government and the SRC in the ratio of 80:15:5. On the basis of actual expenditure of Rs.41.10 lakhs during 1985-90, the shares of expenditure of Government of India, State Government and the SRC worked out to Rs.32.87 lakhs, Rs.6.17 lakhs and Rs.2.06 lakhs respectively. Against this liability and three agencies had contributed Rs.37.47 lakhs, Rs.4.33 lakhs and Rs.2.10 lakhs respectively. Thus, while the Government of India and the SRC contributed Rs.4.00 lakhs and Rs.0.04 lakh in excess, the contribution of the State Government was short by Rs.1.84 lakhs. These were yet to be adjusted (July 1990).

3.35.9 Jana Shikshan Nilayama

(i) The Jana Shikashan Nilayama (JSNs) were to look after post-literacy activities of the learners so that they may continue their education and apply literacy for the development of the individual and the community. For this

purpose, 37 JSNs were to be established in each Project for holding evening classes, providing library and reading room facilities, and for organising CHARCHA MANDAL (discussion group), training programmes, sports and adventurous activities, recreational and cultural activities, an information window and a communication centre with radio, audio cassette players etc. Each JSN was to function under a Prerak who was to be paid an honorarium of Rs. 200/- per month. The Prerak was to be selected from the same village and in selection preference was to be given to ladies and economically backward persons.

(ii) During 1987-90, only 1500 (64 per cent) of the 2,350 sanctioned JSN were actually established and Rs.151.48 lakhs were spent on them. The shortfall was attributed to late receipt of sanction from Government of India and administrative and financial sanction from the State Government. In 10 test-checked RFLPs there was shortfall of 34 JSNs in five districts (Morena: 16, Jhabua: 5, Alirajpur: 1, Meghnagar: 3 and Shivpuri: 7) in 1988-89, and of 2 JSNs in Gwalior in 1989-90. The shortfall was mainly due to non-appointment of Preraks.

3.35.10 Performance of Universities

Besides the AECs run under RFLPs, the programme of eradication of illiteracy among rural adults was also implemented at AECs run by 9 Universities in the State, and by launching the Mass Programme of Functional Literacy (MPFL) from May 1985 through the National Service Scheme (NSS) volunteers at these Universities. The following points were noticed in this context:-

(i) For conducting the AECs at the Universities, the Government of India paid grants to the Universities through the University Grants

Commission (UGC). These Universities conducted the AECs through their programme officers and affiliated colleges. Information about the grants paid by the Government of India to the 9 Universities in the State during 1985-86 to 1989-90 and the work done by them during that period was not supplied by the Director. The 4 Universities which were test-checked (Gwalior, Indore, Jabalpur and Ujjain) received grants of Rs.20.13 lakhs, Rs.19.85 lakhs, Rs.24.56 lakhs and Rs.59.56 lakhs respectively during 1985-86 to 1989-90. While Gwalior, Indore and Ujjain Universities did not utilise the grants in full, Jabalpur University spent Rs.3.27 lakhs in excess of grants received during 1985-90.

(ii) The number of colleges involved in the programme was reduced from 12 (1985-86) to 4 (1988-89) in Indore, and from 18 (1985-86) to 13 (1987-88) in Gwalior University. Indore University stated (June 1990) that it was due to apathy of the colleges. Similarly, the number of AECs also was reduced from 150 (1985-86) to 93 (1986-87 and 1988-89) in Indore; from 250 (1985-86) to 130 (1987-88) in Gwalior, from 327 (1988-89) to 64 (1989-90) in Jabalpur and from 400 (1985-86) to 292 (1989-90) in Ujjain University. The Ujjain University attributed the reduction to a cut of 25 per cent,^{of} assistance imposed (1989-90) by the UGC and to resistance of the local community while the Gwalior University attributed it to apathy of learners.

(iii) Out of the 1.43 lakh learners initially enrolled during 1985-90 in these 4 Universities, 0.47 lakh dropped out in the mid session and 0.78 lakh were successful. The 33 per cent dropping out and 0.12 (Jabalpur) to 19.65

(Ujjain) per cent failure were attributed to lack of interest of the learners due to their poverty, which compelled them to struggle constantly for their existence. In Gwalior and Ujjain Universities which supplied details of attendance of learners less than 10 learners only attended the courses daily conducted by AECs functioning under those Universities during 1985-86 to 1989-90. Further, essential teaching and learning materials like books, slates, copies, roll-up boards, charts supplied to AECs in Ujjain University were short of requirement to the extent of 33 to 50 per cent during 1985-90. This was attributed to late receipt of grants from the UGC.

3.35.11 Mass Programme for Functional Literacy (MPFL)

Under the National Education policy (1986) a Mass Programme for Functional Literacy (MPFL) was introduced from 1 May 1986 by involving maximum possible number of NSS volunteers in Universities and affiliated colleges. The MPFL was a short duration programme of about 4 months, followed by effective post literacy and continuing education. One student volunteer could impart literacy to 2 to 5 illiterates and organise their post literacy activity. The SRC was required to supply literacy kits for distribution among the adult learners. No honorarium was payable to student volunteers, but their work was to be recognised by award of certificate and badges. The Principals of the colleges were to be ~~bein~~over all charge of the implementation of the Programme at the college level. The MPFL was implemented in the State through 9 Universities.

Against the targeted participation of 0.72 lakh volunteers. 0.38 lakh volunteers (52

per cent) only participated in the MPFL in the State during 1986-87 to 1989-90 and they taught 0.61 lakh illiterates at an average rate of 1.6 illiterates per volunteer as against 2 to 5 illiterates as envisaged.

The NSS volunteers were to be provided 3 days training by Master Trainers who included NSS Co-ordinators, Heads of University and Colleges, NSS Programme Officers. The Master Trainers were also to be given one day training by SRC for this purpose. While 2,894 Master Trainers were reportedly trained during 1987-90, information regarding the number of NSS student volunteers trained was not intimated.

3.35.12 Shramik Vidyapeeth (SVP) - The basic idea of establishment of SVP was the polyvalent approach of urban workers towards education in order to meet their various inter-related needs through specifically tailored programme. The Vidyapeeth was envisaged as an institution for continuing non-formal education of urban industrial plantation workers and minors. Its primary responsibility was to explore, innovate and work out alternatives and to try new methodologies thus meeting the needs of each group of workers through programmes of education and training. In M.P. the SVP was established at Indore in voluntary sector.

Scrutiny of the records of the SVP, Indore, revealed that while women largely dominated vocational training programmes like Mehandi, beautification, knitting, embroidery, sewing, food preservation, house decoration and painting, the men mostly joined technical training programmes like TV and radio repairing, motor rebinding, tailoring, watch repairing, plumber, stenography and type writer/duplicating machine repairs.

3.35.13 Voluntary Agencies.- During 1985-90, financial assistance of Rs.58.92 lakhs was paid by the Government of India to 19 voluntary agencies of the State for conducting AECs and JSNs. These 19 agencies reportedly conducted 2,195 AECs and 37 JSNs during the period, The number of illiterates to be enrolled, actually enrolled and made literate by the agencies each year was not available with the Directorate. In the selected districts; three voluntary agencies (Indore:1; Gwalior:2) spent Rs.28.70 lakhs from the grants of Rs. 34.20 lakhs received by them during 1985-86 to 1989-90. The three agencies conducted 1,655 AECs which provided literacy to 49,446 illiterates during 1985-90 (Indore) and 1985-88 (Gwalior).

While information regarding illiterates who were provided literacy at 5 AECs conducted by an agency at Gwalior during 1986-87 was not available, 87 and 79 per cent of the illiterates were made literate at 1,525 and 125 AECs respectively conducted by the other 2 agencies at indore (1985-90) and Gwalior (1985-88).

In 1986-87 grant was not sanctioned by the Government of India to 2 agencies for reasons not intimated by the Director.

In 1987-88, second instalment was not released to any agency at Gwalior though it submitted audited accounts in time. The agency completed the programme out of its own funds in that year and did not run the centres from 1988-89 onwards.

3.35.14 Other points of Interest

(i) Amounts aggregating Rs, 125.85 lakhs sanctioned by the Government of India during 1985-90 for purchases of materials for

JSNs (Rs.86.00 lakhs) and vehicles (Rs.14.10 lakhs) and on account of female literacy award (Rs. 25.75 lakhs) were withdrawn by the Director from the treasury during March 1990 and kept under 'Civil Deposits'. The amount drawn without requirement for immediate disbursement was still lying under 'Civil Deposits' (July 1990).

(ii) In para 3.7 of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) it was pointed out that during 1983-84, the Government of India had sanctioned an award of Rs.25.00 lakhs to the State for its performance in the field of female literacy and that the award was not yet drawn and utilised. The award was to be utilised for construction of hostel-cum-training institute for adult education functionaries. Instead of utilising the award for the declared purpose, it was utilised from time to time for making purchases of certain item in Sidhi District in 1984-85 (Rs. 0.23 lakh) and for grants to non-Government children and Female Organisations in March 1986 (Rs.5.02 lakhs). The remaining amount of Rs. 19.75 lakhs was withdrawn from treasury in March 1990 and kept under 'Civil Deposits'.

3.35.15 Monitoring and Evaluation

(i) A monitoring unit in the Directorate having 1 Deputy Director, 1 Assistant Director and two Assistant Statistical Officers was monitoring the execution of NAEP on the basis of reports and returns received from the Regional Adult Education officers. However the position in respect of implementation of Adult Literacy programme by voluntary Agencies and training of key personnel was not monitored by the Directorate.

(ii) In order to ascertain the impact of the NAEP the State Government was to conduct its evaluation from time to time either through its own personnel or through any non official agencies. The NAEP was not evaluated by an independent agency but in 1986 the evaluation unit of the Directorate evaluated implementation of the NAEP in 2 districts. The evaluation showed that attendance of learners was not cent per cent in any of the projects because of un-willingness of adults to attend the AECs, accomodation at AEC's was not sufficient for 30 adults, lanterns provided to the AEC's were of very poor quality and were not working properly, the literature distributed to the adults was not of the ^{required} standards, the instructors were ^{not} paid honorarium regularly and intensive inspections of AEC's was not done for want of vehicles.

(iii) A Steering Committee under the chairmanship of the Secretary, Panchayat and Social Welfare Department, was formed (August 1979) to ensure preparation of State Adult Education Programme with ~~various~~ aspects of its implementations. The Committee was reconstituted in July 1983, and it met only twice (December 1986 and May 1988) as against the requirement of once each month. The District Adult Education Committees (DAEC's) were not formed during 1985-86 to 1987-88. Only one meeting was held during 1989-90 in four districts (Durg: December 1989; Jabalpur: January 1990; Dhar: February 1990 and Shajapur: December 1989). Information regarding meetings, if any, held during 1989-90 was not available in the Directorate.

(iv) A study of MPFL conducted by SRC in 1986 to ascertain the impact of involvement of student volunteers in Universities revealed that besides the set back caused to the programme due to lesser participation of student volunteers, the programme suffered because:-

- No action was taken by ^{the} Programme Officer to ensure submission of initial and termination cards of learners to the DAEO concerned and

- Evaluation of learners was left to the student volunteers without any verification to ascertain, if any, test or assessment was conducted.

(v) Evaluation of the Adult Education Programme in Alirajpur Project done by SRC during 1986 revealed that:-

Two days training of Instructors was not sufficient for training in techniques of teaching and motivation of learners, a full-term training of 21 days was necessary.

- Being untrained, Supervisors were themselves unable to guide the instructors and

- The learners of the centres got books only in the middle of the session due to delay in supply of books.

3.35.16 These points were reported to the Government in October 1990; reply had not been received (August 1991).

TRIBAL, HARIJAN AND BACKWARD CLASSES WELFARE DEPARTMENT

3.36 Defalcation of Government money

According to the Treasury Code, all monetary transactions should be immediately entered in a cash book and attested by the drawing

officer. The cash book is to be closed at regular intervals, and at the end of the month, he should personally verify and certify the balance.

A test-check of the records of the Block Development Officer (BDO), Shahpur (District Betul) for the period February 1986 to June 1988, conducted in July 1988, revealed that a sum of Rs.0.58 lakh was not properly accounted for in cash book. This was the result of not carrying forward correct amounts as opening balances, short-accountal of receipts, irregular depiction of payments and bank balances, etc..

A special audit of the accounts of the BDO covering the period from April 1984 to March 1988, as directed by the District Collector, was undertaken by the Joint Director, Treasury and Accounts in June/July 1989. This revealed a suspected defalcation of Rs. 0.97 lakh. On its being pointed out, Government in December 1990 accepted defalcation of Rs. 0.88 lakh and intimated that the Commissioner, Tribal Welfare, was directed to effect recovery from the persons responsible and that the BDO was charge sheeted and the case was handed over to police.

3.37 Non-settlement of temporary advances

The treasury rules require that temporary advances are to be adjusted as quickly as possible, and in no case should the adjustment be delayed beyond three months. The Director, Tribal Welfare, issued instructions in April 1985 to recover outstanding advances through a special drive (September 1987).

A test-check of the accounts of the Commissioner, Tribal Development in November 1988 and those of the Director, Harijan Development in September 1989, and further information collected

during December 1989, revealed that 256 temporary advances amounting to Rs.1.10 lakhs, sanctioned during January 1973 to August 1989, were pending settlement at the end of November 1989. No justification was furnished for the non-adjustment of advances of Rs.0.74 lakh (205 items: Tribal Development) and Rs.0.36 lakh (51 items: Harijan Development). The age wise details of unadjusted advances were as under:

Period	<u>Tribal Development</u>		<u>Harijan Development</u>	
	<u>Items</u>	<u>Amount</u> (Rupees in lakhs)	<u>Items</u>	<u>Amount</u> (Rupees in lakhs)
Upto one year	-	-	23	0.07
Above 1 year to 5 years	107	0.34	28	0.29
Above 5 years to 10 years	78	0.34	-	-
Above 10 years to 15 years	18	0.02	-	-
Above 15 years	2	0.04	-	-
TOTAL	205	0.74	51	0.36

List of pending advances also showed that in 150 cases, advances amounting to Rs. 0.49 lakh (Tribal Development: 42 officials, 125 cases; Rs.0.41 lakh; Harijan Development: 10 officials, 25 cases, Rs.0.08 lakh) were paid to staff against whom earlier advances were pending, contrary to the provisions in this regard.

Non-settlement of temporary advances for such long periods has resulted in non-recovery of Government Funds amounting to Rs.1.10 lakhs.

The Matter was reported to Government in July 1990. The Government intimated (December 1990) that temporary advances in 78 cases amounting to Rs. 0.35 lakh (Tribal 37 cases, Rs. 0.21 lakh) had been adjusted, and both the Directorates had been instructed to settle the remaining cases at the earliest.

GENERAL

3.38 Write off of losses, waiver of recoveries and remission of revenue

In 170 cases, losses due to shortage, theft, irrecoverable revenue, etc., amounting to Rs. 22.37 lakhs were written off during 1989-90 by competent authorities as shown below:

Sl.No.	Department	Write off of losses, irrecoverable revenue, etc	
		Number of cases	Amount
(1)	(2)	(3)	(4)
			(Rs. in lakhs)
1.	Stationery and Printing	4	2.20
2.	Administration and Justice	7	0.10
3.	Transport	1	0.02
4.	Registration	2	0.36
5.	Mines/Minerals	10	0.41

Sl.No.	Department	Write off of losses, irrecoverable revenue, etc	
		Number of cases	Amount
(1)	(2)	(3)	(4) (Rupees in lakhs)
6.	Police	35	3.97
7.	Food	76	12.21
8.	Industries	3	1.64
9.	Co-operation	3	0.15
10.	Agriculture	8	0.34
11.	Labour and Employment	3	0.12
12.	Medical	4	0.17
13.	Family Welfare	1	0.02
14.	Education	12	0.65
15.	Community Development	1	0.01
TOTAL		170	22.37

3.39 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. The more important irregularities are also reported to the heads of departments and Government. Government have prescribed that the first replies to the inspection reports should be sent within five weeks.

(b) A review of the audit inspection reports relating to 7 civil departments, viz., Community Development, Public Relations, Economics and Statistics, Tribal, Harijan and Backward Classes, Welfare, Food and Civil Supplies, Labour and Manpower Planning Departments revealed that as at the end of June 1990, 1417 Inspection Reports issued upto December 1989 had remained unsettled. Yearwise position is as under:-

Sl. No.	Name of the Department	Upto the end of December 1987		During January/December 1988		During January/December 1989	
		Insp-ect-ion Rep-orts	Para-gra-phys	Insp-ect-ion Rep-orts	Para-gra-phys	Insp-ect-ion Rep-orts	Para-gra-phys
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Community Development	262	724	105	518	95	539
2.	Public Relations	37	90	5	18	5	21
3.	Economics and Statistics	37	68	3	13	4	10
4.	Tribal, Harijan and Backward classes welfare	461	1,108	124	550	147	901
5.	Food and Civil Supplies	30	55	12	23	5	18
6.	Labour	13	18	6	13	4	11
7.	Manpower Planning	33	60	16	42	13	19
TOTAL		873	2,123	265	1,177	279	1,519

(c) Out of 1417 Inspection Reports pending; first replies to 298 Inspection Reports (Community Development: 42; Public Health: 20;

Tribal, Harijan and Backward Classes: 183; Food and Civil Supplies: 24; Labour: 9 and Manpower Planning: 20) had not been received (June 1990). The table below would indicate the extent of delay in receipt of first reply beyond the prescribed period of five weeks.

S1. Name of the Department No.	Upto six months	Six months to one year	One to two years	Beyond two years
1. Community Development	2	117	139	162
2. Public Relation	3	8	7	9
3. Economic and Statistics	-	7	34	3
4. Tribal, Harijan and Backward classes Welfare	5	34	286	150
5. Food and Civil Supplies	4	1	4	10
6. Labour	4	2	3	5
7. Manpower Planning	8	12	5	16
TOTAL	26	231	478	355

(d) Replies to important irregularities in respect of 609 cases reported to heads of departments (385) and Government (224) to the end of December 1989 pertaining to these departments have not been received (June 1990).

(e) Outstanding inspection reports of these departments had brought out the following types of irregularities.

	Number of paragraphs	Amount (Rupees in lakhs)
1. Overpayment due to wrong fixation of pay/higher rate of pay	732	628.31
2. Cases of losses, shortages, defalcation/suspected defalcation	329	373.55
3. Shortage, theft and non-accountal of stores	180	404.57
4. Irregularities in purchases	91	79.50
5. Non-recovery/non-adjustment of outstanding loans and advances	205	876.05
6. Non-observance of rules relating to custody and holding of cash	134	348.05
7. Drawals not traceable	169	237.73
8. Miscellaneous (Outstanding recoveries)	1	0.02
9. Other irregularities	2045	8999.35

(f) Though High Power committees were formed by the departments of Public Relations and Economics and Statistics, no meeting of the committees could be held. Out of 2,215 paragraphs and 5,429 paragraphs placed before the High Power Committees by the Community Development Department and Tribal Department, 1,565 paragraphs and 3,517 paragraphs respectively were settled.

CHAPTER IV
STORES AND STOCK
AGRICULTURE DEPARTMENT

4.1 **Expenditure on idle vehicle**

A test-check (April 1990) of the records of the Principal, Soil Conservation Training Centre, Betul Bazar, Betul, revealed that the fuel injection system of a truck costing Rs.0.07 lakh purchased in 1981-82 had been stolen in 1985 from the premises of the training centre. Due to non-replacement of the fuel injection system, the vehicle costing Rs.2 lakhs had been lying idle since July 1985. Though it had been off the road since July 1985, a driver was posted to the training centre in January 1988. According to the instructions of the Government, if a vehicle remains off the road for more than 3 months, the services of the driver should be utilised elsewhere. Contrary to these instructions, no efforts were made to post the driver elsewhere, which resulted in unfruitful expenditure of Rs.0.29 lakh on his pay and allowances from January 1988 to March 1990.

The Principal, intimated (July 1990) that the fuel injection system could not be replaced for want of sanction of the competent authority. Thus, due to the failure of the training centre to get the stolen part replaced, the vehicle costing Rs.2 lakhs remained idle from July 1985 to the date of Audit (July 1990), besides entailing infructuous expenditure of Rs.0.29 lakh on pay and allowances of driver.

The matter was reported to the Government in June 1990; reply had not been received (June 1991).

HIGHER EDUCATION DEPARTMENT

4.2 Idle equipment and staff for abortive courses

A test-check of the records of the Principal, Government Women Polytechnic, Bairan Bazar, Raipur in March/April 1990 revealed that equipment worth Rs.1.38 lakhs was purchased during the period 1986-87 to 1988-89 with a view to starting diploma course in Electronics and T.V. Engineering from the academic session 1988-89. However, due to non-receipt of approval of the All-India Committee for Technical Education (AICTE) to start such a course, the equipment could not be put to use, which resulted in unfruitful expenditure besides blocking of Government money. Moreover, ad hoc appointment of Technical Assistants (3), skilled Assistants (2), Laboratory Technicians (2) and Draftsman (1) were made in May 1989^{of} (against posts created in February 1989) ~~in the context~~ of the abortive courses, and unfruitful expenditure was being incurred on pay and allowances of the staff since June 1989 (amounting to Rs.1.19 lakhs as of March 1990).

On this being pointed out by Audit, the Principal intimated in March/April 1990 that in anticipation of sanction from AICTE, purchase of equipment and appointments of staff had been made as a measure of advance planning. The Principal further said "two members are already teaching and training students of 2nd year Commercial Practices course, while others are rendering invaluable service to the institution in all developmental activities, including formulation of World Bank Projects". The Principal could not furnish to Audit the proposal submitted to AICTE for starting the Electronics and TV Engineering

courses. Besides, the concerned technical staff members were not qualified to impart teaching in Commercial Practices. Approval of the Director of Technical Education for such diversion was not obtained.

Thus, due to the purchase of equipment and appointment of staff without securing the approval of AICTE to start the courses, Government money of Rs.1.38 lakhs was blocked besides unfruitful expenditure being incurred on staff (Rs.1.19 lakhs as of March 1990).

The matter was reported to the Government in June 1990; reply had not been received (June 1991).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

4.3 Non-disposal of stored tasar cocoons

With a view to providing gainful employment to landless Harijan and Tribal population living in rural areas, Government provides silkworm seeds free of cost to beneficiaries for production of tasar cocoons. Cocoons produced by the beneficiaries are purchased by the Government at fixed rate. The cocoons purchased are sold to tasar weavers and co-operative institutions registered with (i) Khadi and Village Industries Board, (ii) State Textile Corporation, (iii) Directorate of Handlooms, etc. at prices fixed by the Director of Sericulture subject to a limit of 25,000 cocoons per weaver and 1 lakh cocoons per society. Till July 1986 the Department had been providing cocoons also to two departmental factories engaged in tasar reeling. About 95 per cent of cocoon production of the State is in Bilaspur zone, especially in Raigarh district.

