

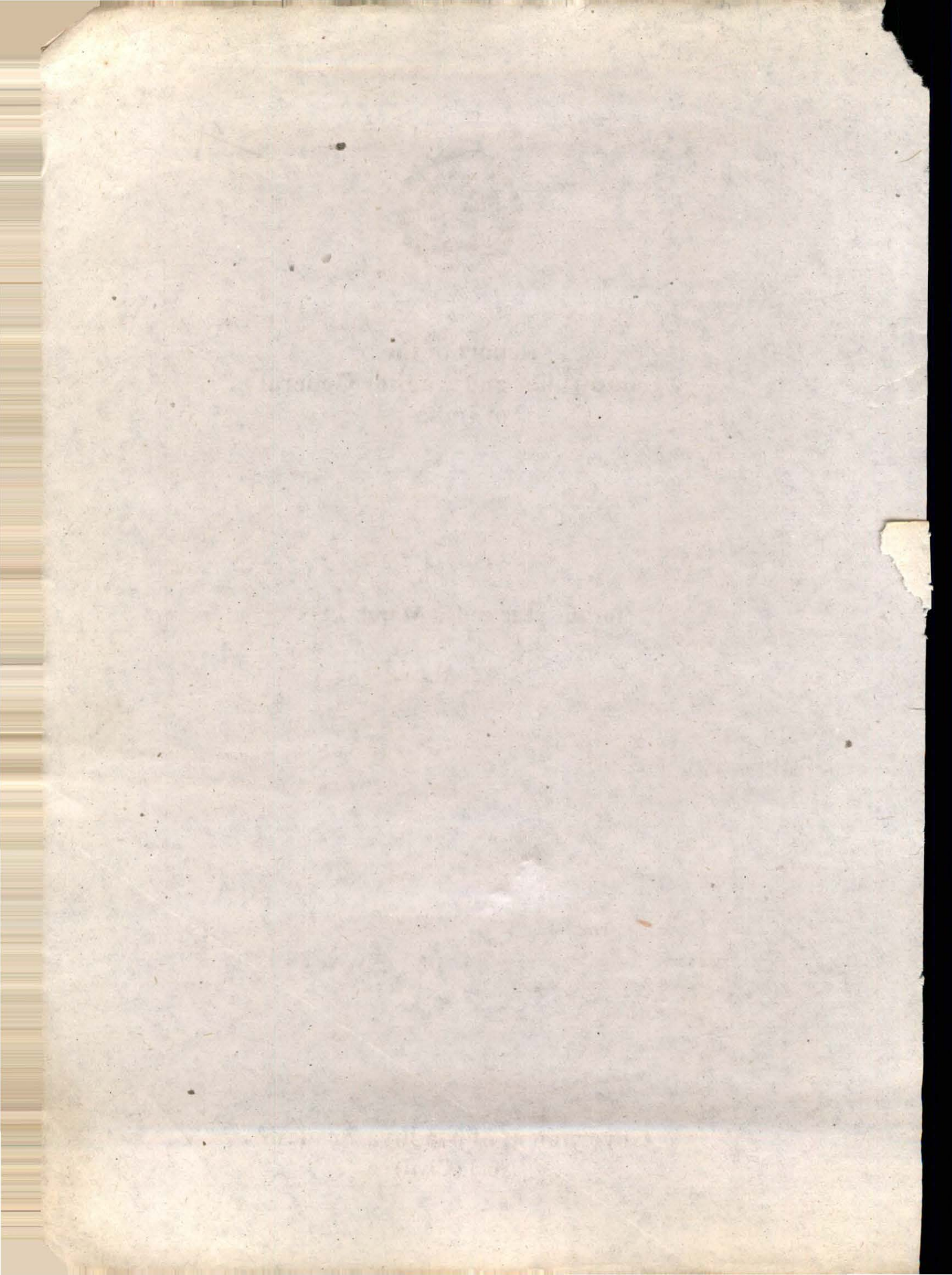


**Report of the  
Comptroller and Auditor General  
of India**

**for the year ended March 1999**

**Government of Madhya Pradesh  
No.3 (Civil)**







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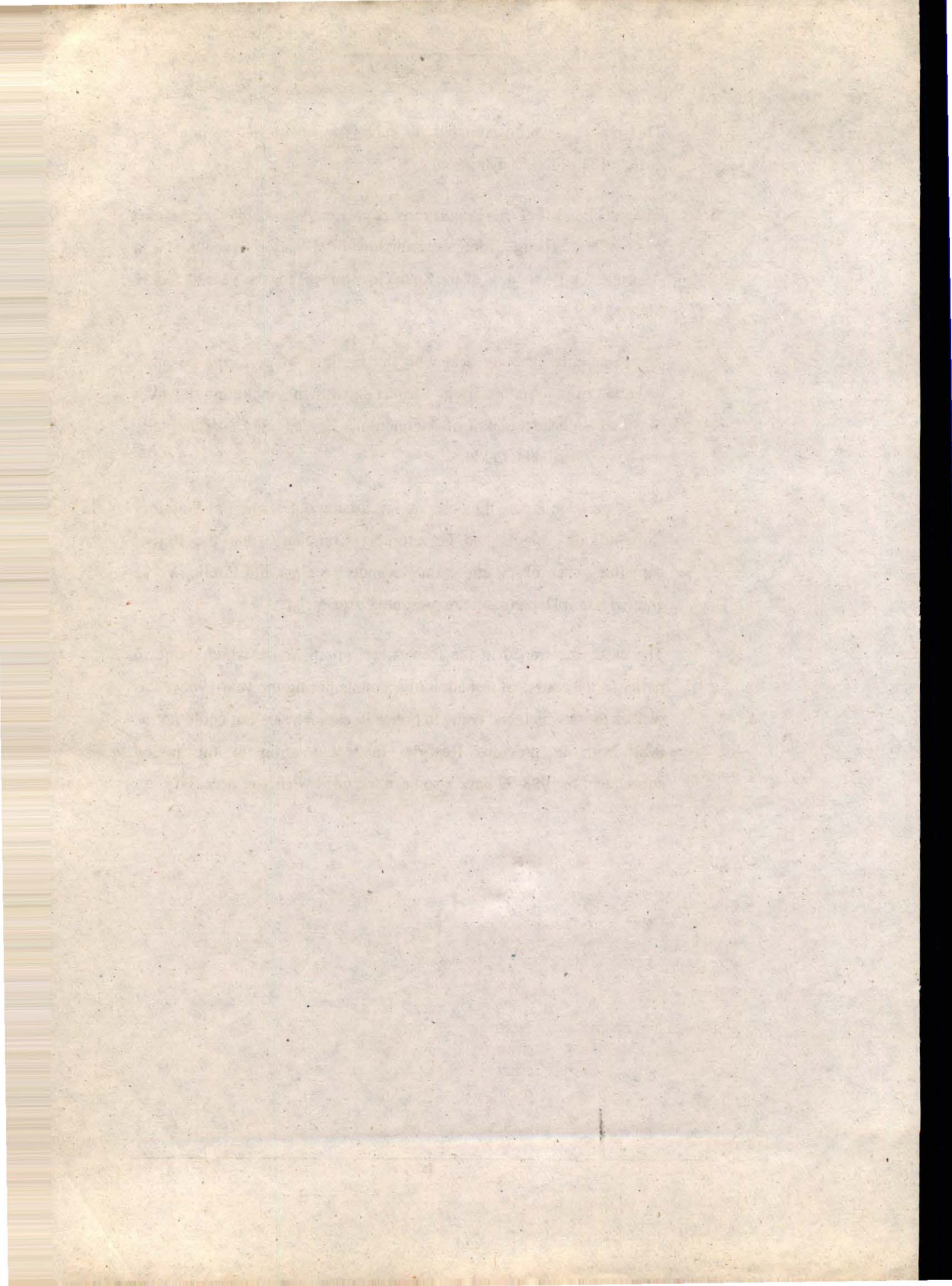
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## *Preface*

1. This report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 1999.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the audit of Stores and Stock, audit of Autonomous Bodies and departmentally run commercial undertakings.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts and Public Works and Irrigation Department are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1998-99 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 1998-99 have also been included wherever necessary.







## OVERVIEW

This Report includes two chapters containing the observations on the Finance Accounts and Appropriation Accounts of the Government of Madhya Pradesh for the year 1998-99 and two other chapters comprising 5 reviews and 45 paragraphs, based on the audit of certain selected schemes, programmes and the financial transactions of the State Government. A synopsis of the important findings contained in the reviews and the more important paragraphs is presented in this overview.

### 1. Finances of the State Government

The Revenue Receipts during the year (Rs.11346 crore) were much less than the Revenue Expenditure (Rs.14218 crore), resulting in Revenue Deficit of Rs.2872 crore. The Revenue Receipts comprised tax revenue (Rs.5108 crore), non-tax revenue (Rs.1782 crore), State's share of Union taxes and duties (Rs.2932 crore) and grants-in-aid from the Central Government (Rs.1523 crore). The main sources of tax revenue were taxes on sale (45 per cent), State Excise (19 per cent) and Taxes on vehicles, goods, and passengers (15 per cent). Non-tax revenue came mainly from Interest receipts (8.28 per cent) and Economic Services (81.65 per cent).

The capital receipts comprised Rs.56 crore from recoveries of loans and advances and Rs.6599\* crore from public debt. Against this, the expenditure was Rs.1010 crore on capital outlay, Rs 302 crore on disbursement of loans and advances and Rs.4243 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.15717 crore, against which the disbursements of Rs.14131 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was a decrease in the cash balance of Rs.184 crore from Rs.355 crore at the beginning of the year to Rs.171 crore at the end of the year.

The funds were mainly applied for revenue expenditure, whose share not only went up from 82.81 per cent to 91.28 per cent, but also remained significantly higher than the share of the revenue receipts (72.85 per cent) in the total receipts of the State Government. This led to the Revenue Deficit. The percentage of capital expenditure went down from 11.84 per cent to 6.48 per cent, and lending for development purposes came down from 3.30 per cent to 1.94 per cent.

The Financial operation of the State Government led to a 22 per cent growth in its financial liabilities, as against only 7 per cent growth in its financial assets, showing an overall deterioration in the financial condition of the Government.

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\* Including Overdraft



The main reason for this was a very high (512 per cent) growth in the revenue deficit.

The quality of expenditure deteriorated over the past five years as was evident from the declining per centage of plan and capital expenditure, rising per centage of expenditure on general services, huge amounts of funds blocked in incomplete projects and substantial funds transferred to Deposit account, after booking as expenditure.

The Government had a Fiscal Deficit of Rs.4127 crore during 1998-99 which was 127 per cent higher than the previous year. Revenue Deficit accounted for nearly 70 per cent of the Fiscal Deficits as a result of which capital expenditure suffered.

During 1998-99, the Government borrowed Rs.742 crore in the open market. The total liabilities of the Government increased to Rs.21958.63 crore, from Rs.17972.36 crore in 1997-98. However, the repayment obligations from the past borrowings left very little of the borrowings for investment and other expenditure. The position of net availability of funds from borrowings is likely to deteriorate further in view of increasing outstanding debt.

#### Indicators of Financial Performance

A review of the indicators of financial performance shows that the year 1998-99 has witnessed a sharp deterioration in the State's fiscal position. The BCR turned negative; Revenue Deposit jumped by 512 per cent in the year and the Fiscal Deficit jumped by 126 per cent mainly on account of 21 per cent increase in the revenue expenditure and a nearly stagnant revenue receipts. This forced the State to take recourse to increased borrowings which have, in turn, increase the repayment obligations.

The repayments would increase further in future, as the primary deficit has increased phenomenally in the current year. The State finances are headed towards the region of un-sustainability, as the worsening assets to liability ratio and revenue deficit ratio indicates.

*(Paragraph 1)*

## **2. Appropriation audit and Control over expenditure**

The following significant points were noticed.

As against the revised appropriation of Rs. 23687.93 crore, the actual expenditure during 1998-99 was Rs.20401.20 crore resulting in saving of Rs.3286.73 crore.

Supplementary provision of Rs.377.85 crore obtained in 37 cases during the year proved unnecessary. In 17 cases, the expenditure during the year 1998-99 exceeded the provisions by 1276.45 crore. Such excesses totaling Rs.2123.54



crore pertaining to the year 1989-90 to 1997-98 had not been regularised (September 1999).

In 70 cases, there was a saving of Rs.1 crore or more in each case which was also more than 10 per cent of the provision. This included 15 cases where saving had been persistently exceeding Rs.1 crore as well as 20 per cent of provisions during the last three years from 1996-97 to 1998-99. In 6 cases the entire provisions remained unutilised during the year.

In 21 cases, the entire budget provision of Rs.1 crore and more totaling Rs.161.17 crore provided under various Central Schemes remained unutilised.

In 5 cases significant excess was persistent during 1996-97 to 1998-99.

In 22 Schemes, expenditure was in excess by Rs.5 crore or more and also by more than 100 per cent of the provision.

In 50 Schemes there was substantial saving of Rs. 5 crore or more and also more than 80 per cent of the provisions. Out of these in 38 schemes the entire provision remained unutilised.

In 116 cases, Rs.1168.62 crore were surrendered during the year of which Rs.1076.55 crore (92 per cent) were surrendered on the last day of the financial year.

In 6 cases, funds amounting to Rs.8.34 crore were surrendered though there were eventual excesses amounting to Rs.317.83 crore indicating incorrect estimation of savings.

In 133 cases, savings of Rs.914.42 crore were not surrendered and allowed to lapse. This included Rs.828.31 crore in 29 cases where saving exceeded Rs.5 crore or more in each case.

While the recoveries/credits to be adjusted in accounts as reductions of expenditure were estimated at Rs.908.54 crore, the actual recoveries during 1998-99 were Rs.629.56 crore only.

No reconciliation of expenditure figure was carried out by the DDOs under 18 major heads involving expenditure of Rs.3468.79 crore.

During 1998-99, Rs.742.16 crore were drawn, in the month of March 1999 and exhibited as final expenditure under various heads (Schemes) after transferring to Civil Deposits. Out of this, Rs.109.23 crore pertained to Central Government Schemes. Similarly, Rs.31.34 crore were drawn on Nil Payment Vouchers and transferred to Civil Deposits.

*(Paragraph 2)*



### 3. Relief and Rehabilitation Measures for the victims of Bhopal Gas Disaster

Following the tragedy of leakage of MIC gas from the Union Carbide Plant in Bhopal a number of relief and rehabilitation measures were taken up by the State Government. The Central Government approved an Action Plan proposed by the State Government for medical, economic, social and environmental rehabilitation of the gas affected persons and for carrying out research work on the effect of the gas on the affected persons. The outlay was to be shared by the Central and State Governments in the ratio of 75:25. As of March 1999 Rs.325 crore had been reported as spent by the State Government. A review of the activities taken up revealed that the State Government failed to implement the Action Plan effectively. A major portion of the funds was lying unspent in PD accounts, while substantial funds were spent on activities unrelated to Action Plan. The medical facilities were inadequate and measures of social and economic rehabilitation lacked effectiveness. Some important findings were as under :

- Payment of escalation (Rs.3.94 crore) and expenditure on extra items of work (Rs.7.41 crore) was made during construction of Kamla Nehru Hospital.
- 150 bedded Indira Gandhi Hospital constructed in June 1994 at a cost of Rs.6.14 crore could start only in September 1998 (OPD) and March 1999 (IPD) and that too only partially (50 beds).
- Health cards were issued to gas affected persons after 9 years of the approval of Action Plan.
- Extra expenditure of Rs.0.24 crore was incurred due to purchase of medicines at higher rates.
- Expenditure of Rs.36.02 lakh on construction of Malikhedi Hospital (outside gas affected area) proved unfruitful as no indoor patient was admitted.
- Excess amount of Rs.19.46 lakh was given to Indian Red Cross Society.
- Against target of imparting training to 3600 persons annually in 40 trades, only 4080 trainees in 11 to 25 trades were imparted training during 1990-91 to 1998-99.
- The ITI building including 62 staff quarters was constructed at a cost of Rs.7.21 crore against the tendered cost of Rs.3.80 crore. Interventions by the Architect were an important reason for the cost and time overrun.



- 152 industrial sheds constructed at a cost of Rs.8.19 crore and aimed at giving employment to 10,000 workers, could provide jobs to only 2443 workers.
- Free supply of milk costing Rs.2.66 crore was made during 1990-91 to December 1996 to children and lactating mothers not affected by gas.
- Uniforms costing Rs.3.71 crore were distributed to SC/ST and OBC girl students upto primary level in whole of Madhya Pradesh rather than gas affected children of 36 wards of Bhopal.
- Against the target of 3000 houses, only 2486 houses were constructed and of these, only 1666 had been taken possession of by the beneficiaries.
- Rs.5.05 crore meant for environmental rehabilitation were diverted for construction of claim courts.
- Revolving fund of Rs.20 lakh proposed to be created to provide job opportunities to 75 widows of the gas disaster was not utilised for the purpose.
- No physical and financial report was ever submitted by the monitoring committee.

(Paragraph 3.1)

#### 4. Public Distribution System

The Public Distribution System covered the entire population of the State. A review of its functioning showed that though the system has been in existence for a long time, it was still limited in its reach and failed to provide the food safety net to the needy population of the State. In addition, there were inefficiencies in the system of transportation and distribution of the foodgrains which, if removed, could lead to cost reduction. This was evident from the fact that on many occasions the PDS price was more than even the market price. This underscores the need for an overall improvement of the PDS in the State. Some important points noticed during the test audit are give below:-

- The quantity lifted was much less than the allocation, year after year, which showed that the coverage of PDS was abinitio inadequate. Even the lifted quantity was not distributed in full. Though the lifting and distribution of foodgrains improved substantially after introduction of TPDS, the overall shortfall in distribution of the lifted quantity persisted. This showed that optimum benefit of BPL group under TPDS were out of the food safety net.
- Non-cancellation of old ration cards while issuing new ration cards led to circulation of large number of bogus ration cards.



- Shortfall in distribution of foodgrains lifted by NAN, year after year, resulted in accumulation of huge stock of 1.55 lakh M.Ton wheat and 1.91 lakh M.Ton rice involving central subsidy of Rs.28.40 crore.
- Departmental records revealed shortage of foodgrains costing Rs.1.78 crore from lead and link societies for which no action was found taken.
- Deployment of two organisations for lifting and distribution of foodgrains from FCI godowns to Fair Price shops involved additional expenditure of Rs.87.30 crore, which could have been avoided by rationalizing the procedure.
- NAN had not returned the unspent balance of Rs.1.38 crore lent to it for purchase of mobile vans. Similarly, loan of Rs.1.19 crore was not repaid to GOI together with interest thereon amounting to Rs.88.85 lakh.
- 697 out of 824 sanctioned shops cum godowns, to be set up throughout the State during 1992-99, were not set up in spite of availability of funds. The expenditure of Rs.3.27 crore on construction of 20 godowns, which remained unutilized even 5 to 61 months after their completion, was unfruitful.
- Due to rounding off of the selling price of Kerosene, there was irregular collection of revenue of Rs.5.19 crore.
- Distribution of Sugar amounting to Rs.1.24 crore in excess of norms prescribed by Government was noticed in Bastar District.

(Paragraph 3.2)

## 5. Nutritional Support to Primary Education

The National programme of Nutritional Support to Primary Education was launched in 1995 and covers all the blocks in the State. It aims at boosting the universalisation of the primary education by increasing enrollment, retention and attendance and simultaneously impacting on the nutrition of the students in the primary classes. A review of the implementation of the programme revealed that the foodgrains allocated by Government of India were not lifted in full and a sizeable number of students were left out of the purview of the scheme. Though provision of cooked meal was a key element of scheme, the State Government had discontinued this in 123 blocks, citing funds constraints as the reason. Some important findings are given below:

- During 1995-99 17.64 lakh quintals of foodgrains released by GOI were not lifted. In 6 test checked districts, allocation of 2.85 lakh quintals of foodgrains lapsed due to non-lifting.



- 16.46 lakh students throughout the State were not provided Mid Day Meals during 1995-99; six Central School students were excluded from the scheme while 3 private schools were given the benefit of scheme. Food was not served in a number of schools in Bhainsdehi, Takhatpur, Ashok Nagar, Shahdol and Mandsaur blocks for one to 12 months.
- In six test-checked districts an amount of Rs.79.68 lakh was claimed from GOI as transportation charges in excess of approved rate of reimbursement. Rs.40.84 lakh were claimed in Sagar District without incurring any expenditure on transportation.
- Monthly details of foodgrains allotted, lifted, consumed and balance were not reported to State Government. The monthly quantity of foodgrains lifted was not intimated to GOI by State Government. Allocation of foodgrains to local bodies and actual receipt thereof was not reconciled at district level. Proper monitoring/evaluation was not being done and monthly meetings of district level committees were not being conducted regularly.

(Paragraph 3.3)

## 6. Rural Employment Generation Programme

The Rural Employment Programmes suffered from a number of shortcomings in implementation during 1992-99. The budget provision worked out to 16 per cent of the actual requirement of funds of Rs.17419 crore. The average employment provided to identified 55.51 lakh families worked out to 16 mandays in a year as against 100 mandays assured under the EAS alone. The planning of the programme at district level lacked seriousness. Shelf of projects, location of works to be undertaken, employment requirement and projections were not available in all test-checked districts. Lack of supervision, guidance and monitoring adversely affected the implementation. Departure from prescribed procedure and norms resulted in faulty implementation, misutilisation of funds and incorrect assessment of wage level and creation of assets. Some main findings of the review are as follows:

- JRY and EAS funds amounting to Rs.59.84 crore were not released to DRDAs/ZPs during 1995-96 and 1997-98. Rs.368.41 crore were released late by 1 to 6 months by State Government during 1992-98 while Rs.79.13 crore out of Rs.79.34 crore were released late by 8 to 84 days to Gram Panchayats by Zilla Panchayats.
- Central assistance of Rs.14.38 crore was deducted in 1997-98 due to various shortcomings on the part of the State Government.
- Interest of Rs.4.73 crore earned by Zilla Panchayats during 1992-97 was not added to the programme funds.



- JRY and EAS funds of Rs.93.59 crore were transferred to Civil Deposits during 1992-93, 1996-97 and 1998-99. Funds amounting to Rs.122.40 crore were kept in fixed deposits, Treasury deposits and current accounts.
- Rs.10.83 crore were debited to JRY on prorata basis for administrative expenditure and credited as State Revenue while expenditure on salaries was debited to Integrated Rural Development Programme. Contingent expenditure charged to works amounted to Rs.7.06 crore under JRY.
- Advance of Rs.4.60 crore given to executing agencies were treated as expenditure during 1993-97.
- JRY and EAS funds amounting to Rs.55.19 crore were diverted to other schemes out of which Rs.18.58 crore were not received back while Rs.75.45 crore were diverted for departmental works/activities not covered by the scheme. JRY funds of Rs.4.40 crore were diverted to other districts. Financial progress under EAS was inflated by Rs.5.16 crore by diverting funds to DPAP.
- Non-adherence to prescribed wage-material ratio in the expenditure resulted in loss of 13.94 lakh mandays in Bilaspur district. Average employment provided to registered workers under EAS ranged from 5 to 30 days in the State.
- Employment generated was found inflated by 47.21 lakh mandays in test-checked districts. Muster rolls were not maintained for employment of 910.74 lakh mandays generated under MWS and IAY during 1992-96. Wages paid to workers were found to be less than minimum prescribed wages by 18 to 40 per cent resulting in short payment of Rs.9.30 crore. Expenditure on wages was inflated by Rs.2.52 crore in Bilaspur. Expenditure in excess of 40 per cent on material component amounting to Rs.2.92 crore was booked to scheme against the provision of guidelines.
- Sectoral details of expenditure of Rs.555.10 crore during 1992-97 under JRY and for Rs.86.90 crore spent during 1996-97 under EAS were not available.
- Works costing Rs.2.69 crore were executed through labour headmen in Bilaspur and Raipur while avoidable expenditure due to non-deduction of contractors' profit worked out to Rs.3.11 crore in Bilaspur. Plantation in 710 hectare was taken in reserve forest at a cost of Rs.66.16 lakh where village community had no access to usufruct.

(Paragraph 3.4)



## 7. Integrated Child Development Services

The ICDS programme was launched by the Government of India to improve the health and nutritional status of children below six years of age and for reducing the incidence of mortality, morbidity, malnutrition and dropout etc. The main components of the programme were supplementary nutrition, immunization, health check-up, referral services, nutrition and health education and non-formal pre-school education. A review of the implementation of the programme during the period 1992-93 to 1998-99 brought out serious deficiencies. Some of these were as follows :

-- The funds available for supplementary nutrition were highly inadequate, as was the coverage of the identified beneficiaries. Weaning food was not provided to children below one year's age.

-- The ANMs did not pay the prescribed number of visits to the beneficiaries and there were substantial shortfalls in the achievement of targets for immunization, health check-up and referral services. The programme failed to make any appreciable impact on the mortality, morbidity and malnutrition etc.

-- The Government failed to utilise the full funds allotted by Government of India. Financial irregularities like transfers to PD accounts, depositing the funds in bank accounts and accounting mistakes were also noticed.

-- Against the sanctioned 67718 Anganwadi centres and 488 projects, 60968 Anganwadi centres and 440 projects were operationalised as of March 1999. Further, though GOI accepted only 355 projects as operationalised and released funds accordingly, the State Government sanctioned in 1997-98 additional 71 projects and diverted funds of the existing projects for their operation. As a result, all the projects suffered due to insufficient funds.

-- The overall shortfall in coverage of identified beneficiaries of test checked projects was 24.29 per cent in respect of children (0-6 years) and 39.60 per cent in respect of expectant and nursing mothers.

-- Provision of funds for supplementary nutrition programme was inadequate and was not sufficient to provide food for even 100 days in a year. The samples of food supply were not got checked from laboratories.

-- In test checked projects the achievement in vaccination for BCG, DPT, Polio, Measles and TT ranged from 18 to 53 per cent only of the targets fixed. The shortfall in health check-up was 30 to 99 per cent. Only 22 per cent of the identified persons could receive the benefit of referral services, in seven projects. Funds meant for referral services were utilised for distribution of medicines in camps.



-- Irregularities in purchase constituted avoidable expenditure of Rs.16.09 lakh on purchase of 59 vehicles and excess expenditure of Rs.10.55 lakh on purchase of larger size Durries in Raipur.

*(Paragraph 3.5)*

#### **8. Other points**

Payment of Rs.1.04 crore on idle wages of excess staff during 1995-99 by Assistant Soil Conservation Officer, Morena under Ravine Survey Scheme proved infructuous.

*(Paragraph 3.6)*

Subsidy of Rs.81.49 lakh paid to farmers for 1311 tubewells in Bhopal, Guna and Sehore districts, without insisting on resistivity survey reports, proved wasteful as these wells failed.

*(Paragraph 3.8)*

Undue benefit of Rs.1.21 crore was obtained by industrial Units on account of sale of coal procured at notified rate. The District Industries Centre Rewa did not initiate any action against the unit.

*(Paragraph 3.11)*

Unsuccessful implementation of Kalpa Vriksha Scheme in Jagdalpur and Raigarh districts resulted in infructuous expenditure of Rs.52.43 lakh on payment of subsidy. Further subsidy of Rs.24.83 lakh released in advance was lying unutilised in banks.

*(Paragraph 3.13)*

Due to non-disposal of tasar cocoons, there was blockade of funds of Rs.38.79 lakh as at the end of March 1999 in Sericulture Department at Raigarh.

*(Paragraph 3.14)*

Rs.9.68 crore belonging to M.P. Higher Education Grants Commission kept in fixed deposits were not brought to Government account, although the Commission was merged with Department w.e.f. February 1994, resulting in loss of interest of Rs.6.10 crore.

*(Paragraph 3.16)*



Under Jeewan Dhara Yojna an expenditure of Rs.31.21 lakh on irrigation wells was mis-utilised/unfruitful during 1990-95 in 2 blocks of Betul and Dantewara.

**(Paragraph 3.23)**

Infructuous expenditure of Rs.1.53 crore was incurred in 4 districts on 50 health centres which were functioning without doctors.

**(Paragraph 3.24)**

The Public Relations Department sanctioned Rs.One crore from Contingency Fund for construction works of an University even though the land was not allotted and the plan and estimates were not prepared. The funds were lying in Bank, resulting in loss of interest to Government.

**(Paragraph 3.27)**

Compensation paid at higher rates applicable under the Land Acquisition Act instead of Urban Ceiling Act resulted in excess payment of Rs.1.29 crore.

**(Paragraph 3.30)**

Suspected defalcation of Rs.1.29 crore due to irregular maintenance/writing/verification of Cash Book as per codal provision during the period from November 1995 to July 1996 in the office of the Block Education Officer, Mainpur, district Raipur, was noticed.

**(Paragraph 3.34)**

Rupees 1.74 crore of Nirashrit Nidhi was mis-utilized on items of works/schemes not permissible under the Act.

**(Paragraph 3.38)**

Shortage of paddy of 47,550 quintals in the Madhya Pradesh Marketing Federation, Bhopal during 1995-97 resulted in loss of Rs.1.97 crore.

**(Paragraph 4.4)**

Delay in remittance of sale proceeds of fertilizers by Co-operative Banks in MARKFED account during 1972-73 to 1997-98 resulted in loss of interest of Rs.27.93 crore.

**(Paragraph 4.6)**







## CHAPTER-I

### An overview of the finances of the State Government

#### 1.1 Introduction

This chapter discusses the financial position of the State Government, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the Chapter also contains a section on the analysis of indicators of financial performance of the Government, based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are explained in the Appendix to this Chapter.

#### 1.2 Financial position of the State

In the Government accounting system comprehensive accounting of the fixed assets like land and buildings etc., owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Exhibit I gives an abstract of such liabilities and the assets as on 31 March 1999 compared with the corresponding position on 31 March 1998. While the liabilities in this statement consist mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would be seen from Exhibit I that while the liabilities grew by 22 per cent, the assets grew by only 7 per cent during 1998-99, mainly as a result of a very high (512 per cent) growth in the revenue deficit which increased from Rs.469 crore to Rs.2872 crore. This shows an overall deterioration in the financial condition of the Government as is brought out in succeeding paragraphs.

#### 1.3 Financial operations of the State Government

**1.3.1** Exhibit II gives the details of the receipts and disbursements made by the State Government during the year. The Revenue expenditure (Rs.14218 crore) during the year exceeded the revenue receipts (Rs.11346 crore)



## EXHIBIT-I

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF  
MADHYA PRADESH AS ON 31 MARCH 1999

(Rupees in crore)

As on 31.03.1998	Liabilities		As on 31.03.1999
3349.02	Internal Debt <sup>1</sup>		4193.19
2848.57	Market Loans bearing interest	3400.95	
4.51	Market Loans not bearing interest	4.30	
495.94	Loans from other Institutions	595.40	
--	Ways and Means Advances	192.54	
--	Overdrafts from Reserve Bank of India	--	
7717.61	Loans and Advances from Central Government		9230.35
657.69	Pre 1984-85 Loans	603.76	
2732.40	Non-Plan Loans	3553.87	
4145.28	Loans for State Plan Schemes	4881.29	
68.55	Loans for Central Plan Schemes	65.52	
113.69	Loans for Centrally Sponsored Plan Schemes	125.91	
39.95	Contingency Fund		39.77
4973.06	Small Savings, Provident Funds, etc.		5844.37
1428.65	Deposits		2111.17
509.89	Reserve Funds		585.42
186.07	Suspense and Miscellaneous Balances		177.91
	Cash in Treasuries and Local Remittances		<sup>1</sup> 3.71
18204.25			22185.89
As on 31.03.1998	Assets		As on 31.03.1998
13276.34	Gross Capital Outlay on Fixed Assets -		14286.16
1531.36	Investments in shares of Companies, Corporations, etc.	1598.36	
11744.98	Other Capital Outlay	12687.80	
2570.48	Loans and Advances -		2815.58
1518.32	Loans for Power Projects	1721.65	
986.66	Other Development Loans	1026.53	
65.50	Loans to Government servants and Miscellaneous loans	67.40	
	Reserve Fund Investments		
15.13	Advances		12.73
683.96	Remittance Balance		721.58
355.37	Cash -		174.82
2.68	Cash in Treasuries and Local Remittances		
309.59	Deposits with Reserve Bank	130.29	
12.52	Departmental Cash Balance including permanent cash imprest	13.95	
30.58	Cash Balance Investments	30.58	
1302.97	Deficit on Government Accounts -		4175.02
469.32	(i) Revenue Deficit of the Current Year	2871.79	
0.32	(ii) Appropriation to Contingency Fund	0.26	
833.33	(iii) Accumulated deficit	1302.97	
18204.25			22185.89

1

Consists of cash in treasury : Rs.1.14 crore and Remittances in transit : (-) 4.85 crore = (Net : (-)Rs.3.71 crore).



## EXHIBIT-II

## ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 1998-99

(Rupees in crore)

Receipts			Disbursement				
1997-98		1998-99	1997-98	1998-99			
				Non-Plan	Plan	Total	
11257.12	I.	<b>Section-A: Revenue</b>					
4564.31		Revenue receipts	11345.85				<b>I. Revenue expenditure</b>
		-Tax revenue	5108.48	3856.72	4733.56	32.54	4766.10
				4481.77	4095.54	1478.73	5574.27
2018.55		-Non-tax revenue	1781.99	1987.21	2175.76	395.01	2570.77
				584.98	551.88	268.20	820.08
3326.64		-State's share of Union Taxes	2932.13	519.19	316.21	324.96	641.17
							<b>-Water Supply, Sanitation Housing and Urban Development</b>
195.82		-Non-Plan grants	194.20	18.17	21.63	0.10	21.73
				761.71	631.62	291.72	922.74
363.60		-Grants for State Plan Scheme	378.60	51.56	41.79	20.38	62.17
				553.53	348.87	178.85	527.72
788.20		-Grants for Central and Centrally sponsored Plan Schemes	950.45	5.42	7.70	0.19	7.89
				3052.51	2497.24	964.20	3461.44
				1032.20	902.79	343.84	1246.63
				801.61	477.13	435.50	912.63
				269.90	215.02	108.86	323.88
				392.53	412.00	22.90	434.90
				125.25	40.96	48.27	89.23
				400.64	419.80	1.69	421.49
				2.01	0.91	0.64	1.55
				28.37	28.63	2.50	31.13
469.32	II.	Revenue deficit carried over to Section B	2871.79	335.44	415.83	--	415.83
11726.44		<b>Total</b>	<b>14217.64</b>	<b>11726.44</b>	<b>11742.17</b>	<b>2475.47</b>	<b>14217.64</b>
		<b>Section-B</b>					
200.84	III.	Opening cash balance including permanent advances and cash balance investment	355.37				<b>III. Opening over draft from RBI</b>
	IV.	Miscellaneous Capital Receipts		22.27	Nil	20.41	20.41
				170.37	8.43	210.11	218.54
				39.46	Nil	41.30	41.30
				27.31	2.01	27.34	29.35
				30.29	Nil	16.40	16.40
				0.71	Nil	0.1	0.1
				24.92	Nil	102.04	102.04
				45.60	6.42	21.70	28.12
				2.08	Nil	1.23	1.23
				1485.16	2.37	768.50	770.87
				85.45	0.79	97.28	98.07
				63.33	Nil	64.01	64.01
				425.14	0.39	430.53	430.92
				834.54	Nil	99.78	99.78
				10.46	0.74	5.61	6.35
				64.42	0.40	71.29	71.69
				1.82	0.05	Nil	0.05
		<b>Total</b>	<b>1677.80</b>	<b>1677.80</b>	<b>10.80</b>	<b>999.02</b>	<b>1009.82</b>



## EXHIBIT-II (Continued)

Receipts				Disbursement			
1997-98				1998-99	1997-98		1998-99
794.08	V.	Recoveries of Loans and Advances		56.49	467.52	V. Loans and Advances disbursed	301.59
		--From Power Projects	--		284.89	--For Power Projects	203.33
13.10		--From Government Servants	14.00		16.24	--To Government Servants	15.90
780.98		--From others	42.49		166.39	--To others	82.36
	VI	Revenue Surplus brought down			469.32	VI. Revenue deficit brought down	2871.79
4663.48	VII	Public debt receipt		6599.49	2923.34	VII. Repayment of public debt	4242.59
651.00		--Internal debt other than ways and means advances and overdraft	741.84		43.10	--Internal debt other than ways and means advances and overdraft	90.21
2570.52		--Ways and means advances and overdraft	3995.87		2570.52	--Ways and means advances and overdraft	3803.33
1441.96		--Loans and advances from Central Government	1861.78		309.72	--Repayment of loans and advances to Central Government	349.05
	VIII	Appropriation to Contingency Fund				VIII. Appropriation to Contingency Fund	
3.14	IX	Amount transferred to Contingency Fund		0.05	0.05	IX. Expenditure from Contingency Fund	0.23
13961.34	X	Public Account receipts		15716.58	13729.48	X. Public Account disbursements	14130.85
1287.07		--Small Savings and Provident Funds	1791.65		953.94	--Small Savings and Provident Funds	920.34
118.18		--Reserve funds	129.74		85.95	--Reserve Funds	54.20
6528.91		--Suspense and Miscellaneous	6764.62		6568.57	--Suspense and Miscellaneous	6773.04
4110.61		--Remittance	4281.13		4123.51	--Remittances	4318.75
1916.57		--Deposits and Advances	2749.44		1997.51	--Deposits and Advances	2064.52
	XI	Closing Overdraft from Reserve Bank of India			355.37	XI. Cash Balance at end of the year	171.11
					2.68	--Cash in Treasuries and Local Remittances	-3.71
					309.59	--Deposits with Reserve Bank	130.29
					12.52	--Departmental cash Balance including permanent cash imprest	13.95
					30.58	--Cash Balance Investment and Investment of Earmarked Fund	30.58
19622.88		Total		22727.98	19622.88	Total	22727.98



## EXHIBIT-III

## SOURCES AND APPLICATION OF FUNDS

(Rupees in crore)

1997-98	Sources	1998-99	Percentage of Sources
11257.12	Revenue receipts	11345.85	72.85
794.08	Recoveries of Loans and Advances	56.49	0.36
1740.13	Increase in Public debt	2356.90	15.13
365.36	Receipts from Public account	1631.77	10.48
333.13	a. Increase in Small Savings	871.31	
--	b. Increase in Deposits and Advances	684.92	
32.23	c. Increase in Reserve funds	75.54	
3.09	Net effect of contingency fund transactions	--	
--	Decrease in closing cash balance	184.26	1.18
14159.78	<b>Total</b>	15575.27	100.00
	<b>Application</b>		
11726.44	Revenue expenditure	14217.64	91.28
467.52	Lending for development and other purposes	301.59	1.94
1677.80	Capital expenditure	1009.82	6.48
--	Net effect of contingency fund transactions	0.18	0.01
133.49	Application From Public Account	46.04	0.29
39.33	a. Net effect of Suspense and Miscellaneous	8.16	
12.90	b. Miscellaneous Government Account	0.26	
0.32	c. Effect of Remittance transactions	37.62	
80.94	d. Decrease in Deposits and Advances	--	
154.53	Increase in closing cash balance	--	
14159.78	<b>Total</b>	15575.27	100.00

## Explanatory Notes for Exhibit I, II and III:

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Exhibit I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.
4. There was a difference of Rs.261.32 lakh (debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit with Reserve Bank". A net difference of Rs.5.50 lakh (credit) had been reconciled (June 1999).



## EXHIBIT-IV

## TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
<b>Part A. Receipts</b>					
<b>I. Revenue Receipts</b>	7618	8653	10014	11257	11346
(a) Tax Revenue	2871(38)	3518(41)	4104(41)	4564(40)	5108(45)
Agricultural Income Tax	--	--	--	--	--
Sales Tax	1310(46)	1520(43)	1731(42)	2056(45)	2297(45)
State Excise	554(19)	616(17)	743(18)	845(19)	965(19)
Taxes on vehicles	232(8)	309(9)	338(8)	371(8)	382(7)
Stamps and Registration fees	226(8)	275(8)	319(8)	361(8)	400(8)
Land Revenue	25(1)	20(1)	24(1)	28(0)	27(1)
Taxes on goods and passengers	171(6)	245(7)	297(7)	319(7)	413(8)
Other Taxes	353(12)	533(15)	652(16)	584(13)	624(12)
(b) Non Tax Revenue	1615(21)	1778(21)	1975(20)	2019(18)	1782(16)
(c) State's share in Union taxes	1875(25)	2194(25)	2636(26)	3327(30)	2932(26)
(d) Grants in aid from GOI	1257(16)	1163(13)	1300(13)	1348(12)	1523(13)
<b>II. Capital Receipts</b>	1247	1449	2735	2753	3230
Market Borrowings	380(30)	471(33)	624(23)	651(24)	742(23)
Loans and advances from GOI	744(60)	782(54)	1065(39)	1442(52)	1862(58)
Other Receipts (Public Account)	123(10)	196(13)	1046(38)	660(24)	626(19)
<b>Part B. Expenditure</b>					
<b>I. Revenue Expenditure</b>	7809(90)	9131(91)	11462(92)	11726(87)	14218(93)
Plan	1759(23)	2091(23)	2440(21)	2283(19)	2476(17)
Non Plan	6050(77)	7040(77)	9022(79)	9443(81)	11742(83)
General Services	2486(32)	2842(31)	3343(29)	3857(33)	4766(34)
Economic Services	2134(27)	2617(29)	3749(33)	3052(26)	3462(24)
Social Services	3019(39)	3406(37)	4040(35)	4482(38)	5574(39)
Interest Payments	1094	1158	1376	1660	1835
Arrears of Revenue (% Tax & non Tax rev. receipt)	--	--	238(4)	264(4)	248(4)
Fin. Assistance to local bodies etc.	368	551	1318	677	759
Loans and advances given	387	333	318	468	302
<b>II. Capital Expenditure</b>	874(10)	860(9)	1021(8)	1678(13)	1010(7)
Plan	859(98)	851(99)	1010(99)	1672(100)	999(99)
Non Plan	15(2)	9(1)	11(1)	6(0)	11(1)
General Services	12(2)	11(2)	21(2)	22(1)	20(2)
Economic Services	710(81)	709(82)	788(77)	1486(89)	771(76)
Social Services	152(17)	140(16)	212(21)	170(10)	219(22)
<b>Part C. Deficits</b>					
Revenue Deficit(-)/ surplus(+)	(-190)	(-477)	(-1448)	(-469)	(-2872)
Fiscal Deficit	1417	1633	1926	1821	4127
Budgetary Deficit(-)/Surplus(+)	(-92)	(+37)	(+22)	(+312)	(-386)
<b>Part D. Other data</b>					
Ways and Means Advances/overdraft (days)	114/172	109/77	171/24	142/48	129/144
Interest on WMA/Overdraft	7/4	4/1	4/1	4/1	5/3
GSDP	49920	57444	65014	70830	Not available
Outstanding Debt (year end)	1688	2392	2741	3349	4193
Outstanding guarantees (year end)	290	485	3546	3890	1413
Guarantees given during the year	7218	7234	8352	9092	8599
Number of incomplete projects	--	--	53	55	59
Capital blocked in incomplete projects	--	--	3058	3498	3725

Note: Figures in brackets represent percentages (rounded) to total of each sub heading.



resulting in a revenue deficit of Rs 2872 crore. The Revenue receipts comprised tax revenue (Rs.5108 crore), non-tax revenue (Rs 1782 crore), State's share of Union taxes and duties (Rs.2932 crore) and grants-in-aid from the Central Government (Rs.1523 crore). The main sources of tax revenue were Taxes on Sale (45 per cent), State excise (19 per cent) and Taxes on vehicles, goods and passengers(15 per cent). Non-tax revenue came mainly from Interest receipts (8.28 per cent) and Economic services (81.65 per cent).

1.3.2 The capital receipts comprised Rs 56 crore from recoveries of loans and advances and Rs.6599\* crore from public debt. Against this, the expenditure was Rs.1010 crore on capital outlay, Rs 302 crore on disbursement of loans and advances and Rs.4243 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.15,717 crore, against which the disbursements of Rs.14,131 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was a decrease in the cash balance of Rs.184 crore from Rs.355 crore at the beginning of the year to Rs.171 crore at the end of the year. The increase in the revenue expenditure and the consequent revenue deficit was attributable partly to Rs.1208.20 crore spent on V<sup>th</sup> Pay Commission.

1.3.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibit II and the time series data for the five year's period from 1994-95 to 1998-99, presented in Exhibit-IV.

#### 1.4 Sources and applications of fund

1.4.1 Exhibit III gives the position of sources and applications of funds during the current and the preceding year. The main sources of funds include the revenue receipts of the Government, recoveries of the loans and advances, public debt and the receipts in the Public Account. These are applied mainly on revenue and capital expenditure and the lending for developmental purposes. It would be seen that the revenue receipts constitute the most significant source of fund for the State Government. While their relative share declined from 79.50 per cent in 1997-98 to 72.85 per cent during 1998-99, the share of recoveries of loans and advances declined from 5.61 per cent to 0.36 per cent. The net receipts from the Public Account, however, increased as their share went up from 1.64 per cent in 1997-98 to 10.48 per cent in 1998-99. This was mainly due to increase in deposits and advances and small savings. The receipts from the public debt went up from 12.29 per cent to 15.13 per cent.

1.4.2 The funds were mainly applied for revenue expenditure, whose share not only went up from 82.81 per cent to 91.28 per cent, but also remained significantly higher than the share of the revenue receipts (72.85 per cent) in

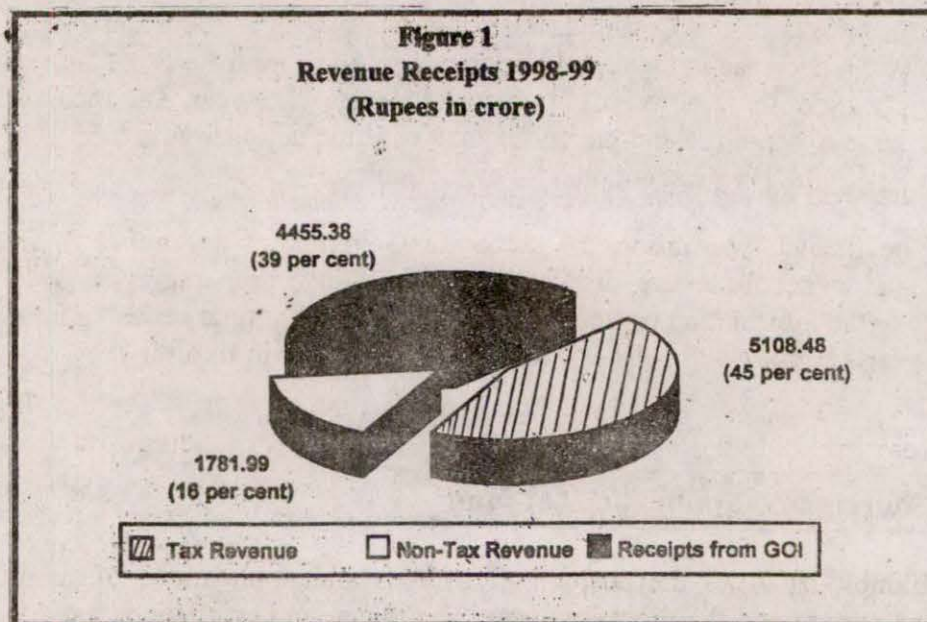
\* Including Overdraft



the total receipts of the State Government. This led to the Revenue Deficit. The percentage of capital expenditure went down from 11.84 per cent to 6.48 per cent, and lending for development purposes came down from 3.30 per cent to 1.94 per cent.

## 1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. The revenue receipts grew at an average annual rate of 10 per cent during 1994-95 to 1998-99.



### 1.5.2 Tax revenue

These constitute the major share (45 per cent) of the revenue receipts and their share has increased from 40 per cent in 1997-98 mainly because of decline in the shares of non-tax receipts and State's share in Union taxes. Exhibit IV shows that the relative contribution of sales taxes has come down from 46 per cent in 1994-95 to 45 per cent in 1998-99, while that of excise duty, land revenue and stamps and registration has remained static. The share of other two major constituents of the tax revenue viz., the taxes on vehicles declined from 8 per cent to 7 per cent whereas that of taxes on goods and passenger increased by two per cent from 6 to 8 per cent during 1994-99.

### 1.5.3 Non-tax revenue

The non-tax revenue constituted 16 per cent of the revenue receipts of the Government. Their share in the revenue receipts has registered a continuous decline from 21 per cent in 1994-95 to 18 per cent in 1997-98 and 16 per cent in the current year.



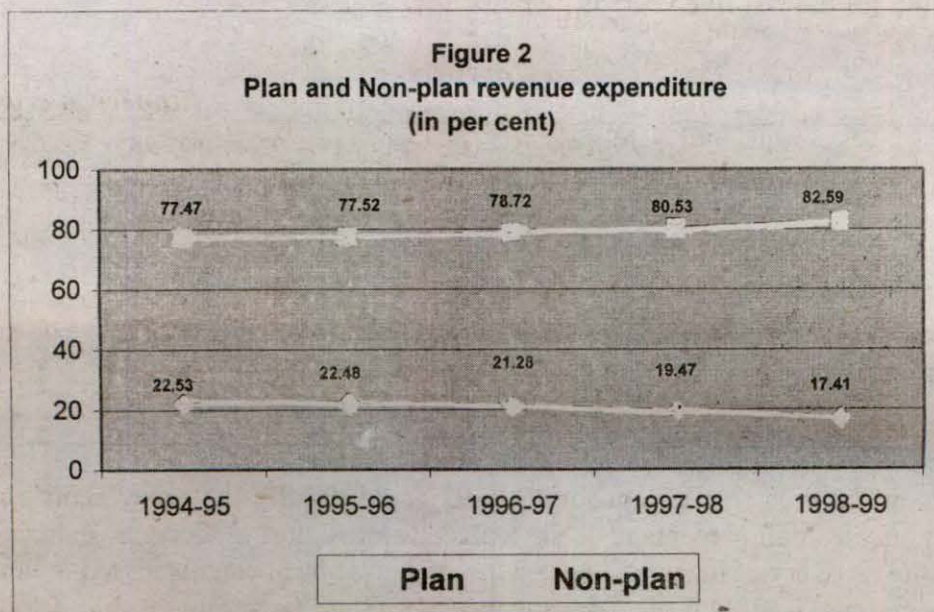
### 1.5.4 State's share of Union taxes and duties and grants-in-aid from the Central Government

The State's share of Union taxes (excise duties and income and corporation taxes) declined by 12 per cent during the year, while the grants in aid from the Central government increased by 13 per cent. However, as a percentage of revenue receipts they (both taken together) declined from 42 per cent in 1997-98 to 39 per cent during 1998-99.

## 1.6 Revenue expenditure

**1.6.1** The revenue expenditure accounted for most (93 per cent) of the expenditure of the State Government and increased by 21 per cent during 1998-99. The increase was both on the Plan and Non-Plan sides. A comparison, however, shows that over the period 1994-95 (Rs.6050 crore) to 1998-99 (Rs.11742 crore) the rate of growth in Non-Plan component (94 per cent) of revenue expenditure far surpassed that in Plan expenditure (41 per cent), as can be seen in Exhibit-IV and also in Figure 2. Trend analysis shows that the Government has not made efforts to arrest the growing share of the revenue expenditure, which has increased to 93 per cent from a low of 87 per cent in 1997-98.

**1.6.2** Sector wise analysis shows that while the expenditure on General Services increased by 92 per cent, from Rs.2486 crore in 1994-95 to Rs.4766 crore in 1998-99, the corresponding increases in expenditure on Economic Services and Social Services were only 62 and 85 per cent respectively. As a proportion of total expenditure, the share of General Services increased from 32 per cent in 1994-95 to 34 per cent in 1998-99, whereas the share of Economic Services decreased from 27 to 24 per cent and that of Social Services remained constant at 39 per cent.





### 1.6.3 Interest payments

Interest payments increased steadily by 68 per cent from Rs.1094 crore in 1994-95 to Rs.1835 crore in 1998-99. This is further discussed in the section on financial indicators.

### 1.6.4 Financial assistance to local bodies and other institutions

The quantum of assistance provided to different local bodies etc., during the period of five years ending 1998-99 was as follows:

*(Rupees in crore)*

	1994-95	1995-96	1996-97	1997-98	1998-99
Education	113	185	203	206	292
Water Supply, sanitation, housing and Urban Development	14	26	25	55	36
Cooperatives	25	27	7	44	25
Madhya Pradesh Electricity Board	214	310	1079	365	402
Public Undertakings	2	3	4	7	4
Total	368	551	1318	677	759
Percentage of growth over previous year	-59	50	139	-49	12
Assistance as a percentage of revenue expenditure	5	6	12	6	5

A major portion of the assistance has been accounted for by the Electricity Board.