During test-check (October 1988) of the records of the Assistant Director of Sericulture (ADS), Raigarh, it was observed that the closing stock of cocoons each year showed an upward trend. A further check of records at the Directorate (November 1990 and January 1991) revealed that the stock of unsold cocoons in the State had been increasing from year to year. While the position of accumulation of cocoons for the State as a whole was not available, it was reported that in major cocoons-producing Bilaspur zone, there was an unsold stock of 491.46 lakh cocoons, which had been purchased for Rs.34.03 lakhs. The stock had reportedly accumulated after July 1986 primarily because of closure of the two Government Tasar Reeling Factories at Koni and Seoni-Champa in Bilaspur district, which had the capacity of utilising about 3 crore cocoons every year. Although there was a need for exploring the possibility of sale of stock thrown surplus because of the closure of the reeling factories, the Department did not consider removing the ceilings on the quantity of cocoons which could be sold to weavers and co-operative institutions. Prolonged storage of products of biological origin results in deterioration of reeling quality of cocoons, besides entailing the risk of damage due to fungus infection.

On this being pointed out, the Director stated (December 1990) that the Department was aware of the accumulating stock of cocoons, but as hitherto the policy had been to promote sericulture industry among poor tasar weavers or their co-operatives in the State, no action for disposal of cocoons to big industrialists/agents could be taken. The position of stock of accumulated cocoons was intimated to the Khadi

and Village Industries Board, State Textile Corporation, and Directorate of Handlooms in July 1989, but no demands could be procured by the Department. In December 1990, open tenders were invited for sale of stock, but only two tenders were received which were not considered. Further action proposed to be taken by the Department for disposal of cocoons was not known (January 1991).

(ii) In Raigarh District, 4.89 lakh cocoons worth Rs.1.17 lakhs were eaten by rats during 1987-88 to 1989-90 resulting in loss to Government. The ADS stated (March 1990) that 80 to 85 per cent rat-eaten cocoons were received from centres, and in spite of best efforts the deterioration in quality could not be stopped.

The matter was reported to the Government in May 1990; reply had not been received (June 1991).

SEPARATE REVENUE DEPARTMENT

4.4 Loss due to overstocking

In Paragraph 5.9 of the Report of the Comptroller and Auditor General of India for 1985-86 mention was made regarding wasteful expenditure of Rs.3.86 lakhs on printing of unsold stock of calendars, and diaries printed in excessive quantities and after abnormal delay by Bhopal and Rajnandgaon printing presses. The irregularity still persisted at the Government Press, Rajnandgaon, where a test-check of records in August 1989 revealed that a large quantity of Gazetteers and Census Hand Books 1971, calendars and diaries for the year 1987 worth Rs.0.66 lakh had remained unsold and had become obsolete due to their not being distributed to Government Offices or sold to the public in time.

On this being pointed out by Audit, the Controller of Printing and Stationery stated in November 1990 that the matter was under consideration of Government. Thus, improper assessment of requirement of Gazetteers, Census Hand Books, calendars and diaries resulted in loss of Rs.0.66 lakh.

The matter was reported to the Government in November 1989; reply had not been received (August 1991)

CHAPTER V

FINANCIAL ASSISTANCE TO AUTHORITIES AND BODIES

5.1 General.- According to provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and conditions of service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General. Audit of 42 such bodies was conducted during 1989-90. Section 15 of the Act prescribe that where any grant or loan is given for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions subject to which such grants and loans are given. Under Section 19(3) of the Act, Audit of Madhya Pradesh Housing Board, Bhopal and Madhya Pradesh Khadi and Village Industries Board, was conducted, as it was entrusted by the Governor to the Comptroller and Auditor General and Separate Audit Reports were issued. Important points noticed during Audit under section 14, 15 and 19(3) are given in the succeeding paragraphs.

5.2 One of the conditions precedent to determining whether the accounts of a body/authority in receipt of financial assistance from Government attract audit by the Comptroller and Auditor General of India is that the body/authority should be in receipt of financial assistance of not less than Rs.25 lakhs (Rs.5 lakhs prior to 1983-84) in a year. With this end in view, the bodies/authorities are required to send their accounts to audit. The table given

below indicates the number of bodies/authorities which had received Government grants and loans of not less than Rs.5 lakhs during each of the years from 1980-81 to 1982-83 and of not less than Rs.25 lakhs each year during 1983-84 to 1989-90, and the number of bodies/authorities from whom accounts had been received/had not been received (December 1990).

Year	Number of bodies/authorities			
	Which had received grants/loans of not less than		From which accounts have been received	From which accounts have not been received
	Rs.5 lakhs	Rs.25 lakhs	have been received	been received
(1)	(2)	(3)	(4)	(5)
1980-81	67	-	66	1
1981-82	90	-	89	1
1982-83	90	-	86	4
1983-84	-	50	49	1
1984-85	-	59	59	-
1985-86	-	60	59	1
1986-87	-	66	59	7
1987-88	-	74	66	8
1988-89	-	75	41	34
1989-90	-	76	4	72

The matter regarding non-receipt of accounts was reported to departments from time to time. However, these accounts had still not been received (December 1990).

CO-OPERATION DEPARTMENT

5.3 Co-operative institutions

1(a) Investment in share capital.-
The position regarding total number of Co-operative societies in the State registered under the Madhya Pradesh Co-operative Societies Act,

1960, their total paid up capital, the number of societies in which Government had contributed to the share capital, and the amount of investment for the three years ending 30 June 1990 is indicated below:

As on June 30th	Societies registered		Societies with Government investment	
	Number	Paid up capital (Rupees in lakhs)	Number	Amount (Rupees in lakhs)
1988	18,690	1,68,85.00	12,528	1,64,82.29
1989	21,044	1,97,76.00	13,143	1,79,25.18
1990	26,884	2,53,15.00	18,833	1,92,50.25

Share Capital amounting to Rs.44.19 lakhs (633 societies) was retired during the year 1989-90 as against Rs.307.73 lakhs (707 societies) which were due for retirement during 1989-90. The reasons attributed for the less retirement of share capital were on account of heavy losses and weak financial position of the societies.

As on 30 June 1990, 1,425 societies having Government investment amounting to Rs.23.25 lakhs were under liquidation.

(b) **Financial Assistance.** - Share capital contributed and financial assistance granted to the societies in various forms during the three years ending on 30th June 1990 are indicated below:

During the year ending 30 June	Share Capital		Assistance in the form of			
	Number of socie- ties	Amount	Subsidy		Loan	
			Number of so- cieties	Amount	Number of so- cieties	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)		(Rupees in lakhs)		(Rupees in lakhs)
1988	305	19,72.44	678	8,70.34	3,614	4,66.25
1989	615	14,06.73	927	7,04.03	3,760	17,72.06
1990	979	13,25.07	904	6,80.92	5,872	12,50.49

Year	Number of socie- ties	Government investment in these societies	Loss incurred during the year	Total loss incurred upto the end of the year
(1)	(2)	(3)	(4)	(5)
		(Rupees	in	lakhs)
1987-88	2205	16,48.00	5,94.26	21,46.25
1988-89	2640	16,48.95	11,37.85	23,61.98
1989-90	2751	34,74.06	13,75.89	35,98.71

2. **Dividends.**— The table given below indicates the details of dividends received and percentage of return of total investment during the three years ending 30 June 1990:

Government investment through debentures was only in one society (M.P.State Co-operative Land Development Bank Limited, Bhopal). As on 30 June, 1990 a sum of Rs.13,71.11 lakhs was invested (Rs.2,44.22 lakhs during the year).

(c) Details of societies with Government investment running in loss from 1987-88 to 1989-90 were as follows:

Year ending 30 June	Amount of Divi- dend	Total invest- ment at the end of the year	Percentage* return of investment
	(2)	(3)	(4)
	(Rupees in lakhs)		
1988	3.90	1,64,82.29	0.03
1989	8.56	1,79,25.18	0.04
1990	7.62	1,92,50.25	0.04

3. **Guarantees.**— Government had also guaranteed repayment of loans taken by 30 Co-operative societies to the extent of Rs.8,49,37.00 lakhs upto 30 June 1990 out of which Rs.4,09,25.00 lakhs were outstanding on 30 June 1990.

4. **Outstanding loans and interest.**— Out of loans aggregating Rs.1,40,01.80 lakhs granted to various societies (5,872 societies) upto 31 March 1990, Rs.98,62.06 lakhs were outstanding (3,005 societies) as at the end of March 1990. The over due amount towards principal and interest as on 31 March 1990 were Rs.20,77.26 lakhs (1,541 societies) and Rs.7,27.83 lakhs (1,362 societies) respectively. Yearwise analysis of over due amount of loans and interest is indicated below:

*Percentage worked out on the investment at the beginning of the year plus 50 per cent of the investment made during the year minus 50 per cent of share capital retired during the year of return on investment.

Year	Amount of over due loan	Amount of over due interest
(1)	(2)	(3)

(Rupees in lakhs)

1985	1,57.58	3,00.00
1986	1,30.00	26.00
1987	40.00	5.00
1988	16,25.33	2,50.00
1989	75.00	1,43.80
1990	49.35	3.03
Total	20,77.26	7,27.83

Out of 1541 Co-operative societies (against which loan of Rs.20,77.26 lakhs was overdue upto 31 March 1990): 684 Co-operative societies (overdue loan of Rs.22.35 lakhs) are under liquidation.

The Registrar, Co-operative societies stated (November 1990) that instructions had been issued to the district and divisional officers to recover the overdue amount of loan and interest.

5. **Arrears in audit.**- As on 30 June 1990 audit of accounts by the Registrar in respect of societies was in arrears for period exceeding 3 years (478), between 2 and 3 years (157), 1 and 2 years (442) and upto 1 year (1,129). The Registrar attributed (November 1990) the reasons for the arrears to shortage of audit staff, records of the societies under police custody/before the court, and the current address of the societies being not available.

Audit fee of Rs.176.35 lakhs was outstanding at the end of June 1990.

AGRICULTURE DEPARTMENT

5.4 Financial management in Jawaharlal Nehru Krishi Vishwa Vidyalaya

5.4.1 **Introduction.-** The Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur was established (October 1964) under an Act of the same name passed in 1963 by the Madhya Pradesh Vidhan Sabha. Major changes in the Act were introduced vide an Amendment Act of 1985.

The Vishwa Vidyalaya was set up with the primary objective of imparting education and prosecution of research in agriculture and allied services and undertaking extension programmes and other matters ancillary thereto.

The Governor of Madhya Pradesh is the Chancellor of the Vishwa Vidyalaya. The Vice-Chancellor appointed by the Chancellor is the principal executive and academic officer of the Vishwa Vidyalaya. He is also an ex-officio member and chairman of the Board (supreme governingbody of Vishwa Vidyalaya) and of the Academic council and other bodies of the Vishwa Vidyalaya.

The Board appointed by the Chancellor has all the powers of the Vishwa Vidyalaya for carrying out the purposes of the Act. According to the Amendment Act 1985, the Board consists of three ex-officio members, viz., Vice-Chancellor and Secretaries of the Departments of Agriculture and Finance and six Members nominated by the Chancellor, 5 Members nominated by the State Government, one Member nominated by Indian Council of Agricultural Research (ICAR) and the Registrar of the Vishwa Vidyalaya, who is the Member-Secretary. The persons nominated are to be from the field of agriculture, industry, members of Parliament and State Legislature, etc.

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix VII (P-343).

The Comptroller appointed by the Vice-Chancellor is responsible for supervision over the funds, property, investments, expenditure, budget and other allied financial matters.

The Amendment Act 1985 provided for appointment of a Court having advisory and other functions stated in Section 24-C. The Court has, however, not been appointed so far.

5.4.2 Background.- Mention had been made in paragraph 6.4 of the Reports of the Comptroller and Auditor General of India (Reports) for the period 1977-78 and 1982-83 (Civil) regarding payments of grants-in-aid to the Vishwa Vidyalaya during the period 1971-72 to 1977-78 and 1978-79 to 1981-82 respectively. Therein it was pointed out inter alia that no rules or guidelines had been framed by the Government for assessing and regulating the amounts of grants which were being released to the Vishwa Vidyalaya on ad hoc basis without obtaining audited accounts and utilisation certificates from the Vishwa Vidyalaya.

These Reports were considered by Public Accounts Committee (PAC) in its 64th and 120th Reports. The PAC observed (120th Report, 1989) that non-implimentation of recommendations of the Committees constituted in 1973 and 1975 by Government for recommending the sanctioning of the maintenance and development grants respectively was not proper. The PAC also observed that the payment of grants on ad hoc basis without mention of scheme(s) was not justified. The contention of the Department that the Vishwa Vidyalaya was not a commercial institution requiring the preparation of balance sheet was not accepted by the PAC. The PAC was of the opinion that the above

functioning reflected inaction, lethargy and delay on the part of the Department. It ultimately recommended that Government should:

- (i) speedily frame rules/guidelines for regulating release of grants-in-aid to Vishwa Vidyalaya;
- (ii) review the existing procedure of releasing grants on lump-sum basis and ensure scheme-wise release of grants;
- (iii) ensure timely submission of audited accounts, balance sheet and utilisation certificates;
- (iv) prevent diversion of funds from approved schemes; and
- (v) avoid delays in placing Audit Reports (of the statutory auditor) before Vidhan Sabha. (Paragraph 39: 64th Report, Paragraph 11: 120th Report)

5.4.3 Present audit coverage

A test-check of records in the offices of the sanctioning authorities (Departments of Agriculture and Veterinary) in respect of (i) sanctioning the grants-in-aid or loans for specific during the years 1982-83 to 1989-90 and (ii) scrutiny of procedures by which the authority sanctioning the grants-in-aid or loans for specific purposes satisfied itself as to the fulfilment of the conditions mentioned in the sanctions, was conducted during May-June 1990 under Section 15(i) of the Comptroller and Auditor General's (Duties, Powers and conditions of service) Act, 1971. The scrutiny revealed, among other things, that the recommendations of PAC had not been complied

with, and that the irregularities pointed out in earlier Audit Reports continued to persist. Important points noticed during scrutiny and test-check are mentioned in the succeeding paragraphs of this Review.

5.4.4 Highlights

- Despite repeated mention in Audit Reports and directions of the Public Accounts Committee, rules/guidelines for assessing and regulating the amount of grants, were not framed, and release of grants on ad hoc basis were continued.
(Paragraph 5.4.6)
- Responsibilities relating to exercise of proper and effective control over grants were not fully discharged by the Director of Agriculture, to whom these were entrusted in June 1984.
(Paragraph 5.4.7)
- In some cases, utilisation certificates were issued for amounts which were in excess of the grants released. These certificates were defective.
(Paragraph 5.4.7)
- Funds from ICAR grants and employees' fund account were diverted by the Vishwa Vidyalaya to meet the deficits without obtaining sanction of competent authority.
(Paragraph 5.4.8)
- Orders for appointment of auditor as required under ^{the} amended Act 1985 were not issued. This violated codal provisions for audit of annual accounts. Even before 1985, when the Director Local Fund Audit was the

statutory auditor under the Act, the Audit Reports for the period 1982-85 were yet to be laid on the table of Vidhan Sabha.

(Paragraph 5.4.9)

5.4.5 Sources of Finance.- The main sources of finance of the Vishwa Vidyalaya are grants-in-aid from State and Central Government and Indian Council of Agricultural Research, for maintenance, development and research schemes. The receipts of the Vishwa Vidyalaya from all sources including income from fees and charges also form part of Vishwa Vidyalaya Fund.

During the period 1982-90 grants-in-aid amounting to Rs.49,30.50 lakhs (agriculture sector Rs.41,71.05 lakhs and veterinary sector Rs.7,59.45 lakhs) were released to the Vishwa Vidyalaya by the Government for maintenance and execution of schemes relating to non-plan (Rs.35,71.85 lakhs), plan (Rs.10,45.03 lakhs), tribal sub-plan (Rs.2,17.97 lakhs), Harijan component plan (Rs.54.17 lakhs), world bank assistance (Rs.23.91 lakhs) and other development schemes (Rs.17.57 lakhs); yearwise details are given in Appendix-VI.

The details of grants-in-aid received by the Vishwa Vidyalaya from the Central Government and Indian Council of Agricultural Research were not available with the Director of Agriculture and the Government, even though the Government pays a grant equal to 25 per cent of the grants-in-aid received from the Council.

5.4.6 Assessment of quantum of grants-in-aid.- On the recommendations of the Block Grant Committee (Committee) constituted (July 1979) the difference of Rs.79 lakhs upto the year 1980-81 between the actual expenditure incurred by the

Vishwa Vidyalaya and the grants paid by the Government was reimbursed to the Vishwa Vidyalaya. For the period 1981-82 to 1984-85 Committee proposed an increase of 4 per cent every year in the amount of grants-in-aid to be given on the basis of certain fixed norms. The percentage of increase was, however, not acceptable to the Vice-Chancellor on the ground that the proposed increase was not commensurate with the expenditure incurred by the Vishwa Vidyalaya.

A new Committee comprising of senior officers under the Chairmanship of President, Board of Revenue was, therefore, constituted (February/March 1985). The Committee was required to make a comprehensive study and assess the needs of funds by the Vishwa Vidyalaya covering all its activities. It constituted a Sub-Committee in October 1985 to examine the accounts and verifying the details furnished by the Vishwa Vidyalaya for the period 1982-85.

The Sub-Committee in its report (February 1986) pointed out (i) excess claim of Rs.28.51 lakhs on maintenance of vehicles (ii) irregular payment of fixed medical allowance (Rs.25.94 lakhs) and conveyance allowance (Rs.4.15 lakhs) (iii) increase in contingent expenditure from Rs.69.06 lakhs in 1980-81 to Rs.108.25 lakhs in 1984-85 (iv) while the expenditure on contingencies was increasing, expenditure on research and teaching was falling (v) indiscriminate expansion of staff (vi) incurring expenditure on many items without specific sanction of Government. It further observed that efforts on the part of Vishwa Vidyalaya were lacking to raise internal resources and suggested review of hostel/tuition/examination fees structure,

review of uneconomic units of research/live stock farms and investment of reserve funds in higher interest earning bonds/securities and to avoid delay, in submission of accounts and audited figures to Government.

The report of the Sub-Committee was considered by the Committee in its meetings in February 1986, May 1987 and January 1988. The Committee in its second meeting observed that the Sub-Committee (appointed by it) had not conducted a comprehensive and in-depth study of the finances of the Vishwa Vidyalaya, and felt that the Sub-Committee should have made a detailed study of the activities and working of various Departments and keeping in view their requirements should have prepared the report. In the same meeting it was decided to appoint another Sub-Committee of four members, which was to be given definite terms of reference to make such a study. However, no records to show whether such a Sub-Committee was actually appointed or not, and what were its recommendations, were available.

The report of the original Sub-Committee (February 1986) was updated in 1988 on the basis of audited accounts for the period 1981-85 made available by the Vice-Chancellor to decide interim amount of backlog against admissible grants-in-aid.

The Committee in its full meeting held in January 1989 considered the above report, and recommended payment of the entire backlog of grants amounting to Rs.603.42 lakhs for the period 1981-85 and Rs.364.94 lakhs for the period 1985-87 on the grounds that the expenditure had already been incurred and disallowance would add to the financial problems of the Vishwa Vidyalaya.

The Committee also recommended that the Government should pay grants-in-aid on the basis of audited expenditure less receipts of the Vishwa Vidyalaya. It opined that after the complete study of expenditure on a realistic basis, adequate provision in the Government's budget for 1988-89 and subsequent years should be made so that grants could be released in time. The Committee was asked by the Government to conduct an in-depth study of the working of the Vishwa Vidyalaya and assess the requirement of funds for various purposes, which was not done. Thus the purpose of evolving principles for assessment and control of grants was not achieved.

Government accepted (March 1989) the recommendations regarding reimbursement of the backlog amount, and also approved the principle of determining grants-in-aid equal to the audited expenditure minus gross receipts of the Vishwa Vidyalaya. But Government did not create adequate provision in the Budget for the year 1988-89 and onwards, and the grants continued to be released on an ad hoc basis. (Please see Paragraph 5.1)

5.4.7 Control of grants and utilisation certificates

(a) Government by an order of June 1984 entrusted to Director of Agriculture the responsibilities of exercising control over grants given to Vishwa Vidyalaya, which included:

- scrutiny of statements of expenditure of previous quarters furnished in prescribed formats, and of utilisation certificate of that amount,
- to recommend amount of grants to be released in subsequent quarter,

- to ensure that amount of grant is not lying unutilised with the Vishwa Vidyalyaya and
- to obtain a consolidated audit certificate of expenditure incurred in the second preceding year (i.e. certificate of 1981-82 to be obtained in March 1984) before releasing the instalment of grant for 4th quarter, and submit the certificate to Government along with his comments.

It was, however, noticed that these duties were not being performed fully although the Director claimed that checks envisaged in the order of June 1984 were being exercised by him.

The quarterly expenditure figures reported by the Vishwa Vidyalyaya were tentative and not actual, but these were admitted by the Director and release of instalment of grants for subsequent quarter was recommended in a routine way. When the consolidated annual audit/utilisation certificate of actual expenditure duly countersigned by Deputy Director, Local Fund Audit was received, it was not verified/linked with the expenditure reported earlier in quarterly statements^{to} to work out the excess/short grant release which was to be recovered/paid.

A few illustrations showing differences between two figures are given below:

Year	Expenditure reported as per quarterly statements	Expenditure reported in annual utilisation certificate	Difference (3-2)
(1)	(2)	(3)	(4)

(Rupees in lakhs)

AGRICULTURE DEPARTMENT**Non-Plan**

1987-88	437.66	502.38	64.72
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Plan

1986-87	149.38	191.76	42.38
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1987-88	113.72	124.55	10.83
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117.93

VETERINARY DEPARTMENT (PLAN SCHEME)

1987-88	46.97	22.02	(-) 24.95
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(b) Utilisation certificates against the grant of Rs.26,85.50 lakhs paid during the period 1982-88 received by Government from the Vishwa Vidyalaya were countersigned by the Deputy Director Local Fund Audit with the qualification that they were subject to audit comments. The Audit Reports based on final annual accounts were issued only upto 1981-82. The results of the audit of the accounts for the years 1982-88 could not be verified and checked in audit. The utilisation certificates were, thus, provisional and there was no system to check them after receipt of the audit observations/comments on final accounts.

The certificates stated that the grants were utilised generally for the purpose for which it was granted, instead of specifically certifying that the grant was utilised for the purpose for which it was meant. To that extent these certificates were defective.