### Loans and Advances by the State Government

1.6.5 The Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, cooperatives, non-Government institutions, etc., for developmental and non-developmental activities. The position for the last five years is given below.

*(Rupees in crore)*

	1994-95	1995-96	1996-97	1997-98	1998-99
Opening balance	2791	3144	3439	2897	2570
Amount advanced during the year	387	333	318	468	302
Amount repaid during the year	35	37	861	794	56
Closing balance	3144	3439	2897	2570	2816
Net addition	352	296	-542	-327	245
Interest received	213	141	270	223	132

It would be seen that except for 1996-97 and 1997-98, the repayments have been only a small percentage of the loans advanced during the year, indicating that the recovery of loans was poor. One such case has been discussed in detail in paragraph 3.39. Out of loans advanced by State Government, the detailed accounts of which were kept by the Principal Accountant General (Accounts



and Entitlements) recovery of Rs.67.32 crore (principal: Rs.39.50 crore and interest: Rs.27.82 crore) was in arrears as on 31 March 1999. Details in respect of loans, the detailed accounts of which were maintained by the departmental officers, had not been furnished to the Principal Accountant General (Accounts and Entitlements).

## **1.7 Capital expenditure**

*1.7.1* Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government i.e. public sector undertakings (PSUs), corporations, etc. and loans and advances. The capital expenditure has been less than 10 per cent of total expenditure, except for 1997-98 where it was 13 per cent. In 1998-99 however, it came down drastically to only 7 per cent. Exhibit IV shows that most of the capital expenditure has been on economic and social services on the plan side.

## **1.8 Quality of expenditure**

*1.8.1* Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and Non-plan and revenue and capital. While the Plan and Capital expenditure are usually associated with asset creation, the non-plan and revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, in general, the Plan and Capital expenditure can be viewed as contributing to the quality of expenditure.

*1.8.2* Wastage in public expenditure, diversions of funds and funds blocked in incomplete projects would also impinge negatively on the quality of expenditure. Similarly, funds transferred to Deposit heads in the Public Account, after booking them as expenditure, can also to be considered as a negative factor in judging the quality of expenditure. As the expenditure was not actually incurred in the concerned year it should be excluded from the figures of expenditure for that year. Another possible indicator is the increase in the expenditure on General services, to the detriment of Economic and Social Services.



1.8.3 The following table lists out the trend in these indicators:

*(Rupees in crore)*

Sl. No.		1994-95	1995-96	1996-97	1997-98	1998-99
1.	Plan expenditure as a percentage of : Total expenditure (Revenue + Capital)	30	29	28	30	23
2.	Capital expenditure (per cent)	10	9	8	13	7
3.	Expenditure on General services (per cent) Total expenditure (Revenue + Capital)	29	29	27	29	31
4.	Amount of wastage and diversion of funds etc. reported in audit reports	0.51	0.06	1.31	25.08	24.12
5.	Non-remunerative expenditure on incomplete projects	371.75	328.06	405.18	456.18	404.02
6.	Unspent balances under Deposits heads, booked as expenditure at the time of their transfer to the deposit head	299.67	284.14	618.17	505.47	1100.62

It would be seen that the share of both the Plan expenditure and capital expenditure has been declining. The expenditure on General Services, at the same time, has been on increase. Substantial amounts of funds remained blocked in incomplete projects, without any return. Apart from the large amounts of wastages and diversions of funds reported in the Audit Reports from year to year, huge amounts of funds were transferred every year to Civil Deposit, without the expenditure having been incurred. All these reflect adversely on the quality of expenditure implying that the expenditure reported by the Government from year to year did not further its professed objectives.

## 1.9 Financial Management

The issue of financial management in the Government should relate to efficiency, economy and effectiveness of its revenue and expenditure operations. Subsequent chapters of this report deal extensively with these issues especially as they relate to the expenditure management in the Government, based on the findings of the test audit. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

### 1.9.1 Investments and returns

Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved were as under:

*(Rupees in crore)*

Sl. No.	Sector	Number of concerns	Amount invested	
			As on 31.03.1999	During 1998-99
1.	Statutory Corporations	13	932.22	6.14
2.	Government Companies	25	199.10	0.10
3.	Joint Stock Companies	24	1.65	--
4.	Co-operative Institutions	119	465.39	60.76
	<b>Total</b>	<b>181</b>	<b>1598.36</b>	<b>67.00</b>

\* of all the departments.



The details of investments and the returns realised during the last five years by way of dividend and interest were as follows:

(Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowing (%)
1994-95	676.03	0.79	0.12	12.50
1995-96	717.16	1.61	0.22	14.00
1996-97	764.53	2.81	0.37	13.75
1997-98	1531.36	1.55	0.10	12.30
1998-99	1598.36	1.00	0.06	12.50

The table above shows that while the Government was raising high cost borrowings from the market, its investment in the Government Companies etc., fetched insignificant returns.

### 1.9.2 Financial results of irrigation works

The financial results of 15 major and medium irrigation projects with a capital outlay of Rs.261.78 crore at the end of March 1999 showed that a revenue realised from these projects during 1998-99 (Rs.37.35 crore) was 14.27 per cent of the capital outlay.

### 1.9.3 Incomplete Projects

As of 31 March 1999 there were 59 incomplete projects with a cumulative investment of Rs.3725 crore. The number of such projects had gone up during the last 3 years. This showed that the government was spreading its resources thinly, which failed to yield any return.

### 1.9.4 Arrears of Revenue

The percentage of arrears of revenue pending collection remained at 4 per cent of total tax and non tax revenue during 1996-97 to 1998-99.

### 1.9.5 Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.0.80 crore. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/special ways and means advances from the Bank. In addition, over draft is also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poorly on the financial management in Government. During the year 1998-99, the Government took ways and means advances amounting to Rs.2127 crore and over draft of Rs.1869 crore. Rs.193 crore of WMA was outstanding at the end of the year. The interest paid on WMA and overdraft was Rs.8 crore.



### 1.9.6 Deficit

**1.9.6.1** Deficits in Government account represent gaps between the receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management in the Government. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence of the Government. The discussion in this section relates to three concepts of deficit viz., Revenue Deficit, Fiscal Deficit and Primary Deficit.

**1.9.6.2** The Revenue Deficit is the excess of revenue expenditure over revenue receipts. The Fiscal Deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received). Primary Deficit is fiscal deficit less interest payments. The following exhibit gives a break-up of the deficit in Government account.

(Rupees in crore)

CONSOLIDATED FUND					
Receipt	Amount			Disbursement	Amount
Revenue	11346	Revenue deficit: 2872		Revenue	14218
Misc. capital receipts				Capital	1010
Recovery of loans & advances	57			Loans & advances disbursement	302
<b>Sub Total</b>	<b>11403</b>	<b>Gross fiscal deficit: 4127</b>		<b>Sub Total</b>	<b>15530</b>
Public debt	4731			Public debt repayment	2374
<b>Total</b>	<b>16134</b>	<b>A: Deficit in CF: 1770</b>			<b>17904</b>
PUBLIC ACCOUNT					
Small savings, PF etc.	1792			Small savings, PF etc.	920
Deposits & advances	2749			Deposits & advances	2065
Reserve funds	130			Reserve funds	54
Suspense & misc.	6765			Suspense & misc.	6773
Remittances	4281			Remittances	4319
<b>Total Public Account</b>	<b>15717</b>	<b>B: Deficit in CF financed by Public Account: Rs.1586</b>			<b>14131</b>
<b>Decrease in cash balance (A-B) : Rs. 184</b>					

The table shows that the Fiscal Deficit of Rs.4127 crore was financed by net proceeds of the public debt (Rs.2357 crore) surplus from Public Account (Rs.1586 crore) and decrease in cash balance (Rs.184 crore). Exhibit IV shows that both the Revenue and Fiscal deficits have shown an increasing trend over the last 5 years.

### 1.9.6.3 Application of the borrowed funds (Fiscal Deficit)

The fiscal deficit represents total net borrowings of the Government. These borrowings are applied for meeting the Revenue Deficit (RD), for making the Capital Expenditure (CE) and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the State Government



and also the sustainability of its operations because continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the position in respect of the Government of Madhya Pradesh for the last five years.

Ratio	1994-95	1995-96	1996-97	1997-98	1998-99
RD/FD	0.13	0.29	0.75	0.26	0.70
CE/FD	0.62	0.53	0.53	0.92	0.24
Net loans/FD	0.25	0.18	-0.28	-0.18	0.06
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

It would be seen that more and more of the borrowed funds have been applied for meeting the revenue expenditure in the last five years, as is evident from the increasing RD/FD ratio. This has led to corresponding decrease in the capital expenditure, as can be seen from the declining CE/FD ratio. The increase in capital expenditure in 1997-98 was possible only because of repayments received on account of past loans. Therefore, if the revenue expenditure is not controlled the capital formation is bound to suffer.

#### **1.9.7 Guarantees given by the State Government**

Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the statutory corporations, Government companies and cooperative institutions etc., and payment of interest and dividend by them. They constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limits within which Government may give guarantees on the security of the Consolidated Fund of the State. Exhibit-IV lists the amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1995-99. Both these have shown an increasing trend except in the year 1998-99.

### **1.10 Public debt**

**1.10.1** The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five-year period, the total liabilities of the Government had grown by 81 per cent. This was on account of 148 per cent growth in internal debt, 76 per cent growth in loans and advances from Government of India and 64 per cent growth in other liabilities. During 1998-99, Government borrowed Rs.742 crore (other than WMA) in the open market.



(Rupees in crore)

Year	Internal debt	Loans and advances from Central Government	Total public debt	Other liabilities <sup>a</sup>	Total liabilities	Ratio of debt to GSDP
1994-95	1688.26	5245.13	6933.39	5203.78	12137.13	0.24
1995-96	2391.87	5789.54	8181.41	5692.30	13873.71	0.24
1996-97	2741.13	6585.38	9236.51	6621.55	15948.06	0.25
1997-98	3349.02	7717.61	11066.63	6905.73	17972.36	0.25
1998-99	4193.19	9230.35	13423.54	8535.09	21958.63	Not available

1.10.2 The amount of funds raised through Public debt, the amount of repayment and net funds available are given in the following table:

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
Internal Debt					
-Receipt	2903	2536	2335	3222	4738
-Repayment (principal + intt.)	3030	2053	2282	2992	4346
-Net funds available ( per cent)	-127	483(19)	53(2)	230(7)	392(8)
Loans & advances from GOI					
- Receipt during the year	744	782	1065	1442	1862
- Repayment	716	795	908	1058	1268
- Net funds available (per cent)	28 (4)	-13 --	157 (15)	384 (27)	594 (32)
Other liabilities					
- Receipt during the year	2617	2689	3019	2940	4229
- Repayment	2125	2519	2459	3106	3062
- Net funds available (per cent)	492 (19)	170 (6)	560 (19)	-166 --	1167 (28)

It would be seen that very little of the borrowings are available for investment and other expenditure after meeting the repayment obligations. In fact, in some years the repayments have been more than the receipts, indicating a net outflow of funds. Considering that the outstanding debt has been increasing year after year, the net availability of funds through public borrowings is going to reduce further.

## 1.11 Indicators of the financial performance

1.11.1 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it

<sup>a</sup> Other liabilities include small savings, provident funds, reserve funds and deposits, etc.



would be necessary to know how far the means of financing are sustainable. Similarly, if Government wishes to increase its level of activity it would be pertinent to examine the flexibility of the means of financing. Finally, Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate to Annual development plans and are provided for in the State Budget. Broadly, it can be stated that non-plan expenditure represents Government maintaining the existing level of activity\*, while plan expenditure entails expansion of activity. Both these activities require resource mobilization increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:

**(i) Sustainability**

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden on the Government.

**(ii) Flexibility**

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenue base or increasing its debt burden.

**(iii) Vulnerability**

Vulnerability is the degree to which a Government becomes dependent on and therefore vulnerable to sources of funding outside its control or influence, both domestic and international.

**(iv) Transparency**

There is also the issue of financial information provided by the Government. This consists of annual Financial Statement (Budget) and the Accounts. As regards the budget the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards, accounts, timeliness in submission, for which milestones exist and completeness of accounts would be the principal criteria.

*1.11.2* Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility, and Vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the Appendix-I Part-B. Exhibit-V indicates the behaviour of these indices/ratios over the period from 1994-95 to 1998-99. The implications of these indices/ratios for the state of the financial health of the State Government are discussed in the following paragraphs.

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\* There are exceptions to this, notably transfer of Plan to the Non-Plan at the end of Plan period.



## EXHIBIT-V

## Financial indicators for Government of Madhya Pradesh

	1994-95	1995-96	1996-97	1997-98	1998-99
<b>Sustainability</b>					
BCR (Rupees in crore)	351	568	(-)234	662	(-)1725
Primary Deficit (PD) (Rupees in crore)	323	475	550	161	2292
Interest Ratio	0.12	0.12	0.11	0.13	0.15
Capital outlay/Capital receipts	0.70	0.59	0.37	0.61	0.31
Total Tax receipts/GSDP	0.10	0.10	0.10	0.11	Not available
State Tax Receipts/GSDP	0.06	0.06	0.06	0.06	Not available
Return on Investment (percent)	0.11	0.22	0.37	0.10	0.06
<b>Flexibility</b>					
BCR (Rupees in crore)	351	568	(-)234	662	(-)1725
Capital repayments/Capital borrowings	0.22	0.21	0.17	0.17	0.17
State tax receipts/GSDP	0.06	0.06	0.06	0.06	Not available
Debt/GSDP	0.24	0.24	0.25	0.25	Not available
<b>Vulnerability</b>					
Revenue Deficit(RD) (Rupees in crore)	190	477	1448	469	2872
Fiscal Deficit(FD) (Rupees in crore)	1470	1633	1926	1821	4127
Primary Deficit(PD) (Rupees in crore)	323	475	550	161	2292
PD/FD	0.23	0.29	0.29	0.09	0.55
RD/FD	0.13	0.29	0.75	0.26	0.70
Outstanding Guarantees/ Revenue receipts	0.04	0.06	0.35	0.35	0.12
Assets/Liabilities	1.09	1.04	0.95	0.93	0.81

**Note**

1. Fiscal deficit has been calculated as: Revenue expenditure + Capital expenditure + Net loans and advances – Revenue receipts – Non-loan capital receipts.
2. In the ratio Capital outlay Vs. Capital receipts, the denominator has been taken as Internal loans + Loans and Advances from Government of India + Net receipts from small savings, PF etc., + Repayments received from loans advanced by the State Government – Loans advanced by State Government.



1.11.3 The behaviour of the indices/ratios is discussed below.

**(i) Balance from current revenues (BCR)**

BCR is defined as revenue receipts minus plan assistance grants minus non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure. The table shows that the State Government has had positive BCRs in three out of the five years, but in 1996-97 and 1998-99 the BCR was negative suggesting that Government had to depend only on borrowings for meeting its plan expenditure.

**(ii) Interest ratio**

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In case of Madhya Pradesh the ratio has risen sharply to 0.15, after moving in the narrow range of 0.11 to 0.13. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

**(iii) Capital outlay/capital receipts**

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long term inasmuch as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Madhya Pradesh, the ratio has all along been less than one and has been steadily declining from 0.70 in 1994-95 to 0.31 in 1998-99 indicating that a substantial part of the capital receipts are not available for investment. The comparatively higher ratio of 0.61 in 1997-98 was possible partly because of improved repayment of loans in that year, as has also been pointed out in paragraph 1.9.6.3.

**(iv) Tax receipts Vs Gross State Domestic Product (GSDP)**

Tax receipts consist of state taxes and state's share of central taxes. The latter can also be viewed as central taxes paid by people living in the state. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Time series analysis shows that in case of Madhya Pradesh this ratio has been stable at 0.12. Similarly, the ratio of state tax receipts compared to GSDP has also been constant at 0.06. The ratio suggests that even while its deficits have been high, the State Government has chosen to borrow rather than improving the tax collection.



**(v) Return on Investment (ROI)**

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table presents the return on Government's investments in statutory corporations, Government companies, joint stock companies and cooperative institutions. It shows that the ROI in case of Government of Madhya Pradesh has been negligible and has been well below 1 per cent moving in the range of 0.06 per cent to 0.37 per cent.

**(vi) Capital repayments Vs Capital borrowings**

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In case of Madhya Pradesh Government this ratio has declined from the level of 0.22 in 1994-95 to 0.17 in 1996-97 and thereafter. This was mainly because the rate of growth of borrowings has been much faster and their impact, in terms of higher repayments, would be seen only in the years to come.

**(vii) Debt vs Gross State Domestic Product (GSDP)**

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Madhya Pradesh, this ratio was 0.25 in 1997-98; the GSDP figures for 1998-99 were not available.

**(viii) Revenue deficit/Fiscal deficit**

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings etc. Evidently, the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus the higher the ratio the worse off the state because that would indicate that the debt burden is increasing without adding to the repayment capacity of the state. As we have seen in para 1.9.6.3 this ratio has been rising and jumped to 0.70 in 1998-99, indicating that 70 per cent of the borrowings were applied to revenue expenditure as compared to 13 per cent in 1994-95. This is an unfavourable trend.

**(ix) Primary deficit vs Fiscal deficit**

Primary deficit is the fiscal deficit minus interest payments. It represents the non-interest borrowings of the Government, arising from its current activities (considering that interest payments are the results of past action of the Government). Primary deficit would be sustainable only if the economy grows at a rate higher than the rate of interest on Government borrowings. This not being the case, Primary deficits would be un-sustainable. As would be seen from Exhibit-V the Primary deficit has shown an increasing trend and has risen sharply in 1998-99. This evidently has adverse implications for sustainability.



**(x) Guarantees vs Revenue receipts**

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay viz., its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In case of Madhya Pradesh this ratio decreased to 0.12 in 1998-99 after having risen to 0.35 in 1996-97 and 1997-98.

**(xi) Assets vs Liabilities**

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra indicator. As explained in paragraph 1.2, the Government accounts capture mostly the financial assets and liabilities. However, the trend of even this ratio would be an important indicator of the quality of financial management. Exhibit-V shows that in case of Madhya Pradesh Government this ratio has registered a steady decline from 1.09 in 1994-95 to 0.81 in 1998-99, indicating that the financial liabilities have been poorly managed, without creating corresponding assets.

**(xii) Budget**

There was no delay in submission of the budget and their approval. The details are given in the following table:

Preparation	Month of submission	Month of approval
Vote on account	March 1998	March 1998
Budget	April 1998	May 1998
Supplementary I	July 1998	August 1998
Supplementary II	February 1999	February 1999

Chapter II of this Report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also of the quality of budgetary procedure and control over expenditure. It indicates defective budgeting and inadequate control over expenditure, as evidenced by persistent resumption (surrenders) of significant amounts every year *vis-a-vis* the final modified grant. Significant variations (excess/saving) between the final modified grant and actual expenditure were also persistent.

**(xiii) Accounts**

There was no significant delay in the submission of accounts by the treasuries/departments during 1998-99. However, out of 52 Treasuries, 459 PW Divisions, 228 Forest Division and 78 others (RES), accounts of 3 treasuries, 46 PW Divisions, 58 Forest Divisions and 6 others were delayed resulting in their exclusion from the monthly cash accounts.



#### **1.11.4 Conclusion**

The year 1998-99 witnessed a sharp deterioration in the State's fiscal position. The areas of concern were both on the revenue side as well capital side. The revenue receipts remained static but the revenue expenditure increased significantly. The increase in expenditure was mainly on the non plan side, especially on general and social services, while the percentage of plan expenditure declined. There was a dramatic fall in capital expenditure. As a result of the poor performance of the State Government, the BCR turned negative; Revenue Deficit jumped by 512 per cent and the Fiscal Deficit by 126 per cent. This forced the State to take recourse to increased borrowings which have, in turn, increased the repayment obligations reducing net availability of funds from public debt. The repayments would increase further in future, as the primary deficit has increased phenomenally in the current year. The State finances are headed towards the region of un-sustainability, as the worsening assets to liability ratio and revenue deficit to fiscal deficit ratio indicate.



## APPENDIX

### Part A : Government Accounts

#### I. Structure

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

##### Part I Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

##### Part II Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs.40 crore.

##### Part III Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

#### II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes *viz.*, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.



## Appendix (Continued)

Part B. List of Indices/ratios and basis for their calculation  
(Referred to in paragraph 1.11)

Indices/ratios		Basis for calculation
<b>Sustainability</b>		
Balance from the current revenue (BCR)		Revenue Receipts minus all Plan grants (under Major Head 1601- 02,03,04 )and Non-Plan revenue expenditure
Primary Deficit		Fiscal Deficit minus Interest Payment.
Interest Ratio		<u>Interest payments-Interest receipts</u>
Capital Outlay Vs Capital receipts	Capital Outlay	Total revenue receipts-Interest receipts Capital expenditure as per Statement No.2 of the Finance Accounts
	Capital receipts	Internal Loans (net of ways and means advances) + Loans and advances from Government of India + Net receipts from small savings, PF etc. + Repayments received of loans advanced by the State Government – Loans advanced by the State Government.
Total tax receipts Vs GSDP		Statement one of Finance Accounts.
State tax receipts Vs GSDP		State Tax receipts plus State's share of the Union Taxes
<b>Flexibility</b>		
-Balance from current revenue		As above
-Capital repayments Vs Capital borrowings	Capital Repayments	Disbursements under Major heads 6003 and 6004 minus repayments on account of Ways and Means Advances/Overdraft under both the major heads
	Capital Borrowings	Addition under Major Heads 6003 & 6004 minus addition on accounts of Ways & Means advances/overdraft under both the major heads
Total Tax Receipts Vs GSDP	State Tax Receipts	Statement one of Finance Accounts
	Total Tax Receipts	State Tax receipts plus State's share of Union Taxes
-Debt Vs GSDP	Debt	Borrowings and other obligations at the end of the year (Statement No.4 of the Finance Accounts)
<b>Vulnerability</b>		
-Revenue Deficit		Revenue expenditure minus Revenue receipts.
-Fiscal Deficit		Total expenditure minus revenue receipts and non-debt public receipts. Paragraph No 1.9.6 of the Audit Report
-Primary Deficit Vs Fiscal Deficit	Primary Deficit	Fiscal Deficit minus interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding guarantees	Exhibit-IV
	Revenue Receipts	Exhibit-II
Assets Vs Liabilities	Assets and Liabilities	Exhibit-I



**CHAPTER-II**

**Appropriation Audit and Control over Expenditure**

**SUMMARY OF APPROPRIATION ACCOUNTS-1998-99**

Appropriation Accounts : Madhya Pradesh  
 Total No. of Grants : 91 Grants/Appropriation

**Total provision and actual expenditure**

*(Rupees in crore)*

Provision	Amount	Expenditure	Amount
Original	20,630.91		
Supplementary	3,057.02		
<b>Total Gross provision</b>	<b>23,687.93</b>	<b>Total Gross expenditure</b>	<b>20,401.20</b>
Deduct- Estimated recoveries in reduction of expenditure	908.54	Deduct- Actual recoveries in reduction of expenditure	629.56
<b>Total Net provision</b>	<b>22,779.39</b>	<b>Total Net expenditure</b>	<b>19,771.64</b>

**Voted and charged provision and expenditure**

*(Rupees in crore)*

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	16,143.24	2,073.54	12,679.73	1,933.80
Capital	2,021.52	3,449.63	1,544.42	4,243.25
<b>Total Gross</b>	<b>18,164.76</b>	<b>5,523.17</b>	<b>14,224.15</b>	<b>6,177.05</b>
Deduct- Recoveries in reduction of expenditure	908.04	0.50	629.56	--
<b>Total Net</b>	<b>17,256.72</b>	<b>5522.67</b>	<b>13,594.59</b>	<b>6,177.05</b>



## 2.1 Introduction

In accordance with the provisions of Article 204 of the Constitution of India, soon after the grants under Article 203 are made by the State Legislature, an Appropriation Bill is introduced to provide for appropriation out of the Consolidated Fund of the State. The Appropriation Bill passed by the State Legislature contains authority to appropriate certain sums from the Consolidated Fund of the State for the specified services. Subsequently, supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

The Appropriation Act includes the expenditure which has been voted by the Legislature on various grants in terms of Article 204 and 205 of the Constitution of India and also the expenditure which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by Government vis-à-vis those authorised by the Appropriation Act.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 1998-99 against 91 grants/appropriations was as follows:

(Rupees in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Variation saving (-)/ Excess (+)
Voted	I- Revenue	14,340.83	1,802.41	16,143.24	12,679.73	(-)3,463.51
	II- Capital	1,474.42	194.24	1,668.66	1,227.85	(-)440.81
	III- Loans & Advances	307.28	45.58	352.86	316.57	(-)36.29
<b>Total Voted</b>		<b>16,122.53</b>	<b>2,042.23</b>	<b>18,164.76</b>	<b>14,224.15</b>	<b>(-)3,940.61</b>
Charged	IV- Revenue	2,063.83	9.71	2,073.54	1,933.80	(-)139.74
	V- Capital	2.25	6.78	9.03	0.66	(-)8.37
	VI- Public Debt	2,442.30	998.30	3,440.60	4,242.59	(+)801.99
<b>Total Charged</b>		<b>4,508.38</b>	<b>1,014.79</b>	<b>5,523.17</b>	<b>6,177.05</b>	<b>(+)653.88</b>
Appropriation contingency and (if any)	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Grand Total</b>	<b>20,630.91</b>	<b>3,057.02</b>	<b>23,687.93</b>	<b>20,401.20</b>	<b>(-)3,286.73</b>



**The figures of expenditure were overstated to the extent of the following :**

1. Recoveries not adjusted as reduction of expenditure (revenue expenditure : Rs.395.88 crore and capital expenditure : Rs.233.68 crore).
2. Transfer of Rs.31.34 crore drawn through Nil payment vouchers to Major head 8443-Civil Deposits-106-Personal Deposit.
3. Transfer of Rs.742.16 crore (Revenue Section : 665.41 crore) and Capital Section (Rs.76.75 crore) to Major Head 8443-Civil Deposit-800-Other Deposits.
4. Non-receipt of Detailed Contingent Bills in support of Rs.57.09 crore drawn on Abstract Contingent Bills at the end of March 1999. In the absence of Detailed Contingent Bills the genuineness of the expenditure could not be vouch safed.

**2.3 Results of Appropriation Audit****2.3.1 Excess expenditure relating to previous years requiring regularisation**

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant or appropriation regularised by the State legislature. However excess expenditure of Rs.2123.54 crore for the years from 1989-90 to 1997-98, was yet to be regularised (September 99). The details are given below :

*(Rupees in crore)*

Year	No. of grants/ appropriation	Amount of excess	Amount for which explanations not furnished to PAC
1989-90	20	112.01	Furnished
1990-91	22	119.51	14.14
1991-92	16	258.58	Furnished
1992-93	21	189.32	Furnished
1993-94	21	258.11	1.92
1994-95	15	407.46	2.46
1995-96	21	251.59	92.42
1996-97	18	224.17	130.36
1997-98	13	302.79	302.79
		<b>2123.54</b>	<b>544.09</b>

**2.3.2 Supplementary provision**

Supplementary provision of Rs.3057.02 crore obtained during the year constituted 14.82 per cent of the original provision as against 10.85 per cent in the previous year.



**2.3.3** The overall saving of Rs.3286.73 crore was the result of saving of Rs.4563.18 crore in 168 cases of grants and appropriations offset by excess of Rs.1276.45 crore in 17 cases of grants and appropriations.

**2.3.4** Supplementary provision\* of Rs.377.85 crore made in 37 cases during the year proved unnecessary in view of aggregate saving of Rs.3443.32 crore as detailed in *Appendix-I*.

**2.3.5** In 40 cases against additional requirement of Rs.823.55 crore, supplementary grants and appropriations of Rs.1290.59 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.467.04 crore. Details of these cases are given in *Appendix-II*.

**2.3.6** The excess of Rs.472.65 crore under 12 cases of grants and Rs.803.80 crore under 5 cases of appropriations required regularisation under Article 205 of the Constitution. Details of these are given in *Appendix-III*.

**2.3.7** In 11 cases, supplementary provision of Rs.1376.95 crore proved insufficient by more than Rs.10-lakh in each case, leaving an aggregate uncovered excess expenditure of Rs.1252.93 crore as per details given in *Appendix-IV*.

**2.3.8(a)** In 70 cases, expenditure fell short by more than Rupees one crore in each case and also by more than 10 per cent of the total provision as indicated in *Appendix-V*. In 6 of the above cases (Sr. No.34, 38, 41, 44, 66 and 70) the entire provision totalling Rs.161.82 crore was not utilised.

**2.3.8 (b)** In 21 cases the entire budget provision of Rupees one crore and more totalling to Rs.161.17 crore, provided under various Central Schemes remained unutilised (*Appendix-V (a)*).

**2.3.9(a)** In 15 cases there were persistent savings in excess of Rupees one crore or more in each case and also 20 per cent or more of the provision. Details are given in *Appendix-VI*.

**2.3.9(b)** Significant excess was persistent in 5 cases as detailed in *Appendix-VI(a)*. Persistent excess requires investigation by the Government for remedial action.

**2.3.10(a)** In 22 schemes, expenditure in each case exceeded the approved provisions by Rs.5 crore or more and also by more than 100 per cent of the total provision. Details of these are given in *Appendix-VII*.

**2.3.10(b)** In 50 cases of schemes, substantial saving of Rs.5 crore or more and also more than 80 percent of the provision in each case, were noticed. The details are given in *Appendix VII(a)*. In 38 out of 50 cases the entire provision remained unutilised.

### **2.3.11 Excessive/unnecessary re-appropriation of funds**

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 needed. Cases where re-appropriation of funds of more than Rupees one crore in each case proved injudicious due to (a) withdrawal of funds from heads where excess expenditure had already occurred (b) withdrawal of funds in excess of available saving (c) unnecessary augmentation of funds despite saving and (d) augmentation of funds by more than the amount required to cover the excess are as given in *Appendix-VIII*.

### **2.3.12 Expenditure without provision**

Expenditure should not be incurred on a scheme/ service without provision of funds. It was however, noticed that expenditure of Rs.1.45 crore was incurred in 5 cases as detailed in *Appendix-IX*, without the provision having been made in the original estimates/ supplementary demands.

### **2.3.13 Anticipated saving not surrendered**

**2.3.13(a)** The spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 1998-99 there were 133 cases of grants/ appropriations in which large savings had not been surrendered by the department. The amount involved was Rs.914.42 crore. In 29 cases, significant amounts of available savings (of Rs.5 crore and above in each case, aggregating to Rs.828.31 crore) were not surrendered as per details given in *Appendix-X*.

**2.3.13(b)** Besides, in 116 cases, Rs.1076.55 crore (92 per cent) were surrendered on the last day of March 1999 out of total surrender of Rs.1168.62 crore, indicating inadequate financial control over expenditure.

### **2.3.14(a) Surrender in excess of actual savings**

In 18 cases, the amount surrendered was in excess of actual savings, which indicated inadequate budgetary control. As against the total savings of Rs.3075.62 crore, the amount surrendered was Rs.3279.92 crore, resulting in excess surrender of Rs.204.30 crore. Details are given in *Appendix-XI*.

**2.3.14(b)** Besides, in 6 cases, Rs.8.34 crore were surrendered though there was excess expenditure amounting to Rs.317.83 crore. Details are given in *Appendix XI(a)*.

The above instances of budgetary irregularities are reported from year to year in Chapter II of the Audit Report. If the precautions are taken by all the departments, these could be minimised to a great extent.

### **2.3.15 Advances from the Contingency Fund**

The Contingency Fund of the State was established in 1957 under MP Contingency Fund Act, 1957 in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, the



postponement of which, till its authorisation by the Legislature would be undesirable.

The Fund is in the nature of an imprest and its corpus was Rs.40 crore.

The Controlling Officers (COs) are required to submit to the Accountant General (A&E) every month, the details of expenditure incurred by them from the advances sanctioned from the Contingency Fund so that the same can be correctly classified. COs are also required to reconcile the expenditure booked by the Accountant General (A&E) with the accounts of the Contingency Fund maintained by them. However, the monthly statements of expenditure were not sent by the COs and reconciliation was not done with the Accountant General's books.

During the year 1998-99, 98 sanctions were issued for withdrawal of Rs.61.09 crore, out of which advances against 54 sanctions amounting to Rs.47.57 crore (77.9 per cent) were drawn. Against this Rs.0.23 crore remained unrecouped.

A review of the operation of Contingency Fund disclosed that (i) sanctions for advances were issued when the money was not needed, (ii) more advance than necessary was sanctioned and (iii) advances were sanctioned even though provisions could have been made in the regular budget or supplementary demand as discussed below :

- (a) One sanction amounting to Rs.0.09 crore was not operated upon and was subsequently cancelled.
- (b) 6 sanctions amounting to Rs.0.60 crore were not acted upon at all.
- (c) 37 sanctions amounting to Rs.12.83 crore were either directly debited to concerning major heads or not drawn.

The practice of sanctioning advances from Contingency Fund as above continued in spite of instructions issued by the Finance Department to avoid indiscriminate resorting to advances from Contingency Fund.

### **2.3.16 Trend of Recoveries and Credits**

Under the system of gross budgeting followed by Government the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

In 6 grants/appropriations the actual recoveries adjusted in reduction of expenditure (Rs.422.40 crore) exceeded the estimated recoveries (Rs.337.93 crore) and in 27 Grants/appropriations the actual recoveries (Rs.207.16 crore) were less than the estimated recoveries (Rs.570.61 crore). Thus during 1998-99, the net actual recovery fell short by Rs.278.98 crore. More details are given in *Appendix-I of Appropriation Accounts 1998-99*.



### **2.3.17 Non-receipt of explanations for savings/excesses**

For the year 1998-99 explanations for savings/excesses were either not received or were received incomplete in respect of 686 heads which form 80.5 per cent of total number of 852 heads.

### **2.3.18 Unreconciled Expenditure**

Financial rules require that the Departmental Controlling officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (A&E). In respect of 18 major heads, expenditure of Rs.3468.79 crore pertaining to 1998-99 remained unreconciled by various controlling officers. Details are given in *Appendix-XII*.

### **2.3.19 Defective sanctions of Re-appropriation/surrender**

Re-appropriations are not permissible (i) beyond Rs.10 lakh without prior approval of Finance Department, (ii) between charged and voted items, (iii) from "salary & wages" head to other head. All sanctions should be issued before the end of financial year and "office expenses" head should not be increased. Contrary to this Rs.43.89 crore were re-appropriated/surrendered by Government as per details given in *Appendix-XIII*, which included re-appropriation of Rs.2 lakh between charged and voted on 31 March 1999 for the year 1998-99.

### **2.3.20 Rush of expenditure**

Regular flow of expenditure in the year is a primary requirement of budgetary control. It was, however, noticed that in 13 cases, the expenditure incurred during March 1999 ranged between 47 percent and 100 percent of the total expenditure during the year. The position of expenditure in each case for the quarter ending June 1998, September 1998 and March 1999 was also brought to the notice of Finance Department through Monthly Appropriation Accounts regularly by the Principal Accountant General (A&E), Madhya Pradesh. This indicated the tendency to utilise the budget provision by controlling officers at the fag end of the financial year. The details are given in *Appendix-XIV*.

### **2.3.21 Transfer of funds to Civil Deposits**

Financial Rules provide that no money shall be drawn from the Treasury unless required for immediate disbursement.

It was noticed that Rs.742.16 crore were drawn mainly in March 1999 under various major heads in 32 grants and credited to Major Head 8443-Civil Deposit after exhibiting them as expenditure in accounts. Thus the actual expenditure was inflated by Rs.742.16 crore and the credits to Civil Deposits



were made with a view to avoid lapse of budget grant. Of the above, Rs.109.23 crore pertained to different Central Government Schemes.\*

In 32 cases pertaining to various State Schemes, the entire budget provision of Rs.69.75 crore was drawn and credited to Civil Deposit. More details are given in Appendix-II of Appropriation Accounts 1998-99.

## 2.4 Comments on expenditure and budget control

### 2.4.1 Budgetary procedure and practices

The budget estimates are required to be prepared by the each subordinate unit and sent to the controlling officers for preparation and sanction of consolidated budget estimates. Immediately after the approval of the budget by the Legislature, Finance Department intimates the final allotments to the controlling authority of the department, who in turn allocates them to the Direction Offices (Commissioners/Directors/Chief Engineers etc.) for further distribution among the field units through the respective Divisional/Circle Level Officers. The expenditure is required to be restricted to these allocations.

Each department of the Government on whose behalf a grant or appropriation is authorised by the Legislature shall be responsible for control over expenditure against the sanctioned grant or appropriation placed at its disposal through the Head of the Department, other controlling officers and disbursing officers subordinate to them and also control mechanism such as submission of periodical reports on expenditure and maintenance of various registers at each level to control the expenditure. The departmental figures of the expenditure should be reconciled periodically with those booked in the Office of the Principal Accountant General (A&E), Madhya Pradesh before closing of accounts for the year. Further, no money shall be drawn from the treasury unless it is required for immediate disbursement, nor it shall be drawn for depositing under Civil Deposits in order to avoid lapse of budget grant and that regular flow of expenditure is primary requirement of budgetary control.

Test check of the records pertaining to grant numbers 11, 17,40, 45, 55, 72 and 82 revealed as under :

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\* 0602-Scheme financed out of additive funds from Government of India for Tribal Sub Plan (Rs.0.41 crore), 0603-Scheme financed out of Special Central Assistance from Government of India for Special Component Plan (Rs.0.93 crore), 0701-Centrally Sponsored Scheme - Normal (Rs.34.52 crore), 0702-Centrally Sponsored Scheme - Tribal Sub Plan (Rs.10.00 crore), 0703-Centrally Sponsored Scheme - Special Component Plan (Rs.2.18 crore), 0801 - Central Sector Scheme - Normal (Rs.46.19 crore) and 0802- Central Sector Scheme - Tribal Sub Plan (Rs.15.00 crore).



**(a) Non maintenance of expenditure control registers**

Monthly statements of expenditure were not received regularly from the subordinate units and expenditure control registers were also not maintained in any of the offices. Thus the upto-date progressive total of expenditure month by month could not be worked out by the controlling officers. This showed lack of proper control and monitoring of expenditure which led to (a) heavy excess/large saving over the provisions under certain sub-heads, (b) inadequate/unnecessary excessive supplementary provision and (c) irregular re-appropriation and non surrender of funds thereof, as discussed earlier.

**(b) Defective preparation of budget estimates.**

The procedure followed by the Commerce and Industry Department (Grant No.11); Co-operation Department (Grant no.17); Women and Child Welfare Department (Grant no.55); Gas Tragedy Relief and Rehabilitation Department (Grant no. 72) and Financial assistance to Tribal Area Sub Plan - Three tier Panchayati Raj Institutions (Grant no. 82) revealed that the demands for Budget estimates were not received from the Drawing and Disbursing Officers of the subordinate offices nor were called for by the controlling officers and were prepared by controlling officers on adhoc basis which led to excessive budget provision by Rs.11.94 crore, Rs.43.99 crore, Rs.13.43 crore, Rs.34.86 crore under Revenue (voted) Section of Grant No.11, 55, 72 and 82 respectively and Rs.21.01 crore and Rs.8.07 crore under Capital (voted) section of Grant No. 17 and 72 respectively.

**(c) Withdrawal of funds in advance of requirement**

An amount of Rs.0.10 crore, Rs.44.50 crore and Rs.50 crore was drawn under Grant No. 15, 17 and 72 respectively and credited to Civil Deposit on 31 March 1999 which resulted in inflation of expenditure and reduction of saving to that extent.

**(d) Rush of expenditure**

The percentage of expenditure during February and March every year in 1995-96 to 1998-99 ranged between 22 per cent to 100 percent in Revenue Section and 41 per cent to 100 per cent in Capital Section of Grant No.40 and between 40 and 57 per cent under Grant No. 45 in Revenue Section of Agriculture Department. Thus the department failed to watch the regular flow of expenditure in each month and the requirement of budgetary control was defeated.

**(e) Non-reconciliation of expenditure**

During 1995-96 to 1997-98, expenditure of Rs.0.22 crore under 4 Major Heads in Grant No. 40 and expenditure of Rs.50.75 crore under 3 Major Heads in grant No. 45 was not reconciled resulting in ineffective control over expenditure and non detection of cases of frauds and defalcation, if any.



## 2.4.2 Review of two departments with excess expenditure

Budget proposal received from Chief Engineers (also known as the Budgeting Officers) are compiled and checked in the office of the Engineer-in-Chief for inclusion in Annual Budget of State at Government level.

The scrutiny of the Appropriation Accounts and other concerning records for the years 1995-96 to 1998-99 relating to grant No.20-Public Health Engineering and grant No.67-Public Works-Buildings in the office of the Engineer-in-Chief, PHE, and Public Works-Buildings revealed the following :

### (i) Excess over provision

During 1995-96 to 1998-99, the grant No.20 and 67 showed persistent excesses as per details given below. These excesses have not been regularised (September 1999).

*(Rupees in crore)*

Grant Number and Department	Section	Excess expenditure				Total
		1995-96	1996-97	1997-98	1998-99	Excess
20-Public Health Engineering Department	Revenue Voted	20.41	58.67	95.52	50.66	225.26
	Capital Voted	0.41	2.58	0.90	--	3.89
67-Public Works-Buildings	Revenue Voted	68.09	57.62	58.68	15.13	199.52

In grant No.20, under major head 2215-Water Supply and Sanitation, persistent excess is ranging between 1 to 158 per cent were noticed under four schemes in all four years from 1995-96 to 1998-99 as detailed in *Appendix-XV*.

Further, in Grant No.67, the excess ranging between 8 to 77 per cent existed mainly against the provisions for non-plan expenditure under the heads as detailed in *Appendix-XVI*.

### (ii) Inadequate supplementary provision and ineffective monitoring of expenditure

Under Grant No.20 the final excess of Rs.225.26 crore (Rs.20.41 crore, Rs.58.67 crore, Rs.95.52 crore and Rs.50.66 crore) during 1995-96 to 1998-99 under Revenue (Voted) Section existed in spite of supplementary provision of Rs.205.64 crore (Rs.8.90 crore, Rs.54.86 crore, Rs.33.23 crore and Rs.108.65 crore) obtained in these years. This indicated under assessment of supplementary provisions and inadequacy of Budget provision.

Under grant No.67, during 1995-96 to 1998-99 final excess of Rs.199.52 crore (Rs.68.09 crore, Rs.57.62 crore, Rs.58.68 crore and Rs.15.13 crore) in Revenue Voted Section occurred and the supplementary grant of Rs.34.84 crore (Rs.1.31 crore, Rs.9.49 crore, Rs.13.35 crore and Rs.10.69 crore) obtained in these years proved inadequate. Despite the excess as above,



Rs.8.22 crore (Rs.1.80 crore, Rs.1.91 crore, Rs.2.57 crore and Rs.1.94 crore) were surrendered in these years which indicated lack of monitoring of expenditure by the controlling authority.

**(iii) Defective Budgetary procedure**

The Budget estimates for a grant were framed by making lump-sum provisions on adhoc basis and without taking into account the actual requirement of (i) physical targets for original works, (ii) prescribed norms for maintenance and repairs and (iii) programmes for purchase of stores and stocks, tools and plants and articles etc. This resulted in inadequate budget provision and heavy excesses in grant No.67-Public Works-Buildings under some heads (schemes) persistently during 1995-96 to 1998-99 as detailed in *Appendix-XVII*.

The Engineer-in-Chief (E.N.C.) stated that "allotment received was much less than requirement of funds for maintenance of buildings to save Government Asset. As such despite all economy same excesses occurred."

**(iv) Reconciliation of departmental figures**

Reconciliation of monthly departmental expenditure figures with those booked in the accounts maintained by the Accountant General (A&E) facilitates timely correction of misclassification, booking of accurate expenditure and detection of frauds and defalcations, if any.

Under grant No.20-Public Health Engineering, of total 6 zones, 24 circles and 78 divisions the reconciliation was in arrears in all circles during 1995-96 and 1996-97.

Scrutiny of reconciled figures of expenditure under grant No.67-Public Works-Buildings as obtained from Accountant General's (A&E) records, disclosed that the departmental figures were much on the lower side (*Appendix-XVIII*) and the reconciliation was in arrears in respect of 11 Circles, 6 Circles, 38 Divisions and 77 Divisions during the years 1995-96 to 1998-99 respectively. This indicated that either the total expenditure was not exhibited in the departmental books, or it was misclassified.







**CHAPTER-III : Civil Departments**

**SECTION-A**

**Bhopal Gas Tragedy Relief and Rehabilitation Department**

**3.1 Relief and Rehabilitation measures for the victims of Bhopal Gas Disaster**

*Highlights*

*Following the tragedy of leakage of MIC gas from the Union Carbide Plant in Bhopal a number of relief and rehabilitation measures were taken up by the State Government. The Central Government approved an Action Plan proposed by the State Government for medical, economic, social and environmental rehabilitation of the gas affected persons and for carrying out research work on the effect of the gas on the affected persons. The outlay was to be shared by the Central and State Governments in the ratio of 75:25. As of March 1999 Rs.325 crore had been reported as spent by the State Government. A review of the activities taken up revealed that the State Government failed to implement the Action Plan effectively. A major portion of the funds was lying unspent in PD accounts, while substantial funds were spent on activities unrelated to Action Plan. The medical facilities were inadequate and measures of social and economic rehabilitation lacked effectiveness.*

*Some of the major irregularities noticed in test check in audit are as below:*

The Payment of escalation of Rs.3.94 crore and expenditure on extra items of work of Rs.7.41 crore was made during construction of Kamla Nehru Hospital.

*(Para 3.1.6.3 (a) )*

150 bedded Indira Gandhi Hospital constructed in June 1994 at a cost of Rs.6.14 crore could start only in September 1998 (OPD) and March 1999 (IPD) and that too only partially (50 beds).

*(Para 3.1.6.5)*



Health cards were issued to gas affected persons after 9 years of the approval of Action Plan.

(Para 3.1.6.8)

Extra expenditure of Rs.0.24 crore was incurred due to purchase of medicines at higher rates.

(Para 3.1.6.9)

Expenditure of Rs.36.02 lakh on construction of Malikhedi Hospital (outside gas affected area) proved unfruitful as no indoor patient was admitted.

(Para 3.1.6.10)

Excess amount of Rs.19.46 lakh was given to Indian Red Cross Society.

(Para 3.1.6.13)

Against target of imparting training to 3600 persons annually in 40 trades, only 4080 trainees in 11 to 25 trades were imparted training during 1990-91 to 1998-99.

(Para 3.1.7.1)

The ITI building including 62 staff quarters was constructed at a cost of Rs.7.21 crore against the tendered cost of Rs.3.80 crore. Interventions by the Architect were an important reason for the cost and time overrun.

(Para 3.1.7.2)

152 industrial sheds constructed at a cost of Rs.8.19 crore and aimed at giving employment to 10,000 workers, could provide jobs to only 2443 workers.

(Para 3.1.7.6)

Free supply of milk costing Rs.2.66 crore was made during 1990-91 to December 1996 to children and lactating mothers not affected by gas.

(Para 3.1.8.1)

Uniforms costing Rs.3.71 crore were distributed to SC/ST and OBC girl students upto primary level in whole of Madhya Pradesh rather than gas affected children of 36 wards of Bhopal.

(Para 3.1.8.3(b))



Against the target of 3000 houses, only 2486 houses were constructed and of these, only 1666 had been taken possession by the beneficiaries.

(Para 3.1.8.4)

Rs.5.05 crore meant for environmental rehabilitation were diverted for construction of claim courts.

(Para 3.1.9(a))

Revolving fund of Rs.20 lakh proposed to be created to provide job opportunities to 75 widows of the gas disaster were not utilised for the purpose.

(Para 3.1.11)

No physical and financial report was ever submitted by the monitoring committee.

(Para 3.1.12)

### 3.1.1 Introduction

With a view to cope with the aftermath of the Bhopal Gas disaster, State Government proposed an Action Plan (May 1988) for Rs.371.29 crore with a seven year perspective (1988-89 to 1994-95) which was approved by Government of India (March 1991) for Rs.163.10 crore with fund sharing between Central and State Governments in the ratio of 75:25. The execution of the plan however, had to be rescheduled for 1990-91 to 1994-95. Keeping in view the delays that occurred in implementation, Government of India extended the term of the Action Plan, first in December 1996 upto 31.3.1997 and further to September 1998 with an additional outlay of Rs.25.40 crore and Rs.69.50 crore respectively. Thus total outlay of Rs.258 crore was finally approved. For the period prior to 1990-91, ad-hoc assistance was given to the State by the Government of India. The Action Plan was a plan scheme.

### 3.1.2 Organisational arrangements

The State Government has a Gas Relief and Rehabilitation Department which is headed by a Secretary. He is assisted by two Dy. Secretary/Directors. At field level, CMO (Gas Rahat); Executive Engineer, Capital Project Division; Principal and Superintendent JN Hospital are the main functionaries. The Chief Medical Officer (Gas Rahat) is the principal field functionary for implementation of medical rehabilitation programme. He is assisted by Medical Officer incharge of 5 major hospitals and 23 dispensaries located at Bhopal.

The gas affected 36 wards-constituted a separate medical district under the charge of CMO-GR who was made responsible to coordinate and supervise the functions of specially created medical facilities. Executive Engineer, Capital Project (GR) was entrusted with all



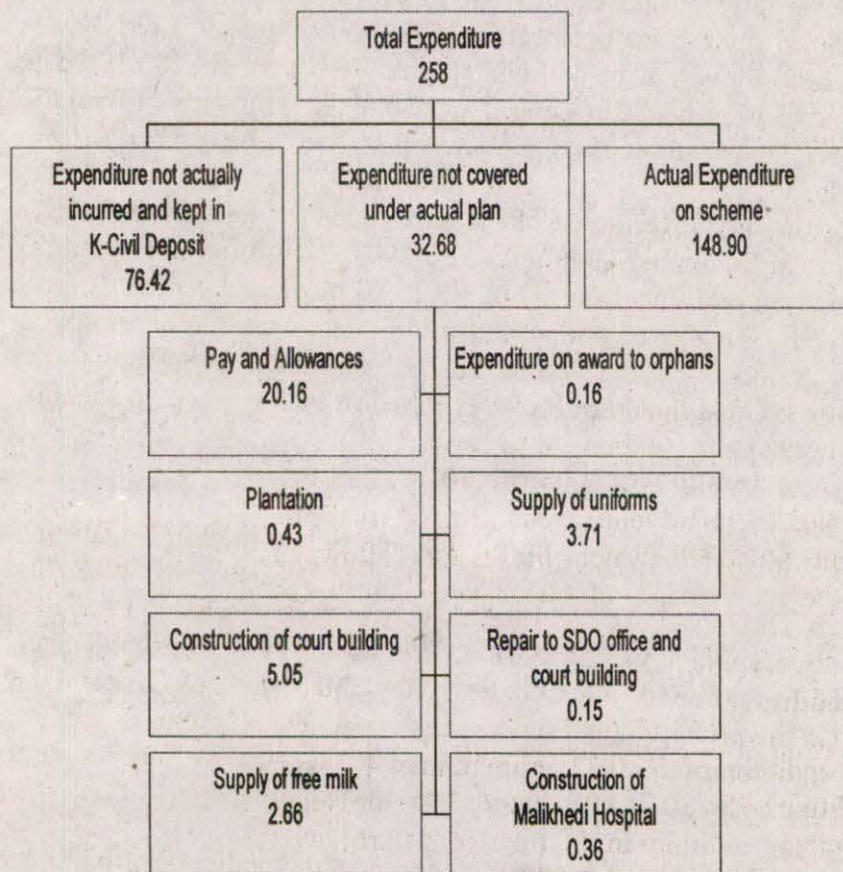
construction and maintenance works relating to Gas Rahat. Principal of the Industrial Training Institute was assigned the task of imparting training to gas affected children and helping the trainees in getting jobs.

### 3.1.3 Funding

#### 3.1.3.1 Allotment and expenditure

The Government of India had released Rs.105 crore prior to commencement of the Action Plan against which the State Government incurred an expenditure of Rs.67.24 crore upto the end of March 1990. Thereafter, Action Plan of Rs.258 crore was approved by Government of India for providing relief and rehabilitation measures. The position of release of funds and year-wise expenditure is given in **Appendix-XIX**. Analysis of expenditure revealed that only Rs.148.90 crore (57 per cent) of the total outlay of Rs.258 crore were spent on the Action Plan, while Rs.32.68 crore (12.6 per cent) were spent on items not covered under the Action Plan and Rs.76.42 crore were lying unutilised in the Deposit Accounts of the State Government as shown below :-

(Rupees in Crore)





### **3.1.3.2 Amounts kept under Civil Deposits**

An amount of Rs.76.42 crore shown by the State Government as final expenditure in the Finance Accounts of 1994-95 to 1996-97 and 1998-99 was actually transferred to Civil Deposits. The DDO wise position is given in **Appendix-XX**. The effect is that while the accounts of the State Government show the amount as expenditure, in reality it was not so.

### **3.1.3.3 Activities not undertaken**

Several activities (**Appendix-XXI**) for which a provision of Rs.27.08 crore was made in Action Plan were not taken up at all. The CMO stated (April 1999) that funds were not made available for these activities in budget provision released to him. Government did not give its comments.

### **3.1.3.4 Expenditure on activities not covered under Action Plan**

An amount of Rs.32.68 crore was spent on activities (**Appendix-XXII**) for which no provision was made in the Action Plan; of these, expenditure of Rs.20.16 crore (pay and allowances) Rs.2.66 crore (supply of milk) and Rs.3.71 crore (supply of uniforms) was in excess of approved provision.

In the proposed plan of Rs.371.29 crore sent by the State Government to Government of India, a provision of Rs.10.30 crore was made for establishment charges which worked out to 2.77 per cent of the proposed plan whereas expenditure of Rs.50.70 crore was incurred on pay and allowances of the staff which constituted 20 per cent of the expenditure (Rs.258.48 crore).

### **3.1.4 Audit coverage**

A test-check of records relating to relief and rehabilitation measures undertaken by State Government during the action plan period of 1990-91 to 1998-99 was conducted by audit periodically. For this purpose the offices covered were Director (GR), CMO (GR), Superintendent JN Hospital, Executive Engineer, Capital Project Division, Principal ITI, Director, Centre for Rehabilitation Studies, Commissioner, Women and Child Welfare Department, Madhya Pradesh Hasta Shilp Vikas Nigam and Dugdh Sangh. The results thereof are given in succeeding paragraphs.

### **3.1.5 Action Plan : Programme output**

#### **3.1.5.1 Rehabilitation measures**

Total number of reported death cases immediately after gas leakage was 2998 and the cause(s) of death in 816 cases was under investigation. Out of 56 wards of Bhopal 36 were declared as Gas



affected; these were further divided into most severely affected wards (2), severely affected wards (5) and moderately affected wards (29). A socio-economic survey conducted in 1985 revealed that about 25000 families suffered a total loss of income or a substantial reduction in the physical ability of the earning members. With the receipt of Central assistance the State Government started rehabilitation measures in terms of the Action Plan as approved by the GOI.

The Action Plan included (i) medical rehabilitation, which laid emphasis on community based schemes for improving medical and health care. In view of the focus being on establishment of new hospitals/dispensaries and augmenting the existing facilities in the affected areas, 755 new beds were to be provided (ii) economic rehabilitation envisaging construction of training complex and continuance of ongoing training in various vocational trades to the victims to enable them to earn their livelihood (iii) social rehabilitation envisaging construction of 3000 houses for the family of those who died in the disaster, supply of free milk under ICDS scheme to children and lactating mothers. Primary and middle schools were also to be constructed and school uniforms and books were to be distributed (iv) environment rehabilitation, under which improvement in sanitation, water supply, street lighting etc., was envisaged and (v) research work which was to be carried out to know the effects of Methyl Isocyanate (MIC) on the victims of Gas leak tragedy.

By the end of March 1999, an amount of Rs.258 crore was claimed by the State Government to have been spent on various rehabilitation measures. It has already been shown in paragraph 3.1.3 that only a part of the expenditure was spent on the Action Plan activities.

### 3.1.5.2 Documentation

Even before the Action Plan, Government launched a drive to document the medical status of each affected person to enable the medical faculty to measure the effect of MIC on human body. Further, it was recognised that building up complete data, which will be permanent medical record of the affected persons, was absolutely essential. Though registration work was taken up from November 1985 proper medical documentation work commenced from January 1987 with the establishment of 18 documentation centres.

Equipment worth Rs.21.90 lakh issued to various documentation centres was not taken back after closure of documentation centres.

Equipment worth Rs.2.17 crore was purchased through the World Health Organisation (WHO), New Delhi. It was to be used for health check up, classification and medical documentation of gas victims. The equipment were distributed in 18 documentation centres. After completion of documentation work in July 1993, all documentation centres except two viz. JPH and Tuber Culosis Centre were closed during July 1993. Equipment worth Rs.21.90 lakh issued to centres other than those under the control of CMO (Gas Rahat) were not taken back after the documentation centres had ceased to function.



Equipment costing Rs.46.31 lakh were not entered into Stock Register as given in **Appendix-XXIII**.

The registration work was completed in March 1993 with the help of 63 Class-III and 93 Class-IV staff on whom an expenditure of Rs.1.2 crore was incurred (March 1993) by way of pay and allowances. After this the staff was rendered surplus and efforts of the Government to absorb them in different departments has been only partially successful because about forty five of them were still in the office of Additional Collector Gas Relief and getting salary without sanction from the Government. Between April 1992 and June 1999, total expenses on their pay and allowances were Rs.2.95 crore. The department had no satisfactory explanation for the foregoing situation and stated that these persons shall be transferred/adjusted in other departments on receipt of requirement from them. Meanwhile, equipment worth Rs.82.31 lakh, purchased separately for documentation, were lying idle since purchase. The Superintendent of Pulmonary Medicine Centre said (April 1999) that some of the equipment would be put to use as soon as ICCU, physiotherapy, microbiology and bacteriology units were started. The incubator walk in YSI, Treadmill machine and Diagnostic sets could not be used because of shortage of staff. Similarly 7 equipment as detailed in **Appendix-XXIV** and purchased during 1987-88 at a cost of Rs.11.35 lakh were lying idle. The CMO stated (April 1999) that the articles were in stock and were being issued as and when required. He further stated that medical documentation was started in 18 centres where these equipment were used.

Equipment worth Rs.93.66 lakh was lying idle.

Audit enquiry revealed that these documents were not used in the check up/treatment of the patients. In fact, it was confirmed by the CMO (GR) that the documentation files were not sent to the respective hospitals. In effect, therefore, all the efforts and labour that went into the preparation of these documents, were wasted and expenditure of Rs.1.51 crore on the documentation work rendered infructuous. The utilisation of material and equipment purchased for documentation was very unsatisfactory as discussed below.

**(a) Image Intensifier and TV System not used**

Two Image Intensifier and TV Systems (IITV) were purchased (1987) for the X-ray machines at a cost of Rs.25 lakh through WHO. Since IITV were found incompatible with the X-ray machines, installed in SAKH and JNH, these were removed by WHO on 7 February 1991 without replacement. 3 MMR Cameras installed in Chandbad dispensary, Rukmabai and SAK were also out of order since 1991. The CMO stated (April 1999) that IITV was an additional facility during medical documentation exercise and in its absence MMR X-rays were used.



Ultrasound scanner purchased for NLG 8 lakh was lying unserviceable ever since its purchase.

### **(b) Non-functional ultrasound scanner**

Ultra sound scanner purchased during 1987-88 through WHO for NLG 8 lakh was issued to JN Hospital. Since the machine was non-functional ever since its purchase, it was sent to Bombay in June 1992 for repairs. It had not been repaired as of April 1999 and was lying in unserviceable condition.

### **3.1.6 Medical Rehabilitation**

#### **3.1.6.1 Medical Care and Rehabilitation**

An amount of Rs.150.35 crore was earmarked for medical rehabilitation. Under this package strengthening of the facilities in existing hospitals, construction of new hospitals, health education, Indigenous system of medicines, Computerisation of registration etc., were proposed to be undertaken.

In view of the large number of patients requiring constant attention, the State Government, besides strengthening the facilities available in the existing hospitals such as Hamidia Hospital and Sultania Zanana Hospital, Jawahar Lal Nehru Hospital, Shaki Ali Khan Hospital and Master Lal Singh Hospitals, established 4 new hospitals viz. Kamla Nehru Hospital, Indira Gandhi Hospital, Jahangirabad Hospital and Malikheci Hospital. In addition, Government owned 8 allopathic, 2 polyclinics, 3 ayurvedic, 3 homoeopathic, 3 Unani and 4 dispensaries run by the Red Cross Society. Except Jawahar Lal Nehru hospital, all other hospitals and dispensaries were under the charge of Chief Medical Officer, Gas Rahat (CMOGR). Two of the dispensaries viz., Kanchi Chhola and Chandbad had since been closed in October 1997 and October 1998 respectively and handed over to Bhopal Trust. It was proposed to add 755 beds to the existing bed strength. An expenditure of Rs.152.94 crore was reported upto March 1999.

Test check (March-April 1999) of the various hospitals brought out the following points :

#### **3.1.6.2 Hamidia Hospital**

In order to strengthen the available facilities in Hamidia hospital, the State Government proposed an outlay of Rs.12.25 crore in the 7-year Action Plan from 1988-89 to 1994-95 against which the Government of India approved an outlay of Rs.2.54 crore for a 5 year plan from 1990-95. No action was taken to implement the plan and the amount remained unspent. Rs.14 lakh of allocated funds had however, been diverted for payment of salaries etc., for the Gandhi Medical College, to which the hospital is attached.



### 3.1.6.3 Kamla Nehru Hospital

#### (a) Inordinate delay in completion cost over-run and excess payments

The project for construction of 650 bedded Kamla Nehru Hospital to relieve Hamidia hospital from the rush of patients, had been approved by State Government in 1978. After construction of basement, ground and 1<sup>st</sup> floor of the building, construction work was discontinued for want of funds. In March 1987 when gas relief funds were made available, administrative approval of Rs.4.99 crore for construction of the remaining portion of the Hospital was accorded (March 1987) by the Government. The cost was revised to Rs.20 crore in April 1999 as against technical sanction of Rs.6.76 crore for the civil works accorded in November 1992. Expenditure of Rs.18.25 crore was incurred during April 1990 to March 1999, but the work was incomplete as the electrical works were yet to be completed as of April 1999.

Tenders were invited on adhoc estimates without administrative approval and technical sanction which resulted in extra expenditure of Rs.5.21 crore.

Executive Engineer, FWD Maintenance Division I, Bhopal invited percentage tenders for construction of Kamla Nehru Hospital without administrative approval and technical sanction. Invitation of tenders on adhoc estimates of Rs.1.50 crore without any technical estimate and administrative approval, resulted in non-availment of competitive rates and deviation from 64 items which were treated as extra items resulting in extra cost of Rs.5.21 crore on replacement of these items. Over and above this, addition of items of beautification costing Rs.3.62 crore resulted in the total expenditure of Rs.11.35 crore on civil works alone, as against the estimated cost of Rs.6.76 crore.

Superintending Engineer sanctioned payment beyond his powers.

It was also noticed during audit that extra item rates involving payment of Rs.7.41 crore were irregularly sanctioned by the Superintending Engineer, whose powers even to accept tenders were limited to Rs.10 lakh only. Government needs to investigate the matter thoroughly.

Hospital Service Consultancy Corporation (A GOI undertaking) was to be engaged to render advice on drawings and designs. However, a private architect, at a fee of 0.75 per cent of cost of work was also engaged, long after the acceptance of tender (August 1988). The private architect carried out extensive changes and replaced many contracted items leading to the work remaining incomplete for nearly 10 years of the scheduled period of completion (August 1989) and payment of Rs.3.94 crore towards escalation.

The substituted and extra item amounted to Rs.7.41 crore as against estimates of Rs.2.20 crore.

The 88<sup>th</sup> running account bill paid in March 1999 indicated that payment towards contract work and escalation (Rs.3.94 crore) constituted 34.72 per cent only, while substituted and extra items of work (Rs.7.41 crore) accounted for balance 65.28 per cent of total payment. Though the technical sanction included substituted items worth Rs.2.20 crore, substitution of items worth Rs.7.41 crore had crossed all the restrictions imposed. The total built-up area as per



original estimate was 25151 Sqm. With the increase in the area by 2664.06 Sqm. only, the cost increased from Rs.6.76 crore to Rs.20 crore, which was highly disproportionate, in spite of reduction of bed capacity from 650 beds to 540 beds.

A scrutiny of some major extra items further revealed the following :-

The agreement provided for use of plywood centering conforming to IS : 4990, at a rate of Rs.2.45 per sqm. However, the Superintending Engineer sanctioned exorbitant extra rates of Rs.260 and Rs.200 per sqm. for plywood centering treating the items as non SOR item which resulted in excess payment of Rs.2.82 lakh for 1405.92 sqm. area. Similarly, an item of priming coat with ready mixed cement primer over concrete/masonry/plastered surface provided at a rate of Rs.2.15 per sqm. in the agreement was substituted. The Superintending Engineer sanctioned putty base synthetic cement primer at extra item rate of Rs.36.70 per sqm. Since there is a clear provision in specifications (CPWD 77) that applying putty is incidental to the item of work and its rate is already included in the cost of this operation, the item was not payable as extra item. This resulted in excess payment of Rs.11.42 lakh on account of 34340.90 sqm. area at a rate of Rs.33.25 per sqm. Further, the item of providing and fixing in position the suspended false ceiling with G.I. Channel 25 X 0.55 mm was not incorporated in the contract for which fresh rates were sanctioned by Superintending Engineer. In spite of Engineer-in-Chief's instructions (November 1992) to sanction rate based on SOR 1992 the Superintending Engineer sanctioned rates of Rs.875 and Rs.730 per sqm. on the basis of fresh analysis resulting in excess payment of Rs.38.96 lakh.

**The Superintending Engineer, sanctioned higher rates for non-contractual items resulting in excess payment of Rs.38.96 lakh**

On being pointed out (March 1999) the Executive Engineer, while confirming the approval of extra rates at the level of SE, stated that the work was taken-up in anticipation of AA and TS as per directions of High Power Committee. He also stated that the private architect was appointed with a view to provide modern medical facilities and that the delay in completion of work was mainly attributable to delayed submission of drawings/designs by the architect and the cost over run was due to left over items and substitution of less durable items with more durable items at the instance of architect. The reply was not tenable because provisions of new facility or replacement of items with durable items was made without the sanction of the competent authority (E-in-C). The SE was not competent to sanction extra items beyond his powers to accept tenders nor the rates of extra items were derived correctly. The work proposed to be completed within 24 months remained incomplete even after 10 years. Therefore, the spirit in which the work was allowed to commence in the absence of AA and TS, viz., giving immediate relief to the gas victims, stands defeated.



**(b) Injudicious grant of time extension-avoidable payment of price escalation-Rs.9.45 lakh**

The contractor was allowed time extensions 10 times from August 1989 to September 1998. The 7<sup>th</sup> extension involved extension from October 1996 to September 1998, on the ground of delays solely attributable to the Department.

It was however noticed in audit that the old block of Kamla Nehru Hospital was already vacated in December 1995 and non completion of electrical works timely was attributable to the same contractor who was executing electrical works under another agreement. The delay in completion of electrical work resulted in non completion of air conditioning work. Thus reasons for delay were solely attributable to the contractor. Thus, EEs decision to grant extension of time without imposing penalty was unjustified and resulted in avoidable payment of Rs.9.45 lakh on account of escalation, in addition to non imposition of penalty of Rs.12 lakh.

On being pointed out, the EE could not justify grant of extension from October 1996 to September 1998.

**(c) Excess payment due to incorrect sanction of extra item rate**

The work of construction of Service Block of Kamla Nehru Hospital, estimated to cost Rs.43.60 lakh, was awarded (August 1992) on percentage rate contract at 63.63 per cent above the CSR (as amended upto December 1991) for completion within 4 months but the building was completed in December 1995 at a cost of Rs.2.06 crore. A scrutiny of running account bills (paid in August 1995) indicated that payment (Rs.1.29 crore) for items provided in the agreement and price escalation constituted 60 per cent while payment towards extra/substituted items accounted for the balance Rs.73.84 lakh. Scrutiny of few major extra items revealed the following :

Items of agreement were changed with richer specification resulting in excess payment of Rs.4.95 lakh.

Item of 13/20 mm thick cement plaster on walls, chhajjas, beams, balconies etc., provided in the agreement was changed to 4-6 mm thick stone-ceramic tiles laid over 18 mm thick cement plaster at a rate of Rs.810 per sqm. (provisionally paid at Rs.805 per sqm). The rate was incorrectly worked out at higher amount by Rs.218 per sqm., as consumption of cement for slurry and jointing over an area of 265.35 sqm. was considered at 37.46 bags instead of 23.34 bags in terms of AISSR. Wrong fixation of rate of Rs.805 per sqm against the correct rate of Rs.592 per sqm. resulted in excess payment of Rs.4.95 lakh. Further, an item of providing primer coat with ready mixed cement over concrete/masonry/plaster surface at a rate of Rs.3.44 per sqm. was treated as extra item at a rate of Rs.36.70 per sqm. as against the rate of Rs.5.60 per sqm. payable in terms of contract resulting in excess payment of Rs.2.03 lakh to the contractor.



The site development of Kamla Nehru Hospital, estimated to cost Rs.24 lakh, was awarded in May 1994. The order to commence the work was issued by the Executive Engineer, PWD, Maintenance Division-I, Bhopal without indicating quantities of work to be executed and the probable amount. During execution, excavation of hard rock by chiseling and wedging was necessitated, for which rate of Rs.108 per cum was available in SOP. The Executive Engineer, however, invited fresh tenders for the single item of work at estimated rate of Rs.581 per cum and the lowest rate of Rs.545 per cum. quoted by same contractor was accepted by the SE for total quantity of 2175 cum of the work.

Injudicious calling of tender for an SOR item resulted in excess payment of Rs.9.92 lakh.

The rate analysis in audit revealed that terms provided in the rate of Rs.581 per cum did not conform to standard analysis of the item appearing in AISSR. This resulted in excess payment of Rs.9.92 lakh\*.

**(d) Injudicious evaluation and acceptance of tender for central air conditioning system-Extra cost Rs.20.38 lakh.**

Tenders for supply, installation, testing and commissioning of Central Air conditioning system at Kamla Nehru Hospital, Bhopal, estimated to cost Rs.1.35 crore were invited (January 1993) from the 2 short listed tenderers and were opened in March 1993. The original and revised offers submitted by the two tenderers were as under:-

Tenderer	Original Offer	Revised Offer
"A"	Rs.195.16 lakh	Rs.198.42 lakh
"B"	Rs.181.71 lakh	Rs.198.85 lakh

The tenderer "A" offered semi-hermetic type compressor. Tenderer "B" offered to provide open type compressor and highlighting before acceptance (July 1993) the advantage of open type compressors over semi hermetic type compressors stated that there would be a saving of nearly Rs.0.89 lakh per year (calculated at the rate of Rs.2 per unit) due to higher power efficiency.

Estimated loss of Rs.20.38 lakh due to improper evaluation of technical bids.

The EE/SE, Technical Department did not evaluate this aspect properly. The matter was also not referred to the consultant. The Government accepted the offer of tenderer "A" on 8 September 1993 in view of the recommendations of SE. Thus, the implied benefit of Rs.20.38 lakh was foregone for a benefit of Rs.0.43 lakh, the difference between the two offers. On being pointed out in audit (October 1995), the matter was referred (November 1995) by the

\* SOR rate of Rs.108.00 (-)Rs.19.31 @ 17.88 per cent below tender percentage = Rs.88.68 or 89.00 rate paid Rs.545 (-) rate payable Rs.89=Rs.456X2175 cum.



department to the consultant, who in turn agreed that open type compressors are more efficient than semi-hermetic type compressors and expressed his agreement with the view of audit.

The EE stated (March 1999) that technical bids of both the tenderers were examined by the consultant and offer of tenderer 'A' was recommended as it was considered suitable and economical. He also said that the arguments of tenderer 'B' were an after-thought and the comments of the consultant carried no weight.

The reply was not tenable because proper evaluation of technical bids was not done. Non-consideration of power efficiency/energy saving thus resulted in an estimated loss of Rs.20.38 lakh.

**(e) Commissioning of service elevators - probable extra cost of Rs.13.05 lakh**

The Government of Madhya Pradesh, originally short-listed (October 1990) two manufacturers for supply, installation, testing and commissioning of lifts at Kamla Nehru Hospital, Bhopal. However, on the recommendations of the department, the Government included a Gujarat based Small Scale Industry (SSI) registered Unit. Since its offer was the lowest, the work was awarded to it in January 1994 for Rs.31.60 lakh. The unit was paid Rs.21.64 lakh on supply of material even without furnishing test certificate except for main rope (valuing Rs.1.50 lakh) only. The work to be completed in twelve months, remained incomplete for more than 4 years and ultimately the agreement was rescinded in January 1999.

Extra cost of Rs.13.05 lakh on erection of lifts due to awarding of contract to an SSI unit of Gujrat.

The balance work estimated to cost Rs.9.96 lakh, was awarded (April 1999) by the SE at Rs.23.01 lakh involving an extra cost of Rs.13.05 lakh.

On being pointed out, the EE stated that the extra cost would be recovered from the defaulter contractor.

**(f) Purchase of equipment**

Rs.40 crore meant for equipping the hospital was kept in Civil Deposits

Amount of Rs.40 crore earmarked in the Action Plan for purchase of equipment and furniture for Kamla Nehru hospital was kept in Civil Deposits (Rs.2 crore: March 1995 and Rs.38 crore : March 1999). Thus the delay of nine years in construction of the hospital deprived the gas affected people of the benefit of specialised services. Advance payment of Rs.3.5 crore (0.5 crore consultancy charges and Rs.3 crore for purchase of equipment) had been made to Hospital Consultancy Service in June and July 1999 respectively in contravention of financial rules and without any agreement. No bank guarantees was obtained for supply of equipment.



### 3.1.6.4 Jawahar Lal Nehru Hospital

A total outlay of Rs.14.84 crore had been approved, against which expenditure of Rs.20.26 crore was incurred. Major portion was used in disbursement of the salary of Rs.11.15 crore, against the provision of Rs.6.32 crore.

#### (a) Extra payment on salary of the staff

Despite payment to a private agency for upkeep and maintenance, Rs.20.66 lakh were paid to watchmen and sweepers as salary.

The Superintendent of the hospital entered into an agreement in October 1997 with a private agency and again in July 1998 with another agency for upkeep, maintenance and security of the hospital, and paid Rs.12.48 lakh during October 1997 to March 1999. This was in addition to the 20 sweepers (12 regular and 8 contingency paid) and 6 watchmen (5 regular and 1 contingency paid). On being enquired the Superintendent stated (April 1999) that the regular sweepers and chowkidars were not discharging their duty properly and therefore the Government had decided to entrust the job to a private agency, the services of sweepers and chowkidars were being utilised in other gas rahat institutions. The reply was not tenable because the department continued to sanction the contingency staff against the orders of the Finance Department and paid Rs.20.66 lakh as wages during April 1996 to March 1999.

#### (b) Machines lying idle for want of repairs

Machines worth Rs.44.87 lakh were lying idle for want of repairs.

Machines valuing Rs.44.87 lakh (Appendix-XXV) were lying idle or were not being used for want of repairs for which sanction of the Government was awaited. The details of the Indian agents of the imported machines were not available.

### 3.1.6.5 Indira Gandhi hospital (Sultania Zanana hospital)

The construction of 150-bedded ward named as Indira Gandhi Hospital in the premises of Sultania Zanana Hospital (estimated cost Rs.2.39 crore) was awarded to a contractor in April 1989 with stipulated period of construction of 24 months. The hospital was to be equipped with most modern equipment with provision for a blood bank unit, a separate unit for new born babies, modern automatic kitchen and a disinfectant unit. Since the work could not be completed in time, the administrative sanction was revised to Rs.5.49 crore in August 1993. The building was completed in June 1994 at a cost of Rs.6.14 crore. Delay in completion of work was because of improper planning, delayed approval of drawings and designs etc which resulted in payment of price escalation of Rs.4.74 lakh.

Indira Gandhi Hospital though constructed in 1994 became functional only in 1998.

The building though constructed in June 1994 was handed over to the authorities only in November 1997. The outward patient ward only was started from 30 September 1998 (last date of the Action Plan). The 50 bedded indoor patient ward was started on 15 March 1999.



**(a) Non-purchase of equipment and furniture**

Funds meant for equipping the hospital kept in Civil Deposits.

Since the hospital started functioning from 15 March 1999 only (50 beds) no equipment was purchased and whole provision of Rs.5.73 crore was kept in Civil Deposit (Rs.373.14 lakh; March 1995 and 200 lakh; March 1999), and shown as expenditure. As such the intended benefits to gas affected persons were not provided even after 15 years of the disaster.

**3.1.6.6 Purchase of consumable in excess of requirement**

consumables purchased during 1989 were lying unused

Imported consumables worth US \$ 283945 and UK £ 57274.20 were purchased between April 1989 to November 1989. A large quantity of these consumables (20 per cent to 97 per cent) valuing US \$ 96267 and UK £ 31640 were still lying in stock (**Appendix-XXVI**).

The registers of consumable articles for the period from 1992 to 1996 had been seized by Lok Ayukt. No consumable were purchased after 1996.

**3.1.6.7 Imported equipment and consumables not accounted for**

Pilferage of huge stock of imported equipment and consumables was suspected.

**Appendix-XXVII** lists the imported equipment and consumables which were purchased between February 1989 and June 1995 (most of the items were purchased in 1989 – 1990) for US dollar 512517, UK pound 63146 and Japanese Yen 821360. The stock registers of CMO showed that out of this, stock valuing \$ 358252, UK pound 40980 and Yen 821360 was issued to SAK and JN Hospitals. The concerned hospital authorities, however, denied having received the equipment and the consumables. Further, on physical verification by a committee of Doctors on 25 June 1994, it was found that out of the stock valuing 91265 US dollar and 36075 UK pound, stock valuing only 1864 US Dollar and 26514 UK Pound was physically available. Subsequent to the date of physical verification, the store keeper recorded in back date issue of material valuing 75701 US Dollar and 38100 UK Pound (**Appendix-XXVIII**). However, this material had also not been received by the hospitals etc. to which it was shown to have been issued. Thus, there was not only pilferage of the equipment and consumables but also tampering of records. The Government needed to investigate the matter to fix responsibility.

**3.1.6.8 Delay in issue of health cards to gas affected persons**

Health cards were issued to gas affected persons after 9 years of the approval of Action Plan.

There was provision for providing free medical assistance to gas affected persons. In the Group of Ministers, meeting held in October 1991, it was decided to issue health cards to all gas affected persons to avoid misuse of the facilities. It was observed that health cards were issued in May 1999 i.e. after 9 years of the Action Plan. In the absence of health cards there was no assurance that free medical assistance was restricted to only the gas victims.



### **3.1.6.9 Purchase of medicines at higher rates**

As per orders of Government medicines were to be purchased from Laghu Udyog Nigam (LUN) or on competitive rates from Public Sector Undertakings. It was observed that in a number of cases, instead of obtaining the price lists from public sector undertakings, the price lists were obtained by CMO (GR), Director (GR) and Superintendent JNH from their local agents, who charged higher prices resulting in excess payment of Rs.24.25 lakh during 1990-91 to 1998-99 (Appendix-XXIX).

### **3.1.6.10 Diversion of relief funds to construct a hospital outside the gas affected area**

Rs.36.02 lakh of the relief funds were diverted for construction of a 20 bed hospital at Malikhedi (outside the gas affected area) in February 1995 though there was no provision in Action Plan for construction of any hospital outside the gas affected area. Ever since the hospital started functioning not a single patient was admitted as indoor patient; only OPD and emergency services were being provided. The CMO stated (April 1999) that there was no budget provision for the hospital and the proposal for sanction of staff was pending with Government. He further stated (December 1999) that the decision to construct this hospital was taken at higher levels.

### **3.1.6.11 Mobile Medical Vans**

The action plan provided for use of mobile vans to transport the gas affected persons from their homes to avoid long distance travelling and to lessen the burden on hospitals/dispensaries. However, no mobile vans were purchased.

### **3.1.6.12 Improper maintenance of stock registers of permanent articles**

Stock registers were changed with the change of incumbent. Articles worth Rs.8.39 lakh were not taken into subsequent stock registers.

Perusal of records in the office of CMO (GR) revealed that stock registers of permanent articles were changed with every change in the incumbency and the balances of the old registers were not carried over to the new register. The medical officers incharge of stores had also verified the items as per new stock registers which showed that either there were no previous balances or there was deliberate attempt not to carry over the balances.



It was seen from the registers made available to audit that articles worth Rs.8.39 lakh (**Appendix-XXX**) were not taken over to subsequent stock registers. Thus accounting of stock was not done correctly and the possibility of misuse cannot be ruled out. The CMO(GR) stated (July 1999) that a committee would be constituted to investigate into the matter.

**3.1.6.13 Non-refund of unspent grant of Rs.19.46 lakh by Indian Red Cross Society, Bhopal.**

The Department sanctioned Rs.25 lakh in September 1997 and Rs.9.37 lakh in March 1998 out of Contingency Fund of the State for payment of pay and allowances payable upto December 1997 to the employees of four dispensaries run by the Indian Red Cross Society (society), Bhopal. The unspent balance was to be refunded immediately to the Government.

Test check (August 1998) of the records of CMO (GR) revealed that only Rs.14.91 lakh was spent on pay and allowances of these four dispensaries upto December 1997 but the balance amount of Rs.19.46 lakh was not refunded by the society. Three out of four dispensaries were stated to have been closed between February and July 1998.

CMO (GR) stated (August 1998) that the excess amount paid to the society would be recovered.

**3.1.7 Economic Rehabilitation**

The Government planned for the economic rehabilitation of affected families within two years of the action plan. The main thrust of the programme was on training of people in new skills and make them self-reliant for earning. The following points were noticed in this regard.

**3.1.7.1 Training**

Against the target of 3600 persons annually, only 4080 persons were imparted training in 8 years.

Upto the year 1992-1993, training in short term courses of 3-6 months was imparted in 14 trades. None of these trades was recognised by the National Council for Vocational Training, Government of India. As against the target of training 3600 persons in 40 trades annually, training to only 4080 persons was imparted during the eight years period from 1990-91 to 1998-99. With effect from 1993-94 training ranging from one to two years was imparted in 11 to 25 trades (11



trades only in March 1999). The shortfall in the number of trainees was attributed to shortage of machinery, equipment, staff and refusal of the department of Manpower Planning to grant permission for admission.

Surplus staff was paid Rs.2.46 crore as salary.

The reply was not tenable as during 1993-1998, 49 to 69 instructors were in position and the number of excess instructors ranged from 15 to 39 who were paid salaries of Rs.2.46 crore. Further machinery and equipment worth Rs.1.24 crore were seized by Lok Ayukta in January 1994 following complaints against the store keeper. Physical verification of stores (October 1996) by Joint Director Relief and Rehabilitation Department revealed shortage of stores worth Rs.18.80 lakh. Some electronic items were seized by Economic Offences wing (March 1998). The report of the Lok Ayukta was awaited (March 1999).

### *3.1.7.2 Construction of ITI*

The construction of the training complex, awarded in July 1989 for Rs.3.80 crore and scheduled for completion in 24 months, was actually completed in October 1995 at a cost of Rs.7.21 crore. The delay in construction was mainly on account of delay in submission of drawing/designs by the private architect and substitution of items provided in the original estimates with items not really needed. This has already been commented upon in para 5.6 of the Audit Report No.3 (Civil) for the year 1993-94.

Audit also revealed that the original provision of 100 MM thick lime concrete terracing on roofs slabs at the rate of Rs. 37.30 per sqm. (with an addition of Rs.2.95 per sqm. for additional thickness) was substituted by 115 MM thick water proof treatment at a rate of Rs.197.60 per sqm. This resulted in extra cost of Rs.2.95 lakh, as compared to the rate of Rs.151.50 per sqm. provided in new SOR (June 1992).

Further, none of the other components of the ITI complex viz., setting up of a commercial consultancy and path finder unit, a special employment exchange and a separate unit for arranging bank loans was started.



### **3.1.7.3 Rehabilitation of trained persons**

No information about the number of trainees successfully employed or rehabilitated was available with the Principal. This showed that the Principal failed to discharge his responsibility of ensuring successful placement of trainees.

### **3.1.7.4 Training in stitching**

Managing Director, Madhya Pradesh Rajya Hast Shilp Vikas Nigam (Nigam), an autonomous body, was given additional charge of the newly created post of Commissioner, Economic rehabilitation in 1997-98. The Department sanctioned Rs.1 crore (March 1997) to the Nigam for imparting three months training and providing job in fabrication of Jute garments to 500 gas affected women.

The Nigam spent Rs.13.87 lakh on purchase of 500 sewing machines and imparted training to the women. The Nigam also purchased jute fabric worth Rs.64.95 lakh during 1998 but the sale proceeds of the utilised Jute fabrics were not credited to Government account.

### **3.1.7.5 STEPUP**

For the benefit of gas affected and economically weaker families of the city, Special Training Employment Programme for Urban Poor (STEPUP) was started in September 1984. Under the programme the gas affected persons were to be imparted training in various trades and financial assistance (Bank loan 75 per cent and Government subsidy 25 per cent) was to be provided to enable them to establish their own business.

A provision of Rs.5 crore was made in the Action Plan approved by Government of India but the State Government made a provision of only Rs.37 lakh. The amount of Rs.37 lakh was shown as expenditure after transferring to the Additional Collector, Gas Rahat who had taken an amount of Rs.33 lakh in Cash Book and spent only Rs.22.23 lakh during 1990-91 and 1991-92. Rs.10.30 lakh were stated to be credited to treasury in January 1992 but the challan was not on record. Thereafter the scheme was closed. Only 263 beneficiaries got the benefit of the scheme. Thus, the scheme was a failure.

### **3.1.7.6 Construction of Industrial Sheds**

The State Government constructed 152 sheds (out of 170 sheds originally planned) in May 1991 with potential of giving employment to 10000 workers. These sheds were to be allotted to private individuals who were to employ 3 to 140 gas affected persons, depending on the size of the sheds, for a minimum period of 5 years. Against original estimate of Rs.4.41 crore the sheds were completed at a cost of Rs.8.19 crore. Although the sheds had been completed in

Expenditure of Rs.22.23 lakh was incurred on STEPUP scheme as against recorded expenditure of Rs.37 lakh.



May 1991, action for their allotment was started in August 1993 i.e. after more than two years.

The scheme of generating employment through industrial sheds was a failure.

Of the 152 sheds, only 55 were allotted to private entrepreneurs, 52 sheds had been forcibly occupied by Rapid Action Force, 17 sheds had been allotted to Madhya Pradesh Hast Shilp Vikas Nigam (which had also taken unauthorised possession of 15 other sheds without any payment), and 13 sheds were still lying vacant (April 99).

Out of 55 sheds allotted to entrepreneurs, industries in only 20 sheds could be started (March 1999) in which 2443 gas affected persons were employed. The industries in the remaining sheds could not be started due to non-availability of electricity. Thus, proportionate expenditure of Rs.7.11 crore on 132 sheds proved infructuous and the scheme was a failure.

### **3.1.7.7 Service Centres**

Service centres which were expected to gainfully employ 500 gas affected persons were not started.

It was proposed to establish one Service Centre in each ward. The centre was to be provided with telephone service to be manned by the victim tradesmen trained in training centres. It was expected that 500 gas affected persons would be gainfully employed. However, in spite of an outlay of Rs.1.43 crore in the Action Plan, these service centres had not been started.

### **3.1.8 Social Rehabilitation**

#### **3.1.8.1 Care of children and mothers**

##### **Free supply of milk**

Against provision of Rs.15.72 crore, expenditure of Rs.19.16 crore was incurred.

The Department decided that gas affected children and mothers would be covered under the Integrated Child Development Scheme. Since bread was being distributed to the children through existing 792 Anganwadi centres, it was decided to supplement the diet by providing 150 ml milk per child. A provision of Rs.15.72 crore was made in the Action Plan against which an expenditure of Rs.17.86 crore was incurred upto the end of December 1996. However, as per Bhopal Dugdh Sangh (Sangh) which supplied the milk the actual expenditure was Rs.19.16 crore indicating unpaid liability of Rs.1.30 crore and total excess above budget provision of Rs.3.44 crore. The scheme was discontinued after December 1996.

Rs.2.66 crore were diverted to 116 anganwadis located outside the gas affected area.

Test check of the records of Department (April 1999) revealed that 116 Anganwadi Centres out of the total 792 Anganwadi Centres to whom milk supply was made were located outside the gas affected area. This resulted in diversion of funds of Rs.2.66 crore during the period 1990-91 to December 1996 to persons not covered by the plan.



The Sangh charged Rs.22.49 lakh on account of Sales Tax though milk was exempt from Sales Tax.

It was observed (March-April 1999) that orders for supply of milk for free distribution under ICDS projects were given to Sangh in October 1987 without inviting quotations and execution of any agreement. Though milk was exempt from Sales Tax the Sangh charged Sales Tax Rs.22.49 lakh on milk supplied during October 1987 to March 1991. On being pointed out, Department took up (April 1999) the matter with the Sangh for remittance of Rs.22.49 lakh. The Sangh intimated (December 1999) that the amount will be adjusted against dues of ICDS after reconciliation.

### **3.1.8.2 Protein Deficiency Removal and Special inputs**

Schemes for removal of protein deficiency and special inputs were not taken up.

The plan envisaged rearing up of forty thousand chicks capable of yielding ninety lakh eggs for distribution among 50000 gas affected persons @ one egg every alternate day with a view to remove protein deficiency of severely gas affected persons and also to give employment to gas affected persons. An outlay of Rs.4.60 crore was approved in the Action Plan. Similarly, a provision of Rs.2.45 crore had been earmarked for providing special inputs. However, rearing of chicks and distribution of eggs to victims and special inputs were not taken up at all.

### **3.1.8.3 School Education**

#### **(a) Building and Equipment**

To motivate gas affected children to join school a provision of Rs.1.65 crore was made in the revised Action Plan (1990-95) for construction of school buildings and for equipping them as well.

It was observed that 5 primary and 7 middle schools were constructed during April 1991 to March 1994 at a cost of Rs.1.24 crore. However, free of cost books were not supplied to children as contemplated in the scheme.

#### **(b) Free Distribution of School Uniforms**

School uniforms worth Rs.3.71 crore were distributed to students in whole of MP rather than the gas affected students of Bhopal only.

Under school education component a provision of Rs.4.25 crore was made for free distribution of uniforms among the gas affected school going children. The Government sanctioned for the purpose Rs.3.90 crore during March 1990 to September 1991 and paid the amount to Madhya Pradesh Rajya Udyog Nigam (Nodal Agency) for stitching the uniforms. The Commissioner, School Education, however, distributed the uniforms among the SC/ST and other backward class girl students upto primary level in the entire State which resulted in diversion of Rs.3.71 crore to population other than victims.

On being pointed out (March 1999) the Commissioner School Education stated that the expenditure was incurred as per sanction of Gas Rahat Department.



### 3.1.8.4 Housing Gas victims

(a) It was decided to provide one house free of cost to families in which deaths had occurred. Accordingly, construction of 3000 multi storied houses, (each house with a-plinth area of 30 sqm. estimated to cost Rs.45,500) was entrusted to M.P. Housing Board.

Expenditure of Rs.7.40 lakh paid to HUDCO proved infructuous.

Perusal of the records of the Board (April 1999) revealed that only 2486 houses were constructed upto March 1996 at a cost of Rs.24.04 crore. The construction of the remaining 514 houses for which tenders were invited in November 1993 was withdrawn by the Government in February 1994 in view of low occupancy of houses already constructed. Rs.7.40 lakh paid to HUDCO on account of design and consultancy charges (Rs.7.25 lakh), on tender forms and publication of tender notice (Rs.0.15 lakh) proved to be infructuous.

#### (b) Irregular expenditure on watch and ward staff

The Executive Engineer incurred expenditure of Rs.16.17 lakh on watch and ward without sanction.

The Housing Board Division charged Rs.16.17 lakh (1993-94, 1995-96 to 1998-99) on account of watch and ward of 861 houses (193 houses unallotted and 668 unoccupied), all located in one premises. No estimates for these were prepared nor sanction of the higher authorities was obtained. The payments were made on nominal muster rolls and the expenditure was booked under development charges of the division.

#### (c) Delay in allotment of houses

Out of 2486 houses constructed, 2293 houses were allotted and only 1666 houses were occupied.

Out of 2486 houses, only 2293 were allotted and 193 houses were yet to be allotted as of March 1999. Of the allotted 2293 houses, only 1666 beneficiaries had taken the possession. The Additional Collector stated that incomplete papers and migration of beneficiaries from Bhopal were the reasons for low occupancy.

#### (d) Reconstruction of houses

An outlay of Rs.2.5 crore was approved in the Action Plan for reconstruction of 25000 houses in gas affected areas. No expenditure was however, incurred on this activity. On being asked the Government did not offer any reply (September 1999).

### 3.1.9 Environmental Rehabilitation

Expenditure of Rs.6.29 crore did not pertain to environmental rehabilitation.

A provision of Rs.23.76 crore was made in the Action Plan for improvement in sanitation, water supply, street lighting, widening of roads, construction of new roads, plantation of trees and development of parks against which an expenditure of Rs.23.16 crore was booked upto March 1999. Perusal of the records revealed that the expenditure booked included Rs.1.02 crore on maintenance of buildings, Rs.22.48 lakh on maintenance of work sheds and Rs.5.05 crore on construction



of court building which did not relate to Environmental Rehabilitation, as detailed below:

**(a) Construction of court buildings**

In accordance with the Government orders (November 1989) 56 Deputy Commissioner courts and 11 Appellate courts were constructed/converted (upto 1996-97) at a cost of Rs.5.05 crore from the funds meant for Environmental Rehabilitation. Of these, one Appellate Commissioner's and 2 Deputy Commissioner's court buildings costing Rs.21.75 lakh were lying vacant, and 3 buildings constructed at a cost of Rs.29.12 lakh were given to other departments.

**(b) Unauthorised expenditure on addition/alteration and maintenance**

Unauthorised expenditure of Rs.5.80 lakh was incurred (1990-91 to 1994-95) on addition to and alterations of Sub-Divisional Officer's office, apart from Rs.9.37 lakh spent on maintenance of court building during 1997-98.

**(c) Irregular expenditure on daily wages staff**

195 daily wage employees were engaged by the Gas Rahat Divisions in spite of ban imposed (January 1989) on their employment and wages amounting to Rs.1.06 crore were paid from the funds meant for environmental rehabilitation.

**(d) Smokeless Chulhas**

Though a provision of Rs.3 crore was made in the Action Plan approved by Government of India in February 1991 for providing 80,000 smokeless chulhas through Urja Vikas Nigam, no expenditure was incurred on this activity. The Government did not reply (April 1999), when asked to explain the reasons.

**3.1.10 Expenditure on Scientific Studies**

**3.1.10.1 Expenditure of Centre for Rehabilitation studies**

A provision of Rs.5 crore was made in the Action Plan for research work through Indian Council for Medical Research (ICMR). With this in view the State Government established Centre for Rehabilitation Studies (Centre) in December 1989 to (i) identify and study scientific problems relating to rehabilitation of Bhopal gas victims (ii) to identify resource persons (iii) to collect relevant published materials and publish digests and to act as storehouse of all material (iv) to identify gaps in scientific information and to recommend areas of further studies (v) to provide forum for exchange of views arising out of disaster (vi) to initiate, support, promote and coordinate all such activities and (vii) to formulate and suggest remedial measures to be

Rs.12.43 lakh was sanctioned for scientific studies, which were not conducted.



undertaken by various departments. It was seen in audit that the Government had kept the entire amount in PD account and was meeting the expenditure on pay and allowances of the staff of the Centre from the interest on the deposit of Rs.5 crore kept in PD account. Out of the interest earned Rs.12.43 lakh was given to Dean, Medical College, Bhopal for research studies but nothing was done. Further, Rs.7.40 lakh from the interest earned were given to Bhoj University for conducting computer courses for 50 gas affected persons.

### ***3.1.11 Non-utilisation of Rs.20 lakh provided for giving jobs to widows***

Government established in July 1988 a Gas Victim Women Stationery Unit under Controller, Printing and Stationery Department (Controller) for providing job opportunities to 75 widows of Bhopal gas victims. Government sanctioned (March 1989) for this a revolving fund of Rs.20 lakh, to be kept in Personal Deposit Account in Government Treasury.

Test check (August 1998) revealed that the Controller had kept the amount in different banks and the total corpus had gone upto Rs.46.50 lakh. The Controller, however, did not take any action for providing job opportunities to the widows, defeating the very purpose for which the fund was established and the money also remained outside the Government account.

### ***3.1.12 Monitoring and Evaluation***

Government of India, Ministry of Chemicals and Fertilizers, Department of Chemicals and Petro-chemicals constituted a committee headed by Minister of Human Resource Development to monitor implementation of Action Plan for Bhopal gas leak disaster victims. Though meetings of the Group of Ministers were held, reports of physical and financial implementation of the Action plan were never submitted.

On being pointed out (March 1999), the Government did not offer any comments.

**Monitoring and  
evaluation of Action  
Plan was not done.**



## Food, Civil Supplies and Consumers Protection Department

### 3.2 Public Distribution System

#### *Highlights*

*The Public Distribution System covered the entire population of the State. A review of its functioning showed that though the system has been in existence for a long time, it was still limited in its reach and failed to provide the food safety net to the needy population of the State. In addition, there were inefficiencies in the system of transportation and distribution of the foodgrains which, if removed, could lead to cost reduction. This was evident from the fact that on many occasions the PDS price was more than even the market price. This underscores the need for an overall improvement of the PDS in the State. Some important points noticed during the test audit are given below:-*

The quantity lifted was much less than the allocation, year after year, which showed that the coverage of PDS was ab-initio inadequate. Even the lifted quantity was not distributed in full. Though the lifting and distribution of foodgrains improved substantially after introduction of TPDS, overall the shortfall in distribution of the lifted quantity persisted. This showed that optimum benefit of BPL group under TPDS were out of the food safety net.

*(Paragraph 3.2.6)*

Non-cancellation of old ration cards while issuing new ration cards led to circulation of large number of bogus ration cards.

*(Paragraph 3.2.6.2)*

Shortfall in distribution of foodgrains lifted by NAN, year after year, resulted in accumulation of huge stock of 1.55 lakh M.Ton wheat and 1.91 lakh M.Ton rice involving central subsidy of Rs.28.40 crore.

*(Paragraph 3.2.7)*

Departmental records revealed shortage of foodgrains costing Rs.1.78 crore from lead and link societies for which no action was found taken.

*(Paragraph 3.2.7.1)*

Deployment of two organisations for lifting and distribution of foodgrains from FCI godowns to Fair Price shops involved additional



expenditure of Rs.87.30 crore, which could have been avoided by rationalizing the procedure.

*(Paragraph 3.2.7.2)*

NAN had not returned the unspent balance of Rs.1.38 crore lent to it for purchase of mobile vans. Similarly, loan of Rs.1.19 crore was not repaid to GOI together with interest thereon amounting to Rs.88.85 lakh.

*(Paragraph 3.2.8.1)*

697 out of 824 sanctioned shops cum godowns, to be set up throughout the State during 1992-99, were not set up in spite of availability of funds. The expenditure of Rs.3.27 crore on construction of 20 godowns, which remained unutilized even 5 to 61 months after their completion, was unfruitful.

*(Paragraph 3.2.8.2)*

Due to rounding off of the selling price of Kerosene, there was irregular collection of revenue of Rs.5.19 crore.

*(Paragraph 3.2.9.1)*

Distribution of Sugar amounting to Rs.1.24 crore in excess of norms prescribed by Government was noticed in Bastar District.

*(Paragraph 3.2.9.2)*

### **3.2.1 Introduction**

The Public Distribution System (PDS) involving supplies of key essential commodities such as wheat, rice, sugar, improved edible oil, kerosene and soft coke is an instrument of Government policy to moderate open market prices and to ensure food security at the household level.

The geographical area of the Madhya Pradesh State, consisting of 61 districts, is 4.43 lakh square kilometres with a population of 662 lakh (1991 census) consisting of 96 lakh Scheduled Caste and 154 lakh Scheduled Tribes population. There are 459 Blocks (which include 174 Tribal Blocks) and 31,126 Gram Panchayats covering 76220 villages.

The Public Distribution System in the State covers the entire population of the State and was in existence when the State of Madhya Pradesh was formed in 1956 as a result of State Reorganisation Commission recommendations. Revamped Public Distribution System (RPDS), which was introduced by Government of India in June 1992, was introduced in the State in June 1992 to cover needy sections of



Tribal, arid, hilly, drought prone and remote areas in 223 blocks of 23 districts.

From June 1997, following the decision of Government of India to target the Public Distribution System, the State Government replaced the Revamped Public Distribution System by launching the Targeted Public Distribution System.

### 3.2.2 Objectives

The specific goals of Public Distribution System were to (i) make goods available to consumers at fair prices, (ii) rectify the existing imbalance between the supply and demand for foodgrains, (iii) ensure social justice in distribution of basic necessities of life and, (iv) even out fluctuations in prices and availability of mass consumption of goods.

### 3.2.3 Organisational Set Up

The implementation of the scheme is the overall responsibility of the Food & Civil Supplies Department. The Director, Food and Civil Supplies is the nodal field officer and is responsible for overall assessment of the requirement (which he sends to Department), allotment of District quota, monitoring of ration cards, payment of grants/loans/subsidies, if any, to implementing agencies, procurement of foodgrains from the base depots of Food Corporation of India, their storage and distribution to consumers through lead<sup>(\*)</sup> and link<sup>x</sup> Societies with assistance of Madhya Pradesh Nagrik Aapoorti Nigam (NAN), Madhya Pradesh State Warehousing Corporation (SWC) and M.P. State Marketing Federation (MARKFED). The Central Co-operative Bank finances the MARKFED and its lead and link societies for undertaking the PDS operations.

Food Corporation of India (FCI) having 61 base depots in the State is the supplier for the State Government on behalf of Government of India. The NAN lifts the foodgrains from the base depots of FCI to its 258 supply centres wherefrom the food grains are supplied to 491 lead agencies as per direction of District Collectors. Lead Agencies supply foodgrains to 24141 fair price shops of the State. Apart from this, NAN distributes foodgrains through 213 mobile van shops to various Hat-Bazars (Village Markets) situated in tribal, arid, hilly and drought prone and remote areas.

The Collector is responsible for assessing the requirement of food grains in the district and for further allocation, Fair Price Shop wise.

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(\*) *Co-operative Societies who transport foodgrains from SWC godowns to FPSs*

x *Fair Price Shops*



He is responsible for monitoring issuance of ration cards and overall control of PDS in the district.

### ***3.2.4 Scope of Audit***

The management of PDS/RPDS/TPDS was reviewed through test check of the records for the period 1992-93 to 1998-99 in the offices of the Director, Food and Civil Supplies, Nagrik Aapoorti Nigam, and State Warehousing Corporation in 16 out of 61 Districts.

The services of the ORG Centre for Social Research, a division of ORG-MARG Research Limited, were commissioned with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample, determined on the basis of socio-culture characteristics and development status. Findings of their survey have been included in this review at appropriate places.

### ***3.2.5 Financial Outlay and Expenditure***

For the purpose of Public Distribution System, credit facility is extended by the Reserve Bank of India to NAN and the Marketing Federation on the basis of Power of Attorney of the State Government. The credit limit, which is backed by Government guarantee, is revised from time to time, based on the estimates of procurement of food grains (Rs.290 crore at present). For this facility, the NAN pays interest @ 15.50 per cent per annum and adds it to the cost of wheat and rice sold to the Public.

All Lead Agencies and Link Agencies (fair price shops) are running under Co-operative Societies Act and are affiliated to MARKFED, the Apex Co-operative Federation. However, they claim from Government, the reimbursement of cost incurred over and above the issue price determined by the State Government. Accordingly, the State Government had to pay Rs.55.81 crore to M.P. State Co-operative Bank which finances these Co-operative Societies for purpose of Public Distribution System, against the admissible claim of Rs.61.56 crore during the period 1992-93 to 1997-98.

### ***3.2.6 Implementation/Impact Assessment***

The Revamped Public Distribution System (RPDS) was in existence since June, 1993 and the Targeted Public Distribution System was introduced with effect from 1<sup>st</sup> June, 1997 with the main object to provide food grains to Below Poverty Line group. Foodgrains (Wheat and Rice) @ 10 Kg. per ration card are to be distributed to families belonging to Below Poverty Line group. At this rate 5.18 lakh M. Ton foodgrains were required for distribution, among 43,98,752 BPL families identified. However, the actual allotment in 1997-98 was 6.64 lakh MT and 6.40 lakh MT in 1998-99. The lifting during 1997-98 was 3.92 lakh MT and during 1998-99 was 4.52 lakh MT.