Utilisation certificate for non-plan expenditure of Rs.431.49 lakhs incurred during the year 1985-86 stated that expenditure was inclusive of payment on account of arrears of pay and allowances paid on account of proforma promotions granted 15 years back which, however, still (July 1990) remained to be finalised. It is, thus, not known after 20 years how much excess payments/grants were sanctioned.

The table below would indicate that utilisation certificates amounting to Rs.15,46.04 lakhs (Agriculture sector: Rs.13,05.24 lakhs and Veterinary sector: Rs.2,40.80 lakhs) were still (July 1990) awaited from the Vishwa Vidyalaya.

Year	Agriculture Sector		Veterinary Sector		Total
	Non-Plan	Plan	Non-Plan	Plan	
	(Rupees in lakhs)				
1987-88	-	17.39	-	-	17.39
1988-89	370.50	163.35	94.55	12.75	641.15
1989-90	540.00	214.00	121.50	12.00	887.50
TOTAL	910.50	394.74	216.05	24.75	1546.04

It was further noticed from the utilisation certificate for the year 1987-88 received in February 1990 that an amount of Rs.62.09 lakhs out of total plan grant of Rs.93.66 lakhs released during the period 1986-88 for newly established colleges of Agriculture at Khandwa and Mandsaur remained unutilised. The position of their utilisation after March 1988 was not available.

Mention was made in Audit Report 1982-83 regarding non-maintenance of register to watch the receipt of utilisation certificates. It was seen that the register was not maintained even now by the sanctioning authority. It was stated (June

1990) that receipt of utilisation certificates was watched through the register of sanctions and entry of receipt was kept therein. As the record of receipt of utilisation certificates against each sanction was not kept and the utilisation certificates were received for lump sum amount, it could not be ascertained from this register as to against which sanctions utilisation certificate(s) had been received and against which sanctions they were awaited.

It was further noticed that certificates showing utilisation of amounts in excess of grants released during the period 1983-88 were countersigned and sent by Government to the Accountant General, as indicated below:

Year	Agriculture Department			Veterinary Department		
	Grants released	Utilisation certificates issued	Excess	Grants released	Utilisation certificates issued	Excess
(Rupees in lakhs)						
1982-83	255.00	422.70	167.70	NA	NA	NA
1983-84	264.87	506.26	241.39	NA	NA	NA
1984-85	344.48	585.07	240.59	72.01	128.26	56.25
1985-86	346.32	628.07	281.75	98.15	142.16	44.01
1986-87	452.48	683.50	231.02	110.53	140.50	29.97
1987-88	503.48	663.80	160.32	116.20	157.24	41.04
			(x)			(y)
TOTAL	2,166.63	3,489.40	1,322.77	396.89	568.16	171.27
Note:	NA - Not available					
	(x) Plan Rs.342.53			Non-Plan Rs.980.24		
	(y) Plan Rs. 50.56			Non-Plan Rs.120.71		

As the utilisation certificates issued did not exhibit the correct position regarding utilisation of the grant released, the very purpose of issuance of these certificates (to certify the utilisation of grants for the purpose for which it was intended) stands defeated. The Director of Agriculture stated (July 1990) that certificates received from Vishwa Vidyalaya were accepted even if these were in excess of the amount of grant released during the year as there were no orders to disallow these utilisation certificates. The reply is not tenable and is indicative of the fact that no scrutiny ^{being} was exercised by him.

A test-check of the utilisation certificates revealed that an amount of Rs.1.26 lakhs disallowed by Director Local Fund Audit during 1984-85 was not deducted from the expenditure figures resulting in excess sanction of grants to that extent.

(c) The Vishwa Vidyalaya is also executing schemes relating to research etc. sponsored by the Indian Council of Agricultural Research. Government ~~are~~ required to provide grants equal to 25 per cent of the expenditure incurred on these schemes. Provision for payment of grants-in-aid for the purpose was neither made separately in the Budget, nor details thereof were available with the Department. With the result, the liability of Government in respect of funding of these schemes could not be verified/ascertained. However, test-check by audit showed that an amount of Rs.21.02 lakhs on account of State share in respect of ICAR schemes was claimed in excess by ^{the} Vishwa Vidyalaya in the utilisation certificates for the period 1982-88 resulting in sanction of excess backlog grant to that extent. The reply of the Department was awaited (August 1991).

5.4.8 Financial picture and diversion of funds

(a) The table given below indicates the yearwise position of actual expenditure incurred, net claim for reimbursement after deducting receipts of the Vishwa Vidyalaya, grants-in-aid received from State Government, shortfall of grants (excess over grants including receipts), and overdrafts taken from banks by the Vishwa Vidyalaya. The position of other funds utilised for meeting the excess expenditure is not available.

Year	Actual Expenditure	Net claim for reimbursement	Grants received	Shortfall of grants (3-4)	Over Draft from Banks ending year
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
1982-83	530.53	436.19	309.00	127.19	NA
1983-84	618.41	522.67	332.64	190.03	NA
1984-85	713.88	619.18	416.49	202.69	80.94
1985-86	760.61	656.14	444.47	211.67	121.21
1986-87	823.12	716.29	563.01	153.28	76.79
1987-88	852.31	709.61	637.07	72.54	167.68
		(+)31.26		(+)31.26	
1988-89	1031.34 ^(x)	927.25	641.15	286.10	245.52 (9.9.88)
1989-90	1255.84 ^(x)	1146.84	887.50	259.34	377.76 (15.6.90)

NA- Not available

(+) Audited expenditure awaited

(x) Figures for 1988-89 and 1989-90 are tentative.

Excess expenditure was met by the Vishwa Vidyalaya by taking overdraft from Banks. Utilisation of savings of the staff

(General/Contributory Provident Fund) and diversion of funds received from Indian Council of Agricultural Research was also noticed.

(b) It was noticed that year-wise position regarding diversion of funds to meet the deficits was not available with ^{the} Department, nor was this obtained from ^{the} Vishwa Vidyalaya. However, in a note submitted by the Vishwa Vidyalaya it was admitted (October 1985) that funds to the extent of Rs.649.52 lakhs (Rs.105.02 lakhs ICAR Rs.80.94 lakhs Bank Overdrafts and Rs.463.56 lakhs of employees' CPF/GPF) were diverted to meet the deficits. The diversion of funds resulted in non-utilisation of these funds for the purpose for which these were provided, and payment of heavy interest to banks. The Committee while expressing (October 1985) deep concern, also treated the diversion and non-utilisation of funds as highly objectionable. It was further observed that despite ^{the} Committee's serious view, diversion of ICAR funds rose from Rs.105.02 lakhs in March 1985 to Rs.311.34 lakhs in May 1989. Approval for diversion of funds from competent authority was not on record.

Government released (January 1986) an ad hoc grant of Rs.150 lakhs in order to meet the requirement of overdrafts, which stood as Rs.146.79 lakhs ending September 1985. It was, however, noticed that despite payment of this grant, Bank overdrafts remained at Rs.121.21 lakhs ending March 1986. Overdrafts at the end of March 1988 amounted to Rs.167.68 lakhs which rose to Rs.245.52 lakhs in September 1988 and to Rs.377.76 lakhs in June 1990 with rapid increasing trend. ^{the} Vishwa Vidyalaya stated (November 1990) that the Board of management was competent authority to sanction overdraft limit (Rs.322 lakhs) under Section 27(xxi) of Amended Act 1985.

Contention of the Vishwa Vidyalaya can not be held to be correct in the absence of specific mention of overdrafts in the said clause.

The Vishwa Vidyalaya had also utilised an amount of Rs. 426.62 lakhs of the employees' General/Contributory Provident Fund to meet its expenditure in March 1988 as per the financial balance sheet prepared by the Comptroller of the Vishwa Vidyalaya for the year 1987-88.

The Vishwa Vidyalaya stated (November 1990) that permission of the Committee of Trustees constituted in 1967 was obtained in February 1975 to raise temporary loans and overdrafts against Provident Funds investments, and permission of Government was not considered necessary. However, expenditure met from the Fund Account of the employees will remain an implied liability of Government. The reply is not tenable as Employees' Provident Fund scheme, 1952 made applicable to Vishwa Vidyalaya by its statutes of 1964 specifically provides that the Fund shall not be expended without previous sanction of the Government for any purpose other than payment to the subscriber. The matter was also not kept before the Committee of Trustees subsequently even after its specific directions in February 1975.

(c) The Vishwa Vidyalaya paid interest amounting to Rs. 66.01 lakhs during the period 1984-88 on the overdrafts taken from banks. The position for other years is not available. The Vishwa Vidyalaya included the payments of interest in utilisation certificates, which was accepted by Government. Thus, grants-in-aid were also sanctioned for payment of interest. Had Government taken timely action

to assess and control the amounts of grant and expenditure and released adequate grants during the same year the continuous infructuous expenditure of interest could have been avoided.

The Vishwa Vidyalyaya also utilised the savings of the employees which was creditable to their funds. Interest is payable on this amount also but the liability on this account has not been worked out.

5.4.9 Accounts and Audit

(a) **Financial balance sheet.**— The Act has prescribed that Comptroller of the Vishwa Vidyalyaya shall prepare annual accounts and balance sheet and all moneys accruing to or received from whatever source and all amounts disbursed shall be entered in the accounts. The Government issued instructions in May 1977 that all the grantee institutions who are in receipt of recurring grants of Rs.0.50 lakh or more shall have to prepare in addition to the audited accounts, Receipts and Payment accounts, Income and Expenditure account and balance sheet.

The Comptroller is preparing a financial balance sheet for each year from 1985-86. The approval of Government in respect of the format prepared by the Comptroller of the Vishwa Vidyalyaya was wanting (November 1990). The balance sheet was defective, in as much as (i) the position of fixed and other assets (ii) works in progress (iii) debtors of the Vishwa Vidyalyaya (iv) Debts accrued/expenditure incurred in advance (v) creditors/outstanding liabilities etc. were not shown. Similarly the amounts shown therein were not supported by detailed schedules and other necessary details wherever necessary. Thus, the financial balance sheet prepared by the

Comptroller did not exhibit the correct and complete position of assets and liabilities and finances of the Vishwa Vidyalaya.

The following are a few instances of specific items not shown in the balance sheet:

(i) It was noticed that though unspent balance of grants to the extent of Rs.185.34 lakhs was lying with the Vishwa Vidyalaya at the end of March 1988, but the yearwise details thereof, were not available, with the result it could not be verified whether the unspent balance was taken into consideration while determining the admissibility of grant(s) for subsequent year(s).

(ii) The Indira Gandhi Krishi Vishwa Vidyalaya, Raipur was established in January 1987 for Chhatisgarh region by an Act of Madhya Pradesh Vidhan Sabha. The assets and liabilities of the JNK Vishwa Vidyalaya were to be distributed between the two Vishwa Vidyalayas which was not done (July 1990). However, the liability of the Vishwa Vidyalaya on this account including share in the savings of staff together with interest ending March 1990 payable to the Indira Gandhi Krishi Vishwa Vidyalaya (which amounted to Rs.284 lakhs as per Government assessment (May 1990) was not shown in the balance sheet for the year 1987-88.

(iii) The Vishwa Vidyalaya utilised the savings of the employees to meet its expenditure instead of investing the same in interest earning securities etc. However, the liability accruing in respect of interest payment of the savings utilised was not worked out and shown in the balance sheet.

(b) Position of accounts and audit.-

(i) The annual accounts and balance sheet after their approval by the Board are required to be submitted to Government, which shall cause an audit to be carried out by such person as it may direct. Prior to amendment (August 1985) of the Act, such audit was conducted by the Director Local Fund Audit; but after amendment specific orders appointing him as auditor have not been issued, though he continues to conduct the audit. The Audited Accounts together with the Audit Reports issued by Director Local Fund Audit and comments of the Board are required to be placed before the Vidhan Sabha by the Government. Annual Accounts upto 1987-88 were prepared and submitted (February 1990) to Government, but action for audit of these accounts was not initiated, ^{and} the audit and submission of audit report ^{to} the Vidhan Sabha is being delayed.

Further, the sanction and release of amount of backlog by Government upto the year 1986-87 on the basis of expenditure shown in utilisation certificates treating the same as audited expenditure was, therefore, not correct.

(ii) There has been considerable delay in submission of Audit Reports before the Vidhan Sabha, as would be evident from the fact that Audit Reports only upto the period 1981-82 were placed before the Vidhan Sabha in June 1990. The belated submission of Audit Reports had also been viewed seriously by the Paper Committee of the Vidhan Sabha which visited Vishwa Vidyalaya in December 1989.

5.4.10 Non-maintenance/improper maintenance of important records by the Government/Directorate.- The grantees are required to maintain a register of fixed and other assets created out of the grants received from Government, and to furnish a copy thereof to the Government. It was, however, seen that register of permanent and semi-permanent assets acquired wholly or mainly out of Government grants was not maintained by the Directors of Agriculture/Veterinary Departments; this requirement was also pointed out in the Audit Reports 1977-78 and 1982-83.

5.4.11 The points mentioned in this Review were referred to the Government (September 1990). No reply had been received (June 1991).

HOUSING AND ENVIRONMENT DEPARTMENT

5.5 Failure to claim freight reimbursement

The cost of cement payable to the cement factories are FOR destination. In case the cement is transported by road by the purchaser, reimbursement of an amount equal to railway freight is admissible. Claims for such reimbursement are to be preferred in a prescribed form from the cement factory through the Madhya Pradesh Nagrik Apporti Nigam (M.P. Civil Supplies Corporation) within 6 months from the date of receipt of the consignment. This requirement had been specifically brought to the attention of all the Executive Engineers of the Housing Board in September 1981 by the Deputy Housing Commissioner and again in April 1983 by the Chief Engineer. It was stressed that such claims should be preferred every fortnight to avoid any lapse.

It was noticed during test-checks of the records of 4 Divisions of the Board (Gwalior, NO.I and II, Guna and Jabalpur) that the Executive Engineers had failed to prefer such claims in respect of 6,119 tonnes of cement transported by road between July 1980 and December 1987. This led to a loss of Rs.5.12 lakhs, as shown below:

Division	Weight of cement (Tonnes)	Amount involved (Rupees in lakhs)
Gwalior Division NO.I	522	0.53
Gwalior Division No.II	2,488	2.66
Guna	618	1.28
Jabalpur	2,491	0.65
Total	6,119	5.12

Action either to fix responsibility and recover the loss or to write off the loss had not been taken as of June 1990.

The Executive Engineers stated (February, March and May 1990) that due action in this regard would be taken. The explanation of the Executive Engineers is not adequate, since the amount is not reimbursable if the claim had not been lodged within the prescribed time. This was clarified by the Development Commissioner for Cement Industry, Government of India, in July 1988.

The matter was reported to the Government in June 1990; reply had not been received (August 1991).

5.6 Shopping complex in wrong location

A shopping complex of 20 big shops, 12 small shops and 8 car sheds was constructed in January 1982 by the Madhya Pradesh Housing Board at Raipur Naka, Durg, at a total cost of Rs.10.34 lakhs for allotment to applicants on rental basis. The work was started in December 1978 and completed in January 1982.

A test-check of the records of the Estate Manager, Housing Board, Durg, revealed (July 1989 and May 1990) the following:

(i) The Board fixed the monthly rent at Rs.19,978 of shopping complex in June 1982 as per standard formula approved by the Board.

(ii) The allotment orders were issued to all the registered applicants, but none turned up to take possession of shops, reportedly due to the area not being very popular from the business point of view.

(iii) 20 big shops, 5 small shops and 8 car sheds remained vacant continuously from February 1982 to October 1986. In October 1986, the State Government directed to hand over possession of the shops to the Central Schools organisation for three years, for running a new Central School on a monthly rent fixed by the Collector. The rent had not been fixed, and no recoveries had been made, as of April 1990.

(iv) Of the remaining 7 small shops, 4 remained vacant during February 1982 to April 1984, and were then sold on full payment basis. 3 small shops remained vacant during February 1982 to May 1983. Out of the latter, one was again lying vacant since November 1984.

Thus, due to improper selection of site for construction of shops/car sheds, the shops and car sheds had remained unallotted for different periods ranging from 16 months to 64 months, which had resulted in a substantial portion of the investment of Rs.10.34 lakhs becoming infructuous.

The matter was reported to the Government in June 1990; reply had not been received (January 1991).

5.7 Retarded sale of houses and shops

The work of construction of 80 High Income Group (HIG) and 30 Middle Income Group (MIG) houses as well as 8 shop-cum-residential-flats, was taken up (January 1986) by the Madhya Pradesh Housing Board at Barsi (Durg) and bus-stand, Durg, respectively. The houses were to be sold under hire purchase scheme according to income group and the shop-cum-residential-flats by public auction, respectively.

A test-check (July 1989 and May 1990) of the records of the Estate Manager, Housing Board, Durg, revealed that the Board had completed construction of the houses/shops by November 1987, at a total cost of Rs.130.03 lakhs (80 HIG: Rs.96 lakhs; 30 MIG: Rs.12 lakhs and 8 shop-cum-residential flats: Rs.22.03 lakhs). Out of these, 72 HIG quarters, 27 MIG quarters and 4 residential flats (cost: Rs.103.44 lakhs) were sold by the Board from December 1987 to September 1989, with delays up to 21 months. The remaining units were still lying vacant as of March 1990, reportedly because 10 per cent houses initially reserved for allotment under Chairman/Government quota and subsequently converted into general quota were still unallotted, and the bids received

in respect of shop-flats were lower than the minimum price fixed.

Meanwhile, the Commissioner, Housing Board, had observed, during an inspection conducted in July 1989, that the site for shops-cum-residential flats was not fully developed, thereby attracting lower bids, and had suggested taking up further auction only after carrying out the requisite development. Subsequent progress was awaited (May 1990).

The failure/delay to sell 11 quarters, 8 shop-cum-residential flats resulted in blocking of capital of Rs. 26.59 lakhs for over 2 years, besides loss of interest of Rs. 14.08 lakhs at 16 per cent per 9 months (as fixed by the Board) during the period from December 1987 to March 1990.

The matter was reported to the Government in July 1990; reply had not been received (August 1991)

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

5.8 District Rural Development Agencies (DRDAs)

5.8.1 Introduction.- A District Rural Development Agency (DRDA) was set up (1980) by the State Government in each district as a society registered under M.P.Registration of Societies Act,

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

1960, for implementing various rural development programmes in rural areas, e.g., Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Drought Prone Area Programme (DPAP), etc.

The management of the Agency vests in a Governing Body headed by Commissioners in Bastar and Hoshangabad Divisions and Collectors in other districts, an Executive Committee, and a full time Project Officer cum Chief Executive Officer.

The DRDAs are in charge of the overall planning, implementation, monitoring and evaluation of the programmes in the districts. Their functions include:

(a) to keep the district level agencies, block level agencies informed of the basic jobs, the requirements of the programmes, and the tasks to be performed by all these agencies;

(b) to co-ordinate and oversee the surveys, preparation of perspective plans and annual action plans of the Blocks and finally prepare a district Plan;

(c) to evaluate and monitor the programmes to ensure their effectiveness;

(d) to secure inter-sectoral and inter-departmental co-ordination and co-operation; and

(e) to give publicity to the achievements made under the programmes and

disseminate knowledge and build up awareness about the programmes;

The DRDAs are to send periodical returns to the State Government in the prescribed forms, indicating the progress of their activities.

5.8.2 Organisational set up.- At Government of India level, the Department of Rural Development in the Ministry of Agriculture has overall responsibility of policy formulation, monitoring and evaluation of rural programmes. A Central Co-ordination Committee has also been set up at the Centre to provide guidance for proper implementation of various programmes for uplift of the rural poor. At the State level, the Rural Development Department under the Development Commissioner-cum-Secretary Rural Development Department has been entrusted with the responsibility for planning, implementation, monitoring and evaluation of rural programmes. A State level Co-ordination Committee under the Chairmanship of Development Commissioner, M.P., has been set up to assist the Department in discharging its responsibilities. At the district level, the programmes are implemented through DRDAs with the assistance of Blocks, other Government Departments, semi-Government bodies, panchayats, etc, the DRDAs act as a nodal agency.

5.8.3 Audit coverage.- Test-check of records under Section 14(1) of Comptroller and Auditor General's (DP & CS) Act, 1971 for the period from 1984-85 to 1989-90 was conducted (January 1990 to September 1990) in the office of the Development Commissioner M.P. and ten selected DRDAs (Bhopal, Bastar, Bilaspur, Damoh, Jhabua, Mandla, Morena, Ratlam, Raipur and Shahdol), and

information was collected from some other DRDAs also.

5.8.4 **Highlights**

- The ~~Governing~~ Bodies had not met at regular intervals to assist and guide the activities of the DRDAs. (Paragraph 5.8.5)
- Accounts were not maintained in double entry system, and were seldom submitted in time. (Paragraph 5.8.6(b)(c))
- Rupees 738.55 lakhs remained unreconciled between the banks accounts and books of three DRDAs. (Paragraph 5.8.6(d))
- In Panna district, payment of infrastructural assistance under different schemes amounting to Rs.98.96 lakhs were charged off as final expenditure although most of the funds remained unutilised with the executing agencies. (Paragraph 5.8.6.e(i))
- In Guna district, undisbursed subsidies worth Rs.143.13 lakhs were shown as liabilities in the balance sheet for 1986-87 and taken back next year as receipts of the DRDA, presumably to depict a reduced closing balance in the balance sheet. (Paragraph 5.8.6.e(ii))
- A sum of Rs.24.12 lakhs, the difference in the books of DRDA, Guna and bank accounts was written off instead of being reconciled. (Paragraph 5.8.6.e(iii))
- Rs.2433.17 lakhs of Integrated Rural Development Project funds were wrongly utilised for the creation of new and general infrastructure which required to be financed from regular sectoral allocations of the Departments. (Paragraph 5.8.6(g))

- Lack of timely action on the part of DRDAs intransferring balances in 'subsidy accounts' to interest bearing Saving Bank accounts caused heavy loss of interest.
(Paragraph 5.8.6(i))
- The DRDAs failed to conduct surveys to identify beneficiary families at regular intervals. Perspective plans were prepared only by 8 out of 24 DRDAs. The Annual Action Plans were not prepared at all.
(Paragraph 5.8.7)
(a) to (c)
- Subsidies were overpaid (Rs.1.38 lakhs) and mis-appropriated (Rs.1.59 lakhs).
(Paragraph 5.8.7(e) and (f))
- The Administration of the schemes was found to be defective. Amounts spent on 'TRYSEM' and 'Infrastructural subsidies' did not achieve the desired results. (Paragraph 5.8.8)
- Rupees 149.14 lakhs on account of insured amount remained unclaimed from LIC by the DRDAs. (Paragraph 5.8.8(c))
- Vehicles were purchased for District Mahila Bal Vikas Adhikaris of all the 45 districts though the scheme of DWCRA was operated in 10 districts only (1987-88).
(Paragraph 5.8.9)
- Food-grains worth Rs.2.44 lakhs became unfit for consumption due to non-distribution.
(Paragraph 5.8.10)
- Monitoring by DRDAs was not effective.
(Paragraph 5.8.11)

5.8.5 Functional Deficiencies

Governing Body.— Each DRDA is to have a Governing Body whose primary functions are to plan, implement, coordinate and monitor various approved programmes. It is to meet once in a quarter to discuss and deliberate upon activities of the Agency. It was seen in audit of the test-checked Agencies that their Governing Bodies did not meet regularly as envisaged. In Bastar, the Governing Body met only once each year during 1984-85 to 1987-88 and twice in 1988-89. In Morena, the Governing Body did not meet at all during 1985-86 and 1986-87.

Executive Committee.— Chairman of each Agency was empowered to form an Executive Committee consisting of all district level officers and other officers considered necessary for planning and implementation of the programmes. It was to meet every month to discuss the progress of programmes and to keep a close watch on time-bound activities. It was seen that out of ten district Agencies test-checked, no Executive Committee was formed by six Agencies (Bastar, Bhopal, Damoh, Mandla, Morena and Shahdol). No regular meetings were held in one (Bilaspur) out of four districts where Executive Committees had been formed.

Appointment of Chartered Accountants.—The final accounts of each Agency are required to be audited by a Chartered Accountant appointed by the Governing Body. Out of ten Agencies test-checked, four (Bhopal, Damoh, Jhabua and Shahdol) did not get the appointments of their Chartered Accountants approved by their Governing Bodies.

5.8.6 Finance and Accounts.- The funds of the DRDAs comprise of recurring and non-recurring grants received from Government of India and the State Government, according to certain norms prescribed for schemes, income from investments and income from other sources. The funds provided are to be kept in banks approved by Governing Body of the Agencies. The accounts of the Agencies are required to be maintained on double-entry system. The Governing body has to appoint a Chartered Accountant or any other qualified person or agency to audit the accounts of the DRDA. The Comptroller and Auditor General of India is authorised to conduct audit of the accounts of the DRDAs under Section 14(1) of CAG's (DP&C) Act, 1971.

(a) **Release of funds to DRDAs.-** Funds were released to the DRDAs during 1984-85 to 1988-89 as shown below:

Name of the scheme	Year-wise break up					
	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	(Rupees in lakhs)					
Rural Labour Employment Guarantee Programme (100 per cent Central Government)	3072.75	2863.00	4114.00	3973.00	5060.00	Scheme discontinued
National Rural Employment Programme (Centrally Sponsored 50:50)	3760.87	3898.93	4955.52	6724.03	5448.20	-do-
Integrated Rural Development Programme (Centrally Sponsored 50:50)	3178.73	4116.01	5698.63	5601.40	4490.65	3285.70

(b) **Preparation of accounts.-** The accounts of DRDAs were required to be maintained on double-entry system. In two DRDAs (Gwalior and Panna) accounts were found to have not been maintained on double entry system. Reasons for improper maintenance of accounts were not stated.

(c) **Submission of Accounts.-** The DRDAs are required to finalise their accounts by 30th June each year. After getting these approved by the Governing Bodies and audited by the Chartered Accountants, the accounts, with a list of fixed assets, are required to be sent to the State and Central Government by not later than 30th September. It was noticed that nine out of the ten DRDAs test-checked did not furnish their final accounts to Government by the due dates during 1984-85 to 1988-89. The accounts of the DRDAs Bastar and Shahdol were not supported with list of fixed assets as required and the Chartered Accountant of Bilaspur DRDA did not prepare the Balance Sheet at all.

(d) **Non-reconciliation of Bank Accounts.-** DRDAs were required to reconcile the balances in their bank-accounts with their books of accounts. It was noticed in audit that in five of DRDAs test-checked, reconciliation had not been done (Raipur, Bastar, Bilaspur, Mandla and Damoh). In three DRDAs differences amounting to Rs. 738.55 lakhs (Mandla: Rs.503.20 lakhs; Bilaspur:Rs. 220.91 lakhs and Raipur: 14.44 lakhs) were pending reconciliation. Minus balance representing overdraft was also found in one bank account of DRDA, Mandla, though the books of the Agency showed a plus balance. The DRDA replied that the bank furnished wrong information of the balances. Effective steps are called for to reconcile the differences expeditiously.

(e) **Misrepresentation of facts by Chartered Accountants.**— The Chartered Accountants auditing the accounts of the Agencies were required to depict factual financial position of the accounts of the DRDAs. They were expected to ensure that the expenditure incurred by the DRDAs conformed to the prescribed procedure. It was, however, noticed that the nominated auditors failed to depict true and faithful picture of the financial position of the DRDAs in accounts, vide details given below:

(i) Advance payments of infrastructural assistance under RLEGP, NREP and IRDP amounting to Rs. 98.96 lakhs were charged as final expenditure, though most of the funds remained unutilised with the executing agencies (Panna).

(ii) Undisbursed subsidies worth Rs. 143.13 lakhs were shown as liabilities in the balance sheet for the year 1986-87 (Guna), which were subsequently taken back as receipts of the DRDA in the year 1987-88. This was done to reduce the closing balance and to get more grants from the Central Government. Similarly, in Shahdol liability of subsidy amounting to Rs. 29.09 lakhs was shown in the final accounts of 1987-88.

(iii) A sum of Rs. 24.12 lakhs representing the difference in the books of DRDA, Guna and in its bank accounts were shown as "Written off" in the income and expenditure account for the year 1987-88 instead of reconciling the difference.

(iv) In DRDA, Guna, the cash and Bank balances as per receipt and payment account and balance sheet remained unverified with a net difference of Rs. 4.79 lakhs.

(v) Figures of opening balance as on 1.4.1987 taken in the receipt and payment account of DRDA (Gwalior) was different from the closing balance for the year 1986-87 (Rs.66.57 -Rs.65.11 = Rs. 1.46 lakhs). No comments were offered for this difference in the final accounts.

(vi) Interest fund was not found created and exhibited in the accounts of DRDA, Indore.

(vii) Capital expenditure of Rs.0.66 lakh on installation of computer was shown as administrative expenditure (Indore 1988-89).

(viii) Advance payment (Rs.1.19 lakhs) made to Commissioner and Collector, Indore, and Secretary, Development Department, were charged as final expenditure (1988-89 Indore).

(ix) Subsidy amounting to Rs.21.04 lakhs payable by Agriculture Department was wrongly paid from DRDA funds (Indore), but no entry on assets side of the balance sheet was made to show that above amount was recoverable from Agriculture Department (Indore 1988-89).

(x) Expenditure of Rs.16.92 lakhs, Rs.1.08 lakhs and Rs.3.35 lakhs representing programme infrastructure to Sericulture Department, TRYSEM and group insurance schemes ^{respectively} were misclassified as subsidy in first two cases and as administrative expenditure in the third case in the final accounts of DRDA Ratlam for the year 1988-89.

(f) **Diversion of funds.**— The DRDAs have no power to divert funds of one programme for utilisation on other programmes. It was, however, seen in audit that three DRDAs (Bhind, Chhindwara and Jabalpur) diverted Rs. 74.44 lakhs from one programme to another as shown below:

Name of Agency Year		Amount	Funds diverted	
		(Rupees in lakhs)	From	to
(1)	(2)	(3)	(4)	(5)
Bhind	1987-88	5.10	DWCRA (IRDP)	NREP
Chhindwara	1988-89	39.46	IRDP	DSMS
Jabalpur	1984-85	7.00	NREP	IRDP
	1988-89	11.00	RLEGP	IRDP
	1988-89	11.88	SLPP	IRDP
Total		74.44		

The project officer of DRDA, Jabalpur replied that diversion of Rs. 11.88 lakhs from SLPP to IRDP was done on the orders of the Collector as SLPP had been abolished. The SLPP, a Centrally sponsored scheme, has since been abolished and unutilised funds under this programme lying with the DRDAs on abolition need to be ascertained and refunded to Government. It was noticed by Audit (October 1987) that a sum of Rs. 3.72 lakhs granted to DRDA (Raigarh) during 1986 for construction of hostel for TRYSEM Trainees was utilised for purchase of trusses, etc. for construction of work sheds.

(g) **Misutilisation of Programme Infrastructure Allocation.**— Funds available for providing infrastructural support under the IRDP

was primarily to bridge small gaps in infrastructure which could make programme implementation more effective, and not for creation of an altogether non-existent infrastructure in the area. The general infrastructural support to the activities under the programme was to come from regular sectoral Departments of the State. Ten per cent of the IRDP allocation was allowed to be spent on filling up critical gaps in the infrastructure directly related to the schemes of IRDP beneficiaries. Funds for ^{such} infrastructure were in no case, to be used to augment resources of State Government for development of general infrastructure. It was, however, seen that out of Rs.2,620.01 lakhs spent on programme infrastructure during the period 1984-90 a sum of Rs.2,433.17 lakhs was misutilised in creation of new and general infrastructure expenditure which was required to be met from the regular sectoral allocation of the Departments. A few instances in which permanent assets were created out of above fund in the garb of infrastructure support were as under:

Sericulture farms	(Rs.2094.46 lakhs)
Milk Chilling Units	(Rs. 75.94 lakhs)
Chinese Type Hatcheries	(Rs.73.82 lakhs)
Semen Collection Centres	(Rs.63.40 lakhs)
Nitrogen Plants	(Rs.62.62 lakhs)
Piggeries	(Rs.22.33 lakhs)
Horticulture- nurseries	(Rs.15.10 lakhs)
New Weaving Centres	(Rs.17.20 lakhs)

Tannery (Rs.6.00 lakhs)

Poultry Farms (Rs.2.30 lakhs)

On this being pointed out, the Development Commissioner, M.P. could not give any justification for creation of new assets from infrastructural funds under IRDP. In DRDA, Dhar a sum of Rs.2.67 lakhs was sanctioned (June 1988) by the State Government for establishing Mulberry Reeling Centre at Yashwant Nagar, Indore in contravention of the Manual of IRDP and Allied Programmes which prohibited infrastructural development at State or regional level.

(h) **Irregular transfer of DRDA funds for deposit in post office and Revenue Deposits.-** Funds relating to the DRDAs were required to be kept in banks approved and appointed by Governing Bodies. It was seen that 13 DRDAs (Bastar, Bilaspur, Chhatarpur, Chhindwara, Dhar, Indore, Jhabua, Mandla, Morena, Raipur, Ratlam, Sehore and Sidhi) deposited huge sums in post office savings bank accounts during 1984-85 to 1988-89 probably to augment small savings targets of respective districts. One DRDA (Bastar) transferred a sum of Rs.109 lakhs from DRDA funds to Revenue Deposit (January 1989) and treated this as loan to State Government reportedly in pursuance of the orders of State Finance Department.

(i) **Loss of interest due to delay in opening Saving Bank Accounts.-** Government of India issued instruction (February 1982) for transferring unutilised amounts lying in subsidy accounts of DRDAs in banks to their Saving Bank accounts. It was noticed (July 1987) that DRDA, Sidhi adopted the revised procedure belatedly (September 1983 to March 1987) resulting in loss

of interest to the tune of Rs. 6.86 lakhs to the Agency.

It was seen during audit of DRDA, Morena (January 1987) that Rs. 187.51 lakhs were lying in subsidy accounts with banks instead of being transferred to savings bank account. The amount of interest loss due to non transfer to interest bearing savings bank account was not known.

5.8.7 Administration of subsidies by DRDAs

(a) **Household survey/ Identification of beneficiaries' families.**— Survey identification of new beneficiary families was required to be completed by DRDAs before February every year to enable it to sponsor cases of identified families right from the commencement of the financial year. It was seen in test-check of ten DRDAs that annual household survey was never conducted regularly by any of the DRDAs. Seven DRDAs conducted survey during 1987-88, while three others (Bhopal, Jhabua and Mandla) did not conduct survey at all and these agencies were rendering assistance to families identified prior to 1984-85 though there might have been vast changes in the income profile of these families during the intervening period of five years. Two out of these three DRDAs had incurred expenditure amounting to Rs. 1.19 lakhs (Jhabua: Rs. 0.76 lakh and Mandla: Rs. 0.43 lakh). It was further observed that the cost of survey for DRDA Bilaspur was Rs. 3.17 per family surveyed as against the expenditure between Rs. 0.42 (Bastar) and Rs. 1.53 (Ratlam) per family incurred by other nine DRDAs.

(b) **Preparation of Perspective Plans.**— Perspective Plans were to be prepared blockwise and were to be co-ordinated and consolidated at district level into Perspective District Plans. This information was to be analysed to give broad

indication of the sector(s) of economy which were capable of throwing up employment opportunities. It was noticed in Audit that out of 24 DRDAs whose information was made available to Audit, perspective plans were prepared only in eight districts (Bhopal, Bilaspur, Dhar, Indore Mandla, Rewa, Sidhi and Shajapur). Perspective Plans, as such, were observed to have not been prepared by a large number of DRDAs.

(c) **Non-preparation of proper Annual Action Plans.**— Preparation of Annual Action Plans was to succeed perspective plans and the identification of beneficiaries in order to match the available resource profile and needs of beneficiaries to provide them income generating activities. Annual Action Plan was to be a plan containing a calendar of activities for implementation of IRDP, containing detailed action calendar indicating on a fortnightly/monthly basis activities to be taken up and completed. It was, however, noticed that Annual Plans prepared at the State and district levels did not contain detailed action calendar on fortnightly and monthly basis.

(d) **Assistance to families above Rs. 3,500 per annum income group.**— In order to ensure that the poorest of the poor got assistance first under IRDP, it was to be ensured that families with an annual income level upto Rs. 3,500 per annum were assisted. After all such families had been assisted, the DRDAs were to issue public notices and accord sanction to the blocks to assist families in Rs. 3,501 - Rs. 4,800 income bracket. It was seen during Audit (February 1990 to September 1990) that during 1984-85 to 1988-89, 33,815 families above Rs. 3,500 income brackets were assisted in seven districts (Bastar, Damoh, Mandla, Mandsaur, Indore, Raipur and Shajapur)

but no public notices had been issued by the Agencies. Agencies of Jhabua and Ratlam had not collected such information.

(e) **Excess payment of subsidy under IRDP.**— The Government had laid down the general pattern of financial assistance in respect of different categories of beneficiaries/schemes under IRDP. The entitlement of subsidy at prescribed rate ranged from 25 to 50 per cent of the unit cost according to different categories of beneficiaries. Test-check of records in the office of the Chief Executive Officer, DRDA, Raipur (CEO) conducted (February-March 1989) and further information collected (June 1990) revealed that during the period from 1984-85 to 1986-87, the DRDA Raipur paid subsidy to IRDP beneficiaries at higher rates resulting in excess payment of Rs.1.38 lakhs to beneficiaries. On this being pointed out (February 1989) the Department agreed to recover the over-payment for which necessary action was stated to have been initiated. However, no recovery was made till June 1990. The CEO stated (June 1990) that the recovery could not be effected for want of details for which the Chartered Accountant was being contacted. However, Audit had furnished (February 1989) the particulars required for initiation of recovery. Further developments were awaited (March 1991).

(f) **Embezzlement of subsidy amount.**— In three DRDAs (Bastar, Bhind and Raipur) huge amounts of subsidy and loan to IRDP beneficiaries were embezzled by various employees of banks and Block offices by non-disbursement of amounts to illiterate beneficiaries and preparation of forged documents. The amount embezzled in Bastar and Bhind worked out to Rs.1.45 lakhs and Rs.0.14 lakh respectively. The exact amount defalcated in Raipur district could not be identified for want of systematic records.

(g) **Subsidy under Jeewan Dhara Programme.**— Under this scheme cent per cent subsidy was available to small and marginal cultivators belonging to SC/ST for construction of wells. It was seen in Audit (October 1989 and December 1989) that in DRDAs of Panna and Raigarh Districts, sum of Rs. 0.95 lakh and Rs.2.87 lakhs, respectively, were paid to either non-eligible farmers or to the farmers not belonging to the SC/ST.

5.8.8 Administration of Schemes

(a) **Training to Rural Youths in self Employment (TRYSEM).**— Training to rural youths in self employment (TRYSEM), introduced by Government of India, formed part of IRDP to be implemented through DRDAs. Under the scheme, rural youths belonging to identified families and others living below the poverty line were to be trained to take up self employment. A sum of Rs. 844.43 lakhs was spent on the scheme during 1984-85 to 1989-90 on training of 98,074 youths. Out of these 60,188 youths were provided self employment and the remaining 37,886 youths had not been provided employment.

A few of the BDOs, and project officers of some DRDAs, stated that employment could not be provided to all due to delay in finalisation of loan applications by the banks and youths becoming disinterested in the scheme.

Irregular Transfer of TRYSEM funds to Janpad Panchayats.— TRYSEM was implemented by the DRDAs through blocks, State Departments and nodal agencies (if any). Funds earmarked for this scheme were given to the institutions according to their requirements and utilisation. One Agency (Jhabua)

diverted Rs. 46.30 lakhs (earmarked for TRYSEM) to the Janpad Panchayats of the district during 1984-85 to 1988-89 which had nothing to do with the implementation of the scheme. The Janpad Panchayats did not submit accounts in original to the Agency. Only a utilisation & certificate was furnished, though this amount did not represent grants but regular expenditure under the scheme. This action of the Agency kept the above amount out of the parview of statutory audit. It was also noticed that a sum of Rs.0.55 lakh was lying with the Janpad Panchayats unutilised though the amount was shown as spent in the final accounts of the Agency.

(b) **District Supply and Marketing Societies (DSMS).**— Lack of infrastructural support and backward and forward linkages were the problems faced by the trained youths (TRYSEMS) in securing self employment. To overcome this shortcoming the State Government established a District Supply and Marketing Society (DSMS) in each district (under DRDA) to take care of the raw material, input requirements and marketing of goods manufactured by trained youths.

It was noticed in audit that though the funds were released @ Rs. 5.25 lakhs for each such society as floating capital of DSMS, the activities of societies were far from satisfactory. At Gwalior, Rs. 2 lakhs were withdrawn for disbursement of subsidy in 1988-89 and at Indore similar amount was kept in fixed deposit. The Societies at Gwalior, Ujjain, Dewas, Tikamgarh and Jhabua utilised their funds only for payment of salary of the managers appointed for the society. The DSMS Chhindwara purchased 'Tatpatti'* from open market through an agent by taking loan

* Tatpatti means jute mat.

(advance) of Rs. 39.46 lakhs from IRDP funds for supply it to various Government Departments during 1988-89. The Societies did not extend infrastructural support to trained youths as envisaged.

(c) **Group Insurance Scheme.**- From 1.4.1987 the State Government decided to provide life Insurance cover of Rs. 5,000 to each IRDP beneficiary for a period of five years under a group insurance scheme. The DRDAs were ordered to pay premium to LIC @ Rs. 45 per beneficiary (Rs. 9 per Rs. 1,000) per annum from DRDA funds. Subsequently the Central Government (1.4.1988) decided to extend life insurance coverage to all IRDP beneficiaries for a sum of Rs.3,000, and paid consolidated premium to the LIC direct and adjusted premium amount from Central grants payable to state for IRDP. As a result of this action of Government of India, the State Government decided to reduce the policy coverage of IRDP beneficiaries from Rs. 5,000 to Rs. 2,000 applicable from April 1988 and altogether stopped such coverage from April 1990.

Overpayment of premium.- It was noticed in audit that out of 10 Agencies test-checked, nine Agencies (except Morena) made an overpayment of Rs.24.95 lakhs by paying annual premium of Rs.45 instead of Rs.18 only during 1988-89. It was replied (September 1990) that orders regarding reduction in premium were received late in the DRDAs and action to adjust/refund the excess amount paid was in process.

Non-refund of premium amount.- The agreement executed by the State Government with

the LIC stipulated that 95 per cent of the balance amount of the premium paid after deducting 3 per cent for administrative expenditure and amount of claims paid by the LIC in respect of deceased beneficiaries, was refundable to all the 45 DRDAs paying the premium. No amount was refunded by the LIC as of (September 1990) as shown below:

Year	Premium paid	3 <u>per cent</u> of column 2	Amount of claims paid	Total (3+4)	Balance (2-5)	95 <u>per cent</u> of column 6 i.e. refundable amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(Rupees in lakhs)			
1987-88	75.16	2.26	2.15	4.41	70.75	67.21
1988-89	143.90	4.32	13.12	17.44	126.46	120.14
				(upto 12/88)		

It was noticed in audit that one Agency, Raipur preferred claim for refund of premium which was rejected by the local unit of the LIC for want of agreement/instructions from its Head Office. The Development Commissioner M.P. replied (September 1990) that a sum of Rs.38.21 lakhs was refunded by the LIC in respect of 13 agencies. The position of recovery of 95 per cent of the balance amount of premium to the remaining 32 DRDAs was not known (September 1990).

(d) Insurance of Live Stocks.- Five-year insurance from general insurance companies was to be provided to live stocks given to IRDP beneficiaries. The claims of the dead livestock were required to be settled by the company within 29 days. The claims and proceeds were, however, to be utilised on repurchase of live stock by the beneficiaries.

It was seen in audit (August 1990) that 2,697 claims (one year old 56, six to twelve months old 338, three to six months old 690 and less than three months 1,613) were pending for settlement with the Insurance Companies by the end of March 1989 whereas 2,843 claims of Rs. 62.90 lakhs were pending settlement on 31.3.1990. The Development Commissioner replied (September 1990) that the above figures were yet to be reconciled with the Insurance Companies.

It was seen in audit that no information regarding receipt of claim amount and repurchase of live stocks was called for by the DRDA Jhabua. DRDA Damoh stated that out of 1,747 claims received from the Insurance Companies, only 1177 animals were purchased and given to the beneficiaries and 363 claims were rejected by these companies.

(e) **Computerisation of DRDAs.**— For developing an efficient management information system both for monitoring requirements and planning purposes at the district level, computerisation of data base was found to be the only solution by Government of India. The introduction of computers at DRDAs level was expected to create a facility which would enable the data available in the manual system to be used, analysed and disseminated in a more effective manner. It was noticed in audit that 48 computers (3 for Development Commissioner's office and one for all 45 district agencies) were purchased in 1988-89 at a cost of Rs. 52.92 lakhs excluding the cost of air-conditioned rooms for each computer. Out of 45 computers for DRDAs, 43 were installed and 2 were awaiting installation (Bhind and Dhar). However, only five DRDAs were furnishing computerised information (September 1990). It was also seen that computers were being operated by Officials given ten day's training only and no regular computer programmers were appointed as of March 1991.

One computer was installed in a rented building of DRDA, Sehore at a cost of Rs.18,725 in December 1988. The Agency shifted its office in its own building in January 1990 rendering the above amount infructuous.