**Appendix-XXXI** gives the details of year wise allocation, lifting and distribution of the foodgrains. The following observations are made:

- (a) The quantity lifted was much less than the allocation, year after year. The shortfall ranged from 16 per cent to 76 per cent for PDS wheat, 30 per cent to 75 per cent for PDS rice, 20 per cent to 72 per cent for RPDS wheat and 37 per cent to 61 per cent for RPDS rice. The Director did not furnish any reason for the shortfall in lifting. The shortfall, however, indicated that the coverage of PDS was ab-initio highly inadequate.
- (b) Even the lifted quantity was not distributed in full, the shortfall ranging upto to 30 per cent in wheat and upto to 74 per cent in rice. This further limited the benefits of PDS to the people of the State.
- (c) The quantities lifted and distributed did not have a definite pattern; however, the offtake of foodgrains appeared to be directly related with the difference in the market price and the PDS price.
- (d) In 1994-95 and 1995-96, the PDS price of wheat was more than the market price. This defeated the objective of the scheme to make available foodgrains at fair prices. In these years the shortfall in distribution was the highest.
- (e) Though the lifting and distribution of foodgrains improved substantially after introduction of TPDS, the shortfall in distribution of the lifted quantity persisted. This showed that the optimum benefits of TPDS were not being derived and a substantial number of BPL families were still out of the food safety net. The real bottlenecks in this regard were not on record.

The ORG survey also indicated that the reach of PDS was adversely impacted by non-availability of essential commodities. 32 per cent of shops had the frequency of opening less than once a week. It is higher in case of rural areas (37 per cent) than the urban area (20 per cent). Rice was not available as regularly as sugar and kerosene. Quality of rice and wheat available at ration shops was viewed as mainly unacceptable particularly in urban areas, as per the survey.

### **3.2.6.1 Issue of Ration Cards**

Prior to December 1994 Civil Supplies Department was responsible for issue of ration cards. Thereafter the local bodies like Panchayats, Municipalities and Municipal Corporations were entrusted with the preparation and issue of ration cards for the consumers in their locality as per Government order issued in December 1994. The year-wise details of ration cards, fair price shops, population covered and the number of ration units are given in **Appendix-XXXII** which indicates that 1,33,78,159 ration cards were issued covering 5,60,71,605 ration units and 7,09,75,793 population as of March 1999.



The survey list of 1990-91 prepared for identification of below poverty line group based on the criteria decided by the Government identified 60,29,612 families (4,71,583 families in urban areas and 55,58,029 families in rural areas) under BPL group. Out of this 16,30,860 families were found ineligible during investigation subsequent to the preparation of list. Out of the remaining 43,98,752 families to whom blue cards were to be issued, only 43,20,675 families had been issued these cards.

### 3.2.6.2 Bogus Ration Cards

Appendix-XXXII gives the number of ration cards in circulation and the number of units relating to these cards, as reported by the Directorate. It would be seen that the number of ration cards in circulation increased from 1.27 crore in 1997-98 to 1.34 crore in 1998-99 while the number of ration units declined by 16,575. This showed that there were a number of bogus cards in circulation. The reason for this was that with the introduction of TPDS from June 1997, new cards (blue cards) were issued to B.P.L. families without canceling the old cards issued to them. The possibility of misuse of these cards, therefore, can not be ruled out.

4.48 lakh bogus ration cards were found issued in 5 Districts alone.

In 5 test checked districts\* 4,48,135 bogus ration cards (Appendix-XXXIII) were found in circulation during the period 1992-93 to 1998-99 which constituted 38.67 per cent of total ration cards issued in these Districts.

### 3.2.6.3 Fair Price Shops and Mobile Van Shops

The number of fair price shops and mobile van shops increased from 22226 shops (1992-93) and 143 vans (1993-94) to 24141 shops and 213 vans during 1998-99. The yearwise position of availability of Urban and Rural fair price shops and vans is given in Appendix-XXXIV.

ORG survey indicated that average distance of ration shops (FPS) was 1.9 Km. in rural and 0.9 Km. in urban areas. Ration shops opened irregularly and in-frequently, more so in rural areas. Incorrect weighing, non-availability or inadequate availability and poor quality of foodgrains are some of the highlights of the survey.

Mobile vans meant for distribution of foodgrains in tribal area were diverted for other work.

Test check in Raipur district revealed that only 3 mobile van shops were in operation in the 4 tribal blocks of the district during the period 1995-96 to 1998-99. At the same time, 4 mobile van shops during 1996-97 and 1997-98 and 7 mobile vans during 1998-99 were used for transportation of food grains from the godowns of Food Corporation of India to Base depots etc., even though the mobile van shops had been purchased for distribution of foodgrains in Tribal Areas only. As a

\* Gwalior, Hoshangabad, Jhabua, Morena and Sehore



result, the shortfall in distribution of rice amounted to 9.20 M.Tons in 1996-97 and 17.34 M.Tons in 1997-98, compared to 53.74 M.Ton in 1994-95 and 56.00 M.Ton in 1995-96.

### **3.2.7 Requirement/Allocation and Release of Foodgrains**

The State Government was to assess the requirement of the foodgrains based on the number of consumers and submit a demand for the State to the Government of India for allotment of foodgrains quota. It was, however, noticed that the requirement of foodgrains was reported on adhoc basis by the Director, Food and Civil Supplies. As has already been discussed in para 3.2.6, the shortfall in distribution of the foodgrains lifted by NAN, year after year, led to accumulation of huge stock of 1.55 lakh M.T. wheat and 1.91 lakh M.T. rice with NAN as of 31 March 1999. The central subsidy involved in this quantity was Rs.28.40 crore.

The Director stated that the shortfall in distribution of foodgrains was due to less difference between market price and Public Distribution System price, poor quality of foodgrains and insufficient quantity of foodgrains of consumer's choice at fair price shops.

#### **3.2.7.1 Pilferage of Foodgrains from FPS**

In test check of 2 districts (Shahdol and Chhatarpur) it was noticed that 113 cases of shortage of foodgrains valuing Rs.1.78 crore with lead and link societies were pointed out by the audit parties of the Department of Co-operative Societies during the period 1992-93 to 1998-99, but no action against the persons responsible was taken.

#### **3.2.7.2 Avoidable Payment of Rs.87.30 crore to Intermediary Agency**

As per costing sheet prepared by the NAN and approved by the Government, the NAN was paid Rs.26 to Rs.57 per quintal for lifting from Food Corporation of India's godowns and transporting it to the godowns of the State Warehousing Corporation; similarly, the MARKFED was paid @ Rs.13 per quintal and Rs.24 per quintal for lifting and transportation from SWC Godowns for delivery to Fair Price Shops. This involved engagement of two agencies for identical operations.

The involvement of multiple agencies caused avoidable loss to exchequer because MARKFED could have straightway lifted from the FCI godowns and transported to FPSs. Keeping NAN out of transportation of foodgrains could have saved Rs.87.30 crore paid to it during the period from 1992-93 to 1998-99.



### 3.2.8 Infrastructure Facilities

#### 3.2.8.1 Non-utilization of funds meant for purchase of mobile vans

During 1992-98, Government of India released to NAN Rs.5.54 crore for loan and subsidy (50:50 ratio) for purchase of mobile vans. The loan along with interest was repayable in 5 equal instalments from first anniversary of the sanction. Besides, the State Government also released subsidy of Rs.57 lakh for this purpose during 1992-93 and 1995-96.

It was noticed that NAN had not returned the unspent amount of Rs.1.38 crore. Further, Rs.1.19 crore due for repayment to Government of India was also in arrears along with interest liability of Rs.88.85 lakh.

#### 3.2.8.2 Construction of Shop-Cum-Godown

The State Government sanctioned for remote tribal areas construction of 824 shop cum godowns of capacity upto 50 M. Ton each (total capacity of 38,075 M.Ton) during 1992-99. Only 127 shop-cum-godowns having capacity of 6,350 M.Ton were constructed at a cost of Rs.1.53 crore. Rs.5.15 crore released for the purpose were lying unutilised in the PD Accounts. The State Government intimated (December 1999) that the sanctions issued in 1994-95 for 50 godowns and in 1995-96 for 71 godowns (for which funds were not released) had since been cancelled.

The following other irregularities were also noticed:

- (i) Unspent balance of Rs.31.14 lakh were retained as of March 1999.
- (ii) The expenditure of Rs.3.27 crore on construction of 20 godowns remained unfruitful as these godowns were not being utilised for storage of PDS stock even after 5 to 61 months of their completion (**Appendix-XXXV**).

#### 3.2.9 Additional Commodities

As reported by the Directorate, additional commodities viz., Sugar and kerosene were also distributed to consumers through fair price shops. Year-wise details regarding allotment and distribution thereof are given in **Appendix-XXXVI**.

The irregularities noticed are discussed below:-

697 shop-cum-godowns (out of 824 sanctioned) were not constructed.



Irregular Collection/  
Custody/  
Appropriation and  
expenditure in  
rounding off selling  
rate of kerosene  
Rs.5.19 crore.

### 3.2.9.1 Irregular Collection/Custody/Appropriation and Expenditure out of Revenue realised due to rounding off the Selling Rate of Kerosene

The Directorate had instructed all District Collectors (August, 1995) to fix the selling price of kerosene in the fraction of 25 paise and keep the amount realised therefrom in the Central Co-operative Bank of the concerned district. By another order issued in July 1998 it permitted them to utilise the funds for strengthening the distribution system of kerosene under Public Distribution System. As per incomplete information for 32 districts made available by the Directorate, Rs. 5.19 crore was lying in Saving Bank Accounts during the period August, 1998 to March, 1999. In Morena District Rs.75 lakh was found lying in fixed deposit in the name of Collector. The Directorate had agreed to the proposal sent by the Collectors of Gwalior and Katni to purchase computers out of this fund. Keeping the receipts out of Government account and incurring expenditure therefrom without any budgetary sanction was highly irregular and lacked authority. Moreover, selling the kerosene at a price higher than the rates fixed by Government defeated the purpose for which the Government of India had allowed subsidy on the sale of kerosene to consumers under Public Distribution System.

The Directorate did not furnish specific reply on these points.

Irregular distribution  
of sugar worth  
Rs.1.24 crore.

### 3.2.9.2 Excess Distribution of Sugar

As per norms fixed by the Government of India, sugar was to be allotted/ distributed @ 425 gram per member per month. A test check in Bastar District showed that sugar was allotted/ distributed at the rate of 1 kilogram resulting in excess distribution of 825 M.T. sugar valuing Rs.1.24 crore during the period 1996-97 to 1998-99, as detailed below:-

*Quantity in M.Ton.*

Year	Total no. of Ration units	Requirement of Sugar Quota as per norms	Allotted Sugar Quota	Excess allotment
1996-97	21,86,773	11,153	11,464	311
1997-98	22,15,218	11,298	11,740	442
1998-99	22,33,806	11,392	11,464	72
<b>Total</b>				<b>825</b>

The permission of the Central Government for deviation from the norms was not obtained.



**3.2.10 Maintenance of Records by Fair Price Shops**

The instructions of the Directorate (June 1992) provide that each Fair Price Shop will maintain Ration Card Register, Stock Register and Distribution Register to facilitate inspection of Food Department. In test check of 172 Fair Price Shops 11 Districts\*, (February 1999 to May 1999) the following common omissions were noticed:

- (i) Ration Card Registers were incomplete.
- (ii) Cash Memos were not being issued to consumers.

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*Bastar, Bilaspur, Chhatarpur, Chhindwara, Dewas, Gwalior, Jhabua, Morena, Raipur, Shahdol and Sehore*



**Panchayat and Rural Development Department**

**3.3 National Programme of Nutritional Support to Primary Education**

**Highlights**

*The National programme of Nutritional Support to Primary Education was launched in 1995 and covers all the blocks in the State. It aims at boosting the universalisation of the primary education by increasing enrollment, retention and attendance and simultaneously impacting on the nutrition of the students in the primary classes. A review of the implementation of the programme revealed that the foodgrains allocated by Government of India were not lifted in full and a sizeable number of students were left out of the purview of the scheme. Though provision of cooked meal was a key element of scheme, the State Government had discontinued this in 123 blocks, citing funds constraints as the reason.*

*Some of the important irregularities noticed in test check were as follows:-*

During 1995-99, 17.64 lakh quintals of foodgrains released by GOI were not lifted. In 6 test checked districts, allocation of 2.85 lakh quintals of foodgrains lapsed due to non-lifting.

*(Para graph 3.3.7.1, 3.3.7.4)*

16.46 lakh of students throughout the State were not provided Mid Day Meals during 1995-99; six Central School students excluded from the scheme while 3 private schools were given the benefit of scheme. Food was not served in a number of schools in Bhainsdehi, Takhatpur, Ashok Nagar, Shahdol and Mandsaur blocks for one to 12 months.

*(Paragraph 3.3.7.2, 7.6, 7.7 and 9.6)*

In six test-checked districts an amount of Rs.79.68 lakh was claimed from GOI as transportation charges in excess of approved rate of reimbursement. Rs.40.84 lakh were claimed in Sagar District without incurring any expenditure on transportation.

*(Paragraph 3.3.10.1, 10.2)*

Monthly details of foodgrains allotted, lifted, consumed and balance were not reported to State Government. The monthly quantity of foodgrains lifted was not intimated to GOI by State Government. Allocation of foodgrains to local bodies and actual receipt thereof was not reconciled at district level. Proper



monitoring/evaluation was not being done and monthly meetings of district level committees were not being conducted regularly.

(Paragraph 3.3.11)

### **3.3.1 Introduction**

The Scheme of Nutritional Support to Primary Education (NSPE), a Central Plan scheme, popularly known as Mid Day Meals Scheme, was launched on 15 August 1995 by the Department of Education, Ministry of Human Resource Development, Government of India. Out of 459 blocks in the State 297 blocks were covered under the scheme during the year 1995-96, another 156 blocks during the year 1996-97 and the remaining 6 blocks were added during the year 1997-98. The scheme covered all the school going children of Standard I to V studying in Government, Government aided and Municipal schools. The children were to be provided with cooked food every day. However, in the interim period, as a prelude to the provision of cooked/pre cooked food in the schools foodgrains @ 3 kg. per student per month was to be distributed subject to minimum attendance of 80 per cent.

### **3.3.2 Objective of the programme**

The basic objective of the scheme is to give a boost to universalisation of Primary Education by increasing enrolment, retention and attendance and simultaneously impacting on nutrition of students in primary classes. To achieve this objective, the scheme provides for free meals having a calorific value equivalent to 100 gms of wheat/rice per day to school children in primary classes I to V in all Government, local body and Government aided schools for ten academic months during a year.

### **3.3.3 Audit Coverage**

A test check of accounts and records relating to implementation of the Scheme was conducted during December 1998 to May 1999 in the Office of the Development Commissioner, Madhya Pradesh, Bhopal; Commissioner, Public Instructions, Madhya Pradesh, Bhopal and nine Chief Executive Officers, District Panchayat for the period 1995-96 to 1998-99. Results of test check are mentioned in the succeeding paragraphs.

### **3.3.4 Organisational Set up and Implementing agencies**

The Panchayat and Rural Development Department is responsible for implementation of the scheme at State level. Development Commissioner (DC) under Panchayat and Rural Development Department is the nodal officer and Director, Food and Civil Supplies was responsible for providing transportation cost. At the District level the DRDA was responsible for planning and implementing the programme with the assistance of Deputy Director, Education and Assistant Commissioner, Tribal Welfare. At block

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\* Raipur, Bilaspur, Morena, Guna, Mandasaur, Dhar, Betul, Shahdol and Sagar.



level the Chief Executive Officer, Janpad Panchayat and Block Education Officer were responsible. The DRDA was also responsible for release of quarterly/monthly quota of foodgrains which was to be lifted from fair price shops by the respective students and Grampanchayats which were to distribute cooked food.

The actual implementing agencies for the programme are local bodies/authorities. The District Collector is responsible for allocation, lifting and distribution of foodgrains is done by NAN and lead and link societies of MARKFED. Utilisation of foodgrains is the responsibility of Gram Panchayats and Nagar Palikas.

### 3.3.5 Funding of the scheme

Under the scheme 100 per cent Central assistance is provided. The foodgrains (wheat/rice) are supplied by the Food Corporation of India (FCI) to the implementing agencies. The GOI reimbursed a part of the transportation cost at the rate of Rs.25 per quintal prior to June 1997 and at the rate of Rs.50 per quintal w.e.f. 1 June 1997 to District Rural Development Agencies (DRDA). The balance expenditure on transportation was reimbursed by the State Government at the rate of Rs.20 per quintal upto June 1998 and at the rate of Rs.4 per quintal w.e.f. 1 July 1998. The expenditure on kitchen sheds and labour charges for serving the cooked food were met from Poverty Alleviation Schemes (Jawahar Rojgar Yojna/ Nehru Rojgar Yojna) of the Central Government. The expenditure on cooking was met by the State Government (School Education and Tribal Welfare Department) at the rate of Re.0.75 per day per student.

### 3.3.6 Financial Outlay/Budget provisions

During the period 1995-96 to 1998-99, Rs.199.73 crore were allotted for the programme against which the expenditure amounted to Rs.140.70 crore.

### 3.3.7 Allocation and lifting of foodgrains

#### 3.3.7.1 Foodgrains allocated by GOI were not lifted in full

17.64 lakh quintals of foodgrains were not lifted during 1995-99

It was seen that every year the foodgrain allocated by GOI was not lifted in full. According to the Development Commissioner the position of allocation and lifting of foodgrains was as under :

(In lakh quintals)

Year	Allocation of foodgrains as per GOI	Foodgrains lifted from the FCI	Foodgrains actually utilised	Shortfall in lifting	Percentage of shortfall in lifting
1995-96	8.12	7.23	5.84	0.89	11
1996-97	17.76	13.99	12.57	3.76	21
1997-98	22.15	16.44	15.25	5.71	26
1998-99	22.04	14.77	18.18	7.28	33
				17.64	

The DC stated (August 1999) that reasons for short lifting would be intimated on receipt from Districts. Further intimation is still awaited (December 1999).



### 3.3.7.2 Non allocation of foodgrains for all students

16.46 lakh students throughout State were not given Mid-day-meal during 1995-99

Government of India had to make allocation of foodgrains based on enrolment data received from the State Government. It was seen in audit that due to non-receipt of timely and complete information about the number of students enrolled, the quantity of foodgrains allotted by GOI was much less than the actual requirement depriving thousands of student of their foodgrains/cooked meals. The position is given below:

Year	No. of students for whom allotment received from GOI	Actual enrolment as per reports sent to GOI (No. of blocks in bracket)	No. of students for whom allocation was not made (percentage in bracket)
1995-96	40,61,937	43,60,485 (297)	2,98,548 (6.8)
1996-97	73,98,497	76,75,530 (453)	2,77,033 (3.6)
1997-98	83,26,302	84,49,054 (459)	1,22,752 (1.4)
1998-99	90,00,929	99,48,945 (459)	9,48,016 (9.5)

### 3.3.7.3 Foodgrains lifted from Food Corporation of India was not passed on for distribution

97274 quintals of foodgrains lifted by NAN from FCI were not supplied to lead/link societies for onward release to local bodies

It was seen from the records of six Chief Executive Officers, District Panchayat\* that 97273.58 quintals of foodgrains were lifted from the FCI godowns by the Nagrik Apoorti Nigam but not supplied to FP shops during the year 1995-96, 1996-97 and 1998-99 as detailed in **Appendix-XXXVII**. This resulted in depriving approximately 4.26 lakh students of their mid-day meals. The CEOs District Panchayat Guna and Dhar stated (March and April 1999) that the short supplied quantity was utilised during subsequent years; the CEO Sagar intimated (September 1999) that there was no demand from Blocks while CEO Shahdol, Bilaspur and Development Commissioner stated (January, May and September 1999) that the reasons would be ascertained and intimated to Audit.

### 3.3.7.4 Lapse of foodgrains due to short lifting

2.85 lakh quintals of foodgrains was not lifted in six districts resulting in lapse of quota released

Test check of records of the Chief Executive Officers of six\*\* District Panchayats, revealed that allotment of 284984.82 quintals of foodgrains lapsed due to non-lifting before the close of the respective financial year. The Chief Executive Officers attributed this to non receipt of demand from the blocks and unutilised foodgrains with the lead/link societies. This showed lack of seriousness on the part of the executive agencies or controlling executives for effective implementation of scheme. The responsibility of District Collectors also cannot be overlooked in these cases.

\* Guna, Shahdol, Sagar, Dhar, Bilaspur and Morena

\*\* Guna, Betul, Morena, Dhar, Shahdol and Mandsaur



### **3.3.7.5 Non maintenance of Register regarding re-allocation of foodgrains by district authority**

Allocation of foodgrains and actual receipt thereof by Gram Panchayats, Fair Price Shops was not reconciled during 1995-99

Test check of records of seven\* District Panchayats revealed that the register prescribed for recording allocation of foodgrains to Panchayats/Nagar Palikas was not maintained. As such the quantity of foodgrains actually lifted against the allotted quantity could not be ascertained in audit. The reconciliation of authorised and lifted quantity as acknowledged by Grampanchayats/F.P. shops was also not done during the year 1995-96 to 1998-99. Thus, an important control mechanism was not given due importance.

The Chief Executive Officers assured (January 1999 to May 1999) to maintain the register in future.

### **3.3.7.6 Non-availment of central assistance due to non-inclusion of Central Schools**

Six Central schools were not covered in three districts

In Sagar, Shahdol and Betul the students of six Central schools were not covered under this scheme, though they were eligible for the same. The CEO in Sagar district attributed this to non-receipt of instructions from Government. This was not acceptable as the existing instructions were quite clear and separate instructions were not required.

### **3.3.7.7 Un-authorized aid to private and un-aided schools**

Foodgrains costing Rs.0.29 lakh and cooking charges subsidy of Rs.0.21 lakh given to Private Schools

According to the provisions of the scheme private and unaided schools are not to be covered under the scheme. It was, however, seen from the records of Block Education Officer, Nagari, district Raipur that three private and unaided schools namely, Saraswati Shishu Mandir, Anand Marg Primary School and Adarsh Vidhya Mandir at Nagari were covered under this scheme from October 1998 to December 1998 and 28.20 Quintals of foodgrains costing Rs.28,764 were supplied there in addition to Rs.21,150 given for cooking. This resulted in unauthorised aid to these schools.

The Chief Executive Officer, District Panchayat replied (September 1999) that action was being taken against the responsible officials.

### **3.3.7.8 Stoppage of foodgrains supply by FCI**

Food grains supply was stopped for two months by FCI due to non submission of monthly statement of foodgrains

The State Government did not furnish to GOI (Department of Education) the required monthly statement of foodgrains, certifying the quantity of wheat/rice lifted from the FCI for the purpose of cross check with the off take figures received from the FCI. As a result, the FCI stopped release of foodgrains during August and September 1998. Thus 17.52 lakh children in 11 Districts were deprived of the meals for two months (**Appendix-XXXVIII**).

The Development Commissioner, however, attributed (December 1998) the non-release of foodgrains by FCI to non-receipt of the requisite information

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\* Guna, Raipur, Betul, Shahdol, Sagar, Dhar and Bilaspur



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from districts in spite of regular reminders. The reply indicates lack of concern for the non-supply of food to students for two month. No reasons as to why information from none of the districts came, were given, also there is no indication of what action was taken for the lapse.

### 3.3.8 Distribution of foodgrains

#### 3.3.8.1 Distribution of foodgrains during vacation

844 quintals of rice was utilised during vacation month in Seoni district

Though the foodgrains/cooked meals are required to be provided to the children during the ten academic months of a financial year, it was noticed from the progress report furnished by the Chief Executive Officer, District Panchayat, Seoni that 844 quintals rice was utilised during June 1998 which was a vacation month. This needed investigation.

The Development Commissioner replied (August 1999) that report from the concerned Chief Executive Officer was awaited.

#### 3.3.8.2 Incorrect reporting of utilization by the State Government to the Government of India

61487 quintals of foodgrains shown consumed in excess of quantity actually lifted in two districts

It was noticed from the progress reports for the years 1995-96 to 1997-98 furnished to the Government of India by the Development Commissioner in March 1999 that the quantity of foodgrains reported as utilised in Gwalior and Satna was in excess by 61487 Qtls. of the actual lifting (12972 Qtls. in 1996-97 in Gwalior and 6276 Qtls. and 42239 Qtls. in Satna Dist. during year 1996-97 and 1997-98 respectively) as detailed in **Appendix-XXXIX**.

In reply the Development Commissioner stated (May 1999) that actual position will be intimated after due verification, which was still awaited (August 1999).

#### 3.3.8.3 Loss due to non-lifting of wheat

Spoilt wheat costing Rs.3.80 lakh found with link societies

According to the provisions of M.P. Financial code losses should be investigated soon after their detection and reported to the higher authorities as well as to the Accountant General.

Test check in Guna and Dhar revealed that 488.29 quintals wheat (179.67 quintal in Guna and 308.62 quintals in Dhar) valuing Rs.3.80 lakh was declared defective/unfit for human consumption in various link societies due to non lifting by Grampanchayats. No action was taken to investigate the matter expeditiously or to recover the amount from the persons responsible for loss nor the same was reported to higher authorities as well as to the Accountant General.

The Chief Executive Officer, District Panchayat, Guna replied (August 1999) that the said quantity was disposed of in auction for Rs.66777 which involved loss of Rs.73170 excluding cost of management and storage. CEO, Dhar replied that detailed enquiry was in process (September 1999).



### **3.3.8.4 Loss of wheat in transit and storage**

Transit and storage shortages amounting to Rs.2.66 lakh were claimed by Mandsaur unit of NAN

Nagrik Apoorti Nigam, Mandsaur claimed shortage of 341.18 quintals of wheat costing Rs.2.66 lakh due to transit and storage loss during the year 1996-97 to 1998-99 (upto February 1999). Such shortages were not admissible under this scheme but no action was taken to investigate the matter and recover/ write off the aforesaid loss. This loss was also not reported to higher authorities and Accountant General.

The Chief Executive Officer, District Panchayat, Mandsaur stated (September 1999) that the matter was referred to Government whose reply was awaited.

### **3.3.9 Provision of Cooked/Processed food**

#### **3.3.9.1 Discontinuance of cooked meals**

Provision of cooked food to the students in their schools was a key element of the scheme. In the State cooked meals were made available to all the covered schools in 297 blocks from 2 October 1995. However, w.e.f. 1 September 1997, State Government decided to switch over to distribution of foodgrains in 123 blocks through Fair Price Shops, due to financial burden of cooking charges. At present the cooked food is being served in 36290 schools in 174 blocks (December 1999).

#### **3.3.9.2 Excess expenditure due to excess utilisation of foodgrains**

As per norms prescribed by the Government 100 grams foodgrains and 75 paise for hot meal subsidy per child per school day is admissible where cooked food is served.

Foodgrains costing Rs.49.05 lakh was utilised in excess in Betul and Nagari (Raipur) districts

It was seen from the progress report of Assistant Commissioner, Tribal Development, Betul and Block Education Officer, Nagari, District Raipur that 3006.15 quintals of excess foodgrains were utilised, against the norms fixed by the Government, resulting in excess expenditure of Rs.49.05 lakh during the year 1995-96 and 1996-97 including transportation and cooking charges as detailed in **Appendix-XL**.

#### **3.3.9.3 Excess expenditure on hot meal charges**

District Panchayat Shahdol utilised Rs.1 crore in excess of fixed hot meal subsidy.

The State Government fixed (September 1995) 75 paise for hot meal charge per student per school day. It was seen that expenditure on hot meal charges incurred in Shahdol district during 1997-98 and 1998-99 in excess of norms by Rs. 1 crore as detailed in **Appendix-XLI**.

The Chief Executive Officer, District Panchayat Shahdol replied (September 1999) that reasons for excess expenditure were awaited from the concerned Block Education Officers.



### 3.3.9.4 Non return of unutilised foodgrains and non refund of unspent hot meal subsidy

4535 quintals of unutilised foodgrains, Rs.42.34 lakh of hot meal subsidy was not returned.

It was seen that in six\* test checked districts undistributed foodgrains (4535.26 quintals) and unutilised hot meal subsidy of Rs.42.34 lakh were not returned/refunded to the Government by the various implementing agencies, even after a lapse of 21 months, as detailed in **Appendix-XLII**.

No effective steps were taken to recover/return the unspent balance/unutilised foodgrains from the implementing agencies.

The CEO, Bilaspur and Betul replied (September 1999) that the unspent money in Pandaria and Probhat Pattanam blocks was returned to Government and that action for refund/recovery of the unspent amount and unutilised foodgrains from the implementing agencies was in process. Other CEOs replied that action was in process. Matter needed investigation.

### 3.3.9.5 Transfer of hot meal subsidy to Bank Accounts

Rs.25.03 lakh of hot meal subsidy was transferred to Bank

The Chief Executive Officer, District Panchayat, Shahdol, drew from the treasury Rs.25.03 lakh of hot meal subsidy and kept in savings account in bank during the year 1998-99, instead of settling the claims pending with him.

The C.E.O., District Panchayat, Shahdol replied (September 1999) that the amount was not released for want of utilisation certificate.

### 3.3.9.6 Non distribution of foodgrains to primary school children

It was seen in seven\*\* test checked districts that the foodgrains/cooked meal were not given to the children of approximately 4000 primary schools for one to 12 months during the years 1996-97 to 1998-99, as detailed in **Appendix-XLIII**. This was due to non-allocation of foodgrains and non-providing of funds for hot meal charges etc. This showed that the authorities gave scant attention to the provision of cooked meals in schools.

The CEO, Dhar replied that although the foodgrains were distributed the correct position was not incorporated in reports sent to DC. Other CEOs stated (August 1999 and September 1999) that matter would be investigated.

### 3.3.9.7 Irregular utilisation of Hot Meal subsidy

Hot meal subsidy released by the Commissioner Tribal Development was utilised by the Assistant Commissioner, Tribal Development Raipur for payment of godown rent, stationery and telephone charge of Rs.1.06 lakh in contravention of the provisions of the scheme.

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\* Guna, Bilaspur, Sagar, Betul, Khandwa and Dhar.

\*\* Betul, Bilaspur, Guna, Dhar, Sagar, Shahdol and Mandasaur



The Chief Executive Officer, District Panchayat Raipur replied (September 1999) that this was done due to non-availability of budget provision for these items.

### 3.3.9.8 Non furnishing of utilization certificates

According to the instructions issued by the Commissioner, Public Instructions in July 1996 and Government of Madhya Pradesh Scheduled Tribe and Scheduled Caste Development Department in June 1997, utilisation certificates in prescribed proforma are to be furnished to the head of the department.

Certificates of utilisation of cooking charges subsidy of Rs.32.08 crore were not submitted.

It was seen from the records of eight\*\* Chief Executive Officers, District Panchayat and information collected from the Dy. Director, Education and Assistant Commissioner, Tribal Development of the concerned districts that utilisation certificates for Rs.32.08 crore of subsidy paid towards cooking charges (Rs.8.88 crore relating to Education Department and Rs.23.20 crore in respect of Tribal Development Department) were not furnished during the year 1995-96 to 1998-99 as detailed in **Appendix-XLIV**. As such it could not be ascertained that the subsidy of hot meal charges was actually utilised for the benefit of the children.

The CEOs Sagar, Shahdol, Morena, Guna, Raipur, Betul and Bilaspur stated that Utilisation Certificates were awaited from BEOs/Assistant Commissioner, Tribal Department. The CEO, Dhar stated (August 1999) that utilisation certificates were sent. However, Commissioner Public Instructions and Commissioner Tribal Department intimated (August 1999) that the utilisation certificates were still awaited.

### 3.3.10 Transportation

#### 3.3.10.1 Excess claim of transportation charges from Government of India

Prior to June 1997 transportation charges @ Rs.25 per quintal were being reimbursed by GOI for transportation of foodgrains from FCI godown to village; w.e.f. June 1997 the Government of India decided to reimburse the actual transportation charges subject to a maximum of Rs.50 per quintal. In view of this increase, the State Government revised transportation charges from Rs.45 per quintal to Rs.54 per quintal effective from July 1998 only.

Rs.79.68 lakh was claimed from Government of India as transportation charges in excess of approved rate of reimbursement fixed by State Government

However, the six\*\*\* Chief Executive Officers claimed reimbursement of Rs.1.59 crore for the period from 1.6.1997 to 31.3.1998 at the enhanced rate resulting in excess claim of Rs.79.68 lakhs for lifting 3.18 lakh quintals of foodgrains as detailed in **Appendix-XLV**.

The Chief Executive Officer District Panchayat Guna and Morena replied (February 1999) that claim was submitted as per Development Commissioner

\*\* Guna, Morena, Raipur, Bilaspur, Sagar, Shahdol, Betul and Dhar

\*\*\* Guna, Morena, Bilaspur, Mandasaur, Sagar and Shahdol



instructions of August 1997. C.E.O. Mandasaur, Sagar and Shahdol replied (March and May 1999) that the excess claims will be adjusted in subsequent claims. C.E.O. Bilaspur replied (January 1998) that the claim was awaited from the Government of India.

### **3.3.10.2 Irregular claim of transportation charges from Government of India**

Transportation subsidy of Rs.40.84 lakh claimed in Sagar district without actual expenditure

The Chief Executive Officer, District Panchayat, Sagar submitted (July 1998 and January 1999) a claim for Rs.40.84 lakh representing transportation charges for 81,685 quintals of foodgrains without incurring the expenditure for the period July 1997 to December 1998. The expenditure was wrongly certified by the Chartered Accountant as having been incurred without verification of payment thereof.

The Chief Executive Officer accepted the mistake (May 1999) and assured not to repeat it in future.

### **3.3.11 Supervision and Monitoring**

**3.3.11.1** The State Government did not furnish regularly the district wise and school wise monthly attendance figures of the students to the Government of India. This was due to non receipt of the information from the districts.

**3.3.11.2** Para 17 of the scheme guidelines provides that a Computerized Management information System for proper monitoring of the programme would be developed by the State Government. But such a system was not developed by the State Government, which adversely affected proper monitoring of implementation of scheme at Block, District, State and Central level.

Monthly details of foodgrains lifted not submitted to GOI for 1995-1999

**3.3.11.3** The State Government did not furnish to the Government of India the required details of the quantity of foodgrains transported every month and type of foodgrains lifted to schools/distributing agencies.

Monthly details of quantity received, consumed and in balance were not sent to State Government in all seven test checked districts

**3.3.11.4** According to the instructions issued by the State Government in November 1995 each district authority should invariably furnish to the State Government the position of quantity of foodgrains utilized and expenditure incurred on hot meal during the previous month by 10th of each month. It was seen that the report was not furnished by the seven<sup>#</sup> test checked districts during the period from 1995-96 to 1998-99.

**3.3.11.5** No effective steps were taken by the State Government for proper monitoring and evaluation of the scheme during the year 1995-96 to 1998-99.

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<sup>#</sup> Betul, Bilaspur, Morena, Guna, Dhar, Shahdol, Sagar



**3.3.11.6** Though the State level and district level committees for monitoring were formed, monthly meeting was not regularly held and prescribed returns/reports were not called for from the concerned authorities for onward transmission to the Central Government.



### 3.4 Rural Employment Generation Programme

#### *Highlights*

*The Rural Employment Programmes suffered from a number of shortcomings in implementation during 1992-99. The budget provision worked out to 16 per cent of the actual requirement of funds of Rs.17419 crore. The average employment provided to identified 55.51 lakh families worked out to 16 mandays in a year as against 100 mandays assured under the EAS alone. The planning of the programme at district level lacked seriousness. Shelf of projects, location of works to be undertaken, employment requirement and projections were not available in all test-checked districts. Lack of supervision, guidance and monitoring adversely affected the implementation. Departure from prescribed procedure and norms resulted in faulty implementation, misutilisation of funds and incorrect assessment of wage level and creation of assets.*

*Some of the more important Audit findings are indicated below :*

JRY and EAS funds amounting to Rs.59.84 crore were not released to DRDAs/ZPs during 1995-96 and 1997-98. Rs.368.41 crore were released late by 1 to 6 months by State Government during 1992-98 while Rs.79.13 crore out of Rs.79.34 crore were released late by 8 to 84 days to Gram Panchayats by Zilla Panchayats.

*(Paragraph 3.4.5 (a)(b))*

Central assistance of Rs.14.38 crore was deducted in 1997-98 due to various shortcomings on the part of the State Government.

*(Paragraph 3.4.5(g))*

Interest of Rs.4.73 crore earned by Zilla Panchayats during 1992-97 was not added to the programme funds.

*(Paragraph 3.4.5(j))*

JRY and EAS funds of Rs.93.59 crore were transferred to Civil Deposits during 1992-93, 1996-97 and 1998-99. Funds amounting to Rs.122.40 crore were kept in fixed deposits, Treasury deposits and current accounts.

*(Paragraph 3.4.5 (c) (d))*

Rs.10.83 crore were debited to JRY on prorata basis for administrative expenditure and credited as State Revenue while expenditure on salaries was debited to Integrated Rural Development Programme. Contingent expenditure charged to works amounted to Rs.7.06 crore under JRY.

*(Paragraph 3.4.5 (e))*



Advance of Rs.4.60 crore given to executing agencies were treated as expenditure during 1993-97.

*(Paragraph 3.4.5 (h))*

JRY and EAS funds amounting to Rs.55.19 crore were diverted to other schemes out of which Rs.18.58 crore were not received back while Rs.75.45 crore were diverted for departmental works/activities not covered by the scheme. JRY funds of Rs.4.40 crore were diverted to other districts. Financial progress under EAS was inflated by Rs.5.16 crore by diverting funds to DPAP.

*(Paragraph 3.4.5(f) (i))*

Non-adherence to prescribed wage-material ratio in the expenditure resulted in loss of 13.94 lakh mandays in Bilaspur district. Average employment provided to registered workers under EAS ranged from 5 to 30 days in the State.

*(Paragraph 3.4.7, 3.4.8(v))*

Employment generated was found inflated by 47.21 lakh mandays in test-checked districts. Muster rolls were not maintained for employment of 910.74 lakh mandays generated under MWS and IAY during 1992-96. Wages paid to workers were found to be less than minimum prescribed wages by 18 to 40 per cent resulting in short payment of Rs.9.30 crore. Expenditure on wages was inflated by Rs.2.52 crore in Bilaspur. Expenditure in excess of 40 per cent on material component amounting to Rs.2.92 crore was booked to scheme against the provision of guidelines.

*(Paragraph 3.4.8, 3.4.9, 3.4.10.1 to 3.4.10.3)*

Sectoral details of expenditure of Rs.555.10 crore during 1992-97 under JRY and for Rs.86.90 crore spent during 1996-97 under EAS were not available.

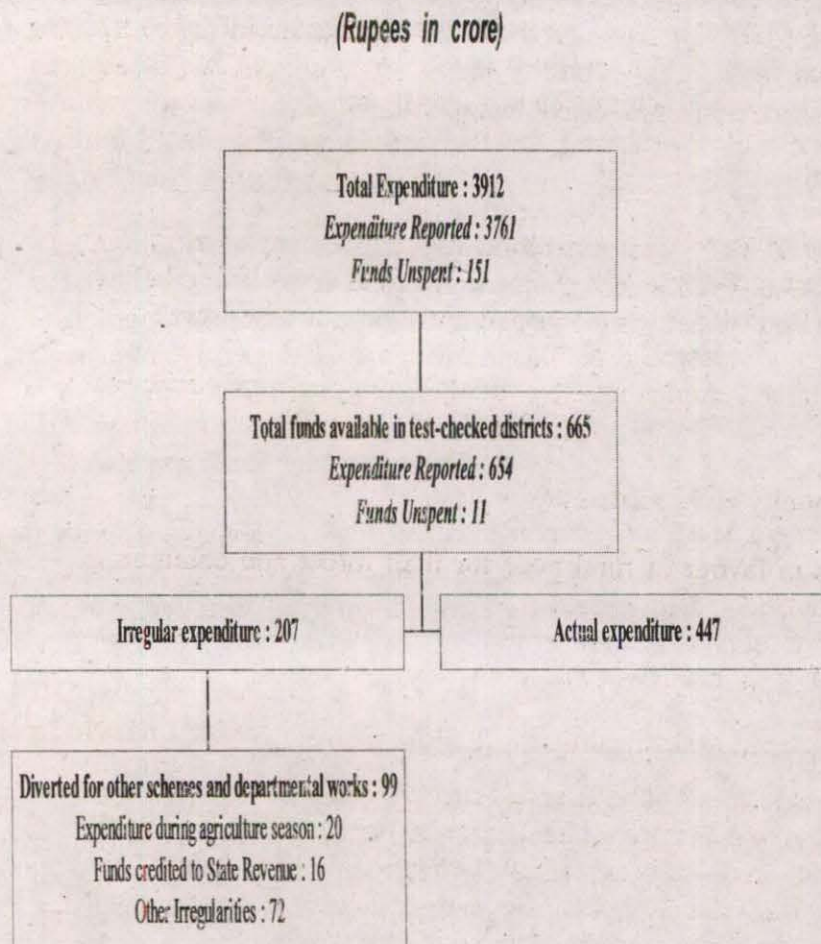
*(Paragraph 3.4.10.4)*

Works costing Rs.2.69 crore were executed through labour headmen in Bilaspur and Raipur while avoidable expenditure due to non-deduction of contractors profit worked out to Rs.3.11 crore in Bilaspur. Plantation in 710 hectare was taken in reserve forest at a cost of Rs.66.16 lakh where village community had no access to usufruct.

*(Paragraph 3.4.11.1, 3.4.11.2, 3.4.11.4)*



The following diagram shows that only about 67 per cent of the programme funds were spent on employment generation:



### 3.4.1 Introduction

Jawahar Rojgar Yojana (JRY) and Employment Assurance Scheme (EAS) are the main schemes of employment generation in rural areas. JRY was launched in April 1989 after merging National Rural Employment Programme and Rural Landless Employment Guarantee Programme. During 1993-94, JRY II<sup>nd</sup> stream was launched for intensifying the scheme in 17 backward districts and JRY III<sup>rd</sup> stream to implement special and innovative projects. Indira Awas Yojana (IAY) for construction free of cost of houses for scheduled castes/tribes (SC/ST) and freed bonded labour and Million Wells Scheme (MWS) for development of well-irrigation for the benefit of SC/ST were sub-schemes of I<sup>st</sup> stream JRY. With effect from January 1996, IAY and MWS were taken out of JRY and made independent schemes and the II<sup>nd</sup> stream JRY was merged with EAS. The third stream continued as part of JRY. However, no special or innovative project was sanctioned after December 1996.



EAS was launched on 2 October 1993 in the identified 223 back-ward blocks of 23 districts in which the Revamped Public Distribution system was in operation. These mainly consisted of drought prone areas, tribal areas and hill areas. During 1994-95, EAS was operated in 297 blocks of 37 districts. As intensified JRY was merged with EAS on 1 January 1996, 43 non-EAS blocks of 17 backward districts were also brought within the purview of EAS. Remaining blocks of the State were covered under the scheme during 1996-97 (54 blocks) and 1997-98 (65 blocks). Thus, at present the scheme was being implemented throughout the State with effect from 1997-98.

#### **3.4.2 Objective**

The primary objective of JRY was generation of gainful employment for unemployed and under-employed men and women in rural areas living below poverty line. The secondary objectives envisaged in the programme were :

- (i) Creation of sustained employment by strengthening the rural economic infrastructure;
- (ii) Creating community and social assets;
- (iii) Creating assets in favour of rural poor for their direct and continuing benefits;
- (iv) Positive impact on wage levels; and
- (v) Overall improvement in the quality of life in rural areas.

Whereas the primary objective of the EAS was to provide 100 days assured gainful employment during lean agricultural season to needy and desirous able bodied adults in rural areas not exceeding two persons per family, the secondary objective was the creation of economic infrastructure and community assets for sustained employment and development.

Both schemes were open to all rural people below poverty line with preference to members of SC/ST and 30 per cent of the employment opportunities were reserved for women. Both schemes were Centrally sponsored on cost sharing basis between Centre and State in the ratio of 80:20

#### **3.4.3 Organisational Set up.**

At the State level, the implementation of the JRY was the responsibility of State Level Co-ordination Committee under Panchayat and Rural Development Department. The Development Commissioner (DC) was the nodal officer at the State level. At the district level, the entire work relating to co-ordination, review, supervision and monitoring of the programme was entrusted to District Rural Development Agency (DRDA), now transferred to Zila Panchayat (ZP) with effect from December 1997.

At the village level, the programme was implemented through Gram Panchayats (GP) who were responsible for planning and implementation. The



technical supervision was provided by the Panchayat Samitis/Janpad Panchayats.

Under EAS, the State Level Co-ordination Committee for the Rural Development Programme (SLCC) headed by Principal Secretary, Panchayat and Rural Development Department was responsible for overall supervision, guidance and monitoring. The DC was nodal agency for implementation of the scheme. District Collectors were designated as the "Implementation Authorities" and were responsible for co-ordination of work and for allocation of funds among the blocks within the district. The District EAS Committee and block EAS Committees to be set up by Government were to supervise, co-ordinate and monitor the implementation of EAS within their jurisdiction and suggest to the Government necessary steps for more effective implementation of the scheme.

#### **3.4.4 Scope of Audit.**

The irregularities noticed in test-check of the records relating to implementation of JRY during 1989-92 and EAS during 1993-97 have been commented upon in paragraphs 3.20 and 3.27 of the Reports of the Comptroller and Auditor General of India for the year 1991-92 and 1996-97 respectively. These Audit Reports are yet to be discussed in PAC (December 1999). This review aims at overall review of the implementation of the schemes to judge their effectiveness, efficiency of their implementation and an assessment of their impact. A test-check of the records relating to implementation of JRY during 1992-99 and EAS during 1993-99 was conducted during December 1998 to July 1999 in the offices of the DC, Bhopal and Chief Executive Officers of Zila Panchayats of ten districts\*. The results of test-check are brought out in succeeding paragraphs.

The services of the ORG centre for Social Research, a division of the ORG-MARG Research Limited were commissioned with a view to gauge inter alia the beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample determined on the basis of district development profile, socio-economic composition, incidence of poverty, etc. Findings of the survey on matters discussed in the Report have been included in this review at appropriate places.

#### **3.4.5 Financial Outlay and Expenditure : underutilisation of funds**

The details of provision as per State budget, Central releases, resources available during 1992-99 under JRY (including Intensified JRY during 1993-96), EAS and MWS were as under :

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\* Bilaspur, Dhamtari, Dindori, Janjgir, Korba, Korea, Mahasamund, Mandla, Raipur and Surguja



(Rupees in crore)

Year	Opening balance	Provision as per State budget	Central releases	State share	Total (4+5)	Total resources available	Expenditure	Closing balance
1.	2.	3.	4.	5.	6.	7.	8.	9.
<b>JRY</b>								
1992-93	36.49	225.28	263.10	52.62	315.72	352.21	293.28	58.93
1993-94	58.93	395.70	364.56	72.91	437.47	505.37 <sup>1</sup>	401.78	103.59
1994-95	103.59	266.89	397.99	79.60	477.59	581.18	505.03	76.15
1995-96	76.15	327.31	352.84	70.57	423.41	499.56	423.77	75.79
1996-97	75.79	454.66	154.53	38.63	193.16	268.95	197.24	71.71
1997-98	71.71	259.91	189.77	47.44	273.21	347.13 <sup>1</sup>	245.74	101.39
1998-99	101.39	227.46	183.41	36.68	220.09	324.25 <sup>1</sup>	227.60	96.65
<b>EAS</b>								
1993-94	Nil	--	56.95	14.24	71.19	71.19	25.03	46.16
1994-95	46.16	--	145.36	36.34	181.70	227.86	179.59	48.27
1995-96	48.27	--	229.40	57.35	286.75	335.02	229.52	105.50
1996-97	105.50	--	226.70	56.68	283.38	388.88	242.30	146.58
1997-98	146.58	24.31	215.08	53.77	268.85	416.98 <sup>2</sup>	323.27	93.71
1998-99	93.71	54.38	220.33	55.08	275.41	375.99 <sup>2</sup>	329.60	46.39
<b>MWS</b>								
1996-97	18.90	--	34.37	8.59	42.96	61.86	38.78	23.08
1997-98	23.08	6.57	33.77	8.44	42.21	65.90 <sup>3</sup>	44.03	21.87
1998-99	21.87	9.97	31.89	8.22	40.11	61.98	54.49	7.49

While 13 to 30 per cent of JRY resources remained unutilised during 1992-99, underutilisation under EAS ranged between 12 and 65 per cent during 1993-99. The reasons for underutilisation are analysed in the paragraphs below :

**(a) Delay in release of funds**

Records of DC revealed that JRY funds (Central and State) amounting to Rs.56.44 crore were short released to DRDAs/ZPs during 1995-96 and 1997-98. Similarly matching State share of Rs.3.40 crore under EAS was not released during 1994-95 and 1996-97. DC intimated (September 1999) that funds could not be released due to receipt of allotment from Central Government at the fag end of the financial year, delay in approval by Finance Department and non-availability of budget provision.

There were delays exceeding one to six months in release of JRY funds (Central and State) amounting to Rs.341.20 crore during 1992-96 and 1997-98 to DRDAs/ ZPs by State Government. Similarly, the State share under EAS of

<sup>1</sup> Including interest of Rs.8.97 crore (1993-94), Rs.2.21 crore (1997-98) and Rs.2.77 crore (1998-99).

<sup>2</sup> Includes interest of Rs.1.55 crore (1997-98) and Rs.6.87 crore (1998-99).

<sup>3</sup> Includes interest of Rs.0.61 crore.



Rs.26.52 crore was released late by one to three months during 1993-95 and 1996-98 while State share of Rs.68.75 lakh due during 1993-94 was released during subsequent year after a delay of three weeks by DC. Delay in releases was attributed (September 1999) by DC to delay in obtaining approval of Finance Department and non-availability of budget provision.

Rs.22.92 crore short released to GPs.

**(b) Short release of funds**

Contrary to JRY guidelines, while Rs.102.26 crore were required to be released to GPs (after retaining the funds towards IAY works, MWS works, training and administrative expenses) Rs.79.34 crore only were released during 1992-99 resulting in short release of Rs.22.92 crore in Bilaspur (Rs.5.11 crore), Mandla (Rs.4.17 crore) and Raipur (Rs.13.64 crore). It was intimated that in Bilaspur the funds were released on the basis of rural population while in Mandla the amount was diverted to earthquake relief work. Such transfer was totally in violation of JRY guidelines and was unauthorised. No reasons were advanced by the CEO Raipur.

Grants to GPs delayed

Further, grants amounting to Rs.79.13 crore were released to GPs after delays of 8 to 84 days during 1992-99 in Bilaspur (Rs.14.24 crore), Mandla (Rs.14.94 crore), Raipur (Rs.28.28 crore) and Surguja (Rs.21.67 crore) as against permissible period of 7 days. While reasons were not intimated by CEOs Mandla and Surguja, the CEOs of Bilaspur and Raipur intimated that encashment of bills from treasury and preparation of drafts from Banks were delayed.

It was also noticed that during 1997-98 GPs share of JRY funds amounting to Rs.8.25 crore was released through the Janpad Panchayats (JP) by CEO ZP Bilaspur but subsequent releases by JPs were not monitored.

Rs.93.59 crore were transferred to Civil Deposits.

**(c) Transfer of funds to Civil Deposits**

Funds received under these programmes were required to be kept in a bank or post office savings bank account. It was however noticed that JRY funds aggregating Rs.89.76 crore including Central share of Rs.65.37 crore were transferred to Civil Deposits (without any interest) during 1992-93 (Rs.47.98 crore), 1996-97 (Rs.33.73 crore) and 1998-99 (Rs.8.05 crore) under orders of Government in the month of March. Out of this, funds amounting to Rs.81.71 crore for 1992-93 and 1996-97 were released in subsequent years with delay of one to twelve weeks. Similarly, under EAS, matching State share of Rs.3.83 crore was kept in Civil Deposits during 1996-97 and was released during 1997-98 after a delay of six weeks.

DC intimated (December 1998) that as central share was released in the last week/day of March, funds were transferred to Civil Deposits to avoid deduction in Central assistance during subsequent years. The reply is not tenable as the DRDAs/ZPs are maintaining separate accounts outside the Government account in saving bank accounts. The transfer of Rs.93.59 crore to Civil Deposits inflated the expenditure to that extent.



**(d) Funds kept in fixed deposits**

In test checked districts, various practices were obtaining in regard to keeping of funds in banks/post offices.

Rs.122.40 crore were kept in fixed deposits, treasury deposits, etc.

(i) JRY funds amounting to Rs.5.37 crore were kept in fixed deposits in Bilaspur (Rs.1.92 crore) and Raipur (Rs.3.45 crore) during 1992-95 and 1997-99. EAS funds of Rs.1.95 crore were also kept in fixed deposit during 1997-99 in Raipur as per instructions of DC. The action was in violation of rules which provide for keeping funds in saving bank account.