5.8.9 Purchase and utilisation of vehicles

(a) **Purchase of jeeps for DWCRA Scheme.**— Development of Women and Children in Rural Areas (DWCRA) was formulated as a sub-scheme of IRDP within its framework to subserve the overall objective of improving the quality of life of rural families living below the poverty line. The scheme was introduced in five districts (Shahdol, Chhindwara, Guna, Raipur and Rajgarh) by the end of March 1987 and extended to five more districts (Surguja, Shajapur, Bhind, Tikamgarh and Sehore) by the end of March 1988 in the State as pilot project scheme. The State Government issued orders (February 1987) to all the 45 DRDAs of the state to purchase jeeps from 'Interest Fund' for District Mahila Bal Vikas Adhikaris. The vehicles were purchased by the DRDAs during 1987-88 at an approximate cost of Rs. 60 lakhs but at rates varying between Rs.1 lakh to Rs. 1.60 lakhs.

(b) Irregular use of vehicles of DRDAs

As per instructions, DRDA vehicles could be used for works connected with the activities of the DRDA only. Their use by the Collector for performance of his routine duties not connected with the activities of DRDA was prohibited. During test-check of DRDA, Khandwa (September 1987 to October 1987) it was noticed that the Collector had used one car and one jeep for performance of his

routine duties, such as, maintenance of law and order, visiting link courts, visits of Ministers and other high dignitaries. The total distance covered on such types of duties worked out to 55.857 Km. during 1.3.1984 to 31.3.1986. The cost of utilising DRDA vehicle by the Collector for performance of his routine duties comes to Rs.1.12 lakhs against which only Rs.0.18 lakh had been recovered.

Similar misutilisation of jeeps/cars by the Collector Durg and Rajnandgaon were noticed during test audit of the concerned units (June 1990).

5.8.10 Shortages, losses and Misappropriation

(a) **Loss due to storage of food-grains (DRDA Ambikapur).**— The Scheme for payment of wages partly in cash and partly in kind to labourers engaged under the National Rural Employment Programme (NREP) and the Rural Landless Labour Employment Guarantee Programme (RLEGP) provided that food-grains allotted by the Development Commissioner to each district under both the schemes would be lifted by the District Co-operative Societies from base depots of the Food Corporation of India (FCI) for distribution to the labourers through link societies/fair price shops on production of coupons issued by the executing agencies.

During scrutiny (October 1987) of the records of the DRDA (Surguja) relating to these programmes, it was noticed that 964 quintals of wheat and 537.80 quintals of rice costing Rs. 2.44 lakhs lifted by the district co-operative societies during 1984-85 and 1985-86 remained undistributed and became unfit for consumption. Thus, due to lack of supervision and improper monitoring of the

schemes, Government had to suffer a loss of Rs. 2.44 lakhs on account of spoilage of foodgrains.

The matter was reported to the Government; (July 1990) reply is still (September 1990) awaited. The DRDA Ambikapur has, however, stated (August 1990) that action to fix responsibility was being taken.

(b) **Shortage of Foodgrains (under RLEGP/NREP).**— It was seen in audit (March 1990) that wheat worth Rs.9.07 lakhs was found short in the accounts of BDO, Jawad (Mandsaur) during the period 1985-86 to 1988-89 as given below:

Year	Quantity lifted	Quantity utilised	Balance	Control rate fixed by Government per MT	Total cost
(1)	(2) (Metric tonnes)	(3)	(4)	(5) (Rupees)	(6)
1985-86	6.15	3.28	2.87	1900	54530
1986-87	34.05	30.79	3.26	2200	69520
1987-88	42.68	25.59	17.09	2200	375980
1988-89	31.44	12.94	18.50	2200	407000
Total	114.32	72.60	41.72		907030

However, there was no actual physical balance of stock. Reply of the Department was awaited (August 1990).

(c) **Non-rendition of accounts of NREP Funds**

It was seen in audit of BDO, Rajpur (Surguja) (July 1990) that a sum of Rs. 0.60 lakh was advanced to a sub-Engineer by BDO Rajpur

during March 1980 to February 1983 for various construction works under NREP. The official retired without furnishing account of the advance. The Department replied (July 1990) that the adjustment of the advance would be made from the pending claims (Amount not known) of the official.

5.8.11 Monitoring and Evaluation

(a) The Follow up and monitoring,-

The follow-up projects aid given to IRDP beneficiaries was to be done through the instrument of Vikas Patrikas/Identity-cum-Monitoring Cards, a copy of which was required to be given to the beneficiaries and another kept at block headquarters. It was seen in audit that the above instruments were not issued in good number of cases in six DRDAs test-checked.

Name of DRDA	Number of benefi- ciaries	Number of ICM/VP issued	Percentage of issue
(1)	(2)	(3)	(4)
Bastar	1,02,230	69,072	67.56
Bilaspur	1,02,223	53,118	51.96
Bhopal	9,923	6,167	62.15
Damoh	26,989	19,753	73.19
Jhabua	19,319	17,893	92.61
Shahdol	49,205	21,092	42.86

(March 1990)

The percentage of beneficiaries who were not issued the above instruments ranged between 8 and 57. In the absence of this, monitoring was rendered ineffective as these constituted basic essential records for the purpose.

(b) Verification of assets

The DRDAs were required to conduct cent-per-cent physical verification of assets created out of financial assistance provided under programme to beneficiaries during field visits by various officers including Chairman of the DRDAs. This was not carried out in several cases by the officers to whom the work was entrusted.

It was noticed in audit that out of 10 DRDAs test-checked subsidy money was misappropriated by beneficiaries by selling out their units/assets in eight districts as given below. The DRDA, Bhopal did not furnish the requisite information.

Name of DRDA	Total number of beneficiaries	Units/assets sold and closed, etc.
Bastar	1,18,691	1,376
Bilaspur	1,20,954	28,714 (upto 1985-86)
Damoh	26,938	12,830
Jhabua	35,157	3,523
Mandla	41,412	3,695
Raipur	86,040	18,902
Ratlam	22,217	8,407
Shahdol	49,205	4,951
Total		82,398

The subsidy amount involved was Rs.1065.40 lakhs (approximately) on the basis of per capita family assistance of Rs. 1293 during 1985-86 to 1988-89. It was seen in Jhabua that of the 3523 beneficiaries who were paid subsidies

amounting to Rs.69.28 lakhs, 765 persons had sold their units, 635 had migrated from their places, 59 had died and whereabouts of 2064 were not known.

(c) **Lack of monitoring by DRDAs in respect of RLEGP/NREP works.**- At the district level the DRDAs were declared 'nodal agencies' to co-ordinate and monitor rural development works executed by various government departments and other institutions. It was expected that the DRDAs would keep a watch over the progress of works executed and evaluate the cost of the work done. This was particularly important in those cases where DRDAs were releasing funds to various executing Departments and institutions. In the case of NREP and RLEGP works, funds were released by the DRDAs to various executing Departments after the works were approved by the governing body of the agencies.

It was seen in audit (January-September 1990) that no proper monitoring was done by any DRDA in respect of RLEGP/NREP works. Not a single DRDA out of ten could furnish detailed information regarding incomplete works as on 31.3.89. The Development Commissioner, M.P., had also stated (September 1990) that no such information was monitored by his office.

(d) **Evaluation.**- Evaluation studies were to be entrusted to reputed institutions and organisations on the areas of programme thrown up by the concurrent evaluation as meriting detailed studies by Central as well as by State Governments. The DRDAs were evaluated by different institutions in different districts. Random studies carried out by evaluating agency (Agriculture Finance Corporation Limited, Bombay)

in 4 blocks (Sarangpur, Shujalpur, Ambah and Malhargarh) of 4 districts (Rajgarh, Shajapur, Morena and Mandsaur) disclosed the following:

- The list of identified beneficiaries were not read out in gram sabha/gram panchayat meetings and were not well published. The financing institutions were not associated in the identification of the beneficiaries;

- In about 85 per cent of the cases, repayment was not regular;

Vikas Patrikas were not supplied to all the beneficiaries and in some cases not found up dated;

- 99 per cent of the beneficiaries reported that they were not aware of the credit camps;

- Proper rapport between financing institutions and DRDAs were lacking;

- Territory sector instead of primary and Secondary sectors was preferred ;

- Majority of beneficiaries reported that no one visited them to verify the assets provided;

- Due to lack of follow-up action and aftercare attention, the assets provided to beneficiaries were not in good shape;

- The role of District Supply and Marketing Agencies (DSMAs) was not much encouraging. In Block Sarangpur (District Rajgarh) about 99 per cent of the beneficiaries were marketing their products directly;

- Wide difference was found in the value of the assets recorded in the books and assessed by the beneficiaries. It was Rs.500 ~~to~~ Rs. 1000 in 5 per cent cases and more than Rs. 1000 in 6 per cent cases;

- The results showed that no increase was found in the income of 36 per cent of beneficiaries and 10 per cent increase was found in the income of 25 per cent of beneficiaries;

- 64 per cent of the beneficiaries were able to cross the income of Rs. 3500/-; whereas only 14 per cent could cross the limit of Rs. 6400 per annum.

- 9 per cent of the total beneficiaries were ineligible for getting any assistance.

5.8.12 Other points of interest

(a) **Infructuous expenditure on milk-chilling plant.**- With a view to raising the income of 4,746 IRDP beneficiaries, the setting up of "Milk-chilling Plant" of 2,000 litres capacity was approved (November 1983) by Government for safe storage of surplus milk in Batiagarh Block of District Damoh at a cost of Rs.6.20 lakhs. The milk-chilling plant was commissioned in February 1987 at a total cost of Rs.5.47 lakhs. During audit it was noticed (April 1989 and March 1990) that the milk-chilling plant has not been operated during the summer months of 1987, 1988 and 1989 and during other months its capacity was never utilised beyond 3 to 6 per cent after its installation and commissioning. The plant was closed down in December 1989.

The under-utilisation of the plant capacity was attributed by the Project Officer DRDA Damoh to the establishment of the plant in lean milk producing area; high cost of collection of surplus milk, and non availability of adequate funds. Thus, due to defective formulation of the scheme, the expenditure of Rs.5.47 lakhs incurred in setting up the milk chilling plant had proved infructuous

The matter was reported to Government(March 1990). Government replied that the scheme for dairy milk production development of the District submitted by the Live-stock and Poultry Development Corporation had been approved and it was expected that it would facilitate in the milk production and the existing milk plant would be utilised to its full capacity.

(b) **Other abortive ventures**

(i) A sum of Rs.3.65 lakhs was spent by DRDA Bhopal on plantation of fruit-bearing trees under RLEGP at two places. In one case the land was found disputed and the programme had to be abandoned and in the other case the mortality of the trees was 87 per cent. The matter was reported to the Government (June 1990), reply awaited (September 1990).

(ii) Grants amounting to Rs.3.95 lakhs were allocated by the Development Commissioner to DRDA Khandwa (Rs.2.40 lakhs in March 1985 and Rs.1.55 lakhs in February 1986) under RLEGP for cultivation of medicinal and aromatic plants. The Agency gave it to the Divisional Forest Officer Burhanpur (March 1985) who refunded it (June 1985). The grant was passed on to Municipal Corporation, Burhanpur, which too, did nothing to utilise the funds (September 1987).

(iii) A sum of Rs.0.95 lakh was spent (March 1988) by DRDA Damoh on construction of a fleshing hall under TRYSEM scheme to provide training in leather tanning to rural youths-in Damoh district. However, the hall was being utilised by the Leather Development Corporation for its own activities for want of response from the trainees under TRYSEM scheme.

(iv) A chick-rearing centre was established under IRDP to minimise the mortality percentage of chicks by purchasing one-day old chicks from private/Government agencies and distributing them to 300 economically weaker beneficiaries per year after getting them reared for six weeks. A sum of Rs.2.01 lakhs (including liability of Rs. 0.31 lakh) was spent (February 1990) by DRDA, Damoh but the centre could not continue functioning. The Department stated (July 1990) that due to high percentage of mortality it was stopped and the centre's building was proposed to be used as office-cum-godown for dairy development project sanctioned by State Government.

(v) A sum of Rs.5 lakhs was given (November 1987) by DRDA to State Live-stock and Poultry Development Corporation for live-stock schemes under IRDP. The amount was received back (in April 1988) unutilised as no scheme was approved and included in the action plan.

5.8.13 The points mentioned in this Review were referred to the Government in October 1988; reply had not been received as of (August 1991)

SCHOOL EDUCATION DEPARTMENT

5.9 Programme of Mass Orientation for School Teachers

5.9.1 Introduction

(i) With a view to equipping school teachers with requisite knowledge, skills and appropriate attitudes necessary to enable them to face challenges of education, as generated by the New Education Policy of 1986, the Government of India formulated (1986) a National Scheme of Inservice Training of Teachers. In 1987, the scheme was converted as a Centrally sponsored 'Programme of Mass Orientation for School Teachers (PMOST)'. It was fully financed by the Government of India through the agency of the National Council of Educational Research and Training (NCERT) which released the Central assistance to the Director, State Institute of Education (SIE), Bhopal.

(ii) **Organisational set-up.-**
In Madhya Pradesh, the implementation of PMOST and its monitoring and evaluation were entrusted to the Director, (SIE), Bhopal. The selection and deputation of teachers for the training were to be done by the Commissioner of Public Instruction (CPI) at the State level, the Joint Director of Public Instruction at Divisional level (for Secondary and Higher Secondary school teachers only) and the District Education Officers (DEO) at the district level (for Middle and Primary school teachers). The orientation training was arranged at about 200 centres located in 10 Colleges of Education for training Resource persons and Secondary and Higher Secondary school teachers and in 49 Basic Training Institutes and 140 Higher Secondary

Note:- The abbreviations figuring in this review are listed alphabetically in Appendix-VII (P-343).

Schools for training Primary and Middle school teachers.

(iii) **Audit Coverage.**- A test-check of the records relating to implementation of the PMOST for the period from 1986-87 to 1989-90 was conducted in the office of the Director, SIE, Bhopal and at 21 of the 34 training centres in Bhopal, Datia, Dewas, Gwalior, Morena, Sagar, Shahdol, Shivpuri and Ujjain districts during May and June 1990.

5.9.2 **Highlights**

Against the Central assistance of Rs.3,05.62 lakhs received for the PMOST during 1986-90 Rs.2,47.04 lakhs were spent on the PMOST and Rs.48.05 lakhs on another Centrally sponsored scheme. The unutilised balance of Rs.10.53 lakhs along with the interest of Rs.3.86 lakhs earned were not refunded to the Government of India.

(Paragraph 5.9.2)

Ignoring the orientation centre norms for Resource persons fixed by the NCERT, the SIE got 279 additional Resource persons trained during 1988-90 and incurred avoidable expenditure of Rs.0.63 lakh.

(Paragraph 5.9.4 (ii))

Against the objective of training all school teachers in the State within a period of 5 years, only 39 per cent of the school teachers were trained in the first 4 years; and they too, were mostly from the schools in or around cities. The trained teachers were not made aware of the latest concepts and methods of teaching. Besides all this, the post-training performance of

trained teachers ~~was never reviewed to~~ ascertain if they adopted latest concepts and methods of teaching or still carried on with ^{old} methods. The orientation of school teachers under the PMOST, thus, had virtually no impact on the enrichment of their knowledge and skills.

(Paragraphs 5.9.4(iii)(v) and 5.9.5(v))

These points are mentioned in details in the succeeding paragraphs.

5.9.3 Finance.- The position of Central assistance released by NCERT, New Delhi assistance released by NCERT, New Delhi to SIE, Bhopal the expenditure incurred, the unutilised Central assistance and the interest earned by the SIE on the accounts of unutilised Central assistance lying in bank account in each of the years during 1986-87 to 1989-90 is shown in the table below:-

Year	Unutilised Central assistance at the commencement of the year	Central assistance received during the year	Total	Expenditure incurred during the year	Unutilised Central assistance at the end of the year	Interest earned on the unutilised Central assistance lying in bank
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
1986-87	NIL	88.18	88.18	65.76	22.42	1.05
1987-88	22.42	70.41	92.83	65.38	27.45	1.45
1988-89	27.45	44.92	72.37	56.67	15.70	0.74
1989-90	15.70	102.11	117.81	107.28 [*]	10.53	0.62
Total	-	305.62	-	295.09	10.53	3.86

* Note:- Out of Rs.107.28 lakhs spent during 1989-90, only Rs. 59.23 lakhs were spent on the PMOST and the remaining Rs.48.05 lakhs were spent on another Centrally sponsored scheme- Operation Black board Scheme for primary school teachers.

Thus, against the Central assistance of Rs.3,05.62 lakhs received by the SIE during 1986-87 to 1989-90 for the PMOST, it spent only Rs. 2,95.09 lakhs; and the balance of Rs.10.53 lakhs which remained unutilised along with the interest of Rs.3.86 lakhs earned on the unutilised balances lying in the bank account were not refunded to the Government of India (May 1990).

The Director, SIE, Bhopal intimated (May 1990) that, against the total expenditure of Rs. 2,47.04 lakhs incurred on the PMOST during 1986-90 utilisation certificates for Rs. 63.39 lakhs were received from the orientation centres which were sent to the NCERT in September and December 1989.

5.9.4 Orientation

(i) The PMOST provided for a three-tier strategy for the orientation of over 5 lakhs school teachers in the country each year during 1986-90. A five-day training of State level Key persons was to be arranged first, the trained Key persons were then to train Resource persons in 5 day training camps and thereafter these trained Resource persons were to serve as resource faculty in the 10-day orientation camps for the school teachers.

(ii) Targets and achievements

(a) The annual targets for the number of orientation centres to be opened, the number of key persons, Resource persons and school teachers to be trained in the State as fixed by the NCERT, and the achievements thereagainst during 1986-90 are shown in the table below:

	1986-87		1987-88		1988-89		1989-90		Total	
	Tar- get	Ach- ieve- ment	Tar- get	Ach- ieve- ment	Tar- get	Ach- ieve- ment	Tar- get	Ach- ieve- ment	Tar- get	Ach- ieve- ment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Centres	190	179	190	180	190	182	190	173	190	182
									(maximum..)	
Key persons	26	26	26	24	40	32	50	46	50	46
									(maximum..)	
Resource persons	830	545	830	496	830	765	756	606	830	765
									(maximum..)	

School teachers:

Primary	21363	14292	21363	12425	21363	13977	21300	18848	85389	59542
Secon- dary	16542	17090	16542	14201	16542	14226	16500	7784	66126	53201
Total	37905	31382	37905	26626	37905	28203	37800	26632	151515	112743

Note:- Since the same key persons and Resource persons were to be re-oriented each year and same centres were to organise orientation camps for school teachers during 1986-90, the figures of total targets and achievements in columns Number 10 and 11 show the maximum number of centres, Key persons and, Resource persons planned to be and actually opened/oriented.

Following points were noticed:

(b) The Director, SIE, Bhopal attributed (May 1990) the shortfall in opening of the teacher orientation centres to non-availability of necessary facilities at venues where the centres could not be opened.

(c) According to the PMOST, each orientation centre was to have 3 Resource persons. But against the requirement of 570 Resource persons for the proposed 190 centres, the NCERT fixed a target of 830 Resource persons for the first 3 years from 1986-87 to 1988-89 and of 756 for the year 1989-90. Ignoring the norm, the SIE also got 765 and 606 Resource persons trained during 1988-89 and 1989-90 respectively, against the actual requirement of 546 Resource persons for the 182 orientation centres actually opened in the State till 1989-90. For the training of these 219 and 60 additional Resource persons in these 2 years, the SIE incurred an avoidable expenditure of Rs. 0.63 lakh.

(d) The Director, SIE, Bhopal did not know if all the 545 and 496 Resource persons trained during 1986-87 and 1987-88 respectively, were provided reorientation during 1988-89 and 1989-90 and how many of the 765 and 606 Resource persons reoriented in those years were freshers. An analysis of the orientation centres which worked in the State in each of the above 4 years brought out that many centres opened in a year became inoperative in the following year(s) and they were substituted by other centres. The Director, SIE instructed the Course Directors of the new centres to propose names of Resource persons from their centres, ignoring the fact that trained Resource persons were already available at the closed centres. The Resource persons working at the closed centres, however, remained posted at those centres and their services were not utilised for orientation of school teachers

after the centres became inoperative. The Director was not, however, aware of the number of such properly re-oriented Resource persons who were in excess of the requirement now and whose services were not, therefore, utilised.

(e) In the case of school teachers for whose orientation the PMOST was launched, the actual number of teachers trained in the State during 1986-89 was 70 per cent (primary school teachers) and 80 per cent (secondary school teachers) of the targets. These achievements were below the national achievements of 90 per cent (primary school teachers) and 85 per cent (secondary school teachers) of the targets. The Director, SIE stated (May 1990) that the NCERT never consulted the State Government before fixing the targets. Attributing the shortfall to the drought and water scarcity conditions in a number of districts of the State in summer, non-availability of lodging facilities at the development block level and to the absence of the teachers at their headquarters during the summer vacation, the Director, stated that honest efforts were made to achieve the targets.

(iii) **Unfruitful training of school teachers.**— The Director, SIE stated (May 1990) that new concepts, approaches and techniques of teaching were included in the training curriculum each year and, therefore, the reorientation of Resource persons each year was necessary. If that was so, reorientation of 86,211 teachers trained during 1986-89 with the latest concepts, approaches and techniques was also equally necessary. Since this was not done, the training of these teachers and the expenditure of Rs.187.81 lakhs on it, were not fully fruitful.

(iv) **Lesser coverage of Primary School teachers.**— According to the PMOST, selection of teachers for orientation was required to be done in the ratio of 2:1:1 according to the level of education, namely lower primary, upper primary and secondary. The SIE, Bhopal, however, maintained details of trained teachers only in two categories, namely primary and secondary and included the number of upper primary teachers in secondary teachers. Against the expected ratio 50:50; the actual ratio of trained primary and secondary (inclusive of upper primary) school teachers was 53:47. Analysis of the teachers actually trained in the State till the end of March 1990 vis-a-vis the total number of teachers of the above two categories and its comparison with the National position brought out that against the orientation of 66 per cent primary school teachers and 30 per cent secondary school teachers in the country, 0.53 lakh (42 per cent) of the 1.26 lakh secondary school teachers and 0.60 lakh (36 per cent) of the 1.65 lakh primary school teachers were trained in the State. Thus, undue emphasis was given by the State on the orientation of Secondary school teachers at the cost of Primary school teachers.

(v) **Non-orientation of teachers from many schools and from rural areas.**— The Director, SIE, Bhopal stated (May 1990) that all school teachers in the State were to be oriented under the PMOST within a period of 5 years. At the end of the first 4 years (1986-90), only 39 per cent of the school teachers were oriented in the State, as against the orientation of 48 per cent school teachers in the country. Districtwise information about the number of Government and Non-Government Primary and Secondary Schools in the State, the number of teachers working in them,

the number of teachers trained under the PMOST and the number of schools in which the trained teachers were working was not supplied by the CPI or the SIE. The number of schools which did not have a single teacher trained under the PMOST was not, therefore, known. Such information in respect of the 9 test-checked districts was not supplied fully even by the DEOs of those districts or by the orientation centres that worked in those districts during 1986-90. Consequently, it could not be verified if teachers of certain categories of schools or those working in certain areas of the districts got preferential treatment in selection for orientation under PMOST when certain others were deprived of the orientation. Only DEO, Ujjain supplied information of total number and the number of these categories of schools covered by PMOST in Ujjain city/rural areas of the district.

The total number of teachers working in Ujjain district and the number of teachers oriented under PMOST during 1986-90 was as shown in the table below:

Category of the schools	<u>Coverage of the School</u>						<u>Coverage of teachers</u>		
	<u>In city area</u>			<u>In rural area</u>					
	Total Number	Per-centage covered	Per-centage covered	Total Number	Per-centage covered	Per-centage covered	Total Number	Per-centage covered	Per-centage covered
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Secondary Schools	72	63	88	327	156	48	3422	709	21
Primary Schools	91	55	77	1335	492	37	4816	718	15

It may be seen that while 709 (21 per cent) of the 3,422 secondary school teachers were oriented, only 718 (15 per cent) of the 4,816

primary school teachers were oriented. Thus, in coverage by PMOST, schools and teachers of secondary category were given more emphasis as compared to those in primary category and even in that coverage, the schools and teachers in the district headquarters were given preference over those in rural areas.

(vi) **Printing of training packages and their distribution to the teachers**

(a) In order to make the teachers aware of their role in implementing the new Education Policy and the latest concepts and techniques of teaching, the NCERT developed a package of training material for primary and secondary school teachers, and sent it to the SIE, Bhopal in the form of printed modules from time to time, with instructions to make them available to the trained teachers after making modifications and getting them translated in regional language, if necessary. The details of the books got printed by the SIE during 1986-89 vis-a-vis their requirement as worked out on the basis of the number of Resource persons and school teachers proposed to be trained, and the number of books printed in excess of or short of their requirement are shown in the table below:

Year	Name of book	Category of school teachers for whom required	Number of copies printed	Number of copies required (on the basis of number of Resource persons and school teachers targeted to be trained)	Number of copies printed	
					In excess of requirement	Short of requirement
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1986	Shikshak Prashikshan Nai Dishayen	All	40,000	38,735	1,265 (Cost: Rs.8,349)	-
1987	Shikshak Prashikshan Nai Chetna					
	(Part I)	All	38,650	38,735	-	85
	(Part II)	Secondary	5,000	17,372	-	12,372
1988	Shikshak Prashikshan Nai Vidhayen					
	(Part I)	All	40,000	38,735	1,265 (Cost: Rs.5,250)	-
	(Part II)	Primary	30,000	22,193	7,807 (Cost:Rs.25,060)	-
	(Part III)	Secondary	7,500	17,372	-	9,872
1989	Rashtriya Shiksha Necti, 1986	All	20,000	38,556	-	18,556
	Palash (April-May 1989)	All	17,000	38,556	-	21,056

The actual requirement of books, when worked out with reference to the number of Resource persons had school teachers actually trained, was far less than that shown in column No.5 of the above table. The Director, SIE, Bhopal did not intimate any reasons for not printing required number of copies of 5 books and also whether orientation of the school teachers, to whom these books were not supplied as required, was not adversely affected. While justifying printing of excessive number of copies of 3 books (Cost:Rs.0.39 lakh), the Director, SIE merely stated (June 1990) that copies of books were also required to be issued to guest speakers and administrative officers in addition to the Resource persons and school teachers. This statement is not tenable firstly because the number of guest speakers and administrative officers was not so much as could justify printing of such a large number of extra copies; and secondly because similar consideration was not taken into account while deciding the requirement of copies in respect of other books printed copies of which were far below the requirement. The Director, also stated that copies of books remaining undistributed at the end of a year were utilised properly in the following years, and that no book remained in stock with the SIE at the end of 1989-90.

Most of the orientation centres did not maintain stock registers to record^{the} date of receipt of training packages from the SIE, the number of packages received, the date of issue of packages to the teachers and the number of packages issued to the teachers etc. However, 16 of the 21 test-checked centres supplied information about the training packages lying in stock with them at the time of test-check. According to that information 7,019 copies of 7 books (Cost:Rs.0.32 lakh)

received at the centres for being issued to teachers attending orientation courses during May-June 1987 (1,853 copies of 2 books costing Rs.0.1 lakh), May-June 1988 (1,434 copies of 3 books costing Rs.0.05 lakh) and May-June 1989 (373 copies of 2 books ^{costing} Rs.0.14 lakh) were reported lying at 6, 7 and 4 of these 16 centres respectively. Reasons for non-issue of the books the teachers were not intimated by the centres.

(b) According to the instructions the NCERT copies of the latest modules were to be made available to each orientation course, that prior to the month of May each year. But the modules were printed very late as shown in the table ^{below} and there was no record in the SIE to show that they reached the orientation centres even before the close of the orientation courses.

Module	Month of publication of the module	Period during which the orientation courses were organised
1. Shikshak Prashikshan-Nai dishayen	July 1987	May-June 1987
2. Shikshak Prashikshan-Nai Chetna (Part I)	September 1987	May-June 1988
(Part II)	May 1987	May-June 1988
3. Shikshak Prashikshan-Nai Vidhayen (Part I)	May 1988	May-June 1988
(Part II)	May 1988	May-June 1988
(Part III)	May 1988	May-June 1988

The Director, stated (June 1990) that although he felt that the modules should be made available to the school teachers one month before their orientation, the SIE could not do so because the modules were received from the NCERT only

the first week of April each year and their printing after necessary modification and editing could not be done before commencement of the orientation courses. He, however, added that in order to make the courses effective the SIE^{had} got essential portions of the modules cyclostyled and sent to the orientation centres. But there was no evidence on record to show that this was done. The Director, further stated that, while he could not say that the delayed supply of modules did not have any adverse effect on the orientation, it was not possible to make any better arrangement in the circumstances that existed.

(vii) **Utilisation of media support.**— The NCERT had prepared programme to be telecast on 8 days during each 10-day orientation course for the school teachers. On receipt of the details of the programme scheduled to be telecast during each course from the NCERT, the SIE was required to intimate those details to the orientation centres.

Although there was no provision in the MOST for purchase or hiring of television sets by the orientation centres, the SIE permitted the centres to hire television sets at the rate of Rs.35 per day from the funds made available to the centres for orientation courses as given below:

Year	Total Number of centres	Number of centres which hired Television sets
86-87	179	100
87-88	180	110
88-89	132	115
89-90	173	120

The amount spent on hire charges during those years, was not, however, known to him. Contrary to the norms of expenditure under PMOST, two television sets were purchased (1987-88) for two centres for Rs. 0.12 lakh on getting permission to do so from the SIE. The Director, could not, however, state if the remaining centres had television sets with them or they did not avail of the opportunity of viewing the telecast programmes on owned or hired television sets. The Director, merely stated the telecast programmes were not viewed in 209 out of 3009 camps as detailed below:

Year	Number of Camps held	Number of camps in which telecast programme not viewed		
		Due to non-availability of television sets	Dates coinciding with telecast schedule	Total
1986-87	704	65	20	85
1987-88	665	40	20	60
1988-89	702	24	15	39
1989-90	938	15	10	25
Total	3009	144	65	209

(viii) **Other irregularities in orientation.**— Following other irregularities in orientation of school teachers were noticed:

(a) According to the PMOST, each orientation camp was to have 50 school teachers. Information about the number of camps organised in the State during 1986-90 in which more than 50 teachers participated, making the camps less effective, or where the number of participating teachers was far below 50, making the camps more expensive, was still awaited from the SIE, Bhopal (June 1990).

However, on the basis of information about the total number of participants in the orientation camps organised in various centres of the State collected from the records of SIE, Bhopal, it was noticed that only in camps organised in 10 to 26 per cent centres during 1986-90 the participating teachers were equal to or more than the expectation of 50 teachers per camp, and in the remaining centres there was shortfall in number of participants, as shown in the table below:

Year	Centres organis- ing camps	Centres with participation of teachers as per norm	Centres where participation of teachers was short to the extent of		
			1-50	51-100	Above 100
1986-87	179	32	128	15	4
1987-88	180	26	89	62	3
1988-89	182	18	97	56	11
1989-90	173	45	76	46	6

In 21 test-checked orientation centres, the position of number of camps organised and the number of participating teachers during 1986-87 to 1989-90 was as under:

Year	Total number of camps organised	Number of camps in which participating teachers ranged between				
		10-20	21-30	31-40	41-50	51 and above
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1986-87	68	Nil	4	13	38	13
1987-88	66	2	16	17	23	8
1988-89	69	1	13	24	26	5
1989-90	73	5	17	20	22	9
TOTAL	276	8	50	74	109	35

But in all camps where number of participating teachers was below 50, the centres incurred expenditure of Rs.2025 per camp fixed for

50 participants on items like honorarium of Course Director and Resource persons, contingent expenditure, allowance to clerks and Group D staff and material for creative work and practicals.

(b) Information about the number of teachers who dropped out of the orientation courses in the State during 1986-90 without completing the full course of 10 days was not available with the SIE. However, in 10 of the 21 test-checked centres, which produced relevant records, 408 of the 5,778 school teachers were found to have been paid daily allowance and were treated as trained although they attended the 10 day training courses only for 1 to 3 days (16 teachers) 4 to 6 days (74 teachers) and 7 to 8 days (318 teachers).

(c) According to the PMOST, each training centre was to organise four cycles of 10 days orientation camps for school teachers in each year. Test-check of records of SIE showed that 73 centres organised only 3 cycles during 1987-88 (34), 1988-89 (23) and 1989-90 (16) 8 centres organised only 2 cycles 1986-87 (1) and 1987-88 (7) and 1 centre organised only 1 cycle in 1989-90.

(d) According to the norms fixed by the Government of India for expenditure from the funds provided by it for orientation courses for school teachers under the PMOST, the SIE was to provide to the training centres allotment at the rate of Rs.15 per day per teacher (Rs.20 per day per teacher in 1989-90) for 10 days for making arrangement for the boarding and lodging of teachers participating in the 10-days orientation course. It was noticed that, instead of

spending the funds allotted on making boarding and lodging arrangement for the teachers, the training centres in the State paid daily allowance at the rate of Rs.15 per day (Rs.20 per day in 1989-90) to each participating teacher coming from outstations for each day of his attendance in the course. The training centres also paid conveyance allowance at the rate of Rs.10 per day to each local participant of the course. The Director, SIE stated (May 1990) that this was done in accordance with a decision taken in a meeting of officers of the Central and State Government held in March 1986, copy of the minutes of the meeting was, however, not available in the SIE. The amount spent in the State on these items during 1986-90 was also not known to the SIE. However, in 17 of the 21 test-checked centres, which produced relevant records, the position of payment of daily allowance and conveyance allowance during 1986-90 was as under:

Year (1)	Amount paid as	
	Daily allowance (2) (Rupees in lakhs)	Conveyance allowance (3)
1986-87	3.27	0.62
1987-88	2.43	0.50
1988-89	3.09	0.52
1989-90	3.77	0.53
Total	12.56	2.17

5.9.5 Monitoring and Evaluation

(i) At the end of the orientation camps each year, a meeting attended among others by the officers of the SIE was to be convened by

the NCERT to discuss the implementation of the PMOST in the States, and to make recommendations for improvement in the quality of the orientation of teachers. Report/minutes of the annual meetings held during 1986-90 were not made available by the SIE.

(ii) The Course Directors and the Resource persons at each training centre were required to meet before and after every orientation camp to review the organisation and performance of the centre during the camp. Although the meetings were reported to have been held at each centre, minutes of the meetings were not available at the SIE or at the centres.

(iii) At the end of each orientation course, the teachers participating in the course were required to fill in a questionnaire prepared by NCERT in order to know their assessment and evaluation of the contents of the course. The Director stated (May 1990) that the questionnaires were issued to only 10 per cent of the centres, with instructions to send them directly to the NCERT after getting them filled in by the participating teachers. He further stated that only 1,650 teachers (1.5 per cent of the total number of teachers trained) responded to the questionnaire during the four years (1986-90). Even these questionnaires were not available at the SIE or the centres.

(iv) In 1989, the NCERT assigned the work of conducting an evaluation study on impact of PMOST in Madhya Pradesh to the Regional College of Education (RCE) Bhopal. The study was targeted to be completed by the end of January 1990. The Director, SIE stated (May 1990) that in August 1989, the RCE associated SIE also in this

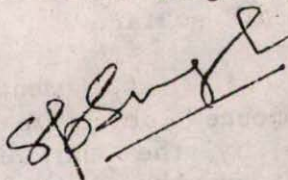
job and that only one meeting was arranged by the RCE. He further informed that the job was still incomplete and no report was published by the RCE so far.

h

(v) As mentioned earlier, against the pronounced objective of orienting all school teachers by the end of March 1991, only 39 per cent of the available teachers (Primary: 36 per cent and Secondary: 42 per cent) were oriented in the State till the end of March 1990.

The trained teachers were mostly from the schools in or around the cities and a small number of them belonged to the schools in the rural areas. A large number of schools, particularly in rural areas, still languished for want of teachers oriented under the PMOST. The trained teachers were not made aware of the latest concepts and methods of teaching since the modules containing those concepts and methods were not made available to them. Besides all this, the post-training performance of the trained teachers was never reviewed by the SIE, CPI or any other officers of the Education Department of the State Government, to find out if they were adopting the latest concepts and methods of teaching or were still carrying on with older methods. Thus, the orientation of school teachers under the PMOST did not appear to have had a significant impact on the enrichment of knowledge and skills of the school teachers and on development of appropriate attitudes in them, particularly in the case of those from the rural areas of the State.

5.9.6 The points mentioned in this review were referred to the Government in July 1990; reply had not been received (August 1991).



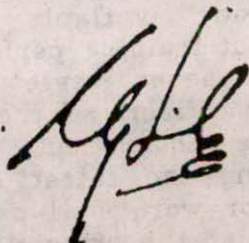
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Gwalior.
The

Accountant General(Audit)-I
Madhya Pradesh

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Countersigned



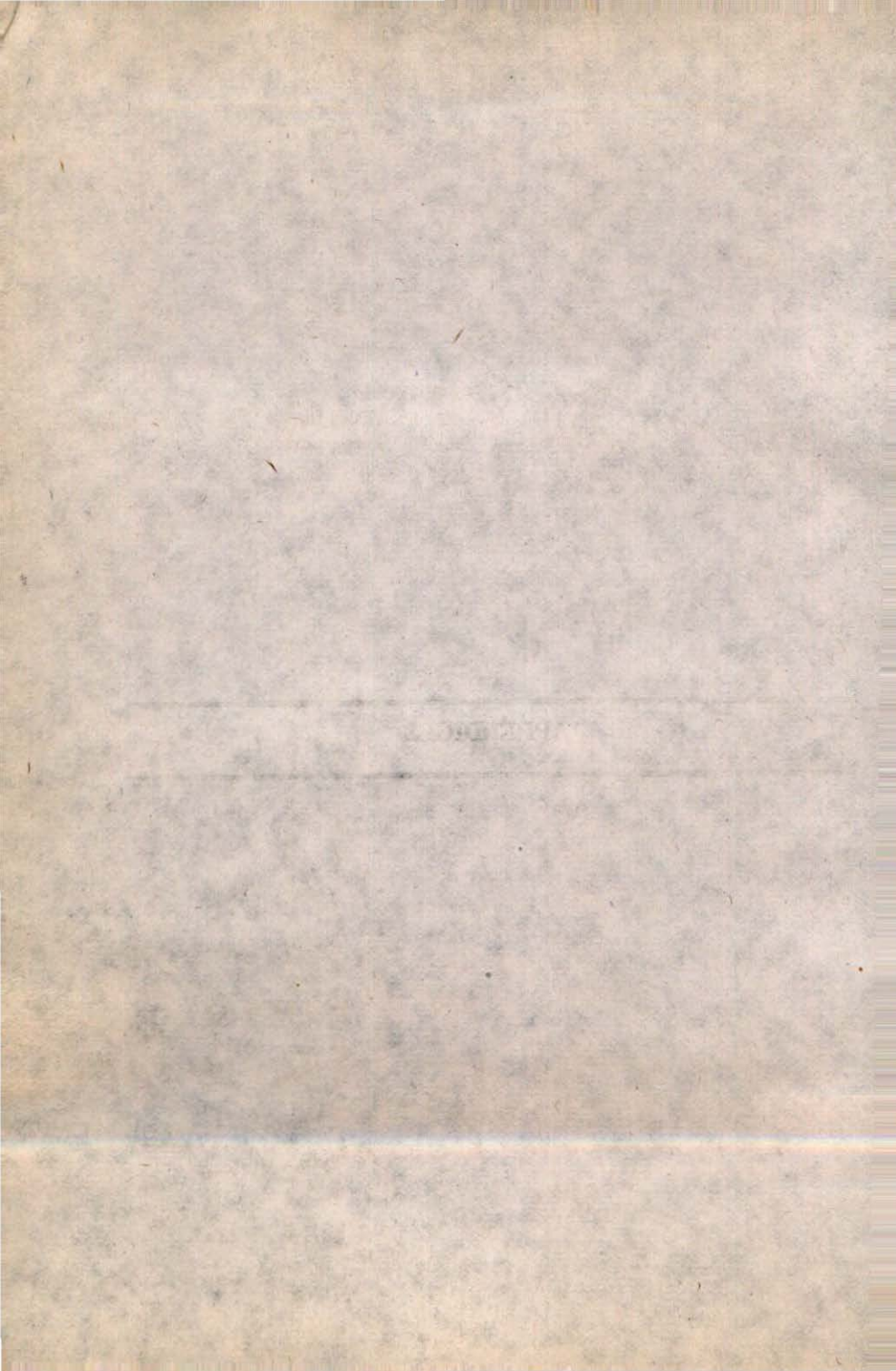
(C.G.SOMIAH)

New Delhi,
The

Comptroller and Auditor General
of India

6 DEC 1991

APPENDICES



APPENDIX-I (a)

(Reference: Paragraph 2.2.2 at Page 19)

Cases where supplementary provision obtained in September 1989 proved unnecessary

Sl. Number and Description No. of the grant/appropriation		Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
(A) REVENUE:				
Voted:				
1.	6 Expenditure pertaining to Finance Department	24079.72	161.03	9652.56
2.	7 Expenditure pertaining to Separate Revenue Department	4711.58	1.25	186.05
3.	10 Forest	23085.45	1.00	1256.08
4.	11 Expenditure pertaining to Commerce and Industry Department	3945.53	191.84	1817.94
5.	13 Agriculture	9049.21	264.40	1058.81
6.	17 Co-operation	1290.62	864.00	1007.25
7.	28 State Legislature	5.15	4.00	53.31
8.	30 Expenditure pertaining to Panchayat and Rural Development Department	16504.67	1711.88	3062.04
9.	31 Expenditure pertaining to Planning Economics and Statistics Department	594.31	21.00	63.83
10	36 Transport	448.36	29.50	61.30

Sl. Number No. of the grant/appropriation	Description	Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
11. 41	Tribal Area Sub-Plan	27472.89	2232.91	7284.29
12. 56	Expenditure pertaining to Personnel, Administra- tive Reform and Training Department	357.05	3.68	39.16
13. 64	Special Component Plan for Scheduled Castes	9292.58	1677.34	3900.93
	Total (A)	120837.12	7163.83	29443.55
(B) CAPITAL:				
	Voted:			
1. 10	Forest	1192.79	403.00	507.32
2. 21	Expenditure pertaining to Housing and Environ- ment Department	1117.11	30.82	296.15
3. 41	Tribal Areas Sub-Plan	14738.24	1170.43	4228.30
4. 42	Public Works relating to Tribal Areas Sub- Plan- Roads and Bridges	2769.00	12.50	961.33
5. 61	Externally Aided Projects pertaining to Public Health and Family Welfare Department	122.80	184.82	198.72
6. 64	Special Component Plan for Scheduled Castes	4814.82	590.05	887.46
7. 67	Public Works-Buildings	2059.42	392.41	169.71

Sl. Number and Description No. of the grant/appropriation		Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
8.	77 Upgradation of Standards of Administra- tion as Recommended by Finance Commission- Public Works- Buildings	1804.14	1093.15	1680.64
Total (B)		28618.32	3877.18	8929.63
Grand Total (A)+(B)		14945.44	11041.01	38373.18

APPENDIX-I (b)

(Reference: Paragraph 2.2.2 at Page 19)

Cases where supplementary provision obtained in March 1990 proved unnecessary

Sl. Number and Description No. of the grant/appropriation		Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
(A) REVENUE:				
Voted:				
1.	2 Other Expenditure pertaining to General Administration Department	185.54	13.67	52.76
2.	6 Expenditure pertaining to Finance Department	24079.72	128.93	9652.56
3.	7 Expenditure pertaining to Separate Revenue Department	4711.58	42.53	186.05
4.	10 Forest	23085.45	1.34	1256.08
5.	11 Expenditure pertaining to Commerce and Industry Department	3945.53	90.37	1817.94
6.	12 Expenditure pertaining to Energy Department	9853.88	25.93	694.26
7.	13 Agriculture	9049.21	402.43	1058.81
8.	17 Co-operation	1290.62	57.84	1007.25
9.	21 Expenditure pertaining to Housing and Environ- ment Department	1211.99	24.80	141.36

Appendix-I (b) contd.

Sl. Number and Description No. of the grant/appropriation		Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
10. 22	Expenditure pertaining to Local Government Department	629.25	3.18	55.06
11. 25	Expenditure pertaining to Mineral Resource Department	244.27	5.45	30.01
12. 28	State Legislature	439.44	1.15	53.31
13. 30	Expenditure pertaining to Panchayat and Rural Development Department	16504.67	602.19	3062.04
14. 31	Expenditure pertaining to Planning, Economics and Statistics Department	594.31	28.65	63.83
15. 36	Transport	448.36	1.50	61.30
16. 39	Expenditure pertaining to Food and Civil Supplies Department	1426.72	30.66	713.09
17. 40	Expenditure pertaining to Command Area Development Department	726.78	65.00	170.03
18. 41	Tribal Areas Sub-Plan	27472.89	1420.89	7284.29
19. 43	Sports and youth Welfare	617.37	28.64	95.69
20. 45	Minor Irrigation Works	1390.67	10.54	39.99
21. 47	Man Power Planning Department and Technical Education	3671.44	61.01	283.45

Appendix-I (b) contd.