(ii) In Bilaspur, Raipur and Surguja, executing agencies kept Rs.75.71 crore (EAS:Rs.52.65 crore; JRY:Rs.8.48 crore and IJRY:Rs.14.58 crore) in Treasury deposits while Rs.39.37 crore were kept in current accounts in Commercial Banks (EAS:Rs.23.50 crore; JRY:Rs.8.53 crore and IJRY:Rs.7.34 crore) during 1992-99.

Rs.10.83 crore converted into State revenue.

(e) JRY funds amounting to Rs.22.24 crore were retained at State level by DC during 1992-95 and 1996-97 on prorata basis for meeting administrative and contingent expenditure, as against the actual administrative expenditure of Rs.13.66 crore. No further release to districts for meeting the administrative and contingent expenditure at district, block and Gram Panchayat level was made. An amount of Rs.2.25 crore released to Mandla, Raipur and Surguja during 1997-99 under JRY (Rs.0.72 crore), EAS (Rs.1.14 crore) and MWS and IAY (Rs.0.39 crore) for administrative and contingent expenditure was transferred as revenue receipt as per instructions of DC and the respective ZPs continued to debit the expenditure incurred on pay and allowances of staff relating to JRY irregularly to Integrated Rural Development Programme (IRDP) funds (another centrally sponsored scheme).

Administrative and contingent expenditure charged to works worked out Rs.7.06 crore.

Besides, expenditure on contingencies at 2 per cent was also being provided in the estimates of works under the scheme being carried out through executing units as per orders of State Government of May 1997. Expenditure on administrative and contingencies charged to works by executing agencies amounted to Rs.7.06 crore during 1992-97 under JRY alone resulting in charging of 2 per cent of administrative and contingent expenditure at every stage of release including stage of execution.

**(f) Diversion to other districts**

Rs.4.40 crore diverted to other districts.

Contrary to the provisions of JRY manual, JRY resources amounting to Rs.4.40 crore were diverted to Bilaspur, Sagar, Raisen, Vidisha, Hoshangabad, Dewas and Shajapur districts from districts of Datia, Shivpuri, Satna, Sehore and Raigarh during 1992-93. These were also not restored back. DC intimated (December 1998) that the matter was being investigated. Apparently the funds were being used as resources to be transferred to needy districts.

Deduction of Rs.14.38 crore was made from central share.

(g) As per guidelines amount equal to unspent balances over and above 25 per cent of allocation was to be deducted while making payment of second installment. During 1997-98, deductions amounting to Rs.14.38 crore were made from Central share due to excess carry over of opening balances



(Rs.5.94 crore), shortfall in expenditure on SC/ST sector (Rs.1.23 crore), short release of State share (Rs.6.94 crore) and excess administrative expenditure (Rs.0.27 crore) in 32 districts.

On being pointed out, DC replied that excess carry over was due to late release of funds. While matching State share was released but administrative expenditure of 2 per cent deducted from State share was treated short release for which representation had been made. For shortfall in expenditure on SC/ST sector and excess administrative expenditure concerning ZPs were instructed not to repeat the omission.

**(h) Advance treated as final expenditure**

Unspent advances of Rs.4.60 crore treated as final expenditure

(i) JRY, IJRY and EAS funds aggregating Rs.56.64 crore advanced to MPNAN during 1993-97 by ZP, Bilaspur, Mandla, Raipur and Surguja for supply of foodgrains were treated as final expenditure. MPNAN supplied foodgrains valuing Rs.52.04 crore only and the balance of Rs.4.60 crore was not refunded.

(ii) EAS funds of Rs.7 lakh advanced to DRDA Bhopal in August 1995 by ZP Bilaspur for supply of watershed maps of blocks was treated as final expenditure though the supply of maps was awaited (February 1999).

**(i) Diversion of funds to other schemes/departmental works**

Out of Rs.55.19 crore diverted to other scheme, Rs.18.58 crore were not recouped

(i) JRY funds aggregating to Rs.25.63\* crore were diverted to DPAP (Rs.1.71 crore), EAS (Rs.6.48 crore), IRDP (Rs.8.86 crore), Yojana Mandal (Rs.62.04 lakh), IAY and MWS (Rs.80 lakh), IJRY (Rs.7.01 crore) and Education Guarantee Scheme (Rs.15 lakh) during 1992-99 out of which only Rs.18.33 crore were recouped. Balance amount of Rs.7.30 crore was not received back (February-May 1999).

Similarly, EAS funds amounting to Rs.29.56# crore were diverted to DPAP (Rs.5.47 crore), IRDP (Rs.8.20 crore), IAY (Rs.2.41 crore), JRY (Rs.10.82 crore), Mini Industrial Training Institute (Rs.50 lakh), Mid Day Meal (Rs.1.16 crore) and Yojana Mandal (Rs.1 crore) during 1993-99. Out of funds diverted, Rs.18.28 crore were received back and balance of Rs.11.28 crore was not received back (February-May 1999).

Reasons for diversion advanced by CEOs, ZP were immediate requirement and non-availability of funds. This was however, contrary to the guidelines.

(ii) EAS funds of Rs.5.16 crore diverted to DPAP during 1996-98 in Bilaspur were shown as expenditure under EAS funds and employment was

Rs.5.16 crore diverted to other scheme were reported as spent

\* Bilaspur (Rs.8.33 crore), Mandla (Rs.5.06 crore), Raipur (Rs.8.87 crore) and Surguja (Rs.3.37 crore).

# Bilaspur (Rs.13.90 crore), Mandla (Rs.88.76 lakh), Raipur (Rs.3.69 crore) and Surguja (Rs.11.08 crore).



reported by dividing the expenditure by wages rate. These accounts were also certified by the Chartered Accountant who did not point out the mistake.

(iii) Diversion of funds for departmental activities/works :

Rs.75.45 crore were diverted for augmentation of departmental resources

(a) EAS funds amounting to Rs.8.38\* crore were utilised for departmental works/activities such as construction, renovation and repairs of forest roads, repairs of dams, canals and tanks, construction of hostels and Ashrams for SC/ST, community orchard, pump houses, chowkidar residences, etc. during 1993-99. Similarly, IJRY funds of Rs.3.87 crore were also utilised for the above departmental activities/works in these ZPs during 1993-96.

(b) EAS funds aggregating Rs.38.89\*\* crore were utilised during 1993-99 for construction of Panchayat Bhawans, Godown cum shops, Ashrams, lift irrigation, meeting halls, irrigation colony, etc. which were not permissible under the scheme.

(c) Intensified JRY funds of Rs.17.77\*\*\* crore were utilised during 1993-96 for the works which did not find place in the list of admissible works. Similarly JRY funds amounting to Rs.4.23 crore were also utilised for works which were inadmissible during 1992-99 in Mandla, Raipur and Surguja.

(d) JRY resources of Rs.2.31 crore were utilised in Bilaspur, Mandla Raipur and Surguja during 1992-99 for construction, renovation and repairs of forest roads, repairs of dams, canals and school buildings, construction of canals, fish farm and hatchery, etc. which form part of departmental activities.

Since works on which expenditure was met formed part of normal departmental activities of the concerned departments and assets were not created in favour of rural poor, diversion of EAS, IJRY and JRY funds of Rs.75.45 crore amounted to augmentation of departmental resources and was irregular.

It was intimated that irregular utilisation was due to public demand/demand of public representatives (all ZPs), shortage of funds, backward and hilly tracks (Surguja) and heavy rains (Raipur).

Interest of Rs.4.73 crore not accounted for in reports

(j) The scheme provided that the interest accrued on the deposits was to be treated as part of the additional resources under the programmes. However, the CEOs of the DRDA/ZP of Bilaspur, Mandla, Raipur and Surguja did not account for Rs.4.73 crore of interest accrued during 1992-93 and 1994-97 under JRY and during 1993-97 under EAS in the progress reports sent to GOI.

\* Bilaspur (Rs.4.23 crore), Mandla (Rs.1.10 crore), Raipur (Rs.1.56 crore) and Surguja (Rs.1.49 crore)

\*\* Bilaspur (Rs.2.21 crore), Mandla (Rs.0.36 crore), Raipur (Rs.18.12 crore), and Surguja (Rs.18.20 crore)

\*\*\* Bilaspur (Rs.4.98 crore), Mandla (1.04 crore), Raipur (Rs.6.54 crore) and Surguja (Rs.5.21 crore)



The amount was also not accounted for in the cash book and annual accounts of DRDA/ZP in Mandla-the Chartered Accountant overlooked it.

### 3.4.6 Planning.

Shelf of Projects of various districts was not available at State level as these were not prepared.

Shelf of projects under JRY were not prepared in test-checked Bilaspur district and the action plan for the year 1997-98 under EAS in Bilaspur included only the number of works without giving details of their locations, employment likely to be generated, etc. CEO, ZP replied that the works recommended by the Members of Parliament and Members of Legislative Assembly were sanctioned and action plan for current year was being prepared in prescribed form. As per the programme guidelines, every project executed under JRY or EAS should be ratified by Gram Sabha. However, the Beneficiary Survey by ORG-MARG indicated that more than four-fifth of the JRY and EAS beneficiaries did not attend Gram Sabha to discuss the projects to be executed under the programmes.

Funds provided were only 16.11 percent of requirement and were sufficient for providing employment of 16 days in a year

### 3.4.7 Impact of Employment Programmes

The total number of families living below poverty line in rural areas during 8<sup>th</sup> Plan (1992-97) was 55.51 lakh. Number of unemployed and underemployed persons in these families was not available with the department. Minimum funds required for wage component (60 per cent) for providing employment for 100 days to at least one member of each family living below poverty line during 1992-93 to 1997-98 at the minimum wage rates worked out to Rs.10824.45 crore. Therefore, to fulfil the objective of EAS viz., to provide at least 100 days employment for at least 2 persons per family, Rs.17419.04 crore were needed for 1993-98. Against this, the total amount provided during the period for wage component was Rs.1743.28 crore (under JRY Rs.1093.31 crore during 1992-98 and under EAS Rs.649.97 crore during 1993-98). Taken together this outlay worked out to 16.11 per cent of the total funds required. These funds were good enough to give employment of 16 days in a year per person. Average days of employment provided in a year was indicated 19 days under EAS and 12 days under JRY, according to Beneficiary Survey of ORG-MARG. In test-checked districts Audit analysis revealed that under EAS, average days of employment per person was 5 to 30 days per year during 1993-99. It is thus clear that the Government did not have adequate resources to fulfil their avowed objective of providing jobs for hundred days in a year to at least 2 persons.

What, however, could have been done and was not achieved was that 13.94 lakh wage mandays of employment were lost due to distortion in the prescribed wage-material ratio of expenditure incurred in JRY and EAS in Bilaspur. With a better control and monitoring on the part of CEO and his team, this could have been achieved (additional employment of 13.94 lakh mandays).



### 3.4.8 Generation of Employment

The following deficiencies were noticed in the employment generation programmes as revealed in test-audit :

(i) Survey of unemployed and under-employed persons from the families living below poverty line belonging to SC/ST and freed bonded labourers in rural areas was not done.

Lean agricultural season was not declared in all districts. Expenditure was also incurred in agricultural season

(ii) Lean agricultural season in various districts was not specified by Government. It was intimated (December 1998) by the DC that the lean season was generally determined by the districts on the basis of local crop conditions.

In Bilaspur, though the assurance of providing employment of 100 days during lean agricultural season could not be fulfilled, expenditure incurred during agricultural season amounted to Rs.19.77 crore during 1993-99 which ranged between 20 and 30 per cent. Lean agricultural season was not declared in Mandla.

(iii) Despite the fact that both the schemes were designed for families living below poverty line, ORG-MARG Beneficiary Survey indicated that a little over one tenth of JRY and 14 per cent of EAS beneficiary households reportedly were earning annual income of above Rs.24,000.

(iv) Employment provided under JRY during 1992-99 was 37.80 crore mandays against the target of 40.38 crore mandays. Shortfall in generation of employment during 1994-97 ranged from 8 to 23 per cent. Mandays of employment provided to each worker was not monitored. Although the proportion of women beneficiaries to total beneficiaries was more than 30 per cent, Beneficiary Survey of ORG-MARG indicated that coverage of women under JRY was less than 30 per cent and 24 per cent in EAS. It was intimated by DC in September 1999 that employment was provided to available persons as per guidelines.

(v) Under EAS, employment provided to registered workers was 20.28 crore days during 1993-99 which was 5 to 30 days per worker per year. Employment provided in 4 ZPs during 1993-99 was 4.61 crore days. Average employment provided to registered employment seekers during 1993-99 was 14 to 52 days in Bilaspur, 3 to 13 days in Mandla, 4 to 8 days in Raipur and 16 to 24 days in Surguja per year. Thus, the assurance of providing gainful employment of 100 days during lean season to registered employment seekers could not be fulfilled. DC intimated (September 1999) that employment was provided according to the funds available.

Employment generated were not computed from muster rolls.

(vi) The days of employment generated was not computed on the basis of actual muster rolls but were arrived at notionally by dividing the total expenditure on wage component by the prevailing minimum wage rates in Bilaspur, Mandla and Surguja.



(vii) Employment generated was found inflated by 8.83 lakh mandays during 1994-99 in Bilaspur (2.38 lakh days), Mandla (2.92 lakh days), Raipur (1.26 lakh days) and Surguja (2.27 lakh days) under EAS. Similarly under JRY, the employment generated during 1992-99 was inflated by 20.05 lakh mandays in Bilaspur (13.17 lakh days), Mandla (3.10 lakh days), Raipur (2.16 lakh days) and Surguja (1.62 lakh days). CEOs of ZPs intimated that wages were paid at lower rates due to late receipt of orders for increase in wages rates.

(viii) Under watershed development programme, employment generated was found inflated by 8.28 lakh days in Mandla (3.09 lakh days) during April 1997 to January 1999 and Surguja (5.19 lakh days) during 1995-98 even though the whole expenditure on works was utilised for payment of wages.

Similarly, in Raipur, employment generated was found inflated by 6.98 lakh days during 1995-98 due to late receipt of Government orders.

Further, a comparison of progress reports revealed that employment generated was inflated by 3.07 lakh days while carrying over the progress for 1997-98 in the report for 1998-99 in Mandla (2.00 lakh days) and Surguja (1.07 lakh days).

Employment generated was found inflated by 47.21 lakh days while data of 910.74 lakh mandays was hypothetical

(ix) Both IAY and MWS were beneficiary oriented schemes and maintenance of muster rolls was not done by the beneficiaries and assistance was released to them on the basis of progress reported by them and verification of physical progress by field staff of blocks. Muster rolls were not maintained for 910.74 lakh mandays of employment generated during 1992-96 under MWS(386.57 lakh days) and IAY(524.17 lakh days).

#### 3.4.9 Payment of wages

Muster rolls were not maintained with sufficient details. There was short payment of Rs.9.30 crore due to application of rates lower than the minimum wage rates.

Test-check of records of executing agencies revealed the following:

(i) Muster rolls maintained did not contain sufficient details such as date of engagement of workers, name of work, date of payment of wages, daily total of labourers engaged, quantity of work turned out, registration number of workers, etc.

(ii) Payment of wages was not made in the presence of 'Panch', 'Sarpanch', etc. Though it was mandatory for every beneficiary to put either signature or thumb impression on the muster rolls, the ORG-MARG survey indicated that about one fourth of the total JRY beneficiaries and a little less than one-third of EAS beneficiaries had not signed on the muster roll while receiving payments.

(iii) Wages paid to labourers were found to be less than the minimum wages rates during 1994-99. The short fall was to the extent of 18 to 40 per cent as compared to minimum wages in Bilaspur.

(iv) A comparison of expenditure incurred on wages with the wages actually payable at minimum wage rates to labourers whom employment was



reportedly provided revealed that the wages were short paid under JRY by Rs.5.55 crore in Bilaspur (Rs.3.25 crore), Mandla (Rs.1.04 crore), Raipur (Rs.0.73 crore) and Surguja (Rs.0.53 crore) during 1992-99. Similarly, short payment of wages under EAS worked out to Rs.3.75 crore in Bilaspur (Rs.1.14 crore), Mandla (Rs.1.17 crore), Raipur (Rs.0.53 crore) and Surguja (Rs.0.91 crore) during 1994-99. Short payment of wages was attributed to late receipt of orders (Bilaspur, Raipur and Surguja).

The foregoing analysis would reveal that the system and procedures in vogue for payment of wages to the labourers did not ensure its integrity, efficiency and transparency. While these cases were those found out in test-check, there was all likelihood of similar mis-doings prevailing in many other DRDAs/ZPs.

#### **3.4.10 Works undertaken**

**3.4.10.1** Records of Zila Panchayats and executing agencies test checked disclosed that the expenditure on wage and non-wage was computed on prorata basis. Actual expenditure on wages of unskilled labourers was not computed from the muster rolls maintained by the executing agencies. In Mandla and Surguja, it was worked out on 60:40 basis while procedure followed in Bilaspur and Raipur was not intimated.

**3.4.10.2** In Bilaspur, expenditure on non-wage component during 1992-97 under EAS ranged between 41 to 81 per cent while it was 41 to 43 per cent under JRY during 1992-95.

Thus, the ratio of 60:40 on wages and material was never maintained except during 1997-98 in EAS when expenditure on payment of wages was inflated by Rs.1.64 crore. Expenditure on non-wage component in excess of 40 per cent of total expenditure amounting to Rs.2.13 crore under EAS and Rs.79.19 lakh under JRY was not met from outside JRY funds/other sectoral programme funds. Reasons attributed for excess expenditure on material were construction of permanent assets.

**3.4.10.3** Expenditure on wages was found inflated by Rs. 2.52 crore during December 1995 to March 1996 and October 1997 to March 1998 under EAS in Bilaspur where the wages payable at the minimum wage rates prevailing during the period were less than the expenditure reported under wages.

#### **3.4.10.4 Non-prioritisation of sectoral activities**

(i) Guidelines provided for maintenance of the sector-wise expenditure under JRY/EAS. The progress reports obtained by DC were deficient in details. The consolidated reports revealed the following break-up of expenditure sector-wise.

Wage mandays were worked out notionally at prescribed wage-material ratio resulting in inflation of employment generated



(Rupees in crore)

Details of expenditure of Rs.555.10 crore were not available

Year	Total Expenditure on wage & material	Expenditure on					IAY	MWS
		Economically productive assets	Social forestry	Individual beneficiary schemes for SC/ST	Other works including buildings and roads			
1992-93	287.95	23.93	1.04	7.09	79.23	26.32	60.93	
1993-94	362.60	28.44	--	13.77	96.56	29.31	65.03	
1994-95	317.22	19.09	0.40	3.37	61.88	32.46	84.83	
1995-96	347.89	10.42	0.21	6.72	49.64	118.08	47.66	
1996-97	197.24	13.35	4.92	0.20	72.92	--	--	
Total	1512.90	95.23	6.57	31.15	360.23	206.17	258.45	

From the above table the following points emerge:

(a) Against the expenditure of Rs.1512.90 crore reported during 1992-97 under JRY, details for sector-wise expenditure were available for Rs.957.80 crore only and details for Rs.555.10 crore (37 per cent) were not available. DC intimated (September 1999) that it was due to non-submission of component-wise details of expenditure by some districts.

The expenditure on IAY and MWS exceeded the prescribed ratio.

(b) As against earmarked percentage of 6 and 20 (10 and 30 from 1993-94) for IAY and MWS, the expenditure was 13 per cent during 1992-93 and 13 to 51 per cent during 1993-96 under IAY and 31 per cent during 1992-93 and 20 to 42 per cent during 1993-96 under MWS. DC intimated (September 1999) that excess expenditure was incurred keeping in view the circumstances and demand of the districts. Apparently the resources were being utilised without observing the JRY norms.

Only upto 23 per cent was spent on economically productive assets against provision of 60 per cent.

(c) Against the earmarked percentage of 60 for economically productive assets and social forestry, the expenditure incurred on these sectors was 16 to 23 per cent during 1992-97. Expenditure under individual beneficiary schemes for SC/ST was found 6 to 10 per cent during 1992-94 and 0 to 10 per cent during 1994-97 against the norms of 15 and 22.5 per cent respectively. DC intimated that due to variation in population of SC/ST in districts, there was variation with norms. However, overall norms were not followed in the State.

Expenditure on buildings and roads exceeded the norm by about 400 per cent.

(d) Though the expenditure under works including buildings and roads was not to exceed 25 per cent upto 1993-94 and 17.50 per cent from 1994-95, the expenditure actually incurred was 70 and 71 per cent during 1992-94 and 73 to 80 per cent during 1994-97. Thus, the building works which entail higher material component were given preference while economically productive and social forestry works which were likely to provide some sustainable employment were almost neglected. DC intimated (September 1999) that excess expenditure was incurred on roads and buildings for providing basic facilities to villages.



Details for Rs.86.90 crore under EAS were not available.

(ii) Sector-wise expenditure under EAS for 1993-96 was not monitored at State level. During 1996-97 sectorwise details were available for Rs.155.97 crore against total expenditure of Rs.242.87 crore. The expenditure under buildings and roads was 53 per cent against 40 per cent earmarked while expenditure on water and soil conservation and minor irrigation was 47 per cent against 60 per cent earmarked in the guidelines. DC intimated that excess expenditure was incurred on buildings and roads to provide basic facilities to villages.

### 3.4.11 Other points

#### 3.4.11.1 Engagement of contractors

Works costing Rs.2.69 crore were executed through labour headmen

EAS did not permit engagement of contractor or middleman. The work was to be executed departmentally so that maximum amount was available for wage component and funds were not wasted on middlemen margins. Test check disclosed that works valued at Rs.2.14 crore were entrusted to labour headmen and instead of paying wages directly to workers, payments were made to labour headmen by the Assistant Commissioner, Tribal Welfare, Bilaspur during 1994-98 on orders of Chief Executive Officer, DRDA Bilaspur (16 July 1996). Similarly, under watershed development programme, payment of Rs.0.55 crore was made in Kurud and Pithora projects of Raipur to labour headmen during 1996-99 as the muster roll were not maintained by Watershed committees.

Beneficiary Survey of ORG-MARG indicated that little over one tenth of JRY and nearly one fourth of EAS beneficiaries had worked under labour contractor/ middlemen and the contractors made even payments to the beneficiaries.

#### 3.4.11.2 Extra expenditure due to non-deduction of contractor's profit

Non deduction of contractors profit of Rs.3.11 crore, resulted in avoidable expenditure

Scrutiny of the estimates for the works sanctioned revealed that these were based on current schedule of rates (CSR) and on task rates fixed by Collectors in some cases. The rates given in CSR include an element of contractor's profit to the extent of 10 per cent, which was required to be deducted at the time of passing estimates for departmental works. There was an excess avoidable expenditure of Rs.3.11 crore in Bilaspur during 1992-99 in works executed by the Janpad Panchayats under JRY, IJRY and EAS.

#### 3.4.11.3 Construction of rural roads.

Expenditure on Kachcha roads amounted to Rs.45.80 crore

Rural roads taken up under the schemes were to be of durable nature and were to meet appropriate technical standards and specifications laid down by Government. In Bilaspur, Mandla, Raipur and Surguja, Rs.45.80 crore was spent on construction of 'Kachcha' roads in 1495 cases during 1992-99 but no consolidation was done to strengthen and convert into durable roads. It was intimated that it was done on public demand and to provide employment due to heavy rains and hail storm (Raipur). No reasons were intimated by other CEOs.



#### **3.4.11.4 Social Forestry.**

**Expenditure of Rs.66.16 lakh incurred in afforestation in reserve forest while Rs.3 crore were utilised for renovation of forests**

Social forestry works were taken up in 863.5 hectares of land at a cost of Rs.1.10 crore during 1993-99 in Bilaspur. No plantation was done in community land. The species of plant planted were 'Arjun' or 'Saja' which was neither fruit nor fodder nor fuel tree but meant for cocoon production. Of the area covered, plantation in 710 hectares was done in reserve forest at a cost of Rs.66.16 lakh where village community had no access to the usufruct of plantation. Funds amounting to Rs.1.95 crore were utilised in Surguja in renovation of forest during 1993-99 while Rs.1.05 crore were utilised in Mandla for reproduction of bamboo during 1993-95.

#### **3.4.11.5 Extra expenditure due to higher task rates.**

Rural Standard Schedule of Rates (SOR) was published by Panchayat and Rural Development Department (nodal department) which was effective from 2 October 1995 to eliminate the role of contractors. Valuation/preparation of estimates of all works under these programmes was to be done at the rates of SOR. Test check of the records of CEO, Bilaspur revealed (January 1999) that estimates/valuation of works under the programmes was based on the Current Schedule of Rates (CSR) of Public Works Department (PWD) and/or task rates fixed on the basis of CSR of PWD of 1986 which was obsolete since 1992. The task rates were also raised by 10 per cent from January 1997. The task rates were found higher than the rates of SOR of nodal department by 10 to 180 per cent and the value of works executed during 1996-99 amounted to Rs.76.07 crore under JRY (Rs.27.35 crore) and EAS (Rs.48.72 crore). The extra expenditure on works costing Rs.76.07 crore worked out to Rs.7.61 crore at 10 per cent during 1996-99. CEO ZP Bilaspur could not explain the reasons for irregularities.

#### **3.4.11.6 Foodgrains**

**Excess and double payments in Mandla worked out to Rs.56.92 lakh**

Though payment of Rs.56.92 lakh was made to the District Central Cooperative Bank (DCCB) Mandla for the PDS rice transferred and distributed under the programme during 1992-93, DCCB again included Rs.56.92 lakh for supplies in the account for Rs.3.11 crore rendered on 2 February 1998 which resulted in double payment to that extent. CEO Mandla intimated (April 1999) that action would be taken after reconciliation of accounts.

#### **3.4.11.7 Incomplete Works**

543 works taken up during 1993-97 under JRY, Intensified JRY and EAS on which expenditure of Rs.14.19 crore was incurred, were incomplete in Bilaspur, Raipur and Surguja. Abnormal delay in completion may result in loss due to depreciation besides unfruitful expenditure.

CEO Bilaspur intimated (February 1999) that the works could not be completed due to inaccessibility, technical enquiry, non-cooperation by Forest Department, local disputes and change of implementation agencies. No reason was advanced by CEOs Raipur and Surguja.



### 3.4.12 Monitoring and Inspection

Audit noticed that monitoring and inspection were generally poor.

Incorrect, incomplete and delayed reporting, lack of field visits and inspection, delayed release of funds and non-constitution of committees marred appropriate monitoring.

(i) The implementation of JRY scheme was to be monitored at the State level by a State Level Co-ordinating Committee (SLCC) having among others, a representative of GOI. Information regarding constitution of SLCC, periodicity laid down for holding meetings, meetings actually held and participation of GOI representatives was not furnished by DC.

(ii) Although periodical reports/returns required for monitoring of the JRY programme were prescribed, no effective procedure was evolved to watch timely receipt of these reports/returns by DC as well as ZPs. Annual reports did not contain the sectoral details for the entire expenditure during the year.

The monitoring at State and district levels was not effective which resulted in working out of employment generated on prorata basis, inflating employment generated, inflating expenditure, etc. as pointed out supra. The DC intimated (December 1998) that monitoring was being carried out at district level. However, timely submission of reports by DC to GOI was also not ensured as annual report for 1996-97 and 1997-98 required to be submitted on 25 April were sent on 9 September 1997 and 30 January 1999 respectively.

(iii) Under EAS, State Level Co-ordination Committee (SLCC) was responsible for the overall supervision, guidance and monitoring of the programme according to the guidelines. SLCC was required to meet at least once a quarter and review the preparation of shelf of projects/annual action plans, execution of projects, payment of wages to labourers, timely release of funds to executing agencies, proper maintenance of records, timely submission of reports, etc. Position of meetings held could not be intimated by DC.

(iv) State Government was also to constitute district and block level Committees for supervision of implementation of the scheme. These committees were not constituted in Bilaspur and Mandla. Though these committees were reportedly constituted in Raipur and Surguja, the details of meetings held were not intimated.

(v) Every ZP was to submit monthly and six monthly reports to DC. Six monthly reports for 1993-96 sent to GOI could not be produced to Audit. In the report for 1996-97, sector-wise details of employment generated were not worked out and sectoral details for Rs.86.90 crore were not available.

(vi) Monthly reports required to be sent on 10<sup>th</sup> of succeeding month were not sent timely to GOI and there were delays of 16 to 54 days in sending reports for March during 1994-97. Annual reports for 1996-97 and 1997-98 required to be sent on 25 April were sent on 9 September 1997 and 30 January 1999 respectively.

(vii) Officer dealing with JRY and EAS at the State Headquarters and those in-charge of the implementation at various supervisory levels were required to visit work sites to ensure that the programme was being implemented



satisfactorily. A schedule of inspection prescribing a minimum number of field visits for each supervisory level functionary from State Government to block level was required to be drawn up and got approved by the SLCC and a copy thereof was also to be sent to GOI. Schedule of Inspection was drawn up in July 1991. However, information regarding the number of inspections actually carried out was not monitored by DC. In the ZPs test-checked also, no record was kept to ensure that prescribed number of field visits were carried out by the designated supervisory officers and reports furnished to ZPs. No record of field visits was found maintained in ZPs under EAS also.

(viii) Divisional Commissioners were required to constitute vigilance squads for inspections of EAS works in the districts under their jurisdictions. However, vigilance squad was not constituted in Bilaspur division.

#### 3.4.13 Evaluation

Programmes were  
not evaluated

The JRY envisaged periodical evaluation studies of the implementation of the programme to ascertain its impact. However, the programme was neither evaluated by the State Government itself nor evaluation was got done through any independent agency.

Work of concurrent evaluation of the programme was entrusted to 4 independent agencies by the Government and they started the work in January 1992 but the results of concurrent evaluation was not furnished to Audit.

State Government was to undertake evaluation studies from time to time to assess the extent to which the EAS scheme had been successful in providing employment to needy persons. However, DC could not intimate the efforts made and progress made in this regard. No evaluation was made in the ZPs test checked.



**Women and Child Development Department**

**3.5. Integrated Child Development Services**

**Highlights**

*The ICDS programme was launched by the Government of India to improve the health and nutritional status of children below six years of age and for reducing the incidence of mortality, morbidity, malnutrition and dropout etc. The main components of the programme were supplementary nutrition, immunization, health check-up, referral services, nutrition and health education and non-formal pre-school education.*

*A review of the implementation of the programme during the period 1992-93 to 1998-99 brought out serious deficiencies. The funds available for supplementary nutrition were highly inadequate, as was the coverage of the identified beneficiaries. Weaning food was not provided to children below one year's age. The ANMs did not pay the prescribed number of visits to the beneficiaries and there were substantial shortfalls in the achievement of targets for immunization, health check-up and referral services. The programme failed to make any appreciable impact on the mortality, morbidity and malnutrition etc.*

*Some of the serious irregularities noticed during the test check are as under:*

The Government failed to utilise the full funds allotted by Government of India, financial irregularities like transfers to PD accounts, depositing the funds in bank accounts and accounting mistakes were also noticed.

*(Paragraph 3.5.4.1 to 3.5.4.3 & 3.5.6 (a&c))*

Against sanctioned 67718 Anganwadi centres and 488 projects, 60968 Anganwadi centres and 440 projects were operationalised as of March 1999. Further, though GOI accepted only 355 projects as operationalised and released funds accordingly, the State Government sanctioned in 1997-98 additional 71 projects and diverted funds of the existing projects for their operation. As a result, all the projects suffered for funds.

*(Paragraph 3.5.5)*



The percentage of overall shortfall in coverage of identified beneficiaries of test checked projects was 24.29 in respect of children (0-6 years) and 39.60 in respect of expectant and nursing mothers.

*(Paragraph 3.5.5.1)*

Provision of funds for supplementary nutrition programme was inadequate and was not sufficient to provide food for even 100 days in a year. The samples of food supply were not got checked from laboratories.

*(Paragraph 3.5.5.3(a))*

In test checked projects the achievement in vaccination for BCG, DPT, Polio, Measles and TT ranged from 18 to 53 per cent only of the targets fixed. The shortfall in health check-up was 30 to 99 percent. Only 22 per cent of the identified persons could receive the benefit of referral services, in seven projects. Funds meant for referral services were utilised for distribution of medicines in camps.

*(Paragraph 3.5.5.3 (b),(c),(d))*

Irregularities in purchase constituted avoidable expenditure of Rs.16.09 lakh on purchase of 59 vehicles and excess expenditure of Rs.10.55 lakh on purchase of larger size Durries in Raipur.

*(Paragraph 3.5.7 (b)&(e))*



### **3.5.1 Introduction**

The scheme "Integrated Child Development Services" was launched by the Government of India (GOI) during the fifth five year plan to improve the nutritional and health status of children in the age group upto 6 years, for laying a foundation for proper psychological, physical and social development of the child, reducing the incidence of mortality, morbidity, malnutrition and school dropout and enhancing the capability of the mother to look after the normal health, nutrition and health education.

Under the scheme 219 projects were in operation (out of the sanctioned 230 projects) when in August 1993 GOI approved 244 projects under World Bank (WB) assisted ICDS-II project for strengthening the old 113 projects and opening 131 new projects. To universalise the ICDS programme, the scheme was extended to all 459 blocks and 29 Urban projects (total 488 projects) of which 62 projects were sanctioned from State Funds during 1998-99.

The package of services provided under the scheme, comprised supplementary nutrition, immunization, health checkup, referral services, nutrition and health education and non formal pre school education. Additional inputs like (i) construction of Anganwadi (AW) buildings, Project office cum godown buildings (ii) nutritional rehabilitation centres (iii) income generation activities for women (iv) women's integrated learning for life (WILL) (v) sandwich job training course for AW workers and (vi) scheme of adolescent girls were also introduced in WB projects.

The expenditure on supplementary nutrition programme (SNP) in all projects is borne by the State Government except in respect of the projects where food for SNP was being supplied free of cost by CARE, WFP and SIDA. UNICEF was also providing cash assistance to non World Bank projects through GOI for meeting expenditure on re-orientation and training of project functionaries, apart from assistance in the form of equipment and vehicles.

Initially the implementation of the scheme was entrusted to Panchayat and Social Welfare Department of the State, in which a Directorate of Women and Child Development (Directorate) was established in August 1986. A separate Department of Women and Child Development (DWCD) was created in 1988 and made responsible for implementation and coordination of the scheme.

### **3.5.2 Audit coverage**

A review of the implementation of the scheme was included in paragraph 3.12 of the Report of the Comptroller and Auditor General of India for the year 1987-88 (Civil) which brought out deficiencies and irregularities noticed in its implementation during 1984-85 to 1987-88. The paragraph was not selected for discussion by PAC. The reply of the Department has also not been received (September 1999). Further test check of records relating to implementation of the programme during 1992-93 to 1998-99 was conducted (December 1998 to September 1999) and covered the Directorate, 18 out of 61



district offices and 33 (5 urban, 13 rural and 15 tribal) ICDS Project offices. The findings are mentioned in the succeeding paragraphs.

### 3.5.3 Organisational set-up

Commissioner, Women and Child Development (Directorate) is the nodal officer responsible for day to day supervision, guidance and monitoring. At the district and block levels, the District Women and Child Development Officer (DWCDO) and the Child Development Project Officer (CDPO) respectively are responsible for co-ordination and implementation of the scheme.

The focal point for delivery of the package of services is the Anganwadi (AW) setup in a village, or a ward of urban slum area with population of about 1000 in urban and rural blocks and 700 in tribal blocks. Delivery of the services such as Supplementary Nutrition Programme (SNP), non-formal pre-school education, nutrition and health education was the direct responsibility of the Anganwadi Workers (AWW). The health check up, referral services and immunization were entrusted to Medical Officers incharge of the Primary Health Centres (PHCs) in the ICDS blocks. The Auxiliary Nurse Midwife (ANM) were to be effectively involved in the various activities specially those relating to immunization, health care service, ante-natal and post natal care etc.

### 3.5.4 Financial outlay

During 1992-93 to 1998-99, Rs.689.18 crore were allocated for GOI approved projects and WB projects against which Rs.537.15 crore were released by GOI; of this, Rs.496.52 crore had been spent as of March 1999. The Directorate attributed this to vacancies and non posting of Anganwadi Workers. In addition, expenditure of Rs.60.57 lakh was also borne on 62 projects sponsored by State Government during 1998-99. The year wise details of budget provisions, release of funds and expenditure are given in Appendix-XLVI. In addition, allocation of Rs.266.91 crore was made for SNP during 1993-99 of which expenditure of Rs.226.30 crore was incurred during 1993-99.

#### 3.5.4.1 Drawal of funds in anticipation of requirement and keeping them in Civil Deposit/Saving Bank Account

Rs.7.43 crore were transferred to Civil Deposits during 1992-98, of which Rs.6.95 crore were utilised subsequently, leaving Rs.0.48 crore unutilised at the end of March 1999. Similarly, Rs.2.02 crore relating to SNP were also transferred to Civil Deposit in March 1997 and were subsequently released (May 1999) to M.P.Agro Industries against their pending bills.

(ii) In test checked Districts an amount of Rs.1.83 crore out of Rs.2.92 crore withdrawn from treasury by DWCDOs Betul (Rs.2 crore) and Dhar (Rs.0.92 crore) during 1995-96 to 1998-99 was kept in saving bank accounts and was lying unutilised as of May 1999. The Directorate stated (September 1999) that this was done on instruction of the Collector to avoid delay and

Rs.40.63 crore of GOI assistance was not utilised on the programme.

Rs.9.45 crore were transferred to civil deposits of which Rs.2.50 crore remained unutilised as of March 1999.

Rs.1.83 crore was credited to Saving Bank Account.



long procedure involved in operating PD account. The reply is not acceptable as collector had no authority to bypass the procedures laid down by Government and keep funds outside the Government account.

#### 3.5.4.2 Irregular credit of interest to State Revenue

Rs.3.08 lakh of the interest of Rs.5.64 lakh earned on ICDS funds (Rs.52.39 lakh) lying in saving bank account of DWCDO Khargone were irregularly credited to State Revenue in March 1998.

3.5.4.3 Temporary advances of Rs.23.40 lakh granted to 6\* DWCDOs/ CDPOs during 1992-99 were outstanding for adjustment at the end of March 1999, though rules stipulate their adjustment within 3 months.

#### 3.5.4.4 Overstatement of expenditure under World Bank projects

Rs.4.91 crore was included twice in expenditure as well as reimbursement claim for WB Projects during 1998-99.

An amount of Rs.4.91 crore was deposited in the PD account of MPLUN on 30<sup>th</sup> March 1999 for procurement and supply of material for WB projects. The amount was included twice in the expenditure in February 1999 and again in March 1999. Reimbursement claim for this amount was also submitted to World Bank twice in February and May 1999. On being pointed out the correction in the reimbursement claim was carried out. As the above payment was of the nature of an advance payment, treating the same as final expenditure and submitting reimbursement claim on that basis were highly irregular and fraught with risk of being paid also.

#### 3.5.4.5 Irregular booking of expenditure of Rs.1.08 crore on purchase of articles

In test-checked districts of Khargone, Betul and Raipur, articles valuing Rs.78.71 lakh were debited to the State Government, while the expenditure was debitible to Central Government. Similarly, articles valuing Rs.29.43 lakh purchased during 1998-99 were debitible to state funds but were actually charged to Central funds.

#### 3.5.5 Implementation of the scheme

An ICDS project is treated as operational when 75 per cent of the sanctioned Anganwadis start functioning. Year wise position of projects/AWs sanctioned by State Government and functioning is given below :

Year	Projects		Anganwadis	
	Sanctioned	Working	Sanctioned	Working
1993-94	230	219	31506	26651
1994-95	273	230	36037	28048
1995-96	313	263	41171	31213
1996-97	332	294	43265	36564
1997-98	426	382	56588	49708
1998-99	488	440	67718	60968

133 new projects were sanctioned without adequate resources.

\* DWCDOs: Bilaspur, Raigarh, Surguja,  
CDPOs : Surguja, Kushmi, Rajpur..



As of October 1998, GOI had accepted 355 projects as operational for which funds were being provided by GOI/ World Bank. These included 111 projects of central sector and 244 projects of the World Bank. 113 WB projects were common, receiving grant from both GOI and the World Bank. GOI imposed a ban (May 1997) on operationalisation of new projects in the State due to state's inability to provide sufficient funds for SNP in the ongoing projects. State Government, however, sanctioned 94 new projects in May 1997, after GOI's aforesaid directive. Of these, 71 projects were being managed with funds received for 111 projects from GOI thereby diverting GOI funds to unapproved 71 projects. 62 new projects were also sanctioned (April 1998) from State Funds. These projects, being short of funds and staff, had a very dismal record of performance during 1998-99.

2 NGOs from whom the projects were withdrawn did not return 3 jeeps, unspent balance of Rs.29.11 lakh and assets created.

(ii) Out of 8 ICDS projects implemented by NGOs, two projects, Ranapur (Jhabua) and urban Raipur, were withdrawn from them with effect from June 1998 and August 1998 respectively because of mismanagement of Government funds. However, the unutilised balances of Rs.22.81 lakh and Rs.6.30 lakh had not been refunded by them as of September 1999. In addition, the position of 3 jeeps (Ranapur (1) and Raipur (2)) allotted to these organisations was not available with the Directorate.

On being pointed out in audit, the directorate stated that the position was being ascertained from Field Offices. Further progress has not been received.

### 3.5.5.1 Coverage of beneficiaries

The number of identified beneficiaries and the number of beneficiaries to whom the assistance was rendered was reported by the Director WCD as under:-

(Figures in lakh)

Year	1994-95		1995-96		1996-97		1997-98		1998-99*		Percent- age of overall shortfall 1994-99
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	
Children 0 to 6 years	24.37	18.24	27.68	23.84	29.04	25.75	37.6	29.82	36.29	19.89	
Percent- age of shortfall		25.15		13.87		11.33		20.69		45.19	24.29
Expec- tant and Nursing Women	5.9	2.8	6.9	4.5	7.3	5.09	9.93	6.2	8.05	4.41	
Percent- age of shortfall		52.54		34.78		30.27		37.56		45.21	39.60

\* NB : Figures for 1998-99 are based on report compiled for the month of March 1999.



The shortfall in coverage was attributed to poor attendance of children in AWs average (21 days). No reasons were given for shortfall in case of service to expectant and nursing women. Audit analysis however revealed that shortage of medical/para-medical staff, overall shortage of resources due to operationalisation of 62 additional projects, absence of appropriate training and non-adherence to the schedule of immunization, health check up, medical care and short supply of nutritional food were main reasons for low coverage of the beneficiaries.

The Directorate was required to maintain data separately for expectant and nursing mothers for immunization and medical care, for women in age group 15-45 years for the purpose of health education, for children below 1 year for supply of weaning food and for vaccination, for children between 1-3 years for supply of therapeutic food in malnourished cases as well as vaccination and for children between 3-6 years for the purpose of pre-school education. No such data was available with the Directorate.

In the test-checked district (**Appendix-XLVII**) the overall shortfall in coverage during 1992-99 was 21.55 per cent in respect of expectant and nursing mothers, 69.95 per cent in respect of women in the age group of 15-45, 34.90 per cent in respect of children below 1 year, 27.99 per cent in respect of children between 1-3 years and 26.86 per cent in respect of children between 3-6 years.

The shortfall in supply of nutritional food was attributed to irregular supply (1 project), non-receipt of nutritional food (3 projects) and absence of beneficiaries (1 project). The shortfall in health check-up was attributed to shortage of medical and para-medical staff (6 projects), non-performing of regular check-up, illiteracy and backwardness (1 project) and short/non-availability of vaccines and medicines (2 projects). Other projects did not specify any reasons.

#### **3.5.5.2 Visit to beneficiaries**

Under the scheme, the ANMs were to pay visits to each beneficiary for immunization, health check up, referral services and nutrition and health education to pregnant and nursing mothers at prescribed intervals. Though the Director, WCD claimed that 100 per cent of the targets fixed for the above activities were achieved during the year 1997-98, no details of the visits made were made available. In test checked projects, however, only 32 per cent of the schedule visits were seen to have been made (**Appendix-XLVIII**).

This had its effect on the delivery of services, as discussed in the subsequent paragraph.

#### **3.5.5.3 Delivery of services**

##### **(a) Supplementary nutrition programme**

Supplementary Nutrition Programme provided for 300 calories and 10 gms of protein per child, 500 calories and 15-20 gms of protein per pregnant woman/



nursing mother and 600 calories and 20 gms of protein per severely malnourished child. Children under weight and found suffering from third or fourth degree malnutrition were to be given therapeutic food (enriched Supplementary Nutrition). Ceiling on expenditure to be incurred on each beneficiary was fixed at Rs.2 per day for pregnant women/nursing mothers, adolescent girls and malnourished children and at Re.1 per day in all other cases. The following points were noticed :

(i) As would be evident from the following table, the expenditure was less than the budget provision in all the years from 1995-96.

Provision of inadequate funds for SNP.

*(Rupees in crore)*

Year	Number of Projects	Budget Provision	Expenditure	Funds required for giving SNP for 100 days	Funds required for SNP for 300 days
1995-96	263	22.00	20.05	32.84	98.52
1996-97	294	32.70	22.06	35.93	107.79
1997-98	382	41.40	37.39	42.22	126.66
1998-99	440	32.60	31.48	28.71	86.13

The expenditure on SNP was not sufficient to cover all the beneficiaries as per prescribed scale even for 100 days in a year. Further, despite the fact that the number of operationalised projects increased during 1998-99, the budget provision was slashed by Rs.8.80 crore.

(ii) In 33 projects weaning food was not distributed to children upto 1 year. Purchase and distribution of therapeutic food was not done anywhere in the state, although a provision of Rs.6.88 crore existed.

Non maintenance of records for Rs.65.22 lakh advanced to Gram Panchayat.

(iii) In Saivpuri district the programme was organised from June 1997 to August 1998 through Gram Panchayat to which Rs.65.22 lakh were advanced but no records of adjustment of these amounts were maintained by the Project Officer.

(iv) Samples of Supplementary Nutrition were not regularly collected every month from each Gram Panchayat and tested in Government laboratories to determine the nutritional value. In Pohari project, samples collected on two occasions were found unfit for human consumption and deficient in calories and protein contents. No action against the Village Panchayats was, however, taken.

Interruption in supply of food.

(v) Though the scheme provided for supply for Nutritional food for a minimum of 300 days in a year, in 357 AWs of seven projects the supply of food was suspended for periods ranging from 30 to 365 days during 1996-99. Lack of continuity in supply, less allotment and distant location of AWs were the reasons attributed by POs for suspension of SNP.

Loss of CARE supplies costing Rs.8.36 lakh.

(vi) As per agreement between GOI and CARE, any loss of CARE food in transit or otherwise after its receipt in India, was to be made good by State Government. It was seen that loss of Rs.18.33 lakh was reported during 1995-99 of which Rs.9.97 lakh was recovered from transport agencies and the balance Rs.8.36 lakh was to be recovered from concerned officers. The



Directorate had no details regarding recovery from concerned officers. The payment of Rs.18.33 lakh was not made to CARE.

### (b) Immunisation

In test checked project vaccination ranged between 18-53 per cent of targeted population.

Under the scheme, one dose of BCG, one dose of measles, 3 doses of DPT and 3 doses of polio vaccines were to be essentially given to children before completion of one year. Similarly, one dose of tetanus toxoid was to be given to pregnant women. Though it was stated that data regarding immunisation done at AWCs was being compiled in the Directorate, the information for only 1998 and 1999 (upto July 1999) was furnished to audit. The targets fixed for each category were also not available. As can be seen from **Appendix-XLIX**, the coverage under BCG, DPT, Polio, Measles and TT in 33 test-checked projects was only 29-45 per cent, 33-47 per cent, 35-53 per cent, 18-38 per cent and 32-42 per cent respectively of the targets fixed during 1992-99. Nine POs attributed short fall to shortage of staff and medicines and non co-operation of Health Department; other POs did not assign any reason. As has already been stated earlier, there was heavy short fall in the number of scheduled visits by the ANMs. As a result of heavy shortfall in vaccination the IMR had remained above 90 per thousand, against the goal of 60 per thousand set for the year 2000.

### (c) Health Check up

Short fall in health check up of children and pregnant/nursing women.

(i) Ante/ post natal care of expectant women by making weekly home visits for physical examination and general check up of infants and children up to the age of six, were envisaged in the programme. Recording details of cases of malnutrition or infection, weight of all normal children and monthly visit for reading weights of all malnourished children were also required under the scheme. As per records maintained in the Directorate 41.25 lakh and 32.16 lakh beneficiaries were covered under health check-up component during the year 1998 and 1999 (upto July 1999) respectively. **Appendix-XLVIII** shows that only 32 per cent of the schedule visits were made on average. During these visits, the shortfall in the number of children covered ranged from 30 to 99 per cent in 6 projects and shortfall in health check up of women ranged from 44 to 99 per cent in 5 projects. The shortfall was attributed to pre occupation of staff in other works like pulse polio, literacy etc. (2 projects), remote localities (1 project), non-availability of vehicles (1 project). Other projects did not specify any reason. The Directorate stated (August 1999) that non-availability of Medical officers/ANM in the area resulted in shortfall and that for better co-ordination with the Health Department at Directorate, District and Project levels a joint action plan for 1999-2000 had been prepared.

Survey reports of State Co-ordinator were not available with the department.

(ii) For monitoring health and nutrition aspects and assessing the impact of the programme in the projects, one consultant was appointed in each Medical College to conduct detailed baseline surveys each quarter and repeat surveys each year in 20 AWCs of each project. To co-ordinate the work of all consultants one State Level Co-ordinator was appointed to visit one project every month and to organise meeting of consultants twice a year. No meetings of consultants were held in last three years.



**(d) Referral services**

Shortfall of 3 to 42 per cent was noticed in referral services.

Pregnant women and children requiring specialised treatment were to be referred to the upgraded Primary Health Centres/ District Hospitals with referral slips and proper follow up action was to be taken as per advice of the referral centres/hospitals.

The following shows that not all beneficiaries who were issued referral slips were examined.

Sl. No.	Beneficiary	1998			1999		
		Referral slip issued	Examined	Percentage of achievement	Referral slip issued	Examined	Percentage of achievement
1.	Pregnant Women	34218	19778	58	21289	13859	65
2.	Nursing Mothers	22407	21677	97	14096	8716	62
3.	Children (0-6 years)	87540	57915	66	48610	36050	74
	<b>Total</b>	<b>144165</b>	<b>99370</b>	<b>69</b>	<b>83995</b>	<b>58625</b>	<b>70</b>

This was attributed to non-availability of services of specialist (1 project), inaction on the part of PHC functionaries (1 project) and non-monitoring of services (1 project). Other projects did not furnish reply.

As a result of poor coverage the severe malnutrition rate decreased only marginally from 22 (1992-93) to 18.8 (1997) per thousand population whereas the moderate malnutrition rate remained static around 35, as against the goal of 50 per cent reduction by the year 2000. In the test-checked seven projects, 13029 children were identified during 1997-98 and 1998-99 as severely malnourished requiring special treatment through referral services but only 2928 children (22.47 per cent) were referred for further treatment. Achievement in two projects at Jhirniya and Ghora Dongri was zero and seven per cent respectively against the identified 216 and 4567 children during 1998-99. PO, Jhirniya attributed the shortfall to non availing of the services by the beneficiaries. PO Ghoradongri attributed it to non-availability of specialist services. It was also seen that referral cards, other health cards and records of follow up action were not maintained at AWs of Jhirniya and Ujjain Projects.

Rs.4.20 lakh meant for referral services were utilised for organising camps.

World Bank assistance @ Rs.30,000 per project per year was earmarked for referral services to be utilised only for ICDS beneficiaries. However, the department utilised these funds for distributing medicines at the camps organised at projects. It was also noticed that an expenditure of Rs.4.20 lakh had been incurred in 12 projects for organising camps and distribution of medicines to patients.

**(e) Nutrition and Health Education to pregnant and Nursing Mothers**

Nutrition and health education was to be given to all women (especially pregnant/nursing) in the age group of 15-45 years through publicity, film



shows, home visits by AWWs together with demonstrations of cooking and feeding.

There was lack of publicity through demonstration and audio visuals.

Though projectors were available in 24 out of the 33 projects checked by audit, publicity was carried out in only one or two projects during 1992-93 to 1998-99. In 7 projects, projectors and film slides were both available but no film shows were held.

Only 27 per cent of the targeted women in age group 15-45 were covered under home visit, during the period 1992-1999. The reasons for shortfall were attributed to (i) pre-occupation due to other works (2 projects), remote areas (1 project), non-availability of vehicles (1 project); no reasons were given by other projects.

**(f) Non formal pre-school education to children in the age group of 3-5 years**

There was shortfall of 19 to 28 per cent in pre-school education.