Sl. Number and Description No. of the grant/appropriation		Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
22.	53 Externally Aided Projects pertaining to Command Area Development Department	323.10	22.50	41.63
23.	56 Expenditure pertaining to Personnel Administrative Reforms and Training Department	357.05	20.12	39.16
24.	64 Special Component Plan for Scheduled Caste	9292.58	356.12	3900.93
25.	71 Upgradation of Standards of Administration as Recommended by Finance Commission- Education	908.00	188.00	684.45
Total (A)		142460.42	3633.44	32445.33
(C) CAPITAL:				
Voted:				
1.	10 Forest	1192.79	4.00	507.32
2.	11 Expenditure pertaining to Commerce and Industry Department	2276.34	150.00	484.72
3.	13 Agriculture	1826.23	375.00	671.33
4.	19 Public Health and Family Welfare	11.20	5.28	8.48
5.	21 Expenditure pertaining to Housing and Environment Department	1117.11	150.00	296.15

Appendix-I (b) contd.

Sl. No. of the grant/appropriation	Description	Original grant/appropriation	Supplementary grant/appropriation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
6. 24	Public Works- Roads and Bridges	2194.21	95.00	420.63
7. 33	Tribal Welfare	222.56	17.00	172.22
8. 34	Social Welfare	-	5.20	5.20
9. 41	Tribal Areas Sub-Plan	14738.24	928.20	4228.30
10. 42	Public Works relating to Tribal Areas Sub-Plan- Roads and Bridges	2769.00	325.00	961.33
11. 53	Externally Aided Projects pertaining to Command Area Development Department	1212.00	243.00	250.79
12. 57	Externally Aided Projects pertaining to Major and Medium Irrigation Department	14481.73	742.00	1888.09
13. 59	Externally Aided Projects pertaining to Co-operation Department	627.01	27.75	273.01
14. 64	Special Component Plan for Scheduled Castes	4814.82	33.00	887.46
15. 67	Public Works- Buildings	2059.42	60.87	160.71
Total (c)		49542.66	3161.30	11224.74

Appendix-I (b) conold.

Sl. Number	and Description	Original	Supplemen-	Ultimate
No. of the grant/appropriation		grant/ appropri- ation	tary grant/ appropri- ation	saving
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
(B)	REVENUE:			
	<u>Charged:</u>			
1.	Interest Payment and Servicing of Debt	46591.88	340.60	3641.83
2.	8 Land Revenue and District Administration	1017.38	2.28	720.99
3.	27 School Education	1.00	5.00	6.00
	Total (B)	47610.26	347.88	4368.82
	Grand Total (A)+(B)+(C)	239613.34	7142.62	48038.89

APPENDIX-1 (c)

(Reference: Paragraph 2.2.2 at Page 19)

Cases where supplementary provision obtained proved excessive

Sl. Number and Description No. of the grant/appropriation		Original grant/ appropri- ation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
(A) REVENUE:				
Voted:				
1.	1 General Administration	1243.57	206.71	144.59
2.	2 Other expenditure pertaining to General Administration Department	185.54	74.25	52.76
3.	4 Other expenditure pertaining to Home Department	115.32	47.64	42.44
4.	15 Dairy Development	521.70	95.65	45.46
5.	18 Labour	928.41	138.02	38.34
6.	26 Expenditure pertaining to Culture Department	529.20	165.58	44.21
7.	27 School Education	52526.33	8250.65	2954.83
8.	32 Expenditure pertaining to Public Relation Department	796.00	312.35	50.10
9.	33 Tribal Welfare	10291.64	953.82	118.62
10.	34 Social Welfare	2712.84	622.00	376.96
11.	52 Externally Aided Projects, pertaining to Agriculture Department	923.00	178.82	118.05

Appendix-I (c) conold.

Sl. No.	Number and Description of the grant/appropriation	Original grant/ appropriation	Supplemen- tary grant/ appropri- ation	Ultimate saving
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
12.	58 Expenditure on Relief on account of Natural Calamities and Scarcity	1377.07	9608.54	2831.04
13.	61 Externally Aided Projects pertaining to Public Health and Family Welfare Department	105.75	192.00	167.93
14.	65 Aviation Department	106.95	547.71	29.37
15.	69 Expenditure pertaining to Urban Welfare Department	218.11	247.86	29.18
	Total (A)- REVENUE: Voted-	72531.43	21641.60	7043.88
(B) REVENUE:				
	<u>Charged-</u>			
1.	Public Debt	89670.25	78274.06	7965.16
	Total (B) REVENUE: <u>Charged-</u>	89670.25	78274.06	7965.16
(C) CAPITAL:				
	voted:			
1.	11 Expenditure pertaining to Commerce and Industry Department	2276.34	420.55	484.72
2.	17 Co-operation	1096.12	1860.34	1048.74
3.	20 Public Health Engineering	756.10	525.01	489.68
4.	69 Expenditure pertaining to Urban Welfare Department	-	578.34	206.55
	Total (C) CAPITAL: Voted-	4128.56	3384.24	2229.69
	Grand Total: (A)+(B)+(C)	166380.24	103299.90	17238.73

APPENDIX-I (d)

(Reference: Paragraph 2.2.2 at Page 19)

Cases where Supplementary provision was insufficient by more than Rs.55 lakhs.

Sl. No.	Description of the grant/appropriation	Supple- mentary provision	Ultimate excess
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
(A) REVENUE:			
	Voted:		
1.	3 Police	1468.53	705.11
2.	8 Land Revenue and District Administration	1274.82	177.11
3.	9 Expenditure pertaining to Revenue Department	592.87	101.46
4.	14 Expenditure pertaining to Animal Husbandry Department	105.13	93.18
5.	20 Public Health Engineering	945.31	136.29
6.	24 Public Works- Roads and Bridges	18.16	4504.04
7.	29 Administration of Justice and Elections	796.18	55.01
8.	44 Higher Education	1314.57	680.78
	Total (A) REVENUE: Voted	6515.57	6452.96
(B) CAPITAL:			
	Voted:		
1.	22 Expenditure pertaining to Local Government Department	263.37	222.98
2.	58 Expenditure on Relief on account of Natural calamities and scarcity	195.00	338.59
	Total (B) CAPITAL: Voted	458.37	561.57
	Grand Total: (A)+(B)	6973.94	7014.55

APPENDIX-II

(Reference: Paragraph 2.2.3 at Page 19)

Excess over Grants/Appropriations requiring regularisation

Sl. No.	Number and name of grant/appropriation	Section	Total grant/appropriation	Actual expenditure	Amount of excess
(1)	(2)	(3)	(4) Rs.	(5) Rs.	(6) Rs.
1.	3 Police	Revenue	2324025000	2394536048	70511048
2.	8 Land Revenue and District Administration	Revenue	875102500	892813014	17710514
3.	9 Expenditure pertaining to Revenue Department	Revenue	171654000	181800207	10146207
	do-	Capital	4000000	4061866	61866
4.	14 Expenditure pertaining to Animal Husbandry Department	Revenue	397871400	407189710	9318310
5.	20 Public Health Engineering	Revenue	1516511300	1530140097	13628797
6.	22 Expenditure pertaining to Local Government Department	Capital	82659600	104957112	22297512
7.	24 Public Works- Roads and Bridges	Revenue	825554200	1275958063	450403863
8.	27 School Education	Capital	19743000	28420469	8677469

Appendix-II contd.

Sl No.	Number and name of grant/appropriation	Section	Total grant/appropriation	Actual expenditure	Amount of excess
(1)	(2)	(3)	(4) Rs.	(5) Rs.	(6) Rs.
9.	29 Administration of Justice and Elections	Revenue	258342300	263843091	5500791
10.	35 Rehabilitation	Capital	9436000	9504407	68407
11.	42 Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	Revenue	3000000	74816493	71816493
12.	44 Higher Education	Revenue	806532200	874610401	68078201
13.	55 Upgradation of Standards of Administration as recommended by Finance Commission-Bastar Development	Capital	40100000	42833093	2733093
14.	58 Expenditure on Relief on account of Natural calamities and Scarcity	Capital	393747000	427606131	33859131

Appendix-II conclud.

Sl. No.	Number and name of grant/appropriation	Section	Total grant/appropriation	Actual expenditure	Amount of excess
(1)	(2)	(3)	(4) Rs. *	(5) Rs.	(6) Rs.
15.	63 Externally Aided Projects Pertaining to Public Health Engineering Department	Revenue	40000000	40577645	577645
16.	66 Welfare of Backward classes	Revenue	302030400	318737541	16707141
17.	67 Public Works-Buildings	Revenue	1307309000	1622043574	314734574
Total (a) Grants			9377617900	10494448962	1116831062
(b) Appropriations-					
1.	29 Administration of Justice and Elections	Revenue	27794100	30523068	2728968
2.	51 Religious Trusts and Endowments	Revenue	42000	144432	102432
3.	67 Public Works-Buildings	Revenue	480000	947325	467325
Total (b) Appropriations			28316100	31614825	3298725
Total (a) and (b)			9405934000	10526063787	1120129787

APPENDIX-III

(Reference: Paragraph 2.2.4 at page 19)

Cases of Unutilised provision

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
REVENUE:			
Voted-			
6	Expenditure pertaining to Finance Department	<u>96.53</u> (39.82)	Mainly due to diversion of the provision made for revision of pay scales and dearness allowance of the staff to respective heads (Rs. 76.99 lakhs) and economy measures (Rs.28.64 lakhs). Reasons for balance saving have not been intimated (May 1991).
11	Expenditure pertaining to Commerce and Industry Department	<u>18.18</u> (43)	Mainly due to economy measures (Rs.25.00 lakhs), vacant posts (Rs.14.14 lakhs), non-receipt of Government sanction (Rs.1.20 lakhs) and closure of the scheme in backward districts (Rs.1.99 lakhs). Reasons for bulk of the remaining saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
13	Agriculture	<u>10.59</u> (10.90)	Mainly due to economy measures (Rs.3,50.24 lakhs). Reasons for balance saving have not been intimated (May 1991).
17	Co-operation	<u>10.07</u> (45.52)	Mainly due to non-receipt of Government sanction for payment of subsidy (Rs.1,39.40 lakhs), non-eligibility of farmers for rebate on payment of interest on time-barred loans (Rs.59.18 lakhs) and non-payment of bills by treasuries under instructions from the Government (Rs.5,95.29 lakhs). Reasons for balance saving have not been intimated (May 1991).
21	Expenditure pertaining to Housing and Environment Department	<u>1.41</u> (11.40)	Reasons for saving have not been intimated (May 1991).
30	Expenditure pertaining to Panchayat and Rural Development Department	<u>30.62</u> (16.27)	Due to non-receipt of Government sanction for certain schemes (Rs.3,98.05 lakhs), merger of the schemes (Rs.3,97.80 lakhs), vacant post (Rs.1,54.83 lakhs),

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
			non-implementation of the scheme (Rs.38.30 lakhs), economy measures (Rs.20.32 lakhs) and restriction on drawal of funds from treasuries imposed by Government (Rs.6.35 lakhs). Reasons for balance saving have not been intimated (May 1991).
34	Social Welfare	<u>3.77</u> (11.30)	Due to ban on purchases, vacant posts, economy measures, etc.
35	Rehabilitation	<u>1.66</u> (26.06)	Mainly due to posts remaining vacant (Rs.76.27 lakhs), reduction in the number of posts (Rs.27.93 lakhs), non-utilisation of funds for construction works by department (Rs.31.69 lakhs), on resettlement of displaced persons under irrigation and other schemes (Rs.10 lakhs), economy measures

Grant No.	Description of grant	Amount of savings (Rupees in crores) <u>percentage of provision</u>	Main reasons for savings
(1)	(2)	(3)	(4)
			(Rs.8.83 lakhs) and less expenditure on cash doles due to rehabilitation of migrant families on agricultural resettlements (Rs.6.16 lakhs). Reasons for balance saving have not been intimated (May 1991).
38	Additional Expenditure under Employment Programme	<u>1.43</u> (65.90)	Mainly due to the fact that works entrusted to Land Army were executed by the departments concerned drawing 25 <u>per cent</u> advance in the new pattern prescribed by the Twenty Points Programme implementation Department (Rs.97.87 lakhs), vacant posts (Rs.26.04 lakhs) and economy measures (Rs. 17.19 lakhs).
39	Expenditure pertaining to Food and Civil Supplies Department	<u>7.13</u> (48.94)	Mainly due to economy cut and vacant posts (Rs.10.35 lakhs). Reasons for huge balance saving have not been intimated (May 1991).
40	Expenditure pertaining to Command Area Development Department	<u>1.70</u> (21.46)	Mainly due to economy cut and vacant posts (Rs.39.03 lakhs), non-utilisation of funds by Area Development Authority Division Durg. (Rs.16.16 lakhs). transfer of Staff (Rs.14.34 lakhs) and delay in posting of staff (Rs.2.59

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
			lakhs), Reasons for balance saving have not been intimated (May 1991).
41	Tribal Areas Sub-Plan	<u>72.84</u> (23.40)	Saving was mainly due to: Economy measures (Rs.395.90 lakhs), sanction of less amount of grant-in-aid (Rs.30 lakhs), non-receipt of sanction (Rs.269.60 lakhs), non-admissibility of relief from penal interest of farmers (Rs. 1,59.85 lakhs), ban on purchase (Rs.48 lakhs), vacant posts (Rs. 230.01 lakhs), non-implementation of the schemes (Rs.90.99 lakhs) merger of scheme (Rs.10,36.80 lakhs) and reasons for balance saving have not been intimated.
52	Externally Aided Projects pertaining to Agriculture Department	<u>1.18</u> (10.71)	Reasons for saving have not been intimated (May 1991).
58	Expenditure on Relief on account of Natural calamities and Scarcity	<u>28.31</u> (25.77)	Reasons for saving have not been intimated.

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
61	Externally Aided Projects pertaining to Public Health and Family Welfare Department	1.68 (56.38)	Mainly due to late receipt of Government sanctions for the second phase of the schemes of training of dais (Rs.31 lakhs). Research, Monitoring and Evaluation (Rs.20 lakhs), Information, Education and Communication Activities (Rs.26 lakhs), Abhinav schemes (Rs.7.40 lakhs), non-receipt of sanction for expenditure (Rs.9.50 lakhs), regularisation of daily wage workers (Rs.8.25 lakhs).
62	Externally Aided Projects pertaining to Rural Development Department	1.11 (70.70)	Non-receipt of demand from Rural Engineering Service for construction of Gram Sewak Quarters (Rs.55 lakhs) and vacant posts (Rs.50.68 lakhs).
64	Special Component Plan for scheduled castes	39.01 (34.44)	saving was mainly due to: Economy measure (Rs.172 lakhs), saving in payment of relief to farmers (Rs.79.48 lakhs), abolition of schemes (Rs.101.59 lakhs), Non-receipt of Government sanction (Rs.508.13 lakhs), vacant post (Rs.78.05 lakhs), non-supply of books (Rs.14.95 lakhs). The reasons for the balance amount have not been intimated.
71	Upgradation of Standards of Administration as recommended by Finance Commission- Education	6.84 (62.41)	Reasons for saving which occurred under 'Government Primary Schools' have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
73	Expenditure pertaining to Plantation, Forestry, Environmental and Development of waste lands	<u>12.16</u> (86.18)	Abolition of the scheme Rural Employment- Environmental Forests (Rs.5,76 lakhs). Reasons for balance savings which occurred under the above scheme (Rs.5,76 lakhs) and under the scheme of Urban Development- Environmental Forest (Rs.55 lakhs) have not been intimated (May 1991).
79	Expenditure pertaining to Gas Tragedy Relief Works	<u>15.66</u> (39.34)	Reasons for saving have not been intimated (May 1991).
	<u>Charged-</u>		
7	Expenditure pertaining to Separate Revenue Department	<u>1.58</u> (22.28)	Reasons for saving have not been intimated (May 1991).
8	Land Revenue and District Administration	<u>7.21</u> (70.69)	Reasons for saving have not been intimated (May 1991).
25	Expenditure pertaining to Mineral Resources Department	<u>15.76</u> (31.03)	Reasons for saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
CAPITAL:			
Voted-			
6	expenditure pertaining to Finance Department	<u>17.65</u> (56.88)	Due to less demand of advances for house building and purchase of motor conveyance by staff and economy measures (Rs.1,71.90 lakhs). Reasons for the balance saving have not been intimated (May 1991).
7	Expenditure pertaining to Separate Revenue Department	<u>2.05</u> (87.61)	Reasons for bulk of the saving have not been intimated (May 1991).
8	Land Revenue and District Administration	<u>1.03</u> (31.89)	Non-payment of compensation to land holders (Rs.43 lakhs). Reasons for balance saving have not been intimated (May 1991).
10	Forest	<u>5.07</u> (31.69)	Due to economy measures for major works (Rs.32 lakhs) and loans to Forest Department Corporation (Rs.4,50 lakhs). Reasons for balance saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
11	Expenditure pertaining to Commerce and Industry Department	<u>4.85</u> (17.04)	Due to economy measures (Rs. 2,66.68 lakhs) and non-receipt of sanction from the Government of India (Rs.1,00 lakhs). Reasons for balance saving have not been intimated (May 1991).
12	Expenditure pertaining to Energy Department	<u>48.95</u> (54.68)	Due to less payment of loans to Madhya Pradesh Electricity Board than anticipated.
13	Agriculture	<u>6.71</u> (30.48)	Non-receipt of Government sanction for payment of loan to Co-operative Banks (Rs.3,25.60 lakhs), Oil Federation for procurement of Soyabeen (Rs.5 lakhs) under Agriculturists loan Act, economy measures (Rs.1,71.24 lakhs) and less demand for loans for pesticides and plant protection equipments (Rs.17.50 lakhs). Reasons for balance saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
17	Co-operation	<u>10.49</u> (35.49)	Non-eligibility of banks to receive loans under the scheme of Five year soft loan to Central Co-operative Banks to cover default loan (Rs.6,23.70 lakhs), less investment in the share capital of Rural Electric Co-operative Societies due to non-establishment of requisite number of societies (Rs.1.70 lakhs), non-receipt of Government sanction for some schemes (Rs.72.62 lakhs), non-eligibility of institutions for investments under the scheme of 'Distribution of consumer materials' (Rs.55.85 lakhs), non-acceptance of the proposals by the Government for investments in Co-operative Marketing Societies under Reorganisation Schemes (Rs. 30 lakhs) and for strengthening the share capital base of Primary Marketing Societies (Rs.19 lakhs) and economy cut (Rs.25 lakhs). Reasons for balance saving have not been intimated (May 1991).
20	Public Health Engineering	<u>4.90</u> (38.25)	Reasons for saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) <hr/> percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
21	Expenditure pertaining to Housing and Environment Department	<u>2.96</u> (22.80)	Reasons for saving have not been intimated (May 1991).
23	Major and Medium Irrigation Works	<u>38.40</u> (25.79)	Reasons for saving have not been intimated (May 1991).
24	Public Works- Roads and Bridges	<u>4.21</u> (18.30)	Reasons for saving have not been intimated (May 1991).
33	Tribal Welfare	<u>1.72</u> (71.67)	Reasons for saving have not been intimated (May 1991).
39	Expenditure pertaining to Food and Civil Supplies Department	<u>1.04</u> (23.37)	Non-utilisation of funds for purchase of food grains by 24 districts (Rs.55 lakhs) and economy cut (Rs.20 lakhs). Reasons for balance saving have not been intimated (May 1991).
40	Expenditure pertaining to Command Area Development Department	<u>3.59</u> (28.88)	Mainly due to payment of central share direct to NABARD by the Government of India (Rs.1,55.13 lakhs) non-construction of field channels in Tawa Command Area due to standing crops in the

Grant No.	Description of grant	Amount of savings (Rupees in crores) percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
41	Tribal Areas Sub-Plan	<u>42.28</u> (25.11)	fields (Rs.67 lakhs), economy measures (Rs.54.23 lakhs) and vacant posts (Rs.14.24 lakhs). Reasons for balance saving have not been intimated (May 1991). Saving mainly due to economy measure (Rs.182.76 lakhs), non-receipt of Government sanction (Rs.11.67 lakhs) non eligibility for loans (Rs.846.67 lakhs). Reasons for balance amount have not been intimated (May 1991). Reasons for saving which occurred mainly under 'Minimum Needs Programme- investment in the share capital of M.P.Bridge Construction Corporation (Rs.8,34.77 lakhs) and 'Direction and Administration' (Rs.1,43.12 lakhs) have not been intimated (May 1991). Saving was mainly due to non-receipt of demand of the share of Sardar Sarovar Project from the Government of Gujrat (Rs. 26,81.74 lakhs), less requirement of funds for the above (Rs.2,20 lakhs), less expenditure on land acquisition and other works (Rs.8,68 lakhs), vacant posts (Rs.2,11 lakhs) and less expenditure on survey and construction works (Rs.35 lakhs). Reasons for balance saving have not been intimated (May 1991).
42	Public Works relating to Tribal Areas Sub-Plan	<u>9.61</u> (30.93)	
48	Narmada Valley Development	<u>47.11</u> (35.20)	

Grant No.	Description of grant	Amount of savings (Rupees in crores) percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
53	Externally Aided Projects pertaining to Command Area Development Department	<u>2.51</u> (17.25)	Due to observance of economy in expenditure (Rs.22 lakhs). Specific reasons for balance saving have not been intimated (May 1991).
57	Externally Aided Project pertaining to Major and Medium Irrigation Department	<u>18.88</u> (12.40)	Saving occurred mainly under Ravi Shankar Sagar II Phase- Action Plan (i),(ii),(iii). I and I(A) and (ii), (V), Ravi Shankar Sagar Project- Action Plan (IV) and (V), Hasdeo Bango Project Unit I and II and Medium Projects- commerecial at Kolar, Dudhi, Chhirpani, Bundela, Chandora, Budhon Nallah, Lakhandar and Mahi. Reasons for saving have not been intimated (May 1991).
59	Externally Aided Projects pertaining to Co-operation Department	<u>2.73</u> (41.68)	Mainly due to non-receipt of Government sanction for establishment of oil refinery at Sehore (Rs.1,04.60 lakhs), establishment of Mustard Complex at Morena (Rs.76 lakhs), construction of Rural/Marketing/Large sized godowns (Rs.26.47 lakhs), investment in co-operatives- scheme

Grant No.	Description of grant	Amount of savings (Rupees in crores) <u>percentage of provision</u>	Main reasons for savings
(1)	(2)	(3)	(4)
			regarding construction of additional godowns (Rs.14.95 lakhs), economy measures (Rs.13.30 lakhs) and non-receipt of matching grant from the Government for the corporation sponsored scheme regarding construction of additional godowns (Rs.13.30 lakhs). Reasons for balance saving have not been intimated (May 1991).
60	Expenditure pertaining to District Plan Schemes	<u>8.19</u> (21.11)	Due to non-completion of work sanctioned by District Planning and Development Board (Rs.94.90 lakhs). Reasons for balance saving (Rs.7,24.51 lakhs) which also occurred under 'Employment problem programmes through the District Planning and Development Board' have not been intimated (May 1991).
61	Externally Aided Projects pertaining to Public health and Family Welfare Department	<u>1.99</u> (64.61)	Saving was mainly due to construction of 20 sub-health centres only as against projected 100 sub-health centres by DANIDA with the public help (Rs.1,00 lakhs) and late sanctioning of budget (Rs.18.60 lakhs). Reasons for balance saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in <u>cro. as</u>) percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
64	Special Component Plan for Scheduled Castes	<u>8.87</u> (16.31)	Saving mainly due to economic measures (Rs.31.15 lakhs), non-utilising of loans (Rs.423.93 lakhs) due to ineligibility of Banks, non-receipt of Government sanction (Rs.16.43 lakhs), non-completing works Rs.21.76 lakhs). Reasons for saving for the balance amount not intimated (May 1991).
68	Public Works relating to Tribal Areas Sub-Plan-Buildings	<u>4.61</u> (39.44)	Reasons for saving have not been intimated (May 1991).
69	Expenditure pertaining to Urban Welfare Department	<u>2.07</u> (35.81)	Reasons for saving have not been intimated (May 1991).
71	Upgradation of Standards of Administration as recommended by Finance Commission-Education	<u>13.54</u> (74.56)	Due to transfer of the budget provision for construction of Primary School buildings to be constructed by Public Works Department to Grant No.77 in the first supplementary budget estimated (Rs.10,89.90 lakhs). Reasons for balance saving have not been intimated (May 1991).