Children in age group of 3-5 years were to be imparted non formal pre-school education at the Anganwadis. Directorate stated (August 1999) that as per information compiled at directorate from MPRs, 80 per cent of the enrolled children were given education at AWCs. In the test-checked projects, against 4.13 lakh identified children, 3.27 lakh (79 per cent) were enrolled and of that 2.39 lakh (73 per cent) attended pre-school education in AWCs during 1992-99; the yearwise details are given in **Appendix-L**. The percentage of children enrolled and imparted education ranged from 72 to 81 and from 41 to 64 per cent of the eligible children. This was attributed to poverty, backwardness, distant locations of AWCs, lack of interest in education and unwillingness of parents.

**3.5.5.4 Additional inputs**

**(a) Scheme of adolescent girls**

Response to adolescent girls (15-18 years) scheme-II was poor.

GOI introduced (September 1991) this scheme under ICDS programme to meet the nutritional, health, educational, literacy, recreational and developmental needs of adolescent girls of age group 11 to 18. The scheme includes two sub schemes viz., Scheme-I (AG-I) for girls of age group 11 to 15 years from low income group families and scheme -II (AG-II) for girls of age group of 15 to 18 years irrespective of income level of the family. In AG-I a batch of 30 girls from 10 Anganwadis (three from each) is imparted initial training for 3 days followed by one day training every month for six months. In AG-II 20 girls are selected from each AW of the 10 per cent of selected Anganwadis where AG-I is operative. In both schemes, two batches were to be trained in a year and expenditure of Rs.4000 and Rs.2000 per batch respectively was to be incurred. The scheme was implemented in 48 ICDS projects in the year 1992-93, in 45 projects during 1995-96, in 180 projects during 1997-98 and in 19 projects during 1998-99, covering all 244 WB projects. The following table shows that the achievement under the scheme was not satisfactory :



Year	AG-I			AG-II		
	Target	Achievement	Percentage	Target	Achievement	Percentage
1992-93	33720	11000	33	8430	4029	48
1993-94	33720	19268	57	8430	9252	110
1994-95	33720	22868*	--	8430	NA	--
1995-96	64538	23671*	--	27950	--	--
1996-97	29328	26355	90	19520	12315	63
1997-98	144450	58502	40	96600	38688	40
1998-99	189585	120798	64	126840	54726	34

In test checked projects of Jamai (Chhindwara) and Pathalgaon (Raigarh) the achievement ranged between 24 to 46 per cent during 1997-98 and 1998-99.

While admitting this, the Directorate stated that the scheme was being linked with TRYSEM to make it more attractive for young girls.

No reasons were assigned by Project Officers for low achievement.

#### (b) Training

For achieving effective delivery of services under ICDS programme nodal officer was made responsible for framing training calendars for the year, participation of adequate number of functionaries, timely release of grant to training institute and inspection of Anganwadi training centres (AWTC). Though no targets were fixed, the Directorate intimated that 176 CDPOs and 1542 supervisors were trained during 1992-99 and that the number of trained personnel was low due to vacancies in the posts of CDPOs. Insufficient number of Middle Level Training Centres (5) in the State was cited as reason for low percentage of trained supervisors.

Targets were, however, fixed for training of AW workers. The shortfall in training of AWWs during 1993-94 to 1998-99 ranged from 12 to 44 percent (15 to 45 per cent in the test-checked AWTCs) which was attributed to less number of AW Training Centres (AWTCs) in the State.

The AWTCs were required to furnish the unaudited statement of Accounts to Department of WCD New Delhi within 15 days of the completion of the course to enable the department to claim reimbursement from UNICEF. It was however seen that 3\*\* institutions which conducted 120 courses did not have the needed information. AWTC Nagjhiri conducted 39 courses during 1997-99 and did not submit accounts statement, in respect of 8 courses. In other cases delay in submission ranged from 4 to 101 days. Similarly AWTC Budhar (Shahdol) conducted 43 courses and delayed submission of statements from 18 to 990 days.

\* includes achievement of both schemes

\*\* Mana (Raipur), Plaskhedhi (Betul) and Naiwali (Khargone)



**(c) Activities on Information, Education and Communication (IEC)**

The Ministry had earmarked Rs.5000 per annum per project for IEC activities to convey the message of ICDS scheme. Half of the amount was to be utilised for centralised activities at State headquarters/ regional levels and the remaining half was to be utilised by project authorities for undertaking activities at their level. However, it was seen that these funds were being spent under office expenses.

**3.5.6 Civil works****(a) Construction of buildings**

Against advance of Rs.94.87 crore, Rs.18.14 crore were outstanding with executing agencies

To utilise savings under World Bank projects, GOI approved (1995-96) construction of AW buildings. Accordingly 8670 AW buildings were to be constructed for which Rs.85.83 crore were advanced to executing agencies during 1994-99. Out of these, 6069 works were completed, 2260 were in progress and remaining 341 works could not be started due to non-availability/non-selection of sites as of March 1999. For the completed works, completion certificates were issued in 1354 cases only and transfer of buildings was effected in 599 cases. The Directorate stated that about Rs.16.93 crore were outstanding with the executing agencies (Rs.10.93 crore with Panchayats and Rs.4.24 crore with RES and PWD).

Rs.9.04 crore were advanced for construction of 244 office cum godown buildings of which 195 were completed and 44 were in progress (expenditure Rs.7.83 crore as of March 1999). The work was not started in 5 cases as of March 1999. Regarding completion/utilisation certificates and transfer of buildings the Directorate had no information.

The reasons attributed by the Department for slow progress were selection of disputed and unapproachable sites, cost rise and the change in policy to transfer the execution work to village panchayats, which were reluctant to take up the work at late stage because of cost escalation.

**(b) Defective execution**

In 9 districts 64 AW works involving expenditure of Rs.63.70 lakh were found defective during departmental inspection. The Directorate stated (February 1999) that instructions had been issued to district collectors to take action against the persons responsible and get the defects removed at the cost of executing agencies. Reports regarding repairs were, however, awaited. The World Bank team had also expressed concern over the quality of construction and maintenance of Civil Works.

**(c) Unwarranted release of funds for hand pumps**

Rs.14 crore were paid to Public Health Engineering Department (PHED) in 1996-97 for installation of 4,000 hand pumps at the rate of Rs.35,000 per hand pump. Consequent on revision of cost to Rs.40,000 by GOI in June 1997, additional Rs.2 crore were paid to PHED in December 1997. By that time



2292 hand pumps had already been completed. Thus release of Rs.1.15 crore in respect of 2292 hand pumps had no justification.

Rs.4.92 crore were lying unutilised with PHED

Rs.13.47 crore were paid to PHED in January 1998 to install another 3367 handpumps at the rate of Rs.40,000 per pump. Against the total advance of Rs.29.47 crore, 6493 hand pumps were installed at a cost of Rs.20.35 crore as per progress report submitted by PHE for the period ending March 1999. From the unutilised amount of Rs.9.12 crore, PHED returned only Rs.4.20 crore in March 1999.

### 3.5.7: Procurement of vehicles and materials

#### (a) Misuse of ICDS vehicles and Materials

ICDS vehicles were used for non ICDS activities

UNICEF supply vehicles free of cost to ICDS projects other than World Bank Aided Projects. These vehicles were to be utilised exclusively for ICDS activities, by the CDPO. It was noticed that 9 out of 95 vehicles received from UNICEF during 1996-97 and 1997-98 were allotted to officers working in the Directorate/Secretariat.

For WB projects, 159 vehicles were purchased during 1994-98. 17 vehicles purchased for ACDPOs were allotted to staff of the Directorate (12), project offices (2) and district offices (3), as the posts of ACDPOs were lying vacant.

#### (b) Avoidable expenditure of Rs.16.09 lakh on the purchase of 59 jeeps for WB projects.

As per the instructions of the World Bank, procurement of materials is to be done at DGS & D rate. In response to a tender enquiry placed in September 1995 for the supply of 59 jeeps a supplier quoted his price in March which was valid upto 31 May 1996. The orders were however placed in June 96 leading to an extra expenditure of Rs.3.46 lakh due to revision of price. Further, as per tender notice, jeeps with fiber body were to be procured. However, the Directorate purchased vehicles with ordinary body and got fiber body fitted at a cost of Rs.41,941 per body from a local dealer. This led to an avoidable extra expenditure of Rs.12.63 lakh, as the difference in the quoted price of the two body types was only Rs.22,000.

Use of vehicles for non ICDS purposes

(c) In seven projects 47470 kms run by vehicles during 1992-1999 were for non ICDS activities like election, law and order situation etc. No recoveries had been made from the concerned departments.

(d) Procurement of equipment, furniture, medicine kits, dai delivery kits, pre-school education kits, weighing scales etc. which were to be made through local competitive bidding (LCB) for WB projects, was entrusted to Madhya Pradesh Laghu Udyog Nigam (LUN) at three per cent commission in March 1996. Procurement was to be made on yearly basis in 4 phases during 1995-96 to 1998-99.

It was seen in audit that against a supply order for 17955 medicine kits placed in January/ March 1996 only 10043 were received upto January 1997. Further



payment of Rs.81.54 lakh was made to the supplier in 1996-97 without obtaining receipt from the recipients of the kits.

Non-availability of medicine kits and weighing machines adversely affected the health check-up.

Supply orders for Phase-II (1996-97) were placed in March 1997 and the supplies were completed by March 1999. Supplies for Phase-III were not started as of March 1999 due to non finalisation of tenders. Tenders for Phase-IV (except for DD kits) were finalised in February 1999 and supplies started from March 1999 to district offices of the projects. The belated supplies of essential material/equipment medicines etc. affected the functioning of the scheme adversely. Weighing scale for new WB projects could be supplied for the first time in the year 1999-2000, as tenders were decided in March 1999.

**(e) Excess expenditure of Rs.10.55 lakh in purchase of Durries**

Excess expenditure of Rs.10.55 lakh on purchase of large size durries

1628 durries of size larger than that specified by GOI were purchased by DWEDO Raipur for AWCs during 1997-98. This resulted in excess expenditure of Rs.10.55 lakh.

The Directorate stated (September 1999) that larger durries were purchased for AWCs where the size of room and the number of beneficiaries was larger.

Reply is not tenable in view of the standardisation of purchases by GOI.

**(f) Release of funds and expenditure in excess of prescribed scale**

Excess funds of Rs.2.87 crore were released for non-recurring expenses

Non-recurring expenditure at the rate of Rs.1000 per Anganwadi was admissible for purchase of basic materials like furniture, durries, mirror and other miscellaneous items. The Directorate sanctioned during 1996-98, Rs.5.26 crore as against the admissible Rs.2.39 crore for 23929 AWs which resulted in excess release of Rs.2.87 crore.

The Directorate stated (February 1999) that the procurement of material at the rate fixed in 1984 was not feasible now. However, the actual expenditure incurred by the projects against above allotments was not furnished.

**3.5.8 Manpower management**

230 projects sanctioned till March 1992, were reported operationalised as of March 1993. The sanctioned posts of CDPOs (90), ACDPOs (89), ASOs (39) and Supervisors (170) lying vacant as on 2 May 1993 were surrendered by the Directorate. However, in spite of addition of 258 projects during 1993-99, there was increase of only 196 posts of CDPOs. As of March 1999, 165 posts of CDPOs, 197 posts of ACDPOs, 318 posts of ASOs, 1200 posts of Supervisors and 718 posts of AW helpers were vacant whereas 712 AW workers were in excess. With the addition of 62 new projects in 1998-99 without sanction of required staff, 156 supervisors from existing projects were transferred to the newly set-up projects adversely affecting the functioning of project from which they were transferred. The position of posts as of July 1999 in respect of all the 488 projects is given in **Appendix-LI**.



During 1986-87 implementation of SNP was transferred from Panchayat and Social Welfare Department to DWCD alongwith the staff.

It was seen that 5 ANMs who were transferred during 1986-87 to DWCD Seoni (3) and Betul (2) were not provided with instruments such as weighing machines and other equipment which were absolutely necessary for health check up, immunisation and discharge of their assigned duties. An expenditure of Rs.6.96 lakh was incurred on their salary and allowances during 1992-93 to 1998-99 which proved nugatory.

Directorate stated (September 1999) that though necessary weighing scales etc. were not available, the ANMs carried out other activities relating to health check-up and immunisation.

**3.5.9 Monitoring and Supervision**

For a co-ordinated and smooth running of the scheme, Co-ordination Committees were to be set up at block/project level, district and state level. For evaluation of the scheme meetings of the Co-ordination Committees were to be held monthly at project level and quarterly at district/State level.

It was noticed that no Coordination Committees were constituted in 8 districts and 19 projects. In 9 districts and 10 projects though the committees were constituted yet no meetings were held at prescribed interval for evaluation of the scheme, and no records of meetings were produced to audit. The Directorate did not have most of the critical information as stated above, which indicated absence of adequate monitoring and supervision.



## CHAPTER-III : Civil Departments

### SECTION-B

#### Agriculture Department

#### 3.6 Infructuous expenditure on pay and allowances

**Payment of Rs.1.04 crore on idle wages of excess staff during 1995-99 proved infructuous.**

The office of the Assistant Soil Conservation officer, Morena (ASCO) was created by the Government of Madhya Pradesh in January 1977 under Ravine Survey Scheme. Staff<sup>1</sup> exclusively for the scheme was also provided in 1977. Though the survey work under the scheme was discontinued in 1982-83, the staff position was not reviewed to bring the sanctioned strength in line with the existing work load.

Test check of the records of ASCO, Morena in October 1998 and further information collected in April 1999 revealed that six Senior Agriculture Development Officers (SADOs), 31 Surveyors and 5 Chainmen were posted in excess of the sanctioned strength, as would be seen from the table below:

Period	Name of the post	Staff Strength		Excess posts	Expenditure on excess staff (Rupees in crore)
		Sanctioned	Working		
1995-96	SADO	5	11	6	0.16
To	Surveyor	20	51	31	0.77
1998-99	Chainmen	10	5	5	0.11
<b>Total</b>				<b>42</b>	<b>1.04</b>

The ASCO stated (September 1998) that the fact of over staffing in his office was already in the notice of the Director of Agriculture and excess expenditure on pay and allowances etc. was being regularised from time to time by the Directorate. The excess expenditure on pay and allowances during period 1995-96 to 1998-99 worked out to Rs.1.04 crore.

The Director stated (September 1999) that the overall position was within the sanctioned strength. This was not acceptable as overall there have been

<sup>1</sup> (SADO-7, Surveyor-25, Chainmen-6)



vacancies in different cadres (there were 159 vacant posts- 4 SADOs, 113 Surveyors and 42 Chainmen- on 1 June 1999) but the Director did not take any action to re-deploy the excess staff in this office for optimum utilisation of the manpower. His reply reflected his failure to appreciate the significance of the matter which was inflicting recurring financial burden on the State, without any benefit, while vacancies continued elsewhere in the Department.

The matter was referred to Government in February 1999; reply had not been received (September 1999).

### **3.7 Unfruitful expenditure on training centres**

#### **Unfruitful expenditure of Rs.71.78 lakh on running of soil conservation training centres**

Two Soil Conservation Training Centres, one at Betul ( 12 staff) and the other at Gwalior (11 staff), were established in 1968 for providing six months training in soil conservation methods to newly recruited surveyors before their deployment. Besides, another training centre (number of staff:13) was established at Betul in 1981-82, for providing in-service training in new techniques of soil conservation methods and watershed management to serving officials. Under the refresher course scheme, five days training programmes were to be organised throughout the year. The scheme for training of newly recruited surveyors was discontinued from 1984, rendering surplus the 23 staff posted for the purpose. These were, however, not redeployed elsewhere. Therefore, the staff of 25 at Betul (12 for surveyor's training + 13 for refresher course training) and 11 at Gwalior were available for running the three training centres at these places.

Test check (July/August 1998) of the records of the training centres revealed that against the time available for arranging 624\* weekly programmes during the four years period from 1994-95 to 1997-98, only 19 programmes (Betul: 5; Gwalior: 14) were organised. The Principals of the Training Centres attributed (November 1998) the deficit to negligible number of trainees.

Thus due to lack of proper manpower management the Department incurred a largely unfruitful expenditure of Rs.71.78 lakh on pay and allowances of the staff which remained highly under-utilised.

The matter was referred to Government (February 1999); reply had not been received (September 1999).

\*

52 weekly programme in a year x 3 centre (2 Betul + 1 Gwalior) x 4 years (1994-98)



### 3.8 Avoidable loss on Tubewells

**Subsidy of Rs.81.49 lakh paid to the farmers without insisting on resistivity survey became wasteful as the wells failed.**

Government introduced (November 1987) a scheme of subsidy to the farmers for digging tube wells. Under the scheme, the subsidy was admissible only on successful wells and the farmer had to undertake the drilling work after a resistivity survey. Later, in 1990, the requirement of resistivity survey was done away with. Subsequently, in April 1992, Government decided to give subsidy in case of all tube wells, whether successful or unsuccessful.

Test-check (August and September 1998) of the records in offices of Deputy Director of Agriculture Bhopal, Guna and Sehore revealed that during 1992-93 to 1997-98, 1311 (60 per cent) of the total 2209 tube wells drilled had failed resulting in the subsidy of Rs.81.49 lakh becoming wasteful. This was due to imprudent decision of the Government to extend the facility of subsidy for the unsuccessful wells also without taking adequate safeguards like insisting on resistivity survey, as done earlier.

The matter was referred to Government in February 1999; reply had not been received (September 1999).



**Animal Husbandry Department**

**3.9 Infirctuous expenditure on idle staff and non-disposal of unserviceable equipment**

**Infirctuous expenditure of Rs.11.93 lakh was incurred on pay and allowances of idle drivers in Bhind and Bilaspur Districts. Non-disposal of unserviceable equipment worth Rs.10.80 lakh was noticed in Bhopal.**

During test check (December 1998 and March 1999) of records of the Deputy Director of Veterinary Services (DDVS), Bhind and Bilaspur and Veterinary Assistant Surgeon (VAS), Bhopal the following points were noticed:

(i) Deputy Director of Veterinary Services (DDVS), Bhind and Bilaspur were allotted eight and two vehicles respectively during the period 1965-77. In Bhind district 7 vehicles were off road during 1993-99 and in Bilaspur district one vehicle was off road during 1995-99. Besides, one vehicle in Bilaspur District was transferred to Joint Director of Veterinary Services, Bilaspur in May 1995, but the driver was not transferred. While DDVS, Bhind admitted that the drivers were lying idle, DDVS, Bilaspur stated that they were being utilized in the liquid nitrogen plant, but did not furnish any record to substantiate this. Thus, the expenditure of Rs.11.93 lakh on the pay and allowances of the seven drivers (Bhind-5, Bilaspur-2) incurred during the period 1993-99 (Bhind) and 1995-99 (Bilaspur), proved unfruitful.

(ii) According to rules unserviceable equipment/articles lying in stock should either be disposed of by sale or be written off.

In the Central Semen Station (CSS), Bhopal 62 non-consumable equipment/articles worth Rs.10.80 lakh, purchased during the period 1964-95, were lying (April 1999) in unserviceable condition, but the Veterinary Assistant Surgeon (VAS) had not taken action for their disposal. The VAS stated (April 1999) that action would be taken for writing them off.

The matter was referred to Government (June 1999); reply had not been received (September 1999).



**Commerce and Industries Department**

**3.10 Non-recovery of investment subsidy from closed Industrial Units**

**Non-recovery of Central Investment Subsidy of Rs.25.94 lakh paid to 21 closed units during August 1975 to July 1994 along with interest of Rs.56.89 lakh resulted in loss of Rs.82.83 lakh to Government.**

Central Investment subsidy scheme provided that where an industrial unit, to which the subsidy was granted, goes out of production within five years from the date of commencement of production, except in cases where the unit remains out of production for short period up to six months due to reasons beyond its control such as shortage of raw material, power etc., the subsidy paid together with simple interest at the rate of 18 per cent per annum becomes recoverable from the unit.

Test-check (August and December 1998) of the records of the General Manager, District Industries Centres, Seoni and Raipur revealed that 20 units in Raipur District, to whom Central Investment subsidy of Rs.15.94 lakh was paid during August 1975 to March 1989, went out of production within five years from the date of commencement of production. Similarly, one unit in Seoni District, to which subsidy of Rs.10 lakh was paid in July 1994, went out of production within 5 years of commissioning. Thus the subsidy paid to these units became recoverable. The RRCs were issued only in 20 cases during 1981-82 (1 case), 1983-84 (6 cases) and 1994-95 (13 cases) but no recovery was made as of December 1998. The amount of interest on the outstanding subsidy worked out to Rs.56.89 lakh as of 31 March 1999, resulting in loss of Rs.82.83 lakh to the Government.

It was seen in audit that the subsidies had been given without taking adequate safeguard like taking a mortgage on the property of the industrial units. That the subsidies had not been recovered even after upto 18 years of the issue of RRC, indicated that the authorities had not pursued the cases with due diligence. Government needed to look into these and similar other cases to fix responsibility for negligence in recovery of Government dues.

The case was referred to Government (May 1999); the reply had not been received (September 1999).



**3.11 Unauthorised disposal of coal resulting in undue benefit to an industrial unit**

**An industrial unit, instead utilising the coal obtained at notified rate, sold it at a profit of Rs.1.21 crore and the General Manager, DIC did not take any action against the unit.**

According to the instructions (August 1992) of the Director of Industries, the registered manufacturing units can procure, on the recommendations of the Industry Department, coal and other raw material at notified rate for use in the manufacture of other goods. The raw material so procured can, however, only be used in the manufacture and cannot be sold or disposed of otherwise. The General Manager of the District Industries Centres have to maintain strict control over receipt and proper utilisation of coal and take action against the units found mis-utilizing the material so obtained.

Test check (August 1996) of the periodic inspection reports sent by the inspectors of industry to the General Manager, District Industry Centre, Rewa and further information collected in May 1999 revealed that an industrial unit engaged in the manufacture of Special Smokeless Fuel (SSF) and coaltar had purchased, on the recommendation of the Industries Department, 89184 MT controlled coal during the period January 1994 to September 1996 at the notified rate, but did not use 34662 MT of coal valuing Rs.1.90 crore in manufacture of SSF/ Coal-tar; this was sold by it for Rs.3.11 crore yielding a profit of Rs.1.21 crore to the unit. The General Manager, however, did not take any action against the unit; instead he kept recommending the unit for further allocation of controlled coal, even though the quarterly inspection reports continued to show mis-utilization of coal.

Thus, the failure of the General Manager to take appropriate action against the unit and to take timely action to prevent sale of coal procured at notified rate on the basis of Department's recommendations resulted in undue benefit of Rs.1.21 crore to the unit.

The matter was referred to Government in June 1998; reply had not been received (September 1999).



**Dairy Development Department**

**3.12 Loss due to non-realisation of sale proceeds**

**Non-recovery of Rs.50.07 lakh on account of cost of milk supplied to Jabalpur Co-operative Milk Producers Union Limited since last 7 to 15 years resulted in loss to Government.**

In April 1986, the Milk Commissioner permitted the Government Milk Supply Scheme (GMSS), Balaghat<sup>1</sup> to sell its excess milk to Jabalpur Dugdha Sangh (JDS) on payment of the cost of the milk and transportation cost. During 1986-87 to 1991-92 the GMSS, Balaghat supplied to JDS milk valuing Rs.79.02 lakh against which the JDS made a payment of Rs.28.95 lakh only. It was seen in audit that though the yearly payments made by JDS ranged from nil to about 66 per cent only, the Manager, GMSS, Balaghat continued to supply the milk to JDS resulting in unrealised dues of Rs.50.07 lakh at the end of 1991-92. The amount had not been realised as of July 1999.

Meanwhile, the financial condition of Jabalpur Dugdha Sangh deteriorated and it conveyed (February 1988) that it could clear the outstanding dues only after obtaining loans/grants from Government. Thus, due to imprudent action of the Manager to continue selling the milk to JDS, even though the latter did not make timely payments, the cost of milk sold amounting to Rs.50.07 lakh became irrecoverable.

On being pointed out, the Manager stated that the Government had issued instructions to the Dugdha Sangh to pay the dues (July 1997) and that the recovery was being pursued.

The matter was referred to Government in February 1999; the reply had not been received (September 1999).

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<sup>1</sup> Owned by State Government.



**Gramodyog Department****3.13 Failure of the Kalp-Vriksha Scheme**

**Unsuccessful implementation of the scheme 'Kalp-Vriksha' resulted in infructuous expenditure of Rs.52.43 lakh during 1992-98. Further, due to advance payment of subsidy of Rs.76.80 lakh to beneficiaries, Government sustained loss of interest of Rs.20.27 lakh, as the money remained in the accounts of the beneficiaries.**

The scheme of Kalp-Vriksha, introduced in 1991-92, contemplated raising of mulberry plantation on private irrigated land of Scheduled Caste/Scheduled Tribe (SC/ST) farmers. To motivate these farmers to adopt rearing of mulberry cocoons, subsidy of Rs.12,500 for one acre and Rs.7,700 for half acre irrigated land was payable to them. A subsidy of Rs.7500 per acre was admissible to General category farmers.

The scheme envisaged per acre production of 50 kg cocoons in the second year, 120 kg in the third year, 210 kg in the fourth year and 240 kg in the fifth year and thereafter. The production was expected to yield income of Rs.62.50 per kg.

Review of the scheme in Jagdalpur (September 1998) and Raigarh (May 1998) districts revealed the following :

(a) In Jagdalpur district, during 1992-93 to 1997-98, 785 beneficiaries were paid subsidy of Rs.52.43 lakh for plantation of 50.72 lakh mulberry plants on 704.50 acre of land. Out of this, only 11.16 lakh (22 per cent) mulberry plants survived at the end of September 1998. Against the envisaged production of 3.25 lakh kg of cocoons valuing Rs.2.05 crore, only 9847 kg cocoons worth Rs.4.74 lakh were produced during 1992-98. The income generated through production of cocoons was only 2 per cent of the estimated income.

Against the desired income of Rs.3125 in the second year, Rs.7500 in the third year, Rs.13125 in the fourth year and Rs.15000 per acre in the fifth year and thereafter, the actual income derived per acre was Rs.139, Rs.207, Rs.105, Rs.374 and Rs.178 in the second, third, fourth, fifth and sixth year respectively.

Out of 785 beneficiaries to whom the subsidy was paid during 1992-98, only 155 beneficiaries (20 per cent) were continuing with mulberry plantation as of September 1998.



The above showed that the implementation of the scheme was un-successful, rendering the expenditure of Rs.52.43 lakh infructuous. While admitting the failure of the scheme, the Assistant Director, Sericulture attributed it to inclusion of un-interested farmers in the scheme.

(b) Further, though the scheme envisaged payment of subsidy in instalments, linked with the various stages of the implementation of the scheme viz., plantation, construction of mud houses and procurement of equipment, it was seen during test check of the records of Assistant Director, Jashpur Nagar (May 1998) and of Jagdalpur (September 1998) that subsidy of Rs.76.80 lakh pertaining to years 1991-92 to 1997-98 was deposited into the bank accounts of beneficiaries in one instalment every year. Out of this, an amount of Rs.24.83 lakh (Rs.14.91 lakh in Jashpur Nagar and Rs.9.92 lakh in Jagdalpur) was lying unutilised/undisbursed with the banks in the personal accounts of beneficiaries as of May 1998 and September 1998 respectively. Premature release of subsidy to the beneficiaries led to loss of interest of Rs.20.27 lakh to the Government.

The matter was referred to Government in February 1999; reply had not been received (September 1999).

### **3.14 Non-disposal of stored tasar cocoons**

#### **Blocking of Rs.38.79 lakh due to non disposal of stored tasar cocoons at the end of March 1999.**

With a view to providing gainful employment to landless Harijans and Tribal population living below poverty line in rural areas, Government provided silkworm seeds free of cost to the beneficiaries for production of tasar cocoons. Cocoons produced by the beneficiaries were to be purchased by Government at fixed rate and sold to tasar weavers and Cooperative Societies/Institutions registered with Khadi and Village Industries Board, State Textile Corporation and Directorate of Handlooms etc.

A test-check (March 1999) of records of Assistant Director (AD), Sericulture (Seed), Raigarh revealed that the closing stock of the cocoons was increasing every year from 1995-96 and was 1,89,39,205 cocoons (Purchase cost Rs.38.79 lakh) at the end of March 1999 due to poor rate of disposal. Due to prolonged storage the cocoons were susceptible to deterioration and fungal infection. But the AD has not taken action for prompt disposal of the cocoons. He attributed the poor rate of disposal to lack of demand, availability of foreign readymade yarn at cheaper rates and availability of cocoons from other sources. He, however, stated that efforts were being made to dispose of the cocoons through SERIFED.

Thus lack of disposal of cocoons resulted in blocking of Rs.38.79 lakh with incidental liabilities of expenditure on preservation and storage.



The matter was reported to Government in May 1999, reply had not been received (September 1999).



**Horticulture Department**

**3.15 Un-authorized expenditure on maintenance of Community Orchards/Unauthorised transfer of funds from Central to State**

**Rs.15.65 lakh were spent on community orchards by ADH Raisen after handing over of plants to beneficiaries. Central assistance of Rs.10.54 lakh was also withdrawn irregularly and deposited into treasury as State revenue.**

(a) The Community Orchard Scheme introduced in 1984 envisaged raising orchards on Government and private plots at least of 10 hectares of land and their maintenance upto a period of four years by the department. Thereafter these orchards were to be handed over to the beneficiaries. Due to lack of sufficient funds for maintenance of such community orchards, the Director, Horticulture, M.P. Bhopal instructed (April 1994) all subordinate units to hand over immediately to Panchayats/farmers all those orchards which had completed three years from the year of their plantation. He also emphasised that any expenditure incurred on these orchards after this date shall not be accepted.

Test check (March 1999) of records of Assistant Director, Horticulture, Raisen revealed that in 11 cases, the orchards which were planted in 1991-92 or earlier and which should have been handed over to beneficiaries/Panchayats in April-May 1994, were actually handed over in February-March 1996 resulting in un-authorized and inadmissible expenditure of Rs.15.65 lakh on their maintenance from May 1994 to March 1996. In three cases, though the projects were actually transferred to beneficiaries in May 1994, the date of their transfer was tampered in the handing over statements and over written as 30 March 1996, 25 March 1996 and 30 March 1996 respectively. The expenditure of Rs.5.45 lakh was incurred on maintenance in these cases.

Thus total expenditure of Rs.15.65 lakh incurred by ADH\*, Raisen after the date of the handing over of plants was un-authorized and inadmissible.

On being pointed out the ADH, Raisen stated (March 1999) that the departmental investigation in the matter was under process. It was, however, observed that the investigation against the concerned person related to some other case and not the case mentioned here.

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ADH Assistant Director of Horticulture.



(b) It was further revealed that even though the Community Orchards, run under special Central assistance, were handed over to the beneficiaries in February 1996, the Collector, Raisen permitted ADH in March 1996 to withdraw Rs.10.54 lakh of Central assistance for maintenance of the same orchards. The amount remained unutilised for four months and later, instead of refunding the same to Government of India, it was deposited (July 1996) into Treasury as revenue of the department, resulting in unauthorized transfer of GOI funds to State Government, although Treasury Rules provide that money should not be drawn from treasury unless required for immediate disbursement and that the funds received from the Government of India (GOI) should be refunded if not utilized during the specified period, unless these are permitted to be spent during subsequent years.

On this being pointed out in audit, the ADH stated (March 1999) that an inquiry into the matter was being conducted by higher authorities and results will be intimated to audit on its completion. Thus, due to non-observance of prescribed rules and procedures an amount of Rs.10.54 lakh pertaining to Central assistance was converted into State revenues.

The matter was referred to Government in April 1999; reply had not been received (September 1999).



## Higher Education Department

### 3.16 Keeping Government funds out of Government account

**Irregular expenditure of Rs.11.81 lakh was incurred out of departmental receipt and keeping Rs.9.68 crore out of Government account for more than four years resulted in loss of interest of Rs.6.10 crore**

Government vide an ordinance (No.2 of 1994) issued on 31 January 1994, abolished Madhya Pradesh Higher Education Grants Commission (Autonomous Body) with immediate effect and merged it with the State Government. With effect from 1 February 1994 the Additional Director, Higher Education (Non-Government Institution Branch) under Commissioner, Higher Education, was to look after the work of the Commission.

As per provisions contained in section 3(2) of the ordinance all the assets and liabilities of the Commission were to be taken over by the Government. However, a test check (May 1997 and October 1998) of the records of Additional Director Higher Education, Bhopal and further information collected in September 1999 revealed that an amount of Rs.9.68 crore (Rs.3.21 crore in saving/current account, Rs.4 crore in SBI Mutual Fund and Rs.2.47 crore in fixed deposits) belonging to the Commission, representing affiliation fees, registration fees, royalty, interest receipt and other receipts was not transferred to Government account. Though this money was required to be utilised for purposes specified in the M.P. Uchcha Shiksha Anudan Ayog, Swa-Nidhi Niyam, 1993 viz., grant of House Building and Motor Cycle advances to employees, Welfare Scheme of employees and incentives to students and employees. Additional Director, Higher Education incurred an expenditure of Rs.11.81 lakh out of the said fund to meet the departmental expenses during January 1997 to August 1998. This was also in contravention of Madhya Pradesh Financial Code and of Madhya Pradesh Treasury Code which prohibit utilization of departmental receipts for expenditure without the legislative approval.

When the matter was brought to the notice of Government in May 1997 and October 1998, Additional Director intimated (September 1999) that the amount will be credited in Government accounts after receipt of Government approval.

Thus, non-observance of the provisions of ordinance and financial rules resulted in keeping huge amount of Rs.9.68 crore out of Government account for more than four years. This has resulted in loss of interest of Rs.6.10 crore calculated at the rate at which State Government had to pay on ways and means advances and overdrafts from Reserve Bank of India.



*Report No.3 2000(Civil)*

The matter was referred to Government in April 1999; reply had not been received (September 1999).



**Home (Police) Department**

**3.17 Unauthorised expenditure of Rs.17.96 lakh on minor construction works, repairs and security of premises**

**Commandant, Central Training Institute Homeguards incurred unauthorised expenditure of Rs.17.96 lakh during 1987-88 to 1998-99 on repairs/maintenance of the hired barracks-buildings.**

Rule 153 of Madhya Pradesh Financial Code Volume-I provides that all works of special repairs of building and other works costing Rs.2500 will necessarily be carried out through PWD or any other Government authorised agency. In case of deviation, specific approval of Government and prior consultation with Accountant General are required.

One office building and 25 barracks had been taken on rent from Ordnance Factory, Khamaria (Jabalpur) since 1961 for housing the Office of Commandant, Central Training Institute Homeguards and staff of the training centre. In January 1988, the General Manager, Ordnance Factory asked the Commandant to vacate the barracks and make some alternative arrangement in view of the precarious condition of the barracks. Instead of making alternative arrangements, the Commandant incurred during 1987-88 to 1998-99 (upto December 1998) an expenditure of Rs.17.96 lakh on repair and maintenance of the barracks. The repairs were got done mainly through private parties and not through PWD. The permission of the Government or the ordinance factory was not taken. No technical records like plans, estimates and measurement books etc., were found maintained. Thus the expenditure of Rs.17.96 Lakh on repairs was irregular and unauthorised.

The matter was referred to Government (June 1999); reply had not been received (September 1999).

**3.18 Loss on account of short recovery of electricity charges**

**Non-recovery of electricity charges of Rs.15.16 lakh from the residents of staff quarters during the period from June 1994 to January 1997, due to non installation of separate meters for office and staff quarters/barracks resulted in loss to Government.**

Madhya Pradesh Electricity Board (MPEB) initially provided three electricity connections in the office of the Commandant 10th Battalion, Special Armed Force (10th SAF), Sagar (Commandant) which catered to the electricity requirements of the office of the Commandant and 157 staff quarters and



barracks located within the premises. Separate metres/sub-metres were not provided for staff quarters/barracks till April 1997 and electricity charges were recovered from the residents on the basis of flat rates fixed by the Commandants from time to time, ranging between Rs.50 and Rs.260 per month.

A test check (September 1997) of the records of Commandant revealed that Rs.20.17 lakh were paid to MPEB on account of electricity consumed in the office, staff quarters and barracks during June 1994 to January 1997 against which only Rs.2.97 lakh were recovered from the residents of staff quarters.

In April 1997, separate electric metres were installed for office as well as for staff quarters. Electricity bills for the office for the period from July 1997 to January 1999 amounted to Rs.1.21 lakh which meant average electricity consumption charges for office purposes of Rs.6362 per month. At this rate, the consumption of electricity for the office for 32 months from June 1994 to January 1997 worked out to Rs.2.04 lakh approximately; the remaining amount of Rs.18.13 lakh (20.17-2.04) was required to be apportioned to the staff quarters. Against this, recovery of only Rs.2.97 lakh had been made indicating that the successive Commandants had fixed the rates on the lower side, resulting in loss of Rs.15.16 lakh to Government.

On this being pointed out, the Commandant sought to justify the payment stating (September 1997) that the barracks for temporary stay of Jawans were provided electricity free of charge and that the cultural programmes held from time to time also led to consumption of excess electricity. The reply was not tenable as the residents of staff quarters are required to pay the electricity charges as per actual consumption.

The matter was referred to Government in February 1999; reply had not been received (September 1999)



**Jail Department**

**3.19 Unfruitful expenditure on the construction of Jails for Juvenile offenders**

**Rs.14.33 lakh spent on construction of 5 barracks in two district Jails remained idle as these barracks remained unutilized for 7 to 9 years.**

The Eighth Finance Commission had recommended an allocation of Rs.4.80 crore for construction of barracks for juvenile offenders in Madhya Pradesh, to be completed during the period from 1985-86 to 1988-89, to accommodate 1920 inmates. Accordingly, 3 barracks in Raigarh (capacity 60 inmates) and 2 barracks in Alirajpur (40 inmates) district Jails were constructed at a cost of Rs. 8.90 lakh and Rs.5.43 lakh respectively and handed over to the Department on 24 July 1989 and 6 April 1990.

A test check (March-April 1996) of the records of Superintendent of District Jail, Raigarh and Alirajpur revealed that these barracks were not utilized for long periods. According to the Jail Superintendents while the Raigarh ward was put to use in September 1996 (after 7 years), the Alirajpur ward was put to use in August 1999 (after 9 years). Meanwhile, the juvenile delinquents continued to be kept in the main jails.

The Superintendents of the District jails stated that the barracks were not utilised due to non sanction of watch and ward staff by Government and that the height of the compound wall in Alirajpur Jail was inadequate. Thus, due to lack of adequate action by the Department the expenditure of Rs.14.33 lakh on the barracks remained unfruitful for 7 to 9 years besides defeating the purpose of constructing separate wards for juvenile delinquents.

The matter was referred to the Government (February 1999); reply had not been received (September 1999).



**Manpower Management Department**

**3.20 Loss due to non-recovery/short recovery of electricity charges**

**Non-recovery of electricity charges of Rs.31.12 lakh consumed for non ITI purposes during 1994-99 resulted in loss to Government.**

One high tension (HT) electricity connection was provided in the year 1961 by the Madhya Pradesh Electricity Board (MPEB) to Government Model Industrial Training Institute (MITI) Koni, District Bilaspur to cater to 140\* units situated in the MITI campus. As the meters provided in 100 staff quarters were out of order since their installation, the entire payment was being made by MITI.

Test-check (July 1998) of records of the Principal, Model Industrial Training Institute, Koni, District Bilaspur and further information collected in June 1999 revealed that Rs.85.05 lakh were paid to MPEB by MITI for electricity consumed on HT meter during the period April 1994 to March 1999. In October 1991, the Principal assessed consumption of electricity for non ITI purposes at 15000 units per month for which the payment of Rs.33.21 lakh (pro-rata) on account of 9 lakh (15000 units x 12 months x 5 years) units was made to MPEB. Against this, Rs.2.09 lakh only were recovered from the residents of staff quarters at the rates ranging from Rs.20 to Rs.104 fixed by the Principal from time to time. No recovery was, however, made from the other offices/units, situated in MITI campus, and consuming electricity from the same meter. Thus, the department suffered a loss of Rs.31.12 lakh (Rs.33.21 lakh - Rs.2.09 lakh) due to non recovery of electricity charges.

It was also seen that a major part of budget allotment (80.99 per cent) under the sub head material and supply during the above period was spent on payment of electricity dues. This severely affected the provision of aids and equipment required for training of the students.

On being pointed out, the Principal MITI stated (January 1998) that necessary action would be taken to revise the rates of recovery. This was still awaited.

The matter was referred to the Government in February 1999; reply had not been received (September 1999).

\* Institute staff quarters:109, Non-institute staff quarters:15, Other Government Buildings:10, Institute Hostel:5, Hospital:1



### **3.21 Infuctuous expenditure on idle computers and programmers**

**Infuctuous expenditure of Rs.38.35 lakh was incurred in 8 employment exchanges on idle Computers and programmers.**

Under the Centrally Sponsored Scheme "Computerisation of Employment Exchanges" an amount of Rs.32 lakh was sanctioned by Government in January 1990 for computerisation of eight District Employment Exchanges\* in the State. The Government also issued another sanction in February 1990 creating eight posts of computer programmers. Accordingly, eight computers costing Rs.16.47 lakh were purchased on 13 February 1990 and installed at a cost of Rs.10.15 lakh which included expenditure of Rs.2.05 lakh on construction of computer rooms. The programmers were also appointed in January 1991.

Test check of records of Districts Employment office, Jabalpur in November 1995 and Rewa in May 1997 and further information collected from the Director, Employment and Training, Jabalpur in June 1999 revealed that seven computers put into operation from December 1990 to September 1991 and one computer functioning at Bhopal since February 1993 went out of order between October 1992 and February 1996 and were lying unrepaired for 3 to 7 years. The Department intimated (May 1998) that due to non-execution of annual service contract after expiry of the one-year warranty period the suppliers refused to undertake repairs. Thus, the expenditure of Rs.26.62 lakh on computerisation of eight employment exchanges remained unfruitful. Further, due to non-working of the computers, the programmers also became idle. Though four programmers were subsequently redeployed, the remaining four were still idle. This resulted in additional infuctuous expenditure of Rs.11.73 lakh on their pay and allowances. The services of these programmers could not be terminated due to stay order awarded by the State Administrative Tribunal, Jabalpur.

Thus, due to failure of the department to effectively utilize the machines and the programmers, the Government suffered a loss of Rs.38.35 lakh. Besides, the 4 programmers would have to be paid salaries till their cases are finalized or they are redeployed.

The matter was referred to the Government in March 1998; reply had not been received (September 1999).

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\* Bhopal, Bilaspur, Durg, Gwalior, Indore, Jabalpur, Raipur and Rewa.



**Panchayat and Rural Development Department**

**3.22 Loss in implementation of Kalpataru scheme**

**Improper implementation of Kalpataru Scheme resulted in non-recovery of assistance of Rs.17.82 lakh, grant of inadmissible assistance of Rs.4.67 lakh and purchase of sprayers worth Rs.4.28 lakh, without any use.**

Employment Assurance Horticulture Development Scheme known as "Kalpataru" was introduced during 1995-96 for small and marginal farmers below poverty line. Under the scheme horticulture works were to be undertaken on private lands of farmers with priority to farmers who availed irrigation facilities under the Million Wells Scheme. The total assistance (inputs, subsidy and payment for labour) to a single beneficiary was not to exceed Rs.15000 per hectare (subject to a ceiling of two hectares) and was payable in 5 yearly instalments. If the survival of plants after gap-filling fell short of 50 per cent, the beneficiary was not entitled to assistance in the second and subsequent years and the assistance paid during the first year was to be recovered.

Test check (March 1999) of records of Chief Executive Officer, Zila Panchayat (CEO), Mandla and Assistant Director Horticulture (ADH) Mandla revealed the following:

- (i) CEO, Mandla sanctioned (January 1997) Rs.21.01 lakh for providing assistance to 403 farmers (SC/ST:188; other:215) for planting mango plants in 369.02 hectares. Against the requirement of 36902 plants, ADH Mandla purchased (September-October 1996) 44214 plants at a cost of Rs.6.85 lakh. Of these, 3366 plants were sold to Forest Department and South Eastern Railways while 900 plants died and the whereabouts of 149 plants were not available. The remaining 39799 plants were distributed to Garden Superintendents. The cost of all plants was charged to the scheme while only 36256 plants were distributed to beneficiaries. Further, payment of Rs.46500 was made to a West Bengal firm in February 1997 for supplying 3000 mango plants in December 1996, though the plants had not been received as of August 1998. Physical verification of plants by officers of Agriculture (Horticulture) Department conducted during July 1998 to January 1999 revealed that survival of plants in the fields of 333 beneficiaries (311.82 hectares), to whom assistance of Rs.17.82 lakh was granted in the first year, was less than 50 per cent. The reasons for high mortality were not investigated nor any action was taken to recover the assistance of Rs.17.82 lakh from beneficiaries. It was intimated by Government in December 1999 that action would be taken to recover the assistance from beneficiaries.



(ii) Though the assistance was payable to small and marginal farmers living below poverty line, the details of land holdings of the beneficiaries, BPL status, availability of irrigation facilities were not ascertained before extending the benefits. According to the norms laid down by NABARD, 50 per cent cost of inputs was recoverable from the beneficiaries belonging to the categories other than SC/ST. However, it was not found recovered from 215 beneficiaries resulting in excess payment of Rs.4.67 lakh.

(iii) Further, 500 sprayers were purchased by ADH Mandla in February 1997 at a cost of Rs.4.28 lakh. Of these, 200 sprayers were issued (August 1997) to Garden Superintendents for distribution among the beneficiaries, 2 sprayers were issued to Collector Mandla and Executive Director, District Rural Development Agency, Mandla and the remaining 298 sprayers (cost Rs.2.55 lakh) were lying in stock as of March 1999. However, the pesticides were not purchased. The question of excess purchase was being investigated by the Department.

(iv) As per Treasury Rules all the transactions should be recorded in one cash book but the transactions relating to the scheme were recorded by the ADH Mandla in a separate cash book and the funds were kept in a bank savings account, out of Government account. This was also being investigated by the Department.

### **3.23 Unsuccessful implementation of Jeevan Dhara Yojna**

#### **Mis-utilisation/unfruitful expenditure of Rs.31.21 lakh on irrigation wells under Jeevan Dhara Yojna during 1990-95 in 2 districts due to failure of BDOs.**

With a view to provide irrigation facilities to marginal farmers owning cultivable land below 2.5 acres, Government introduced (December 1987) a scheme under which full grant was to be provided to the farmers desirous of digging wells. These works were to be executed through Block Development Officers (BDOs), Gram Panchayats or Rural Engineering Services (RES) under the control of District Rural Development Agencies (DRDA) after ascertaining the ownership of the land, availability of sufficient water and availability of the names of the beneficiaries in the survey list. The farmers were also allowed under Integrated Rural Development Programme to raise loan for installation of diesel/electric pumps including 'Rehat' for irrigation purpose.

Test check of the records during November 1997 to April 1998 revealed the following position :

(i) During 1991-95 expenditure of Rs.3.32 lakh incurred on 26 wells in Betul proved infructuous due to non-availability of water in the drilled wells, collapse of wells and non-digging of one well due to land dispute. The BDO



stated that a proposal had been submitted to the DRDA for declaring these wells unsuccessful.

(ii) In Dantewara 74 wells, for which Rs.4.90 lakh was given as grant, were left halfway. The BDO stated that action for recovery was being taken.

(iii) During 1993-95 grant of Rs.9.45 lakh was released by the BDO Betul to 44 beneficiaries whose names were not available in the survey list approved by DRDA. Further, Rs.13.54 lakh were released to 64 landless/non-agricultural labourers who did not possess requisite land and their names were also not available in the list finalised by DRDA. The possibility of misuse of these funds could not be ruled out and should be investigated by the Department.

Thus due to failure of the BDOs to properly implement the scheme and discharge their duties in a responsible manner, the expenditure of Rs.31.21 lakh had either become wasteful or had been mis-utilized.

The matter was referred to Government during January to February 1999, reply had not been received (June 1999).



**Public Health and Family Welfare Department**

**3.24 Functioning of Health Centres without doctors resulting in infructuous expenditure of Rs.1.53 crore**

**Infructuous expenditure of Rs.1.53 crore in 50 health centres in 4 districts, functioning without doctors.**

Para 3.37 of the Report (Civil) of the Comptroller and Auditor General of India for the year ended 31 March 1997 had highlighted that 20 Health Centres in Dhar and Satna districts were functioning without doctors thereby depriving the patients of the desired medical assistance in addition to payment of pay and allowances Rs.60.70 lakh to the supporting idle staff.

Further test check (December 1998 to January 1999) and information collected (September 1999) from the records of Chief Medical and Health Officer (CMHO) Chhindwara, Durg, Raigarh and Sarguja revealed that 50 health centres (Chhindwara:20, Durg:3, Raigarh:7 and Sarguja : 20) set up in rural areas under the MNP\* between 1991 and December 1998 were functioning without doctors. Thus the patients were not given proper medical care while an expenditure of Rs.1.53 crore (Chhindwara:Rs.44.94 lakh, Durg:Rs.14.56 lakh, Raigarh:Rs.42.51 lakh and Sarguja Rs.50.73 lakh) had been incurred on pay and allowances of other/non-medical staff, including cost of medicines of Rs.7.89 lakh supplied during 1991 to July 1999. Though in Raigarh, alternate arrangement for providing the services of doctors on two days of a week was stated to have been made, no documentary proof for this was made available.

The matter was referred to Government in December 1998 and February 1999; reply had not been received (September 1999).

**3.25 Nugatory expenditure worth Rs.1.15 crore on 200 bedded Mother and Child Hospital Raipur**

**Irregular posting of 49 employees in MCDKH resulted in infructuous expenditure of Rs.74.91 lakh during 1997-99 besides idle investment of Rs.39.73 lakh during 1997-98 on 455 articles for hospital use.**

With a view to provide specialised medical care to the mothers and infants suffering from complicated diseases Government decided (September 1997) to establish a 200 bedded Mother and Child Hospital in the vacant building of

\* *Minimum Need Programme.*



old D.K. Hospital Raipur. 156 posts in different cadres of medical and non-medical staff were transferred to the hospital from rural and urban areas (September 1997) following which 114 employees joined the hospital (October 1997). In January 1998, Government cancelled its earlier orders of September 1997 for transfer of 156 posts, on the ground that (i) it was apprehended that the services in Public Health Centres and dispensaries in rural and urban areas would be completely paralysed and will result in closure of Health Centres and dispensaries. (ii) It was already decided that the existing service in rural and urban areas will not be affected; and (iii) Certain irregularities were noticed in transfers ordered. As a result 65 employees were repatriated to their offices and 49 employees were allowed to continue on new posts in MCDKH\* Raipur as per stay orders of SAT\*\*. However, the unit for specialised Medical Care Services was not put into service as on date after cancellation of orders in January 1998. As the 49 staff members were not provided any work, the entire expenditure of Rs.74.91 lakh incurred during October 1997 to September 1999 on pay and allowances of the staff was infructuous besides idle investment of Rs.39.73 lakh during 1997-98 on procurement of 455 articles for hospital use.

On this being pointed out in audit it was stated (May 1998) by the Civil Surgeon cum Hospital Superintendent MCDKH that the services of the staff were being utilised under various medical services and programmes, and that the medicines and articles procured for MCDKH were being utilised in different health units. The reply was not tenable as separate staff and budget existed for implementation of health units under various programmes.

The matter was referred to Government in September and December 1998 who intimated (December 1999) that the restoration of medical services in the rural and urban areas was essential, hence the staff withdrawn from various places in September 1997 were transferred back and that there is no proposal of commissioning of the 200 bedded Mother and Child Hospital under consideration. The reply of the Government showed that the plan to establish 200 bedded Mother and Child Hospital at Raipur was ill conceived.

### **3.26 Unfruitful expenditure on staff deployed for un-established Health Centres**

**Irregular deployment of Doctors and non-medical staff to three unestablished Primary Health Centres (PHCs) in Durg and Raigarh districts resulted in nugatory expenditure of Rs.43.34 lakh.**

Government sanctioned (April 1987 and March 1988) establishment of Primary Health Centres (PHCs) at Amarunia, Kersai and Kakya villages in

\* *Mother and Child Dau Kalyan Singh Hospital.*

\*\* *State Administrative Tribunal*



Raigarh district and a PHC at Chandnu Village in Durg district (December 1989).

During test-check (January 1999) of the records of the Chief Medical and Health Officers (CMHO) Raigarh and Durg it was seen that the Kakya and Amarunia villages did not exist in Raigarh district. However, the non medical staff for these PHCs were posted by CMHO in April 1987 and March 1988 without establishment of PHCs. These staff were subsequently deployed at PHC Gharghoda and District Hospital Raigarh respectively. Expenditure to the tune of Rs.29.58 lakh was incurred on pay and non-recurring items (Rs.0.40 lakh) till July 1998. CMHO replied (January 1999) that proposals were sent to the Director Medical Services (DMS) in January 1987, May and September 1988 to establish the PHCs at alternative places and in anticipation of clearance from Government the specified staff was deployed in these health units as per verbal instructions of higher authorities. The excess staff deployed at District Hospital Raigarh was, however, transferred to newly established PHC at Kodataroi in March 1999.

Further, one Medical Officer and four non-medical staff were posted (December 1989) for PHC Chandnu but due to non availability of PHC building and the basic amenities, the centre could not become functional. The staff was subsequently deployed at PHC Khandsara where full complement of staff already existed. The expenditure of Rs.13.36 lakh on pay and allowances till July 1999 proved nugatory. CMHO replied (December 1998 and August 1999) that PHC Chandnu would start functioning on completion of the proposed PHC building.

Thus, failure of the Department to properly deploy its man power led to unfruitful expenditure of Rs.43.34 lakh.

On being pointed out the DMS stated (October 1999) that the new centres were opened as per demand of the public representatives and on advice of the Government.

The matter was referred to Government in March-April 1999; reply had not been received (September 1999).



purchase on the basis of rates supplied by MPLUN<sup>1</sup>, recommended purchase from 2 firms viz., Kilburn Reprographics and Modi Xerox, after taking into account their capacity to supply, service back up and the interest of the Government. Accordingly, 254 photocopiers were purchased (41 from Kilburn Reprographics @Rs.91212 and 213 from Modi Xerox @ Rs.96061) at a total cost of Rs.2.42 crore.

Test check (May 1998) of the records of Commissioner, Land Records and Settlement, Gwalior (CLR) revealed that against the recommendations of the committee, 74 photocopiers were purchased by the CLR from RPG Rico @ Rs.98,239 without assigning any reasons. Computed with the lowest rate of M/s Kilburn Reprographics, the avoidable expenditure worked out to Rs.5.20 lakh (Rs.98239-Rs.91212 x 74).

It was also noticed that the purchase was made through MPLUN to which 3 per cent of service charges were payable as per the terms and conditions incorporated in supply order. Had the Department placed direct orders on the supply firm, the Government would have saved Rs.9.44 lakh payable to LUN.

CLR stated (July 1999) that it was mandatory to make purchases through LUN as per stores purchase Rule 14. This was not tenable as this rule is applicable for purchase from small scale industries and PSUs for which the rates had not been fixed by LUN, whereas in this case the purchase was made from private suppliers and the committee had made recommendations on the basis of the rates intimated by LUN.

The matter was referred to Government in June 1998 and January and April 1999; reply had not been received (May 1999).

### **3.30 Excess payment of Rs.1.29 crore on acquisition of land**

**Compensation paid at higher rates applicable under the Land Acquisition Act instead of Urban Ceiling Act, resulted in excess payment of Rs.1.29 crore.**

Instructions issued by Revenue Department in their letter dated 5 July 1991 provide that acquisition of land in the cities, where the acquisition proceedings under Urban Land Ceiling Act 1976 have been initiated, should not be taken up (under Land Acquisition Act) till surplus land under the Urban Ceiling Act is determined. If the acquisition of land is required in urgency, the compensation for such land should be limited to the rates admissible under the Urban Ceiling Act. The amount of compensation will be determined and paid under the Land Acquisition Act only if the land is declared free from Urban Ceiling Act 1976.

<sup>1</sup>

Madhya Pradesh Laghu Udyog Nigam



During the scrutiny of some cases of land acquisition in Gwalior and Indore it was found that in 6 cases the land acquired was in Urban Ceiling areas but the compensation was paid at higher rate under the Land Acquisition Act. This resulted in excess payment of Rs.1.29 crore, as detailed below:

Sl. No.	Name of LAO	Case No.	Date of award	Amount paid in advance	Total payable under Urban ceiling Act 1976	Amount recoverable from the concerned Land owners
01.	L.A.O, Gwalior	27/A-82/87-88	22/3/97	18,25,298	57,036	17,68,262
02.	L.A.O, Gwalior	27/A-82/87-88	22/3/97	9,56,128	26,904	9,23,488
					5,736	
03.	L.A.O, Gwalior	27/A-82/87-88	22/3/97	1,32,944	33,490	97,454
04.	L.A.O, Gwalior	28/A-82/87-88	27/11/95	6,53,142	27,654	6,25,488
05.	L.A.O, Gwalior	30/A-82/87-88	21/5/97	5,37,144	26,772	5,10,372
06.	L.A.O, Indore	2/A-82/94-95	24/11/95	90,30,256	23,984	90,06,272
				1,31,34,912	2,03,576	1,29,31,336

In reply, Land Acquisition Officer, Gwalior stated (March 1999) that amount of Rs.34.15 lakh pertaining to the cases at serial number 1 to 4 above cannot be recovered in view of the judgement (1996) of Supreme Court that payment of compensation should be made under Land Acquisition Act where the acquisition proceedings were initiated under the said Act. He, however, stated that efforts were being made for the recovery of Rs.5.10 lakh paid in excess in case of serial number 5. The Land Acquisition Officer, Indore stated that award was passed due to non availability of information about the land affected by urban ceiling from Competent Authority, Urban Ceiling, Indore. The reply of SLAO, Indore was not tenable as he should not have not started the acquisition under the Land Acquisition Act without ascertaining whether the land was affected by urban ceiling, as he was aware of the huge difference in the compensation payable.

The matter was reported to Government in June 1999 ; reply had not been received (September 1999).

### 3.31 Inadmissible excess payment of Rs.56.46 lakh

**Due to non-adherence to the Land Acquisition Act, excess payment of Rs.56.46 lakh (47.51+8.95 lakh) was made in different land acquisition cases.**

(a) Section 23(1-A) and 23(2) of the Land Acquisition Act 1894 provide for payment of 12 per cent and 30 per cent respectively of the market value of land, in addition to the market value of the land, while deciding the amount of compensation payable to the land owner. These additional payments are not payable on any other properties situated on the land.

During test check (January to April 1999) of records of Land Acquisition Officer Bhopal, Bilaspur, Indore, Khargone and Ujjain, it was noticed that in 15 cases (Appendix-LII) the additional payments at the rate of 12 per cent and 30 per cent were made on compensation value of the wells, trees and



building etc., situated on the land, resulting in inadmissible payment of Rs.47.51 lakh.

(b) Further, the explanation to section 23(1-A) of Land Acquisition Act lays down that in computing the period in awarding the additional compensation at the rate of 12 per cent on the market value of land, any period or periods during which the proceedings for the acquisition of land were held up on account of any stay or injunction by the order of any court shall be excluded.

In a land acquisition case in Bhopal (January 1999) the notification under section 4(1) was published on 17 February 1989 for acquisition of 40.49 acres of land for construction of Vidya Nagar Colony by Bhopal Development Authority. The land acquisition proceedings were stayed by the High Court on 1 February 1991 but the stay was later vacated on 8 April 1994 when the case was decided by the High Court. The award was passed by Commissioner, Bhopal on 5 July 1994 who awarded the additional compensation of 12 per cent (Rs.14.96 lakh) for the period from 17 February 1989 to 15 June 1994, which included the period of stay from 1 February 1991 to 8 April 1994. This resulted in an excess award of Rs.8.95 lakh.

The matter was brought to the notice of Government (June 1999); reply had not been received (November 1999).

### **3.32 Excess payment of Rs.72.11 lakh due to incorrect valuation of land**

**Due to incorrect determination of market value of land an excess award/payment of Rs.72.11 lakh was made.**

According to the Land Acquisition Act 1894, the market value of the land on the date of publication of the notification has to be taken into consideration for determining the amount of compensation for acquisition of land. As per instruction contained in the Madhya Pradesh Land Acquisition Manual, the market value shall be the average sale price of land in the same or nearby locality in which the land acquired is situated as ascertained from the Sub-Registrar.

During test check of records of Land Acquisition Officers, Khargone, Bhikangaon, Janjgir (Bilaspur) it was noticed (March/April 1999) that these provisions/instructions were not observed in 14 cases for which the awards were declared between August 1997 and March 1999. The market value of different categories of land was determined on the basis of the land revenue assessment rates. The rates calculated as such were much higher than the market value of land during last one year.

The excess payment of compensation for acquisition of 222.82 hectare of land, worked out on the basis of market value of land sold in the same and nearby



localities available with Sub-Registrar's office, amounted to Rs.72.11 lakh as detailed in **Appendix-LIII**.

On being pointed out in audit (March-April 1999) the Land Acquisition Officer, Khargone confirmed that the average market rates were calculated on the basis of land revenue. The Land Acquisition Officer, Bhikangaon stated that correct procedure would be followed in future and Land Acquisition Officer, Janjgir accepted the objection but expressed his inability to effect any correction in the award amount in view of provisions of Land Acquisition Act limiting such corrections within six months of the award.

The matter was referred to Government (June 1999); reply had not been received (September 1999).



**Rehabilitation Department****3.33 Non-recovery of electricity, water and house rent charges**

**Electricity, water and house rent charges to the tune of Rs.13.74 lakh (Rs.14.26 lakh-Rs.0.52 lakh) were not recovered from 370 consumers of Mana Camp, Raipur.**

The Mana Camp, Raipur (Camp), set up for rehabilitation of refugees operated its own power house from 1980 to 9 November 1996 for the electricity requirement. With effect from 10 November 1996 the Power House including the Electric Network of the camp was handed over to Madhya Pradesh Electricity Board. As on that date, electricity charges worth Rs.10.57 lakh pertaining to the period from March 1985 to 10 November 1996 were recoverable from 370 consumers, besides Rs.0.48 lakh on account of water charges and Rs.3.21 lakh on account of house rent till April 1997. Against this, only Rs.0.52 lakh (Electricity charges : Rs.0.22 lakh, Water charges : Rs.0.18 lakh, House Rent : Rs.0.12 lakh) had been recovered till July 1999.

On being pointed out, Commandant, Permanent Liability Home, Mana Camp, Raipur replied (June 1998, April 1999 and August 1999) that continued efforts were being made to recover the dues. The reply was not tenable as it was seen in audit that many consumers had already left the camp and a negligible amount of Rs.0.52 lakh was recovered against total amount of Rs.14.26 lakh.

The matter was referred to Government in August 1998 and February 1999; reply had not been received (September 1999).



**Scheduled Tribes and Scheduled Castes Welfare Department**

**3.34 Suspected defalcation/misuse of Rs.1.29 crore due to lack of control over cash**

**Suspected defalcation of Rs.1.29 crore due to irregular maintenance/writing/ verification of Cash Book as per codal provisions during the period of November 1995 to July 1996 in the office of BEO Mainpur, District Raipur.**

Madhya Pradesh Treasury Code Vo.I provides that all monetary transactions should immediately be entered into cash book and attested by the drawing and disbursing officer. The cash book should be closed at regular intervals. At the end of each month, the officer in charge of the cash book should personally verify and certify the cash balances. Financial rules also provide that money should not be withdrawn from treasury unless required for immediate disbursement and unspent balances, if any, should be refunded promptly.

Test check of records of Block Education Officer Mainpur (BEO) district Raipur (January 1997) revealed that on 4 November 1995, the closing balance of the cash book volume No.4 was Rs.64.58 lakh. No monetary transactions were entered in the cash book between 5 November 1995 and 7 December 1995 although drawals of Rs.3.06 lakh were made from the treasury during the period 11 November 1995 to 20 November 1995. A new cash book (Volume No.5) was opened on 8th December 1995 with opening balance of Rs.2,17,160 instead of actual closing balance of Rs.67,64,511<sup>1</sup> including the withdrawal of Rs.3,06,060 from treasury. Thus there was no account of Rs.65.47 lakh which appeared to be a case of defalcation.

The cash book opened on 8 December 1995 (Vol.5) was closed on 12 April 1996 with closing balance of Rs.19,12,635. Thereafter, drawals of Rs.44,81,320 were made from treasury during 13 April to 29 July 1996. The opening balance on 30 July 1996 was shown as nil in the cash book produced to audit. The disbursement vouchers, cash book and other documents were not made available to the audit in support of payment of Rs.63,93,955<sup>2</sup>. In the circumstances, the possibility of defalcation or misuse of even this amount could not be ruled out.

On being pointed out the BEO replied (January 1997) that cash book for the period 13 April to 29 July 1996 was with the Accountant, that action for taking it back was being taken and that a report would be lodged with the

<sup>1</sup> Rs.(64.58+3.06) lakh.

<sup>2</sup> Rs.(19,12,635 + 44,81,320)



police, if necessary. The Additional Commissioner, Tribal Development replied (September 1999) that the Collector had been instructed to reconstruct the cash book and that the audit will be informed after completion of the work by the Collector.

The above indicated that the disbursing officer did not exercise any control over the cash transactions which may have led to misuse or defalcation of Rs.1.29 crore. The matter was brought personally to the notice of Secretary of the Department; reply had not been received (September 1999).

### **3.35 Suspected defalcation of Rs.5.35 lakh**

#### **Failure of DDO and controlling officer to exercise a proper control on cash transactions resulted in suspected defalcation of Rs.5.35 lakh.**

Rule 53 and 291 of Madhya Pradesh Treasury Code Vol.I require that officer in charge of the cash book should attest all transactions in the cash book in token of check and that fortnightly verification of drawals should be conducted with reference to treasury voucher slip and at least one detailed inspection in a month of his office should be made and results thereof should be submitted to his controlling officers.

Test check of records of Principal, Government Higher Secondary School (PGHSS) Sorwa, district Jhabua in February 1997 revealed that withdrawals of Rs.5.35 lakh made during June 1994 to January 1996 by a Principal from Alirajpur Sub Treasury (Jhabua) were not recorded in the cash book nor these could be traced out in the relevant Bill Register, Bill Transit Register and Bank Warrant Register. Further, the bill register contained erasures in entry no.62 of 27 July 1995 for Rs.4,109 and over writings in Bill Register as well as Bill Transit Register against voucher no.247 of 22 May 1995. An entry of Rs.42,000 was found corrected to Rs.40,000. It was also noticed that pages no. 75 to 77, 79 to 83 and 85 to 91 were in torn condition. This showed that neither the DDO nor the controlling officer had exercised proper control on the cash transactions.

After being pointed out in audit that it appeared to be a case of suspected defalcation the internal audit wing of the Department investigated the matter in June 1998 and confirmed the embezzlement of Rs.5.35 lakh. The principal, however, stated (August 1999) that the details of disciplinary case initiated, if any, against the responsible officials was not known to him and that no recoveries had been made so far. He also stated that the case was not registered with police but the Commissioner, Tribal Welfare had directed the Assistant Commissioner to investigate the case.

Matter was referred to Government in May 1997, April 1999 and August 1999; reply had not been received (September 1999), which indicated that the matter was not being given adequate seriousness even at the Government level.



**3.36 Non-refund/adjustment of scholarship/stipend**

**Non-refund of unspent balance of scholarship/stipend of Rs.3.25 crore lying in Bank during 1984-85 to 1995-96 in three districts.**

Under the instructions of the Directorate issued in November 1983, the State scholarship/stipend/post matric scholarship payable to the Scheduled Caste/Scheduled Tribes students was to be initially credited to the bank account, to be opened in the name of Collector in the designated/nominated banks, and further disbursement to the Scheduled Castes/Scheduled Tribes students was to be made through the bank account. The instructions further provided that the unspent balances of scholarship/stipend as on 31 March would be refunded to Government treasury after retaining a token sum of Rs.5,000. The District Organiser Tribal Welfare was made responsible for co-ordination and monitoring.

Test-check of records of DOTWs\*, Bhind (October 1998) and Narsinghpur (May 1996) and Assistant Project Administrator, Tribal Development Project, Kondagaon (November 1996) revealed that a sum of Rs.3.25\*\* crore representing unpaid scholarship/stipend during 1984-85 to 1995-96 was lying in the bank accounts since then.

On this being pointed out DOTW\* Bhind stated in October 1998 that the payments to the students are being made; DOTW\*, Narsinghpur in May 1996 stated that allotments were provided at the end of financial years that could not be refunded in the same financial year and Assistant Project Administrator, Tribal Development Project, Kondagaon stated in November 1996 that the balance amount will be deposited in Treasury after adjustments. The replies were not tenable as the amount of scholarship/stipend were to be paid before the end of respective financial year and the unpaid amount was to be refunded in treasury.

The matter was referred to Government in December 1996 and February 1999; reply had not been received.

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\* DOTW-District Organiser Tribal Welfare

\*\* Bhind-Rs.0.22 crore, Narsinghpur-Rs.2.59 crore, Kondagaon-Rs.0.44 crore.



**School Education Department**

**3.37 Idle outlay on construction**

**Unfruitful expenditure of Rs.13.12 lakh on six staff quarters built in July 1993 lying vacant, besides loss of licence fee of Rs.0.93 lakh and payment of HRA of Rs.0.89 lakh to the staff.**

Government of India sponsored in October 1987, a scheme of Re-organisation of Teacher Education, under which District Institutes of Education and Training (DIET) were established in each district.

Scrutiny (March 1998) of the records of Principal, District Institute of Education and Training (DIET), Sagar revealed that under the scheme six staff quarters were built (July 1993), apart from the main building, at a cost of Rs.13.12 lakh. The quarters were however lying unoccupied resulting in the entire expenditure on their construction remaining unfruitful, besides loss of licence fee of Rs.0.93 lakh upto February 1998 and payment of Rs.0.89 lakh on account of HRA to the staff for whom the quarters were earmarked.

On this being pointed out in audit, the Principal, DIET Sagar stated (March 1998) that the staff members were not willing to occupy the quarters as these were 10-12 kilometers away from the city and did not have proper conveyance, medical, education and market facility and security.

The matter was reported to Government in February 1999; the reply was still awaited (September 1999).



**Social Welfare Department**

**3.38 Mis-utilisation of Nirashrit Nidhi**

**Rs.1.74 crore of Nirashrit Nidhi was mis-utilized on the items of works/schemes not permissible under law.**

In pursuance of decision of High Court/Supreme Court, Director Panchayat and Social Welfare (DPSW) emphasised (March 1992) that Nirashrit Nidhi collected at prescribed rate by the Agriculture Produce Marketing Committees (Krishi Upaj Mandi Samitee) under Section 4(I) (ii) of Madhya Pradesh Nirashrit Avam Nirdhan Vyactiyon Ki Sahayta Adhinyam 1970, should be utilised for the specific objects, such as vocational training, establishment of production centres for inmates, providing artificial limbs and appliances to destitutes, for organising workshops, seminars, exhibitions etc. The expenditure was to be made with the approval of State level Executive Committee and was to be limited to the interest earned on the fixed deposit of Nirashrit Nidhi.

Test check of records of Deputy Director Panchayat and Social Welfare (DDPSW), Morena (December 1998), Gwalior (October 1996) and Satna (November 1996) revealed that Rs.1.80 crore of Nirashrit Nidhi (DDPSW Gwalior: Rs.15 lakh, Satna : Rs.20 lakh and Morena: Rs.1.45 crore) were utilised on the works/activities not covered by Adhinyam e.g. (i) flood relief (Rs.1.35 lakh), (ii) Construction of Sulabh complex, Bus stand and Vridha Ashrams (Rs.55 lakh) (iii) Payment of Social security pension (Rs.15 lakh) (iv) loans to sugar factory Kailaras (Rupees one crore) recovered in March 1998 (v) Electrification/water supply (Rs.1.44 lakh) and (vi) Purchase of typewriter/Jeep repair (Rs.0.91 lakh). This indicated misutilisation of Nirashrit Nidhi.

On this being pointed out DDPSW Morena stated (January 1999) that funds were utilised in accordance with the orders of Collector. DDPSW Gwalior (October 1996) replied on similar lines.

Matter was referred to Government several times (January 1999, February 1999, March 1999, April 1999 and September 1999); reply had not been received (September 1999).



**Urban Administration and Development Department**

**3.39 Non refund of loan by Municipal Corporation**

**Non repayment of loan (Principal : Rs.6.28 lakh and Interest : Rs.28.57 lakh) till March 1999 by Municipal Corporation, Jagdalpur and Kanker taken for water supply scheme during 1986-93**

The Government of Madhya Pradesh, Public Health Engineering Department sanctioned loan of Rs.26.08 lakh to the Municipal Corporations, Jagdalpur and Kanker for water supply schemes during 1986-87 to 1992-93 (Jagdalpur:Rs.8.40 lakh and Kanker:Rs.17.68 lakh). The loan with interest thereon was to be recovered in 25 years in equal instalments, commencing two years from the date of completion of the work or after a period of four years from the year of sanction of loan whichever was earlier. In case of default in repayment of loan, penal interest @ 3 per cent was leviable in addition to normal rate of interest.

Test check (August 1996) of the records of Collector, Jagdalpur and further information collected in October 1998 and January 1999 showed that the Corporations had not started the repayment of the instalments due.

On being pointed out the Collector Bastar raised (March 1997) the demand of Rs.5.90 lakh (principal) and Rs.34.55 lakh (interest) on both the Corporations, but the information whether the Corporation paid anything was not furnished by the department despite reminders (September 1999). The amount recoverable till March 1999 worked out to Rs.6.28 lakh (principal) and Rs.28.57 lakh (interest). The Department replied (September 1999) that since the loans are being released by Collectors, they did not maintain any details thereof. This indicated that the system of loan administration left much to be desired. Government needed to look into the matter and devise a suitable system so that the recovery of loans and advances given to other bodies is properly monitored, to safeguard the financial interests of the Government.

The matter was also referred to General Administration Department (June 1999); reply is awaited (September 1999).



## General

## 3.40 Non-recovery/adjustment/settlement of temporary advances for long period

According to Rule 53(iv) of Madhya Pradesh Treasury Code Volume-I, the temporary advances should be recovered/adjusted, as quickly as possible and in no case the adjustment should be delayed beyond three months.

Test-check of records of the offices, as detailed below, revealed that Rs.1.40 crore drawn and disbursed by the Drawing and Disbursing Officers as temporary advances to Government officials/agencies, were unrecovered/pending for adjustment or settlement for a long period.

Name of Department	Name of office	Period of test check	Year during which advances given	Amount (Rupees in lakh)	Purpose of advance	Reasons for non-adjustment
General Administration Department	District Election Officer, Satna	July 1998	Prior to 1.1.1994,	10.25	For conducting election	Non-submission of vouchers/ account
			1.1.1994 to 31.12.1998	<u>11.61</u> 21.86		
Horticulture Department	Assistant Director Horticulture, Raisen	April 1998	7/88 to 3/98	8.45	For payment to labourers, suppliers, transporters	--do--
			September 1996	<u>2.60</u> 11.05		
Scheduled Tribes Welfare Department	Project Officer, Intensive Fruit Project, Betul	October 1998	3/93 to 8/96	3.87	For construction purchases of furniture, electrifications, transportation, POL, telephone installation etc.	---do---
			5/77 to 11/92	5.42		
	Assistant Commissioner, Jagdalpur	October 1998	1963-1964 to 8/98	5.42	---do---	---do---
			December 1998	<u>35.14</u> 44.43		
Social Welfare Department	Dy. Director Panchayat and Social Welfare, Chhindwara	January 1998	Prior to 1980	10.42	For execution of works under various schemes	Due to not rendering of account
			1980-90	27.91		
			1990-96	<u>24.21</u> 62.54		
			TOTAL	139.88		

On being pointed out Collector, Satna attributed (March 1999) the lapse to inaction of the then Accountant whose pensionary benefits were stated to have been withheld but released at later stage. It was also stated that temporary advance register prior to 1 January 1994 was under preparation for effecting recovery; the Assistant Director, Horticulture, Raisen and Project Officer, Intensive Fruit Project, Betul stated (September 1996) that inquiry was being



conducted and the results would be intimated to audit on completion of the inquiry. The Assistant Commissioners Shahdol, Jagdalpur and Ambikapur stated (December 1998) that action for recovery/adjustment was being taken and the results would be intimated to Audit. The Dy. Director Panchayat and Social Welfare, Chhindwara stated (January 1998) that the cases were handed over to Sub Divisional Officer, Revenue for recovery and the outstanding amount would be recovered while the Joint Director, Panchayat and Social Welfare stated (December 1998) that the said advances were sanctioned by District Planning Board through Block Development Officers and his office did not maintain any record.

The replies were not tenable as the rules do not permit retention of advances beyond three months and their non-adjustment showed failure of Drawing and Disbursing Officers as they were responsible for taking timely action for recovery/adjustment/settlement of temporary advances.

The matter was referred to the Government in February/April 1999; replies had not been received (September 1999).

### **3.41 Outstanding Detailed Countersigned Bills**

**DC bills for Rs.57.09 crore were outstanding/awaited from 1418 DDOs as of March 1999.**

Madhya Pradesh Treasury Rules provide that except in case of contingencies requiring countersignature before payment the contingent charge may be drawn from the Treasury on abstract bills subject to the presentation of detailed bills to the controlling officers for counter signature, not later than 5<sup>th</sup> of the month following that in which the expenditure was incurred. Controlling officers are required to transmit DC (Detailed Countersigned) Bills to the Accountant General (A&E) not later than 25<sup>th</sup> of the same month.

At the time of drawing money on AC Bill on subsequent occasion a certificate to the effect that the monthly detailed bill for abstract bills drawn earlier have been submitted to the Controlling Officer for counter signature is required to be recorded on the AC Bill.

As of 31 March 1999 AC Bills for Rs.57.09 crore drawn upto March 1999 by 1418 DDOs under 21 Major Head of Accounts (details in **Appendix-LIV**) were outstanding. Of this, detailed bills for Rs.13.86 crore and Rs.12.79 crore were pending for more than two years and more than one year respectively. It was also noticed that 652 DDOs (**Appendix-LV**) had drawn the amount on AC Bills on 2 occasions without furnishing the DC Bills for previously drawn AC Bills. Thus provisions of the Madhya Pradesh Treasury Rules were not followed by DDOs scrupulously.

The matter was referred to Government (September 1999); reply had not been received.



**3.42 Transfer of funds to Personal Deposit Account (PDA)****Codal provisions for operation of PD Account were not observed.**

There were 370 PDAs having balance of Rs.132.65 crore in respect of Government and Semi Government institutions as on 31 March 1999. A test check of records of 14 PDAs in which amount of Rs.49.91 crore was credited, revealed following irregularities :

**(a) Non closing of PDAs**

All the 370 PDAs having balance of Rs.132.65 crore were required to be closed at the end of the financial year by minus debit to the relevant service heads. The closing balance in these accounts indicated that rules regarding closing of PD accounts at the close of the financial year were not being observed. Out of these, in 134 PDAs having balance of Rs.37.84 crore there were no transactions during the year 1998-99.

**(b) Funds remaining unutilised in PD accounts**

(i) Commissioner Handloom Industries, Bhopal and Assistant Commissioners Tribal Welfare, Chhindwara did not refund un-utilised balance of Rs.1.27 crore and 0.71 crore respectively and close the Personal Deposit Account as on 31 March 1999. The Commissioner Handloom Industry stated (September 1999) that the account was opened for the supply of cloth to the Government Departments and the Gramodyog Department had permitted to continue the account upto 31 March 2000. Reply was not tenable in view of codal provision for closing of PDA. The account if required could have been opened again in the next year in usual manner. The Assistant Commissioner, Tribal Welfare, Chhindwara and Commissioner, Handloom Industries, Bhopal assured (October and December 1999) to observe the codal provision in future.

(ii) Project Officer EPCO Bhopal deposited of Rs 2.28 crore in six Bank Accounts during 1998-99 without consent of Finance Department. Balance of Rs.0.32 crore remaining in these bank accounts as on 31 March 1999 was not refunded into the Treasury.

(iii) Commissioner Archaeology M.P. Bhopal drew Rs.10 lakh from the Contingency Fund on 31 October 1995 and credited it to PDA. The amount was for conservation, maintenance and restoration of Archeological heritage. He issued a cheque of Rs.9 lakh to the Director General Indian Archeological Survey, New Delhi on 2 November 1995, but the latter did not encash the cheque till 31 March 1998. As the PDA remained unoperated for three years, the account was closed in April 1998 and amount lapsed to Government.

(iv) A scrutiny of records of Director Technical Education M.P. revealed that:

(a) Departmental receipt of Rs.0.24 crore relating to cost of application forms, recognition fee and fees for issue of no-objection certificates collected



during the year 1998-99 was credited to Personal Deposit Account instead of to the revenue head, without authority.

(b) Unspent balances of Rs.0.68 crore out of Rs. 10.38 crore sanctioned for departmental works during the year 1992-93 to 1996-97 was kept in Personal Deposit Account during 1998-99 without sanction of the State Government.

(v) Government of India provided (December 1995) Rs.5.60 crore for the Centrally Sponsored Plan Scheme of Publicity of Science Education. The amount was drawn and credited to Civil Deposits by Commissioner, Public Instructions during 1996-97. As of March 1999, Rs.6.80 crore (including Rs.1.20 crore lying since March 1990) were lying in the PD account of the Commissioner. The scheme remained unimplemented and the Central funds were used to increase the cash balance of the State.

The matter was reported to Government (October 1999); reply had not been received.

### 3.43 Working of Treasuries

**Irregularities in the operation of currency chest, defalcation of Rs.8.18 lakh. Irregular drawal of Rs.7.93 lakh and withdrawals in excess of LOC were noticed.**

During inspection of 32 out of 52 treasuries in the State by the Accountant General (Accounts and Entitlement) during 1998-99 and compilation of Treasury Accounts, the following irregularities/deficiencies were noticed.

#### (i) Defalcation of Rs.3.71 lakh in Anuppur (Shahdol) Sub-Treasury

(a) Anuppur Sub-treasury being a Non-banking Sub-treasury maintains a RBI Currency Chest and sends Currency Chest slip to Reserve Bank of India (RBI) Nagpur reporting daily cash balances. An amount of Rs.0.79 lakh was shown as deposited in Sub-treasury Account in Currency Chest in April 1997 but Currency Chest slip was not sent to RBI. When the Accountant General (Accounts and Entitlement) office demanded the currency chest slip it was found that the amount shown as transferred to currency chest was not actually transferred but was embezzled by the Accountant. This amount was recovered from the Accountant and deposited in Treasury in April 1998.

(b) The above named Sub-treasury passed three bills of Block Education Officer (BEO) amounting to Rs.3.17 lakh and one bill of Principal, Government Higher Secondary School, Rajnagar Colliery amounting to Rs.0.20 lakh. However, only Rs.0.44 lakh was paid to BEO reportedly due to shortage of cash, and no payment was made to the Principal, though the full amount was shown as paid in Treasury Accounts. The Sub-treasury staff assured the BEO and the Principal that the balance amount would be paid later. However, subsequently no payment was made and the balance amount



of Rs.2.93 lakh was reported to have been embezzled. The case was under Police investigation (September 1999).

**(ii) Excess drawal on pay bills**

Scrutiny of pay bills and audit of the establishment of the Asstt. Labour Commissioner (April 1997) revealed overdrawals of Rs.5.25 lakh by inflating the figures of the totals of the pay bills for the period November 1992 to August 1997. The fraudulent drawals were made possible due to failure of the Treasury Officer, Jabalpur city to exercise adequate checks as warranted under the M.P. Treasury Code, Vol.-I.

The irregularity was brought to the notice of the State Government in July 1998. Reply was awaited (September 1999).

**(iii) Irregular drawal of Rs.7.93 lakh**

During the compilation of accounts submitted by Bilaspur and Damoh Treasuries, it was noticed that an amount of Rs.7.93 lakh relating to the grant from Central Government for Balika Samridhi Yojna for the year 1997-98 and 1998-99, was directly paid to the Chief Executive Officer, Zila Panchayat concerned. This amount was also drawn by Chief Executive Officer, Zila Panchayat, Bilaspur in December 1997 (Rs.2 lakh) and by District Women and Child Development Officer, Damoh in March 1999 (Rs.5.93 lakh) by recording wrong classification of expenditure and paid by concerned Treasury Officers. This resulted in irregular drawal of money from Government Account and expenditure without provision during 1997-98 and 1998-99.

The matter was reported to the concerned Treasury Officers and Finance Department. After persistent correspondence Rs.2 lakh drawn in December 1997 was deposited in Bilaspur Treasury in February 1999 and Rs.5.93 lakh drawn in March 1999 was deposited in May 1999 in Damoh Treasury. In the latter case, the Finance Department issued instructions (September 1999) to Department of Women and Child Development to initiate administrative action against the concerned Drawing and Disbursing Officers (DDOs) and Accountant.

**(iv) Withdrawals in excess of Letters of Credit**

With a view to providing funds for public works activities in time and to ensure rigid expenditure control, the budget controlling officers issue Letters Of Credit (LOC) to each Public Works Division. The Treasury Officer is responsible to ensure that the ceilings of LOC are not exceeded by DDO's. During inspection of following two treasuries conducted during 1998-99 it was revealed that an amount of Rs.28.01 lakh was drawn in excess of limits prescribed in letters of credit.



S.No.	Name of Treasury	DDO	Amount (in lakh)
1.	Narsinghpur	E.E., P.W.D.* (B and R) Narsinghpur	7.02
2.	Raigarh	E.E., P.W.D. Jashpurnagar	20.99

On being pointed out the Director of Treasuries and Accounts stated (September 1999) that in case of (i) (b) action to recover the amount would be taken on completion of the inquiry against the defaulters. In other cases, he held the Drawing and Disbursing Officers responsible for these irregularities. The reply was not tenable because had the Treasury Officer applied the checks prescribed in Supplementary Rules 166 to 178 of Madhya Pradesh Treasury Code, Vol.-I the fraudulent/irregular drawals could have been prevented.

The matter was referred to Government through Treasury Inspection Reports in 1998-99; reply had not been received (September 1999).

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\* Executive Engineer (Buildings and Roads)



## CHAPTER-IV

### Financial assistance to authorities and bodies

#### 4.1 General

**4.1.1** Autonomous Bodies and Authorities are set up to discharge generally non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies and Companies Act, 1956, etc. to implement specific programmes of the State Government assigned to them. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

During 1998-99, financial assistance of Rs.1150.11 crore was sanctioned to various autonomous bodies and other agencies broadly grouped as under:-

*(Rupees in crore)*

Sl. No.	Name of Institution	Amount of assistance paid
1.	Universities and Educational Institutions	184.05
2.	Municipal Corporations and Municipalities	419.12
3.	Zilla Parishads and Panchayati Raj Institutions	386.99
4.	Development Agencies	0.44
5.	Hospitals and other charitable Institutions	2.27
6.	Other institutions	157.24
<b>Total</b>		<b>1150.11</b>

#### **4.1.2 Delay in submission of accounts**

In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Departments are required to furnish to audit every year detailed information about the financial assistance given to various



institutions, the purpose for which assistance was sanctioned and the total expenditure of the Institutions.

Though Government is requested every year to furnish this information, the information in respect of the following 6 organisations was awaited as on 30.06.99 for a number of years as indicated below:

Sl. No.	Name of the organisation	Year for which information had not been furnished
1.	M.P. Higher Education Department, Bhopal	1992-93 to 1998-99
2.	M.P. Seed Corporation, Bhopal	1995-96 to 1998-99
3.	Rajeev Gandhi Primary Education Mission, Bhopal	1994-95 to 1998-99
4.	Jawahar Lal Nehru Agricultural University, Jabalpur	1997-98 to 1998-99
5.	Jawahar Lal Nehru Agricultural University, Raipur	1995-96 to 1998-99
6.	M.P. Khadi & Village Industries Board, Bhopal	1992-93 to 1998-99

The audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for periods detailed below:-

Sl. No.	Name of body	Period of entrustment	Date of entrustment
1.	M.P. State Marketing Federation, Bhopal	1992-93 & onwards	16.05.97
2.	M.P. State Oil Federation, Bhopal	1992-93 & onwards	16.05.97
3.	Jawahar Lal Nehru Agricultural University, Jabalpur	1992-93 & onwards	16.05.97
4.	M.P. Housing Board, Bhopal	1997-98-2001-2002	09.04.99
5.	M.P. Khadi & Village Industries Board, Bhopal	1998-99 & onwards	24.02.99

#### 4.1.3 Audit arrangement

The primary audit of local bodies (Zilla Parishads, Nagar Palikas, Town Area/Notified Area Committee and Panchayati Raj Institutions), educational institutions and others is conducted by Director, Local Fund, M.P., Gwalior. Audit of Co-operative Societies is conducted by the Registrar, Co-operative Societies, M.P., Bhopal.

Out of 774 units of 34 bodies, 722 units of 34 bodies attracted audit under Comptroller and Auditor General's (DPC) Act, 1971. Out of these, audit of 267 units was taken up during 1998-99.



**Agriculture Department**

**4.2 Loss due to unauthorised reduction in the selling price of gram seed**

**Unauthorised reduction in the selling price of certified gram seed resulted in loss of Rs.34.83 lakh.**

The Agriculture Department, on recommendations of the State level Committee constituted by Government, fixed in August 1995 the selling price of certified gram seed at Rs.1200 per quintal during Rabi season 1995-96 as against cost price of Rs.1432 per quintal.

Test check (September 1998) of records of Madhya Pradesh State Seed and Farm Development Corporation, Bhopal (Corporation) and further information collected in June 1999 revealed that the Corporation sold during 1995-96, 29,024 quintals of certified gram seed to the farmers at the rate of Rs.1080 per quintal as against the actual cost price of Rs.1432 per quintal. The reduction in the selling price resulted in loss of Rs.34.83 lakh with reference to selling price fixed and Rs.1.02 crore with reference to cost price.

On this being pointed out, the Managing Director of Corporation stated (October 1998 and June 1999) that the rate was reduced due to lack of demand from the farmers at the higher rate of Rs.1200 and to ensure sale and avoid loss, if the seeds remained unsold. He also stated that the rate was approved by the Chairman-cum-Agriculture Production Commissioner. The reply was not tenable as there was no Government reference available on record authorising reduction of Government approved selling price at the Corporation level. The case had not been referred to the Government for approval of the reduced rate of Rs.1080 per quintal.

The matter was referred to the Government in December 1998 and in May 1999; reply had not been received (November 1999).



## Co-operation Department

### 4.3 Co-operative institutions

#### 4.3.1(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, 1860, their total paid up capital and the number of societies in which Government had contributed to their share capital and the amount of share capital invested upto the end of the following three years was as under:-

As on	Societies Registered.		Societies with Government Investment	
	Number	Paid up capital (Rupees in crore)	Number	Amount (Rupees in crore)
31.3.1997	34,461	508.53	22,697	306.19
31.3.1998	36,301	518.00	23,022	355.76
31.3.1999	36,476	518.00	24,502	419.72

Share capital amounting to Rs.3.49 crore (1480 societies) was retired during the year 1998-99.

As on 31 March 1999, 3328 co-operative societies having Government investment amounting to Rs.0.68 crore were under liquidation.

#### 4.3.1(b) Financial assistance

Share capital contributed and financial assistance granted to the societies in various forms during last three years as reported by Commissioner-Cum-Registrar Co-operative Societies in June 1999 were as under:

Year	Share Capital		Grants and subsidy		Loans	
	No. of societies	Amount (Rupees in crore)	No. of societies	Amount (Rupees in crore)	No. of societies	Amount (Rupees in crore)
1996-97	284	20.72	115	13.49	126	8.08
1997-98	325	49.57	211	46.71	71	33.81
1998-99	155	63.96	87	25.68	124	20.27

Government investments through debentures were to the extent of Rs.49.95 crore (including Rs.24.02 crore during the year) as at the end of March 1999 in one society viz., Madhya Pradesh State Co-operative Land Development Bank Limited, Bhopal.



Details of societies with Government investment and running under loss during the years 1996-97 to 1998-99 were as under :-

Year	No. of Societies	Government investment in these societies	Losses incurred during the year	Total losses incurred at the end of the year
----- <i>(Rupees in crore)</i> -----				
1996-97	4011	46.95	23.68	157.89
1997-98	5622	52.25	32.42	166.25
1998-99	6392	63.55	43.44	184.25

#### 4.3.2 Dividend

The details of dividend received from Co-operative institutions and percentage of return to total investment during the years 1996-99 were as under :-

Year ending	Total investment at the end of the year	Amount of dividend received	Percentage return on investment
----- <i>(Rupees in crore)</i> -----			
31.3.1997	306.19	0.0575	0.019
31.3.1998	355.76	0.0177	0.005
31.3.1999	419.72	0.0218	0.005

#### 4.3.3 Guarantees

Government had also guaranteed repayment of loans taken by 10 Co-operative Societies to the extent of Rs.2271.80 crore upto 31 March 1999, out of which Rs.1484.59 crore were outstanding against 9 societies as on 31 March 1999.

#### 4.3.4 Outstanding loans and interest

As on 31 March 1999, the total amount of loans advanced to 7355 Societies was Rs.246.53 crore. As on 31 March 1999, Rs.34.97 crore towards principal from 2706 Societies and Rs.36.35 crore towards interest from 2490 Societies were due for payment but had not been paid.

The Registrar, Co-operative Societies stated (August 1999) that instructions had been issued to the District and Divisional Officers to recover the overdue amount of loan and interest.

\* Percentage has been worked out on the investment at the beginning of the year plus 50 percent of the investment made during the year minus 50 percent of the share capital retired during the year of return on investment.



#### 4.3.5 Arrears of audit

As on 31 March 1999, audit of accounts of Societies by the Registrar was in arrears for a more than three years (865 Societies); for 2 to 3 years (963 Societies); for 1 to 2 years (1688 Societies) and upto 1 year (3309 Societies). The Registrar attributed (August 1999) the arrears to shortage of audit staff.

Audit fee amounting to Rs.7.38 crore was outstanding for recovery by the Registrar as on 31 March 1999.

#### 4.4 Loss due to shortage of paddy

**Shortage of paddy of 47550 quintals during 1995-97 resulted in loss of Rs.1.97 crore.**

The Government of India, Ministry of food, Department of Food Procurement and Distribution, in their instructions of November 1995 and September 1996 allowed driage at the rate of 1.5 per cent and 2 per cent in 1995-96 and 1996-97 respectively while sanctioning rate for procurement of custom-milled rice.

Test check (April 1998) of records of Madhya Pradesh Marketing Federation Bhopal (MARKFED) and further information collected in September 1998 revealed that the actual stock at the year end was much less than what it should have been after allowing the driage percentage laid down by GOI. This is indicated below :

*(Quantity in quintal)*

Year	Paddy procured (including opening balance)	Paddy disposed of	Balance	Less driage	Balance	Actual stock	Shortfall	Value in crore Rupees (on average procurement rate)
1995-96	52,12,307 <sup>1</sup>	24,94,938 <sup>2</sup>	27,17,369	70,392	26,46,977	26,13,363	33,614	1.34
1996-97	40,50,346 <sup>1</sup>	32,20,870 <sup>2</sup>	8,29,476	28,740	8,00,736	7,86,800	13,936	0.63
<b>Total</b>							<b>47,550</b>	<b>1.97</b>

Thus the shortfall of 47,550 quintals, after allowing the permissible driage percentages, resulted in huge loss of Rs.1.97 crore calculated at the average procurement rate of Rs.398.86 and Rs.450.30 per quintal in 1995-96 and 1996-97. The MARKFED did not take any action to investigate/analyse the shortages and fix responsibility.

<sup>1</sup> 1995-96:5212307 quintals (opening balance:519495 quintals+procured:4692812 quintals)  
1996-97:4050346 quintals (opening balance:2613363 quintals+procured:1436983 quintals)  
(Driage has been calculated on quantity of procured paddy)

<sup>2</sup> Includes sales, transfer and issued for milling



When pointed out (April 1998), MARKFED attributed the shortfall to moisture content of the paddy, which was not acceptable as the allowance for this had already been made in the percentages fixed by GOI.

The matter was referred to Government in July 1998 and May 1999; reply had not been received (September 1999).

#### **4.5 Non-recovery of extra cost incurred on rescinded works**

##### **MARKFED failed to recover Rs.38.70 lakh from defaulting contractors who left the works incomplete.**

The standard agreement between Madhya Pradesh Co-operative Marketing Federation Limited, Bhopal (MARKFED) and the contractors for execution of various works invariably provides that if any work is left incomplete by the contractor, MARKFED shall arrange its completion through another contractor or agency at the risk and cost of the original contractor.

Test check (May 1998) of records in the office of the Managing Director, MARKFED, Bhopal and further information collected in September 1998 and June 1999 revealed that extra expenditure of Rs.25.20 lakh was incurred by the MARKFED on 28 works completed between 1992 and 1997, which were left incomplete by the original contractors. The amount was not recovered from the defaulting contractors along with recoverable interest of Rs.13.50 lakh.

On this being pointed out, the Chief Engineer, MARKFED stated (June 1999) that 8 out of 28 cases had been decided by different courts in favour of MARKFED and execution of decrees was in progress. The fact, however, remained that the 4 Regional Engineers, who were responsible for non-recovery in time had since retired/expired and the department had failed to take timely action to fix responsibility for the lapses.

The matter was referred to the Government in July 1998 and May 1999; reply had not been received (September 1999).



**4.6 Loss of interest on belated remittances of sale proceeds of fertilizers**

**Delay in remittance of sale proceeds of fertilizers by Co-operative Banks in MARKFED\* Account during 1972-73 to 1997-98 resulted in loss of interest of Rs.27.93 crore.**

The Madhya Pradesh State Co-operative Marketing Federation Limited, Bhopal sold fertilizers through the Co-operative Societies in the State. As per instructions issued on 31 March 1970 and 31 March 1975 by Registrar, Madhya Pradesh Co-operative Societies, Bhopal, the sale proceeds of fertilizers would be credited to 'Fertilizer Sales Collection Account' in District Central Co-operative Banks on the same day and the credit would be transferred to the Apex Bank on the next day. Failure to do this would entail payment of penal interest by the Apex Bank.

Test check (July 1998) of records of District Marketing Officer (DMO), Jabalpur and information collected from Head Office of MARKFED in November 1998 and June 1999 revealed that though the sale proceeds of fertilizer were being collected by the Divisional and Regional Branches of Madhya Pradesh State Co-operative Bank, the credits were not being passed on to the Head office on the next day. Thus the bank was liable to pay interest for the period of delay. The amount of interest due but not paid in MARKFED's account on belated remittances made by District Central Co-operative Banks during 1972-73 to 1997-98 worked out to Rs.27.93 crore. In addition, Rs.1.54 crore were due on belated credit given by the Apex Bank itself for the period from April 1996 to September 1997. Non credit of accrued interest of Rs.29.47 crore as above resulted in further loss of interest which would have accrued on the amount of interest had it been credited to MARKFED account in time. No claim for interest on interest was, however, preferred by the MARKFED.

On this being pointed out in audit (November 1998), MARKFED stated (November 1998 and June 1999) that the interest on interest was not claimed because the fertilizer distribution policy did not provide for the same, but the claim for it would be preferred as and when the present claim of simple interest is settled.

The matter was referred to the Government in September 1998 and May 1999. reply had not been received (September 1999).

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\* Madhya Pradesh State Co-operative Marketing Federation Limited, Bhopal



Housing and Environment Department

4.7 Infructuous expenditure on Wood Working Centre, Jabalpur

**Delay in conveying the decision to close down the Wood Working Centre, Jabalpur and non-transfer of 104 employees of the closed unit promptly resulted in avoidable operational loss of Rs.72.29 lakh and infructuous expenditure of Rs.83.82 lakh on idle staff.**

Paragraph 6.3 of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) pointed out that the Wood Working Centre Jabalpur, set up in 1977, was continuously running in loss since 1980-81 due to low utilisation of capacity, wastage of timber, processing losses, use of unseasoned timber and poor turn out of bye products. The Public Accounts Committee in its 8<sup>th</sup> Report recommended that the centre may either be transferred or closed. The Madhya Pradesh Housing Board (MPHB) decided in April 1991 to close the unit and to either transfer the employees to other-units of the Board or retrench them.

Further scrutiny of records of Deputy Housing Commissioner, Jabalpur in February 1996 and information collected in March 1997 and June 1999 revealed that the decision of the Board (taken in April 1991) to close down the unit was conveyed by the Commissioner to the unit in March 1994, after three years. The delay was mainly due to about two years time taken by the Commissioner to approach the Labour Court for obtaining the necessary closure orders. The unit discontinued production in March 1994. The cumulative loss till December 1996 was Rs.2 crore including operational loss of Rs.72.29 lakh during April 1991 to March 1994. 104 employees working in the unit were transferred during 1995-96 to 1997-98. The MPHB had to incur infructuous expenditure of Rs.83.82 lakh on account of pay and allowances of the employees during 1994-95 to 1997-98 and upkeep of the centre, without undertaking any manufacturing operation during 1994-98.

Thus, the failure of the Commissioner to take prompt action resulted in avoidable operational loss of Rs.72.29 lakh during April 1991 to March 1994 and infructuous expenditure of Rs.83.82 lakh on pay and allowances of idle staff. On this being pointed out, the MPHB stated (June 1999) that it was not possible for them to transfer 104 employees to other units, at a time.



Report No.3 of 2000 (Civil)

The matter was referred to the Government in May 1999; reply had not been received (September 1999).