Grant No.	Description of grant	Amount of savings (Rupees in crores) percentage of provision	Main reasons for savings
(1)	(2)	(3)	(4)
73	Expenditure pertaining to Plantation, Forestry, Environmental and Development of waste lands	<u>1.78</u> (28.90)	Due to less expenditure on construction works (Rs.1,21.96 lakhs). Reasons for balance saving have not been intimated (May 1991).
77	Upgradation of Standards of Administration as recommended by Finance Commission-Buildings	<u>16.81</u> (58.03)	Saving mainly due to transfer of work to Public Housing Corporation (Rs.116.79 lakhs) and for the balance amounts the reasons for savings were not intimated (May 1991).
79	Expenditure pertaining to Gas Tragedy Relief Works	<u>13.72</u> (51.41)	Reasons for savings have not been intimated (May 1991).

APPENDIX-IV

(Reference: Paragraph 2.2.5 at page 20)

Cases involving substantial savings under schemes

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1) (2)	(3)	(4) (Rupees in crores)	(5)
REVENUE:			
1. 2 Other	M.H.2235-Social Security	1.20	100
Expenditure	and Welfare-		
pertaining 60-	Other Social		
to General	Security and		
Administra-	Welfare		
tion	Programmes-		
Department (200)	Other		
	Programmes-		
	Pension to Freedom		
	Fighters and		
	their dependents		
	etc.,		
	001- Allowances and		
	Gratuities to		
	Freedom Fighters		
2. 8 Land	M.H.2029-Land Revenue-	1.34	99.26
Revenue (102)	Survey and		
and District	Settlement		
Administra-	Operation-		
tion 009-	Scheme for		
	Aerial Survey		
3. 11 Expenditure	M.H.2851-Village and	1.23	82
pertaining	Small Industries-		
to Commerce (110)	Composite Village		
and Industry	and Small Industries		
Department	and Co-operatives-		
	Sub-Plan-		
	057- Subsidy to Apex		
	Society Jabalpur		
	for Janta Sari		

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1)	(2)	(3)	(4)
		(Rupees in crores)	(5)
4. 13 Agriculture	(i) M.H.2401-Crop Husbandry	1.13	91.87
	(102) Food Grain Crops- Special Food Production Programme (Arhar and Gram)-		
	(ii) 2435-Other Agricultural Programmes-	1.06	89.83
	01- Marketing and Quality Control-		
	(101) Marketing facilities Central Sector Scheme-		
	003- Grant-in-aid to Mandi Committee for development		
5. 17 Co-operation	M.H.2425-Co-operation-		
	(107) Assistance to credit co-operatives- Centrally Sponsored Schemes-		
	(i) Productive incentive subsidy for conver- sion of short term loans to mid-term loans due to drought	1.90	93.14
	(ii) Incentive to farmers on repayment of time barred loans	2.69	89.67

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1)	(2)	(3)	(4)
		(Rupees in crores)	(5)
	(iii)	Relief to small and marginal farmers on payment of penal interest on time barred loans	1.60 100
6. 20 Public Health Engineer- ing	M.H.2215-Water Supply and Sanitation- 01- Water Supply- (102) Rural Water Supply Programmes- Rural Piped Water Supply Scheme- 003- Drinking Water Supply in problem villages- 38- Normal	7.85	82.54
7. 23 Major and Medium Irrigation Works	M.H.2701-Major and Medium Irrigation- 01- Major Irrigation- Commercial- Tawa Project-	2.08	92.44
8. 27 School Education	M.H.2202-General Education- (103) Non-Formal Education Centrally Sponsored Scheme- (i) 001- Non-Formal Education- 50:50 (109) Government Secondary Schools-	4.27	81.33

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1)	(2)	(3)	(4)
		(Rupees in crores)	(5)
	(ii) 003-10+2 Education System in Government Higher Secondary Schools and Vocationalisa- tion of education-	14.62	88.13
	(iii) 007-Improvement in Science Education	5.35	100
9. 30	Expenditure M.H.2236-Nutrition- pertaining 02- Distribution of to Panchayat nutritions food and Rural and beverages- Development II Central Sector Scheme- Department 003- Special Nutrition Programme-	2.27	84.39
10. 41	Tribal <u>Revenue Department</u> Areas M.H.2401-Crops Husbandry- Sub-Plan (794)- Special Central assistance for Tribal Sub-Plan-		
	(i) 800- Other expenditure	1.97	98.5
	<u>Forest Department</u> M.H.2406-Forestry and Wild Life-		
	01- Forest-		
	(794)- Special central assistance for Tribal Sub-Plan		
	011- Madhya Pradesh State small Forestation Sangh-		

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1)	(2)	(3)	(4)
		(Rupees in crores)	(5)
	(ii) 'Sahkarikaran' scheme of small Forestation trade	3.25	81.25
<u>Agriculture Department</u>			
M.H.2401- 07-	Crop Husbandry- Extension and Farmer's Training-		
(iii)	Intensive Nurseries Development-	2.17	100
<u>Co-operation Department</u>			
M.H.2425- (796)	Co-operation Tribal Area Sub-Plan-		
(iv)	Interest Subsidy to small and marginal farmers	3.00	100
(v)	Incentive to farmers on over due loans	2.69	89.67
<u>Public Health Engineering Department</u>			
M.H.2215- 01-	Water Supply and Sanitation- Water Supply		
(vi)	Special central assistance for tribal Sub-Plan	3.00	100
(796)	Tribal area Sub-Plan-		

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings	
(1)	(2)	(3)	(4) (Rupees in crores)	(5)
	191-	Assistance to Local Bodies, Municipalities, etc.-	1.52	82.16
	030-	Drilling of Tube-wells in villages and Tolashaving population less than 250-		
11. 47 Man Power Planning Development and Technical Education	M.H.2230-	Labour and Employment-		
		Training of craftsmen and supervisors-		
	003-	Opening of new Industrial Training Institutes-	3.08	95.36
12. 58 Expenditure on Relief on account of Natural calamities and scarcity	M.H.2215-	Water Supply and Sanitation-		
	01-	Water Supply-		
	(101)	Urban Water Supply Programmes-		
	001-	Drinking water arrangement in drought effected areas-		
	(i)	Major works-	20.23	100

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1) (2)	(3)	(4) (Rupees in crores)	(5)
	M.H.2702- Minor Irrigation		
	01- Surface water-		
	(800) Other expenditure-		
	(ii) Input subsidy in drought effected areas-	1.60	100
	(iii) Agriculture Improvement in drought areas	1.55	100
	(iv) Minor works in drought effected areas	18.48	100
	M.H.3054- Roads and Bridges-		
	04- District and other roads-		
	(v) Road work in drought effected areas-	8.39	100
	(vi) Construction of Rural Roads and Bridges- Major works	10.45	100
13. 64 Special Component Plan for scheduled castes	M.H.2425- (107) Co-operation Assistance to credit		
	Incentive amount to farmers to return overdue loans	1.41	94

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1) (2)	(3)	(4) (Rupees in crores)	(5)
14. 79 Expenditure pertaining to Gas Tragedy Relief works	M.H.2235- 60- (200) (i) 015- M.H.2851- (800) 003-	Social Security and Welfare- Other Social Security and Welfare Programmes- Other programmes- Protein Deficiencies removal Village and Small Industries- Other expenditure- Industrial Area Development	 1.00 100 3.50 100
CAPITAL:			
1. 11 Expenditure pertaining to Commerce and Industry Department	(i) M.H.4851- (101) 30-	Capittal outlay on village and Small Industries- Industrial Estates- Construction of roads, culverts, drains, etc.	 2.53 92.67
	(ii) M.H.4885- 001-	Other capital outlay on Industries and Minerals Investments in Industrial Financial Institutions-	

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of Percentage savings of savings	(5)
(1)	(2)	(3)	(4)
			(Rupees in crores)
		(200) 003-	
		Other Investments- Expenditure met out from Cess Fund- Investment in the share capi- tal of Audhyo- gic Vikas Nigam	
			1.33
			100
2. 23 Major and Medium Irrigation Works		M.H.4701-	
		Capital outlay on Major and Medium	
		03-	
		Irrigation- Commercial- Medium Project construction- Direction and Administration	
			3.13
			100
3. 39 Expenditure pertaining to Food and Civil Supplies Department		M.H.6408-	
		Loans for Food storage and Warehousing- Loans to co-operatives Loans to M.P. co-operative Marketing Federation for procurement of food grains	
		(195)	
		(2)	
			1.22
			100

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings Percentage of savings
(1) (2)	(3)	(4) (5) (Rupees in crores)
4. 42 Public Works relating to Tribal Area Sub-Plan	M.H.5054- 03- (794)-	Capital outlay on Roads and Bridges- State Highways- Special Central Assistance for Tribal Sub-Plan- Construction of Bridges 2.00 100
5. 45 Minor Irrigation Works	M.H.4702- (101) (i) (ii) (102)- (iii)	Capital outlay on Minor Irrigation- Surface Water- Minor and Micro minor Irrigation Schemes Minor Irrigation Works Ground water Construction of deep Tube Wells 21.03 90.57 4.67 100 2.37 94.80
6. 48 Narmada Valley Development	M.H.4801- 01- (800)-	Capital outlay on Power Project- Hydel Generation- Other expenditure- Prevention and Control of pollution of Narmada, Kshipra and Son River 1.33 88.6

Sl. Number and No. name of grant/ appropriation	Name of Scheme	Amount of savings	Percentage of savings
(1) (2)	(3)	(4) (Rupees in crores)	(5)
7. 57 Externally Aided Projects pertaining to Major and Medium Irrigation Department	M.H.4701- 01- (02)	Capital outlay on Major and Medium Irrigation- Major Irrigation (Commercial)- Ravi Shankar Sagar- II Phase Action Plan I, I(A) and (II)	5-44 99.45
8. 58 Expenditure on Relief on account of Natural Calamities and Scarcity	M.H.4070- (800)	Capital outlay on other Admini- strative Services- Other Expenditure	34.60 100
9. 67 Public Works- Buildings	M.H.4202- 01- (201)-	Capital outlay on Education, Sports, Art and Culture- General Education- Elementary Education	3.49 90.65
10. 79 Expenditure pertaining to Gas Tragedy Relief Works	M.H.4215- 01- (101) (i) 002- (ii) 003- (iii) 004- (iv) 005-	Capital outlay on Water Supply and Sanitation- Water Supply- Urban Water Supply Construction of culverts Water Supply (Kolar Dam) Sewerage Trenching of drains	3.00 100 1.00 100 2.00 100

APPENDIX- V

(Reference: Paragraph 2.2.12 at page 27)

Injudicious/irregular/incorrect re-appropriations

- (a) Some of the cases in which funds were injudiciously withdrawn by re-appropriation, although the accounts already showed an excess over the provision are mentioned below:

Sl. Grant number and No. Head of Account		Original plus supple- mentary provision	Actual expendi- ture	Excess	Re-appro- priation
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					

13- Agriculture**1. 2401-Crop Husbandry**001-Direction and
Administration

003-Subordinate and 1517.01 1800.85 435.54 -151.70

experts staff

(District and sub-
ordinate level)**2. 30-2505-Rural Employment**

01-National Programmes

701-National Rural
Employment Programmes

06-Community centres

001-Expenditure on 1330.20 2545.32 2257.32 -1042.20

project

3. 45-2702-Minor Irrigation

01-Surface water

101-Water Tanks

003-Subsidy to Small 307.65 243.58 189.06 -253.13

and Marginal farmers
for construction
of wells, pumps
and Rehats

APPENDIX- V - Contd.

(b) Some of the cases where funds were withdrawn by re-appropriation in excess of available saving resulting in final excesses are mentioned below:-

Sl. No.	Grant number and Head of Account	Original plus supplementary provision	Actual expenditure	Excess	Re-appropriation
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
1.	27-2202-General Education 01-Elementary Education 101-Government Primary Schools				
	002-Operation Black Board	2758.89	1579.18	1179.71	-1221.87
2.	30-2505-Rural Employment 60-Other Programmes				
	003-Expenditure on project	4427.75	2514.98	1912.77	-2260.92
3.	41-2402-Soil and Water Conservation				
	796-Tribal Area Sub-Plan				
	02-Soil Conservation and Development Schemes				
	004-Co-ordinated Scheme for soil conservation measures in river valley project (Central Sector)	524.06	278.05	246.01	-269.60
4.	41-2425-Co-operation 796-Tribal Area Sub-Plan				
	(19)-Incentive to farmers on over due loans	300.00	30.98	269.02	-281.80

APPENDIX- V - Contd.

Sl. Grant number and No. Head of Account	Original plus supple- mentary provision	Actual expendi- ture	Excess	Re-appro- priation	
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in	lakhs)		
5. 45-2702-Minor Irrigation (Agriculture Department) 01-Surface water 101-Water tank 003-Subsidy to Small and Marginal farmers for construction of wells, pumps and Rehats	307.65	243.58	64.07	-253.13	
6. 71-4202-Capital outlay on Education Sports, Art and Culture 01-General Education 201-Elementary Education 001-Building constru- ction	1816.00	462.02	1353.98	-1528.55	
7. 79-2201-Medical and Public Health 01-Urban Health Services- Allopathy 001-Direction and Administration	1575.31	668.35	906.96	-943.30	

APPENDIX- V- Contd.

(c) Some of the cases of Unnecessary augmentation of funds by re-appropriation, despite saving under the relevant grant are mentioned below:

Sl. No.	Grant number and Head of Account	Original plus supplementary provision	Actual expenditure	Excess	Re-appropriation
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
1.	17-6425-Loans for Co-operation				
	107-Loans to credit co-operatives (State Plan)				
	002-Five year soft loan to Central Co-operative Banks to cover default loan	848.00	9.98	838.02	827.70
2.	30-2505-Rural Employment				
	01-National Programmes				
	06-Community centres				
	18-Administration expenses	300.00	0.24	299.76	107.26
3.	57-4701-Capital outlay on Major and Minor Irrigation				
	01-Major Irrigation (Commercial) Ravi Shankar Sagar Project				
	(7)-Action Plan IV and V	1181.95	447.11	734.84	162.70
4.	57-4701-Capital outlay on Major and Minor Irrigation				
	03-Medium Projects (Commercial)				
	(13)(1) Kolar Project	1316.57	1085.14	231.43	200.00

APPENDIX- V - Concl'd.

(d) Cases in which funds were injudiciously augmented by re-appropriation, more than the amount required to cover the excess of expenditure over the provision:

Sl. No.	Grant number and Head of Account	Original plus supplementary provision	Actual expenditure	Excess	Re-appropriation
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
1.	10-2406-Forest, y and Wild Life 01-Forestry (101)-Forest conservation, Development and Regeneration- Functional circles and territorial Divisions-				
	002-Regional Forest circles (57)	5826.62	6267.91	441.29	522.25
2.	23-4701-Capital outlay on Major and Medium Irrigation 01-Major Irrigation (Commercial) (04)-Ban Sagar Irrigation Scheme- Dam and Appurtenant Work- Payment of decretal amount				
		548.99	851.99	303.00	336.67
3.	41-2505-Rural Employment 01-National Programmes 796-Tribal Area Sub-Plan Jawahar Rozgar Yojana				
		986.92	1388.95	402.03	518.40

APPENDIX-VI

(Referred to in Para 5.4.5 at page 222)

Yearwise break-up of grant released during 1982 to 1990

Year	Agriculture Department				Tribal sub-plan	Harijan Component Plan	World Bank assistance IERP schemes	Other Development	Total	Veterinary Department		
	Non-Plan		Plan							Non-Plan	Plan	Total
	Grant	Backlog	Grant	Backlog								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(Rupees in lakhs)												
1982-83	190.00	-	55.00	-	10.00	-	4.92	-	259.92	54.00	-	54.00
1983-84	185.32	40.00	47.00	-	32.55	-	4.92	3.76	313.55	57.77	10.00	67.77
1984-85	225.33	39.00	101.16	-	18.00	-	6.82	4.47	394.78	62.01	10.00	72.01
1985-86	229.82	150.00	70.20	-	28.75	17.55	0.25	4.00	500.57	83.15	15.00	98.15
1986-87	294.95	200.00	124.27	-	21.00	12.27	-	-	652.49	89.32	21.20	110.52
1987-88	400.46	-	78.25	-	24.97	17.39	-	2.99	524.06	100.00	16.20	116.20
1988-89	370.50	44.17	122.00	100.00	34.00	-	5.00	2.35	678.02	94.55	12.75	107.30
1989-90	540.00	-	172.00	-	40.00	-	2.00	-	754.00	121.50	12.00	133.50
TOTAL	2436.38	473.17	769.88	100.00	209.27	47.12	23.91	17.57	4077.39	662.30	97.15	759.45

APPENDIX-VI conold.

Year	<u>Agriculture Department</u>				Tribal Harijan sub-plan	World Compo- nant Plan	Other Bank assis- tance IERP schemes	Total	<u>Veterinary Department</u>			
	<u>Non-Plan</u>		<u>Plan</u>						Non-Plan	Plan	To	
	Grant	Backlog	Grant	Backlog								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(Rupees in lakhs)												

(Rupees in lakhs)

Colleges
at
Khanda
and
Mandsaur

1986-87	-	-	51.00	-	-	-	-	-	51.00			
1987-88	-	-	27.00	-	8.70	6.96	-	-	42.66			
TOTAL:	2436.38	473.17	847.88	100.00	217.97	54.08	23.91	17.57	4171.05			

Total (i) Non-plan grants = $2436.38 + 473.17 + 662.30 = 3571.85$

(ii) Plan grants = $847.88 + 100.00 + 97.15 = 1045.03$

Total grants 4171.05 lakhs Agriculture
 759.45 lakhs Veterinary
4930.50

APPENDIX - VII

GLOSSARY OF ABBREVIATIONS

Abbreviation	Expanded form
AECs	Adult Education Centres
APO	Assistant Project officer
ASCO	Assistant Soil Conservation officer
BD	Blood Donor
BDO	Block Development Officer
Beej Nigam	Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam
BGMS	Bhartiya Gramin Mahila Sangh
CADA	Command Area Development Authority
CEO	Chief Executive Officer
CH	Civil Hospital
CHCs	Community Health Centres
CMHOs	Chief Medical and Health Officers
CPF	Contributory Provident Fund
CPI	Commissioner of Public Instructions
DAEC	District Adult Education Committee
DAEO	District Adult Education Officer
DC	Development Commissioner
DDA	Deputy Director of Agriculture
DEOs	District Education Officers
DH	District Hospital
DPAP	Drought Prone Area Programme
DP&CS	Duties, Powers and Conditions of Service
DRDA	District Rural Development Agency
DSMS	District Supply and Marketing Society
DWCRA	Development of Women and Children in Rural Areas
FCI	Food Corporation of India
GPF	General Provident Fund
ICAR	Indian Council of Agricultural Research
IPD	Indoor Patient Department

Abbreviation	Expanded form
IRDP	Integrated Rural Development Programme
IV	Intra-Venous
JDs	Joint Directors
JDA	Joint Director of Agriculture
JDHs	Joint Director, Health Services
JSNs	Jan Shikshan Nilyam
LIC	Life Insurance Corporation
LUN	Madhya Pradesh Laghu Udyog Nigam
MARKFED	Madhya Pradesh Rajya Vipnan Sangh
N.P.Agro	Madhya Pradesh Rajya Krishi Udyog Vikas Nigam
MPFL	Mass Programme for functional Literacy
MPRVN	Madhya Pradesh Rajya Van Vikas Nigam
NAEP	National Adult Education Programme
NCERT	National Council of Educational Research and Training
NLM	National Literacy Mission
NODP	National Oilseeds Development Project
NREP	National Rural Employment Programme
NSS	National Service Scheme
OILFED	Tilhan Sangh (Oil Federation)
OPD	Outdoor Patient Department
OPTP	Oilseeds Production Thrust Project
PAC	Public Accounts Committee
PHC	Primary Health Centre
PMOST	Programme of Mass Orientation for School Teachers
PO	Project Officer
PP	Plant Protection
RAEO	Rural Agricultural Extension Offices
RCE	Regional College of Education, Bhopal
RES	Rural Engineering Services
RFLP	Rural Functional Literacy Project

APPENDIX-VII- Concl'd.

Abbreviations	Expanded form
RLEGP	Rural Landless Employment Guarantee Programme
SADO	Senior Agricultural Development Officer
SC	Scheduled Castes
SIE	State Institute of Education, Bhopal
SLCC	State Level Coordination Committee
SLPP	Special Live-stock Production Programme
SPP	Solar Power Packs
SRC	State Resource Centre
SRPP	Special Rice Production Programme
ST	Scheduled Tribes
SVP	Shramik Vidyapeeth
TMO	Technology Mission on oil seeds
TL	Truthfully labelled
TRYSEM	Training to rural youths in self-employment
TV	Television
UGC	University Grants Commission

G.R.P.G-316 A.G.M.P-I-29-11-91-1150