J - -

Gwalior

The 17 MAY 2000

(M. M. NIM)  
Accountant General (Audit)-I,  
Madhya Pradesh,

Countersigned

V. K. Shunglu.

New Delhi

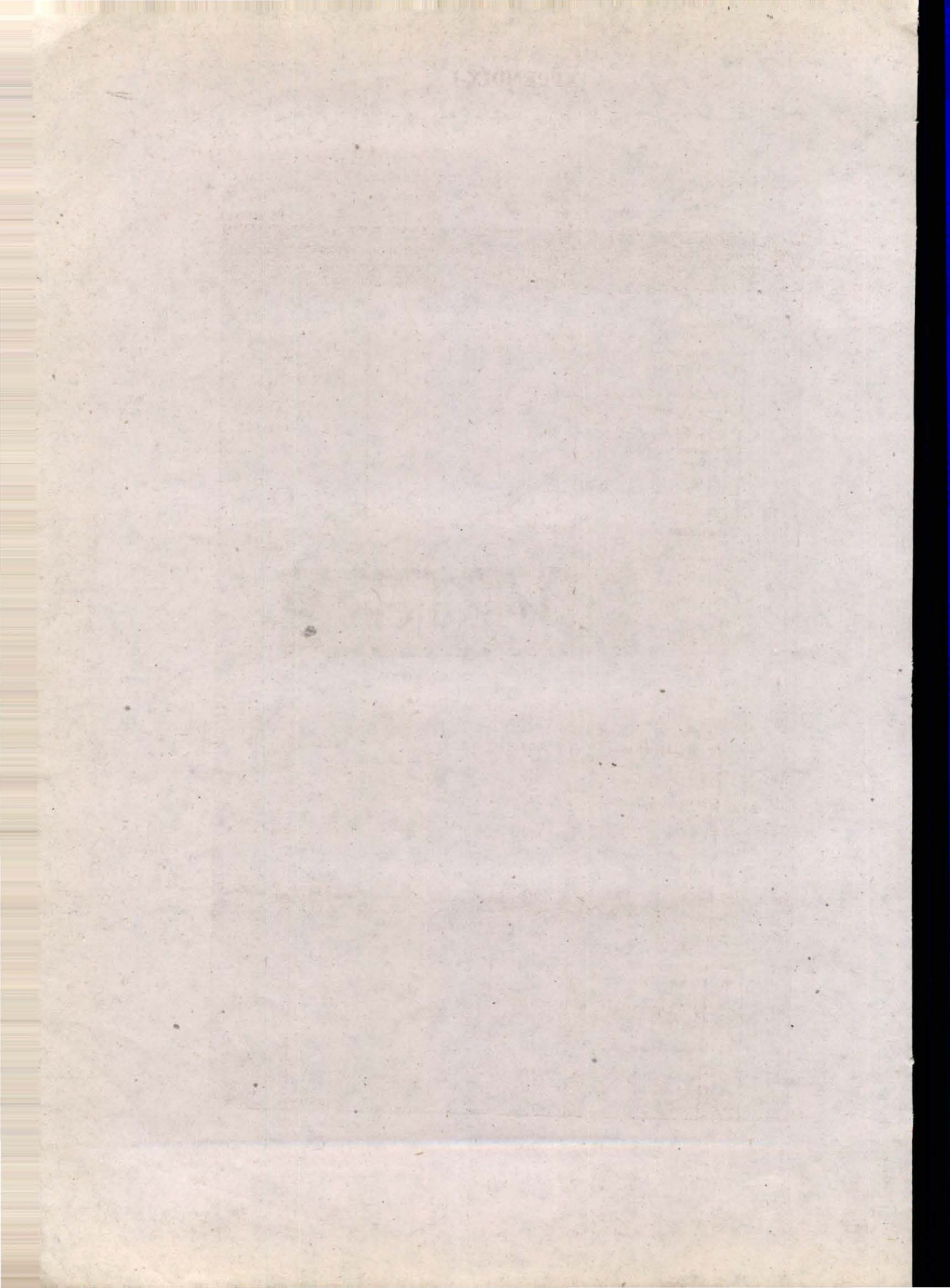
The 29 MAY 2000

(V. K. SHUNGLU)  
Comptroller and Auditor General of India



**APPENDICES**







## APPENDIX-I

(Reference : Paragraph 2.3.4 at page 28)

### Cases where supplementary provision proved unnecessary

(Rupees in crore)

Sl. No.	Number and description of grant/appropriation	Original grant/appropriation	Supplementary grant/appropriation	Actual Expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)
<b>(A) Revenue Voted</b>					
1.	06-Expenditure pertaining to Finance Department	3961.20	119.03	1183.70	2896.53
2.	09-Expenditure pertaining to Revenue Department	22.74	3.95	20.83	5.86
3.	11-Expenditure pertaining to Commerce and Industry Department	36.11	2.70	26.87	11.94
4.	12-Expenditure pertaining to Energy Department	422.94	1.98	420.79	4.13
5.	13 Agriculture	262.82	60.44	236.57	86.69
6.	26-Expenditure pertaining to culture Department	14.80	1.09	14.17	1.72
7.	28-State legislature	15.07	3.15	14.96	3.26
8.	29-Administration of Justice and elections	147.01	11.97	117.54	41.44
9.	31-Expenditure pertaining to planning economics and statistics Department	20.91	2.75	19.66	4.00
10.	35-Rehabilitation	1.59	0.33	1.37	0.55
11.	43-Sports and youth welfare	20.13	5.74	18.13	7.74
12.	44-Higher Education	225.23	26.75	222.46	29.52
13.	46-Science and Technology	2.91	0.22	1.45	1.68
14.	49-Scheduled Caste Welfare	42.77	3.50	41.32	4.95
15.	51-Religious Trust and endowments	4.13	1.21	3.91	1.43
16.	53-Upgradation of standard of Administration recommended by the tenth Finance Commission- Police	2.00	0.50	2.00	0.50
17.	55-Expenditure pertaining to women and Child welfare	194.48	1.37	151.86	43.99
18.	64-Special component plan for scheduled castes	299.68	20.15	267.57	52.26
19.	65-Aviation Department	9.67	0.05	8.68	1.04
20.	73-Externally aided projects pertaining to Housing and Environment Department	50.00	1.00	21.24	29.76



(Rupees in crore)

(1)	(2)	(3)	(4)	(5)	(6)
21.	75-Upgradation of standards of Administration recommended by the Tenth Finance Commission-Jails	1.51	0.50	0.37	1.64
22.	76-Upgradation of standards of Administration recommended by the Tenth Finance Commission - Revenue	0.39	0.52	0.36	0.55
23.	81-Financial Assistance to Urban Bodies	533.35	27.51	532.08	28.78
24.	82-Financial Assistance to Tribal Area Sub Plan-Three Tier Panchayat Raj Institutions.	129.59	0.20	94.93	34.86
	<b>TOTAL 'A'</b>	<b>6421.03</b>	<b>296.61</b>	<b>3422.82</b>	<b>3294.82</b>
<b>B</b>	<b>Revenue Charged</b>				
1.	04-Other Expenditure pertaining to Home Department	--	0.76	--	0.76
2.	08-Land Revenue and District Administration	0.65	0.18	0.40	0.43
3.	16-Fisheries	0.01	0.01	--	0.02
	<b>Total 'B'</b>	<b>0.66</b>	<b>0.95</b>	<b>0.40</b>	<b>1.21</b>
<b>C</b>	<b>Capital : Voted</b>				
1.	1-General Administration	0.20	0.83	--	1.03
2.	23-Water Resources Department	232.90	45.83	215.45	63.28
3.	35-Rehabilitation	1.10	0.11	0.97	0.24
4.	41-Tribal Areas Sub-Plan	202.63	14.47	165.60	51.50
5.	56-Rural Industries	1.44	0.09	1.09	0.44
6.	64-Special component Plan for Schedules Castes	62.40	2.50	51.31	13.59
7.	72-Expenditure pertaining to Gas Tragedy Relief Works	8.99	7.51	8.43	8.07
8.	87-Externally aided project pertaining to Animal Husbandry Department	--	0.75	--	0.75
9.	89-Externally aided project pertaining to Public Works Department	--	1.60	--	1.60
	<b>TOTAL 'C'</b>	<b>509.66</b>	<b>73.69</b>	<b>442.85</b>	<b>140.50</b>
<b>D</b>	<b>Capital Charged</b>				
1.	23-Water Resources Department	0.20	6.60	0.01	6.79
	<b>TOTAL 'D'</b>	<b>0.20</b>	<b>6.60</b>	<b>0.01</b>	<b>6.79</b>
	<b>TOTAL (A+B+C+D)</b>	<b>6931.55</b>	<b>377.85</b>	<b>3866.08</b>	<b>3443.32</b>



## APPENDIX-II

(Reference : Paragraph 2.3.5 at page 28)

### Cases where supplementary provision obtained proved excessive

(Rupees in crore)

S.No.	Number and description of grant/appropriation	Original grant/appropriation	Supplementary grant/appropriation	Actual Expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)
<b>A.</b>	<b>Revenue : Voted</b>				
1.	01-General Administration	61.27	16.79	74.83	3.23
2.	03-Police	701.32	189.54	842.24	48.62
3.	04-Other Expenditure pertaining to Home Department	4.63	2.30	5.29	1.64
4.	05-Jail	47.88	10.60	54.62	3.86
5.	07-Expenditure pertaining to Commercial Tax Department	133.67	34.92	163.52	5.07
6.	08-Land Revenue and District Administration	265.20	71.14	293.39	42.95
7.	10-Forest	468.28	113.04	509.92	71.40
8.	15-Dairy development	18.86	7.25	21.31	4.80
9.	16-Fisheries	10.69	4.26	10.78	4.17
10.	17-Corporation	33.91	24.70	58.13	0.48
11.	18-Labour	35.24	10.09	37.92	7.41
12.	19-Public Health and family welfare	512.38	95.52	545.28	62.62
13.	21-Expenditure pertaining to Housing and Environment Department	20.86	3.32	22.95	1.23
14.	22-Expenditure pertaining to Local Government Department	2.26	0.45	2.43	0.28
15.	23-Water Resources Department	271.45	34.92	291.79	14.58
16.	30-Expenditure pertaining to Panchayat & Rural Development Department	278.20	18.35	294.63	1.92



(1)	(2)	(3)	(4)	(5)	(6)
17.	32-Expenditure pertaining to Public Relations Department	20.62	11.08	28.27	3.43
18.	33-Tribal Welfare	502.91	107.04	584.46	25.49
19.	34-Social Welfare	17.72	5.87	21.26	2.33
20.	36-Transport	16.37	9.53	24.72	1.18
21.	39-Expenditure pertaining to food civil supplies and consumer protection Department	42.68	25.77	60.31	8.14
22.	41-Tribal Areas Sub Plan	460.51	78.58	515.49	23.60
23.	45-Minor Irrigation-Works	31.68	7.82	37.33	2.17
24.	47-Man Power Planning Department and Technical Education	108.15	18.82	108.95	18.02
25.	54-Expenditure pertaining to Agriculture Research and Education	20.63	6.77	27.30	0.10
26.	56-Rural Industries	27.50	6.86	29.68	4.68
27.	63-Expenditure pertaining to Minority Welfare Department	1.39	0.52	1.56	0.35
28.	66-Welfare of Backward classes	46.03	1.92	46.05	1.90
29.	72-Expenditure pertaining to Gas Tragedy Relief Works	40.56	35.59	62.72	13.43
30.	79-Expenditure pertaining to Medical Education Department	131.74	23.98	151.65	4.07
31.	80-Financial Assistance to three tier Panchayati Raj Institutions	554.06	148.74	687.28	15.52
32.	87-Externally aided projects pertaining to Animal Husbandry Department	--	1.25	0.06	1.19
	<b>TOTAL 'A'</b>	<b>4888.65</b>	<b>1127.33</b>	<b>5616.12</b>	<b>399.86</b>
<b>B</b>	<b>Revenue : Charged</b>				
1.	01-General Administration	4.94	1.04	5.62	0.36
	<b>TOTAL 'B'</b>	<b>4.94</b>	<b>1.04</b>	<b>5.62</b>	<b>0.36</b>



(1)	(2)	(3)	(4)	(5)	(6)
<b>C</b>	<b>Capital: Voted</b>				
1.	8-Land Revenue and District Administration	3.50	9.00	7.48	5.02
2.	17-Co-operation	18.75	84.97	83.71	20.01
3.	21-Expenditure pertaining to Housing and Environment Department	15.04	16.76	29.57	2.23
4.	57-Externally aided projects pertaining to Water Resources Department	76.00	28.10	85.69	18.41
5.	67-Public Works Building	44.03	19.60	45.03	18.60
6.	71-Special problems recommended by the Tenth Finance Commission Forest	18.00	1.14	18.04	1.10
7.	77-Externally aided projects pertaining to Forest Department	10.00	2.65	11.20	1.45
	<b>TOTAL 'C'</b>	<b>185.32</b>	<b>162.22</b>	<b>280.72</b>	<b>66.82</b>
	<b>TOTAL (A+B+C)</b>	<b>5078.91</b>	<b>1290.59</b>	<b>5902.46</b>	<b>467.04</b>



## APPENDIX-III

(Reference : Paragraph 2.3.6 at page 28)

### Excess over Grant/Appropriation requiring regularisation

(In Rupees)

Sl. No.	Grant number and name	Total Grant/ Appropriation (Rupees)	Actual Expenditure (Rupees)	Amount of excess (percentage of excess) (Rupees)	Main reasons
1.	2.	3.	4.	5.	6.
<b>A. Revenue : Voted</b>					
1.	2-Other Expenditure pertaining to General Administration Department	12,13,02,100	12,84,52,335	(+)71,50,235 (5.9)	Not intimated (September 99)
2.	14-Expenditure pertaining to Animal Husbandry Department	76,90,29,000	78,75,41,159	(+)1,85,12,159 (2.4)	Payment of arrear on account of revision of pay scales (Rs.0.93 crore) Reasons for balance excess have not been intimated (September 1999)
3.	20-Public Health Engineering	4,02,84,80,000	4,53,50,89,631	(+)50,66,09,631 (12.6)	Not intimated (September 99)
4.	24-Public Works-Roads and Bridges	3,39,20,82,000	4,19,40,39,066	(+)80,19,57,066 (23.6)	Not intimated (September 1999).
5.	25-Expenditure pertaining to Mineral Resources Department	22,72,79,000	22,88,90,494	(+)16,11,494 (0.7)	Not intimated (September 99)
6.	27-School Education	17,52,66,35,600	20,50,88,51,904	(+)2,98,22,16,304 (17)	Not intimated (September 1999).
7.	50-Expenditure pertaining to 20 point implementation Department	3,02,87,000	3,46,38,844	(+)43,51,844 (14.4)	Not intimated (September 99)
8.	58-Expenditure on relief on account of Natural Calamities and Scarcity	1,05,90,40,000	1,21,69,48,410	(+)15,79,08,410 (14.9)	Drawal of funds without allotment by the collector accordingly to requirement under the powers delegated to them and drawal of funds according to the requirements



1.	2.	3.	4.	5.	6.
9.	62-Externally aided projects pertaining to Medical Education Department	--	10,71,033	(+)10,71,033 (100)	Not intimated (September 99)
10.	67-Public Works Buildings	3,03,20,02,100	3,18,32,65,623	(+)15,12,63,523 (5)	Not intimated (September 99)
11.	77-Externally aided projects pertaining to Forest Department	64,30,00,000	66,10,99,751	(+)1,80,99,751 (2.8)	Not intimated (September 99)
	Total (A)	30,82,91,36,800	35,47,98,88,250	4,65,07,51,450	
<b>B.</b>	<b>Revenue : Charged</b>				
1.	3-Police	38,30,000	38,32,971	(+)2971 (0.07)	Not intimated (September 99)
2.	20-Public Health Engineering	25,00,000	28,45,405	(+)3,45,405 (13.8)	Not intimated (September 1999).
3.	29-Administration of Justice and Elections	10,86,03,000	12,61,46,673	(+)1,75,43,673 (16.2)	Not intimated (September 99)
4.	81-Financial Assistance to Urban Bodies	23,28,70,000	23,30,99,825	(+)2,29,825 (0.09)	Not intimated (September 1999)
	Total (B)	34,78,03,000	36,59,24,874	1,81,21,874	
<b>C.</b>	<b>Capital : Voted</b>				
1.	59-Upgradation of standards of Administration recommended by the Tenth Finance Commission School Education	26,32,00,000	33,90,31,682	(+)7,58,31,682 (28.8)	Not intimated (September 99)
	Total (C)	26,32,00,000	33,90,31,682	7,58,31,682	
<b>D.</b>	<b>Capital : Charged</b>				
1.	Public Debt	34,40,60,71,000	42,42,59,29,139	(+)8,01,98,58,139 (23.3)	Receipt of loan in excess than anticipated and withdrawals of funds in excess of provision, which could not be assessed accurately during preparation of budget and resulted in increase of over draft to that extent.
	Total (D)	34,40,60,71,000	42,42,59,29,139	(+)8,01,98,58,139	
	Total (A+B+C+D)	65,84,62,10,800	78,61,07,73,945	12,76,45,63,145	

Note : Total excess of Rs.1276.45 crore (Rs.472.65 crore under 12 Grant + Rs.803.80 crore under 5 appropriation).



## APPENDIX-IV

(Reference : Paragraph 2.3.7 at page 28)

### Cases where supplementary provision was insufficient

(Rupees in crore)

Sl. No.	Description of grant/appropriation	Supplementary Provision	Final excess
(1)	(2)	(3)	(4)
<b>A</b>	<b>Revenue : Voted</b>		
1.	02-Other expenditure pertaining to General Administration Department	2.57	0.72
2.	14-Expenditure pertaining to Animal Husbandry Department	31.75	1.85
3.	20-Public Health Engineering	108.65	50.66
4.	24-Public Works Roads and Bridges	0.25	80.20
5.	25-Expenditure pertaining to Mineral Resources Department	8.77	0.16
6.	27-School Education	200.51	298.22
7.	50-Expenditure pertaining to 20 points implementation Department	0.27	0.44
8.	67-Public Works-Buildings	10.69	15.13
9.	77-Externally aided projects pertaining to Forest Department	14.30	1.81
	<b>Total A</b>	<b>377.76</b>	<b>449.19</b>
<b>B</b>	<b>Revenue: Charged</b>		
1.	29- Administration of Justice and Elections	0.89	1.75
	<b>Total B</b>	<b>0.89</b>	<b>1.75</b>
<b>C</b>	<b>Capital: Charged</b>		
1.	Public Debt	998.30	801.99
	<b>Total C</b>	<b>998.30</b>	<b>801.99</b>
	<b>TOTAL (A+B+C)</b>	<b>1376.95</b>	<b>1252.93</b>



## APPENDIX - V

(Reference : Paragraph 2.3.8(a) at page 28)

**Cases where expenditure fell short by more than Rupees one crore and also by more than 10 per cent of the total provision.**

Sl. No.	Grant No.	Description of Grant	Amount of Saving (Rupees in Crore) (Percentage of Provision)	Main reasons for Saving
(1)	(2)	(3)	(4)	(5)
<b>Revenue : Voted</b>				
1.	04..	Other Expenditure pertaining to Home Department	1.64 (23.7)	Less burden due to exigencies (Rs.0.06 crore), Non receipt of sanction & non passing & non drawal of matching grant (Rs.0.10 crore), non filling of vacant post or non completion of formalities, ban on purchase non issue of orders for installation of telephone & non sanction of bills by Treasury (Rs.0.84 crore), non completion of printing, work of district census booklet (Rs.0.17 crore). Reasons for balance saving have not been intimated (September 1999).
2	06.	Expenditure pertaining to Finance Department	2896.54 (71)	For re-appropriation to MH 2054 Treasury and Accounts (Rs.1.95 crore) and balance saving to provide funds for payment of dearness allowance in other grants/Heads.
3	08	Land Revenue and District Administration	42.95 (12.8)	Incurring of expenditure as per Government sanction (Rs.0.80 crore), non receipt of sanction (Rs.0.04 crore) receipt of sanction for lesser amount (Rs.0.89 crore) economic measures (Rs.0.23 crore), non-requirement of funds (Rs.1.42 crore), post remaining vacant (Rs.6.86 crore), non receipt of demand (Rs.1.03 crore), restriction on purchase of vehicles (Rs.0.53 crore). Reasons for balance saving have not been intimated (September 1999).
4	9	Expenditure pertaining to Revenue Department	5.86 (22)	Less requirement of funds restriction on drawals economy cut imposed by the Finance Department. Non receipt of sanction for periodical adjustment from the Government.
5	10	Forest	71.40 (12.3)	Receipt of funds in the last week of financial year (Rs.4.40 crore), receipt of less amount from the Government of India (Rs.3.99 crore). Reasons for balance saving have not been intimated Reasons for balance saving have not been intimated (September 1999).
6	11.	Expenditure pertaining to Commerce and Industry department	11.94 (30.8)	Non receipt of Financial Sanction (Rs.3.51 crore) Economic Cut (Rs.1.51 crore). Non receipt of demand (Rs.0.66 crore) restriction on drawals (Rs.0.50 crore). Reasons for balance saving have not been intimated (September 1999).



(1)	(2)	(3)	(4)	(5)
7	13	Agriculture	86.69 (26.8)	Economic cut imposed by the Government (Rs.4.73 crore) to create corpus of Funds for maintenance of assets under Narmada Valley Scheme (Rs.0.08 crore). Reasons for balance saving have not been intimated (September 1999).
8	15	Dairy Development	4.80 (18.4)	Sanction of lump-sum budget provision and for incurring expenditure in other Milk Scheme. Less collection of milk and non-receipt of sanctions from Government.
9.	16	Fisheries	4.18 (27.9)	Restriction on drawals and economy cut (Rs.0.19 crore) transfer of fund to Fisheries. Agricultural Development Agency (Rs.0.50 crore) and non-receipt of sanction (Rs.0.34 crore). Reasons for balance saving have not been intimated (September 1999)
10	18	Labour	7.41 (16.3)	Restriction of drawals (Rs.0.22 crore), non-demand of arrears (Rs.0.15 crore), non receipt of sanction (Rs.0.71 crore). Reasons for balance saving have not been intimated (September 1999).
11	19	Public Health and Family Welfare	62.62 (10.3)	Economic cut imposed by Government (Rs.2.58 crore), non-receipt of drawal (Rs.0.13 crore), post remaining vacant (Rs.2.00 crore), non utilisation of fund (Rs.0.03 crore), non requirement of fund (Rs.2.16 crore), transfer of expenditure to RCH scheme (Rs.1.67 crore), receipt of sanctions for less amount (Rs.0.76 crore), and providing funds to the scheme 2210-0101-5989 (Rs.0.92 crore). Reasons for balance saving have not been intimated (September 1999).
12	26	Expenditure pertaining to Culture Department	1.72 (10.8)	Non-receipt of bills from Government press (Rs.0.03 crore), post remaining vacant economy measure (Rs.0.25 crore). Restriction on drawal (Rs.0.40 crore) actual expenditure (Rs.0.10 Crore). Reasons for balance saving have not been intimated (September 1999).
13	28	State Legislature	3.26 (17.8)	Non-receipt of list of payment from treasury. Non finalisation of pension cases. Non restoration of Rail Travel Concession facility to formal MLA's. Non-printing of Railway coupon, non payment of pay and allowance of officials of secretariat, Receipt of sanction for lesser amount.



(1)	(2)	(3)	(4)	(5)
14	29	Administration of Justice and Elections	41.44 (26)	Non-payment of bill due to restriction (Rs.1.19 crore), abolition of temporary post, restriction on drawal by the Finance Department, non pendency of TA bills (Rs.15.19 crore). Non-acceptance of honorarium of the employees engaged in Vidhan Sabha Elections (Rs.1.39 crore). Non-submission of TA bills (Rs.2.05 crore). Restriction imposed by the Finance Department on the bills of various items relating to Election (Rs.3.62 crore). Non clearance of bills of old contractors, non commencement of work of issue of Photo Identity Cards to voters (Rs.19.50 crore)
15	31	Expenditure pertaining to Planning Economics and Statistics Department	4.00 (16.9)	Post remaining vacant and economy cut, non payment of bills and organisation of less training courses and restriction on drawals (Rs.2.17 crore). Reasons for balance saving have not been intimated (September 1999).
16	32	Expenditure pertaining to Public Relations Department	3.43 (10.8)	Non-payment of DA/interim relief allowance due to implementation of new pay scale (Rs.0.02 crore). Restriction on drawal (Rs.0.02 crore). Reasons for balance saving have not been intimated (September 1999).
17	39	Expenditure pertaining to Food Civil Supplies and Consumer Protection Department	8.14 (11.9)	Non-drawal of pay and allowances, post remaining vacant, economy measures (Rs.0.81 crore). Non-receipt of sanction from Government (Rs.0.82 crore), post remaining vacant (Rs.1.55 crore). Non receipt of demand (Rs.0.01 crore). Restriction on drawals and Economy measure (Rs.0.02 crore), less demand (Rs.1.94 crore). Reasons for balance saving have not been intimated (September 1999).
18	43	Sports and youth welfare	7.74 (29.9)	Post remaining vacant, restriction on drawals, less expenditure on travelling allowances, washing allowance and refreshment due to less attendance of NCC cadets in Camps and parades (Rs.2.81 crore), non-receipt of proposals and restriction on drawals (Rs.0.58 crore). Reasons for balance saving have not been intimated (September 1999).
19	44	Higher Education	29.52 (11.7)	Non-receipt of proposal (Rs.0.28 crore). Non-payment of arrears of pay and allowances (Rs.9.35 crore). Reasons for balance saving have not been intimated (September 1999).
20	46	Science and Technology	1.68 (53.7)	Restriction on drawal (Rs.0.54 crore). Reasons for balance saving have not been intimated (September 1999).



(1)	(2)	(3)	(4)	(5)
21	47	Man Power Planning Department and Technical Education	18.02 (14.2)	Non receipt of allotment (Rs.1.35 crore) Economy measure (Rs.0.44 crore) Restriction on drawals by the Treasury (Rs.7.14 crore). Non opening of new ITI's (Rs.1.95 crore) Post remaining vacant, non approval of tenders for purchase of computers (Rs.0.81 crore). Reasons for balance saving have not been intimated (September 1999).
22	49	Scheduled Caste Welfare	4.95 (10.7)	Not intimated (September 1999).
23	51	Religious Trusts and Endowments	1.43 (26.8)	Not intimated (September 1999).
24	52	Externally aided projects pertaining to Agriculture Department	1.89 (46.7)	Non-allotment of scheme (Rs.0.61 crore), less demand in Tribal Area and 10 per cent economic cut (Rs.0.91 crore). Reasons for balance saving have not been intimated (September 1999).
25	55	Expenditure pertaining to women and child welfare	43.99 (22.5)	Organisation of Training Programme of Anganwadi workers under World Bank Projects (Rs.2.47 crore). Reasons for balance saving have not been intimated (September 1999).
26	56	Rural Industries	4.68 (13.6)	Non-payment of grant to beneficiaries (Rs.0.49 crore), post remaining vacant (Rs.1.91 crore), economic cut (Rs.0.20 crore) receipt of proposal to lesser amount (Rs.0.09 crore). Reasons for balance saving have not been intimated (September 1999).
27	61	Externally aided Project pertaining to Public Health and Family welfare.	10.73 (80.9)	Non release/late release of assistance from G.O.I (Rs.4.45 Crore) Non receipts of sanction (Rs.0.80 Crore) direct receipts of material from G.O.I (Rs.0.04 Crore). Reasons for balance saving have not been intimated (September 1999).
28	64	Special Component plan for Schedule Castes	52.26 (16.3)	10 percent economy cut, restriction on drawal and non-receipts of demand (Rs.2.98 Crore), non-receipts of sanction (Rs.8.32 Crore), non receipts of funds from Government of India (Rs.16.76 Crore), non release of funds owing to excess disbursement of state share in proceeding year and non-receipts of special permission of drawal from the Government. (Rs.2.00 Crore). Reasons for balance saving have not been intimated (September 1999).
29	65	Aviation Department	1.04 (10.7)	Economic cut and postponement of over-hauling of engine of Air crafts (Rs.0.81 Crore). Reasons for balance saving have not been intimated (September 1999)..



(1)	(2)	(3)	(4)	(5)
30	69	Expenditure pertaining to Urban welfare Department.	14.69 (64.4)	Non-receipts of sanction for drawal, economic cut, revision in Central Government share, Non-release of state share by Government
31	70	Externally aided project pertaining to Man Power Planning Department.	3.00 (18.7)	Post remaining vacant (Rs.0.71 Crore) non-receipts of demand (Rs.0.32 Crore). Reasons for balance saving have not been intimated (September 1999).
32	72	Expenditure pertaining to Gas Tragedy Relief works	13.43 (17.6)	Not intimated (September 1999).
33	73	Externally aided projects pertaining to Housing and Environment Department.	29.76 (58.3)	10% economic cut imposed by the Government (Rs.5 Crore). Reasons for balance saving have not been intimated (September 1999).
34	74	Externally Aided Projects pertaining to Finance Department.	150.50 (100%)	Not intimated (September 1999).
35	75	Upgradation of standards of Administration recommended by the tenth Finance Commission-Jails	1.65 (82.1)	Non allotment of funds by the Government. Non-completion of basic/fundamental requirement for use of the materials to be purchased and non acceptance of bills in the treasuries.
36	78	Externally aided projects pertaining to Rural Industries department.	17.42 (87.1)	Delay in DPR for implementation of the scheme finalised by the OECF Japan (Rs.12.62 Crore). Reasons for balance saving have not been intimated (September 1999).
37	82.	Financial Assistance to Tribal Area Sub-Plan Three Tier Panchayati Raj Institution	34.86 (26.8)	Non-receipt of administrative and financial sanction (Rs.7.56 crore). Belated receipt of sanction for new institution and surrender of funds by Districts (Rs.4.84 crore). Reasons for balance savings have not been intimated (September 1999).
38	83	Financial assistance to Tribal Area Sub-Plan urban bodies	3.71 (100)	Non receipt of allotment from Finance Department.



(1)	(2)	(3)	(4)	(5)
39	84	Financial Assistance to three tier Panchayati Raj Institutions under special component plan for Schedule Castes	27.36 (34.3)	Non-receipt of administrative and Financial sanction from Finance Department (Rs.5.30 crore), receipt of less demand from District (Rs.7.00 crore) non-utilisation of funds by Districts (Rs.0.70 crore) non-receipt of demand (Rs.0.02 crore). Reasons for balance saving have not been intimated (September 1999).
40	85	Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	2.10 (73.4)	Not intimated (September 1999).
41	86	Externally aided projects pertaining to Rural Development Department	1.00 (100)	Non-receipt of funds from the Government of India owing to non-receipt of sanction of the project by the world bank.
42	87	Externally aided projects pertaining to Animal Husbandry Department	1.19 (95.2)	Late receipt of drawing power by the Director of the project (Rs.1.14 crore)
<b>Capital : Charged</b>				
43	23	Water Resources Department	6.79 (98.8)	Not intimated (September 1999).
<b>Capital : Voted</b>				
44	1	General Administration	1.03 (100)	Non-receipt of proposals for medical advances by the Ministers (Rs.0.20 crore). Reasons for balance saving have not been intimated (September 1999).
45	6	Expenditure pertaining to Finance Department	3.93 (17.9)	Not intimated (September 1999)
46	7	Expenditure pertaining to Commercial Tax Department	3.81 (99.7)	Non-receipt of Administrative sanction for payment (Rs.3.78 crore).
47	8	Land Revenue and District Administration	5.02 (40)	Non-receipt of demand from Commissioner, Collector (Rs.3.35 crore). Reasons for balance saving have not been intimated (September 1999).
48	9	Expenditure pertaining to Revenue Department	1.17 (95.1)	Restriction on drawal imposed by the Finance Department.



(1)	(2)	(3)	(4)	(5)
49	11	Expenditure pertaining to Commerce and Industries Department	7.30 (59)	Non-receipt of demand, non-receipt of sanction, economy cut imposed by Government, diversion of funds to other loan head for payment to Raj Kumar Mill, Indore and Sajjan Mill, Ratlam on account of recoupment of cash losses. Diversion of fund in other scheme for construction of roads, drain in industrial area Ghatia, (Ujjain).
50	13	Agriculture	2.53 (79.8)	Economic cut imposed by the Government (Rs.0.04 crore). Reasons for balance saving have not been intimated (September 1999).
51	17	Co-operation	20.01 (19.3)	Non-receipt of sanction from Government (Rs.4.42 crore), non-receipt of sanction for drawal of State share (Rs.8.85 crore), non acceptance of adjustment bill by the treasury (Rs.1.20 crore). Reasons for balance saving have not been intimated (September 1999).
52	23	Water Resources Department	63.28 (22.7)	Non-release of sanction by the Finance Department (Rs.24.64 crore). Lump-sum provision made in the scheme (Rs.6.33 crore). Reasons for balance saving have not been intimated (September 1999).
53	24	Public Works Roads and Bridges	15.97 (34.1)	Not intimated (September 1999).
54	39	Expenditure pertaining to Food Civil Supplies and Consumer Protection Department	2.74 (18.3)	Non-receipt of sanction from the Government (Rs.2.00 crore). Reasons for balance saving have not been intimated (September 1999).
55	41	Tribal Areas Sub-Plan	51.50 (23.7)	Non-receipt of sanction from Corporation and Government (Rs.5.02 crore). Restriction on drawals and 10 per cent economic cut (Rs.16.06 crore), non-utilisation of amount owing to late receipt of fund by the Government (Rs.2.07 crore). Non receipt of sanction (Rs.3.50 crore) sanction of less number of scheme under NABARD (Rs.0.90 crore) and 10 per cent economy cut (Rs.1.15 crore). Reasons for balance saving have not been intimated (September 1999).
56	42	Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	17.17 (33.1)	Non-allotment of funds and restriction on expenditure imposed by the Tribal Welfare Department (Rs.8.00 crore). Reasons for balance saving have not been intimated (September 1999).



(1)	(2)	(3)	(4)	(5)
57	45	Minor Irrigation Works	29.18 (27.5)	Restriction on drawal imposed by the Finance Department (Rs.1.00 crore) and transfer of funds for construction work of Manki Minor Irrigation project (Rs.0.20 crore) Reasons for balance saving have not been intimated (September 1999).
58	48	Narmada Valley Development	122.79 (30.2)	Restriction on drawals (Rs.13.61 crore) post remaining vacant (Rs.1.06 crore). Non-payment of award due to non-receipt of orders from Honourable Court (Rs.98.52 crore). Reasons for balance savings have not been intimated (September 1999).
59	55	Expenditure pertaining to Women and Child Welfare	14.18 (40)	Not intimated (September 1999).
60	57	Externally aided projects pertaining to Water Resources Department	18.41 (17.7)	Amount withheld by the Finance Department (Rs.2.00 crore). Reasons for balance saving have not been intimated (September 1999).
61	58	Expenditure on Relief on account of Natural Calamities and Scarcity	2.16 (72)	Not intimated (September 1999).
62	62	Externally aided projects pertaining to Medical Education	28.27 (67.3)	Not intimated (September 1999).
63	64	Special Component Plan for Scheduled Castes	13.59 (20.9)	Non-receipt of sanction (Rs.3.50 crore), late receipt of sanction (Rs.3.00 crore). Sanction of less number of schemes, under NABARD (Rs.0.90 crore), 10 per cent economic cut imposed by the Government (Rs.0.07 crore). Reasons for balance saving have not been intimated (September 1999).
64	67	Public Works Buildings	18.60 (29.2)	Not intimated (September 1999).
65	68	Public Works relating to Tribal Areas Sub-Plan-Buildings	2.44 (68.9)	Non-receipt of sanction of works (Rs.0.80 crore). Reasons for balance saving have not been intimated (September 1999).
66	70	Externally aided projects pertaining to Man-Power Planning Department	3.98 (100)	Not intimated (September 1999).



(1)	(2)	(3)	(4)	(5)
67	72	Expenditure pertaining to Gas Tragedy Relief Works	8.07 (48.9)	Not intimated (September 1999).
68	77	Externally aided projects pertaining to Forest Department	1.45 (11.5)	Not intimated (September 1999).
69	81	Financial assistance to urban bodies	13.11 (92.7)	Non-receipt of allotment of funds from the Finance Department (Rs.13.11 crore).
70	89	Externally Aided Projects pertaining to Public Works Department	1.60 (100)	Not intimated (September 1999).



## APPENDIX-V (a)

(Reference : Paragraph 2.3.8(b) at page 28)

### Cases where entire budget provision under Central Schemes remained un-utilised

(Rupees in crore)

Sl. No.	Grant number and name	Head of account	Budget provision not utilised (Rupees in crore)
1.	2.	3.	4.
<b>(A) Centrally Sponsored Schemes</b>			
1.	23-Water Resources Department	4701-01-202-0701-8586-Immediate Irrigation benefit programme	14.00
2.	23-Water Resources Department	4701-01-203-0701-8586-Immediate Benefit Programme	12.00
3.	41-Tribal Areas Sub Plan (14-Agriculture Department)	2401-796-102-0702-6430-Integrated Grains Development Programme	1.55
4.	41-Tribal Areas Sub Plan (25-Scheduled Tribe and Scheduled Castes Welfare Department)	4225-02-796-277-0702-8687- Constructions of 29 Hostel Buildings	1.02
5.	64-Special Component Plan for Scheduled Castes (21-Law and Legislative Affairs Department)	2225-01-789-800-0703-5171- Establishment of Special Court	2.33
6.	64-Special Component Plan for Scheduled Castes (2-Home Department)	4059-60-789-800-0703-5172- Establishment of new police stations	1.80
7.	84-Financial Assistance to Three Tier Panchayati Raj Institutions under Special Component Plan for Scheduled Castes	2215-01-789-191-0703-1194-Rural Water Supply Schemes	1.00
<b>(B) Central Sector Schemes</b>			
8.	11-Expenditure pertaining to Commerce and Industry Department	2852-80-800-0801-705-Development and construction work in industrial areas/estates	10.00
9.	13-Agriculture	2401-103-0801-6512-Seeds production programme in Drought Prone Areas	1.35
10.	13-Agriculture	2401-105-0801-8313 Central Sector Schemes for integrated and balanced use of manures	1.00
11.	19-Public Health and Family Welfare	2210-06-800-0801-1801-Aid and Material under TCA Programme	12.08
12.	19-Public Health and Family Welfare	2211-800-0801-2498-Supply of conventional contraceptives	14.50
13.	19-Public Health and Family Welfare	2211-800-0801-2510-Transport Equipment	6.00
14.	19-Public Health and Family Welfare	2211-800-0801-6106-Universal Immunisation	17.27
15.	19-Public Health and Family Welfare	3606-237-0801-2498-Supply of conventional contraceptives	14.50
16.	19-Public Health and Family Welfare	3606-237-0801-2511-Transport equipment	6.00



1.	2.	3.	4.
17.	19-Public Health and Family Welfare	3606-237-0801-4244-Malaria	12.00
18.	19-Public Health and Family Welfare	3606-237-0801-0802-Child life and safe maternity programme	17.27
19.	41-Tribal Area Sub-Plan (25 Scheduled Tribes and Scheduled Castes Welfare Department)	2225-02-796-277-0802-5232-Grant to MP Housing School Samiti	7.00
20.	79-Expenditure pertaining to Medical Education Department	2210-05-101-0801-7313-Establishment of Ayurvedic Academy in Chitrukut District Satna.	1.50
(C)	602-Scheme Financed out of additive funds of Government of India for Tribal Sub-Plan		
21.	41-Tribal Areas Sub-Plan (25 Scheduled Tribes and Scheduled Caste Welfare Department)	2225-02-794-190-0602-4675-Self Employment Scheme	7.00
<b>Total</b>			<b>161.17</b>



## APPENDIX-VI

(Reference :- Paragraph 2.3.9(a) at page 28)

### Cases of Persistent savings

(Rupees in crore)

Sl. No.	Number of Name of grant	Amount of Saving (Percentage of saving in Brackets)		
		1996-97	1997-98	1998-99
(1)	(2)	(3)	(4)	(5)
<b>Revenue: Voted</b>				
1.	6-Expenditure pertaining to Finance Department	508.10 (42)	441.12 (36.1)	2896.54 (71)
2.	11-Expenditure pertaining to Commerce and Industry Department	9.81 (23)	19.10 (22.2)	11.94 (30.8)
3.	43-Sports and Youth Welfare	7.05 (33)	6.08 (31.8)	7.74 (29.9)
4.	73-Externally aided projects pertaining to Housing and Environment Department	31.05 (82)	37.52 (75.0)	29.76 (58.3)
5.	82-Financial Assistance to Tribal Areas Plan-Three Tier Panchayati Raj Institution	18.73 (21)	65.95 (30.1)	34.86 (26.8)
6.	84-Financial Assistance to Three Tier Panchayati Raj Institutions under special component plan for schedule castes	13.00 (44)	35.05 (39.2)	27.36 (34.3)
7.	85-Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	1.20 (32)	2.01 (41.3)	2.10 (73.4)
<b>Capital : Voted</b>				
8.	8-Land Revenue and District Administration	2.46 (70)	3.67 (37.7)	5.02 (40)
9.	13-Agriculture	8.04 (89)	3.18 (85.5)	2.53 (79.8)
10.	23-Water Resources Department	58.03 (21)	92.83 (32.7)	63.28 (22.7)
11.	41-Tribal Areas Sub-Plan	49.38 (27)	65.84 (39.2)	51.50 (23.7)
12.	45-Minor Irrigation Works	28.11 (31)	36.86 (32.2)	29.18 (27.5)
13.	48-Narmada Valley Development	105.11 (29)	120.86 (31.4)	122.79 (30.2)
14.	64-Special Component Plan for Scheduled Castes	16.50 (22)	30.05 (43.9)	13.59 (20.9)
15.	68-Public Works relating to Tribal Areas Sub-plan	5.46 (50)	7.92 (82.7)	2.44 (68.9)



## APPENDIX-VI (a)

(Reference : Paragraph 2.3.9(b) at page 28)

### Cases of persistent Excess

(Rupees in crore)

Grant Number	Description of Grant	Amount of Excess (Percentage of excess in bracket)		
		1996-97	1997-98	1998-99
<b>Revenue (Voted)</b>				
1.	20-Public Health Engineering	58.67 (19)	95.52 (30)	50.66 (12.6)
2.	24-Public Works-Roads and Bridges	57.91 (18)	41.07 (12)	80.20 (23.6)
3.	27-School Education	25.45 (17)	54.15 (3.6)	298.22 (17)
4.	58-Expenditure on Relief on Account of Natural Calamities and Scarcity	13.28 (13)	38.47 (18)	15.79 (14.9)
5.	67-Public Works-Buildings	57.62 (22)	58.68 (20)	15.13 (5)



## APPENDIX-VII

(Reference : Paragraph 2.3.10(a) at page 28)

### Cases involving substantial excesses under the schemes

(Rupees in crore)

Sl. No.	Number and name of grant	Name of scheme	Amount of excess	Percentage of excess
(1)	(2)	(3)	(4)	(5)
1.	3-Police*	2055-001-1011-Regional IG and Divisional Establishment	6.82	246
2.	10-Forest	2406-01-101-0101-2965-Rehabilitation of degraded forest*	7.83	675
3.	20-Public Health Engineering	2215-01-199-4058 Miscellaneous PWD advances 010-Stock	63.51	222.8
4.	23-Water Resources Department	4701-01-211-0101-9193-Payment to Betwa River Board	12.39	2478
5.	23-Water Resources Department	4701-01-214-0101-2884-canal and apartment work	7.75	254.9
6.	24-Public Works, Roads and Bridges	3054-04-337-137-134-Maintenance and Repairs (ordinary)	104.31	419.3
7.	24-Public Works, Roads and Bridges	3054-80-001-2301-Direction and Administration Prorata share of establishment transfer from grant 67 major head-2059	51.99	147.4
8.	27-School Education	2202-02-110-0101-4219-Fringe benefits Reimbursement of tuition fees	6.89	1378
9.	30-Expenditure pertaining to Panchayat and Rural Development Department	2501-01-001-0701-4066 Special Economic Programme	9.28	1856
10.	41-Tribal Areas Sub-plan (31-Water Resources Department)	4701-03-796-800-0102-5188-Construction of Medium Irrigation Project (NABARD)	15.18	523.4
11.	44-Higher Education	2202-03-103-3444-Maintenance grant to colleges	32.11	1337.9
12.	47-Man Power Planning Department and Technical Education	2203-112-0101-502-Engineering Colleges	9.85	191.3



(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
13.	48-Narmada Valley Development	4801-01-206-0101-3561-Headquarter establishment	15.39	3117.6
14.	57-Externally aided projects pertaining to water resources department	4701-01-242-1201-2367-Construction work	19.50	121.9
15.	58-Expenditure on account of natural calamities and scarcity	2245-01-102-2661-Drinking Water Supply Scheme	5.85	292.5
16.	58-Expenditure on account of natural calamities and scarcity	2245-02-101-747-Relief to hail storm sufferers	11.67	264.6
17.	58-Expenditure on account of natural calamities and scarcity	2245-02-101-2018-Cash doles	6.46	213.9
18.	58-Expenditure on account of natural calamities and scarcity	2245-80-800-8030-Grant for re-establishment of other works	10.46	1307.5
19.	58-Expenditure on account of natural calamities and scarcity	2202-80-800-3819-Minor Irrigation	7.40	246.7
20.	59-Upgradation of standards of administration recommendation of 10 <sup>th</sup> Finance Commission	4702-01-201-1301-5764-Construction of building for assistance of Girl's Education in Primary Schools under recommendation of 10 <sup>th</sup> Finance Commission	7.58	214.1
21.	64-Special Component Plan for Scheduled Caste (34 - Public Health Engineering Department)	31-Public Health Engineering Department 2215-01-789-191-0103-2181-Urban Water Supply Scheme	5.69	448
22.	81-Financial Assistant to Urban Bodies	2202-01-103-2669-Maintenance Assistance to local bodies rural and urban	10.73	452.7



## APPENDIX-VII(a)

(Reference: Paragraph 2.3.10(b) at Page 28)

### Cases involving substantial savings under schemes.

(Rupees in crore)

Sl. No.	Number and name of grant	Name of scheme	Amount of savings	Percentage of saving
(1)	(2)	(3)	(4)	(5)
<b>Revenue :Voted</b>				
1.	3-Police	2055-001-3680-State headquarters	48.62	94.1
2.	3-Police	2055-800-8333-Expenditure from Road Safety Fund	9.10	100
3.	6-Expenditure pertaining to Finance Department	2070-800-224-other expenditure	3000.00	100
4.	10-Forest	2406-01-102-0101-6699-Expenditure from Forest Development cess fund	7.75	100
5.	11-Expenditure pertaining to Commerce and Industry Department	2852-80-800-0801-705 Development and construction work in Industrial areas/States	10.00	100
6.	19-Public Health and Family Welfare	2210-01-110-7345 Hospitals and Dispensaries	52.21	100
7.	19-Public Health and Family Welfare	2210-06-800-0801-1801-Aid and Material under TCA Programme	12.08	100
8.	19-Public Health and Family welfare	2211-800-0801-2498-supply of conventional contraceptives	14.50	100
9.	19-Public Health and Family welfare	2211-800-0801-2510-Transport equipment	6.00	100
10.	19-Public Health and Family Welfare	2211-800-0801-6106 Universal Immunization	17.27	100
11.	19-Public Health and Family welfare	3606-237-0801-2498-Supply of conventional contraceptive	14.50	100
12.	19-Public Health and Family welfare	3606-237-0801-2511-Transport Equipment	6.00	100
13.	19-Public Health and Family Welfare	3606-237-0801-4244-Malaria	12.00	100
14.	19-Public Health and Family Welfare	3606-237-0801-8282-Child Life and Safe Maternity Programme	17.27	100



(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
15.	23-Water Resources Department	2701-03-800-7362-Pay and allowances etc., for maintenance work	7.30	100
16.	23-Water Resources Department	2701-80-001-7363-pay and allowances for regular employees	27.62	100
17.	27-School Education	2202-01-101-0101-5306-Grant for Rajiv Gandhi Primary Education Mission State Share	9.54	91.6
18.	27-School Education	2202-01-102-8522-Payment of Salary to Teachers of aided Educational Institution	19.19	95.9
19.	29-Administration of justice and election	2015-108-9503-Issue of Photo Identity Cards to Voters	19.53	97.6
20.	41-Tribal Area sub-Plan	20-School Education Department-2202-01-796-101-0102-5087-Grant to Rajiv Gandhi Primary Education Mission	5.60	80
21.	41-Tribal Area sub-Plan	25-Schedule Tribe and Schedule Caste Welfare Department-2225-02-794-190-0602-4675-Self Employment Scheme	7.00	100
22.	41-Tribal Area Sub-Plan	25-Scheduled Tribe and Schedule Caste Welfare Department-2225-02-796-277-0802-5232-Grant to MP Housing School Samiti	7.00	100
23.	44-Higher Education	2202-03-104-0101-3444-Maintenance grant to colleges	24.98	100
24.	45-Minor Irrigation Work	2702-80-800-7362-Maintenance Work	6.30	100
25.	47-man Power Planning Department and Technical Education	2203-104-0101-6523-Post Graduate Courses in Autonomous Engineering College	14.58	81.7
26.	58-Expenditure on Relief on account of Natural Calamities and Scarcities	2215-01-102-4377-Water supply in Scarcity Areas	25.10	93.7



(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
27	69- Expenditure pertaining to Urban Welfare Department	2217-80-191-0701- Centrally Sponsored Schemes-Normal 9106-golden jubilee Urban Employment Scheme	13.32	91.9
28	74-Externally aided projects pertaining to Finance Department	2052-091-0101-5893-Directorate of Studies and Survey and District Poverty Eradication Project-Institutional Finance	150.50	100
29	77-Externally aided projects pertaining to Forest Department	2406-01-101-0102-8315 Forestry project aided by World Bank	11.23	100
30	78-Externally aided projects pertaining to Rural Industry Department	2851-107-1202- Externally aided project Tribal Sub Plan 8300-Extension and development of Tussar	9.94	99.3
31	79-Expenditure pertaining to Medical Education Department	2210-01-110-0101-State Plan Schemes (Normal)-1352-Medical College	9.89	100
32	80-Financial Assistance to three tier Panchayat Raj Institutions	2202-01-0101-7269 Grant for Payment of Pay and Allowances of Siksha Karmis	28.00	100
33	80-Financial Assistance to three tier Panchayat Raj Institutions	2202-01-101-8544-Grant Panchayat for Payment of Pay and Allowances of siksha Karmis	10.00	100
34	80-Financial Assistance to three tier Panchayat Raj Institutions	2236-02-101-8680-Minimum needs programme-special Nutrition Scheme	5.72	95.03
35	80-Financial Assistance to three tier Panchayat Raj Institutions	2515-101-0101-8214-Panchayat Personnels	13.60	100
36	81-Financial Assistance to Urban Bodies	2202-01-101-8543-Grant to local bodies for payment of pay and allowances employees of education department (Siksha Karmis)	5.00	100
37	82-Financial Assistance to Tribal Area sub-Plan-Three Tier panchayat Raj Institution	2515-796-101-0102-5185-Lump-sum Grant for development (Tenth Finance Commission)	22.32	100



(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
38	84-Financial Assistance to three tier Panchayat Raj Institution under special Component Plan for Scheduled Castes	2515-789-101-0103-5185-Lumpsum grant for development	9.75	100
	<i>Capital : Voted</i>			
1	11-Expenditure pertaining to Commerce and Industry Department	Development Payment of compensation 4851-101-0101-9219-Land Acquisition and development-Payment of Compensation	5.12	100
2	23-Water Resources Department	4701-01-202-0701-8586-Immediate Irrigation Benefit programme	14.00	100
3	23-Water Resources Department	4701-01-203-0701-8586-Immediate Irrigation Benefit Programme	12.00	100
4	23-Water Resources Department	4701-80-001-0101-7331 Rajghat Dam Programme	11.50	100
5	23-Water Resources Department	4701-80-001-0101-7321-7321-First phase project under NABARD assistance	6.33	100
6	41-Tribal Area Sub-Plan	27-Narmada Valley Development Department-4701-80-796-800-0102-8689-Medium Irrigation Project (NABARD)	13.00	100
7	45-Minor Irrigation-Works	4702-102-0101-2339-Direction and Administration (Prorata)	27.27	100
8	57-Externally aided projects pertaining to water resources department	4701-01-242-0101-8596-Dam Safety Scheme	22.00	100
9	57-Externally aided projects pertaining to water resources department	4701-01-247-0101-8595-National Hydrology Project	6.10	100
10	67-Public Works Building	4059-01-051-0101-4485-General Administration Department (Building)	5.25	91
11	81-Financial Assistance to urban bodies	6217-60-191-0101-2175-other loans to local bodies corporation	13.11	92.7



(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
	<i>Capital : Charged</i>			
1	23-Water Resources Department	4701-03-209-0101-8597- Payment for land acquisition for Kalia Sot Project	6.60	100



## APPENDIX-VIII

(Reference : Paragraph 2.3.11 at page 29)

### Injudicious/Irregular/Incorrect re-appropriation/surrender

- (a) Some of the cases in which funds were injudiciously withdrawn by re-appropriation/surrender although accounts already shown excess over provision are mentioned below :-

(Rupees in crore)

Sl. No.	Grant number and head of account	Original plus supplementary provision	Actual expenditure	Excess after re-appropriation	Reappropriation/surrender
1.	2.	3.	4.	5.	6.
1.	2-Other expenditure pertaining to General Administration Department, 2235-60-107-4674- Allowances and Gratuities to freedom fighter	6.00	7.17	2.78	(-)1.61
2.	3-Police 2055-101-270 Criminal Investigation Department	30.28	31.53	6.33	(-)5.08
3.	3-Police 2055-109-4491 General Expenditure (District Establishment)	436.63	448.02	14.36	(-)2.97
4.	11-Expenditure pertaining to commerce and Industry Department 2851-200-0101-1464- District Industries Centre	14.14	15.04	2.15	(-)1.25
5.	13-Agriculture 2402-102-0101-3143 Soil Conservation Contour Bunding Schemes	27.11	29.02	3.80	(-)1.89
6.	57-Externally aided projects pertaining to Water Resources Department 4701-01-211-1201-2339 Direction and Administration (Prorata)	39.79	40.86	3.07	(-)2.00
7.	80-Financial Assistance to Three Tier Panchayati Raj Institutions 2202-01-103-0101-8403-Grant for pay to Education Employees Basic Minimum Services	53.32	88.60	(+)37.42	(-)2.14



- (b) Some of the cases in which funds were injudiciously withdrawn by re-appropriation/surrender in excess of available saving resulting in final excess are mentioned below :

(Rupees in crore)

Sl. No.	Grant number and head of account	Original plus supplementary provision	Actual Expenditure	Reappropriation/surrender	Available saving	Excess
1.	2.	3.	4.	5.	6.	7.
1.	3-Police 2055-104-4492 Normal Expenditure (Special Police)	196.31	193.34	(-)8.63	2.97	5.66
2.	17-Co-operation 2425-107-0101- 8551 Assistance for write off interest of hailstorm/heavy rain sufferer farmers	8.15	6.94	(-)1.39	1.21	0.18
3.	19-Public Health and Family Welfare 2211-103-0801- 8282-Child life and safe maternity programme	3.64	2.27	(-)1.67	1.37	0.30
4.	21-Expenditure pertaining to Housing Environment Department 4217-01-051-0101- 284 Non Residential Building	6.77	5.34	(-) 1.61	1.43	0.18
5.	23-Water Resources Department 4701-01-216-0101- 2884 Canal and Appurtenant work	9.20	6.26	(-)4.42	2.94	1.48
6.	30-Expenditure pertaining to Panchayat and Rural Development Department 2501-01-101-0701- Centrally sponsored Scheme-8376- Construction of mini ITI	12.00	2.95	(-)9.22	9.05	0.17



(Rupees in crore)

1.	2.	3.	4.	5.	6.	7.
7.	39-Expenditure pertaining to Food Civil Supplies and Consumer Protection Department-2408-01-001-1471-District Offices	10.94	9.82	(-)1.59	1.12	0.47
8.	41-Tribal Areas sub-plan (14 Agriculture Department) 2705-796-800-0802-9327-National Water Grid Area Development Scheme	10.78	7.52	(-)3.86	3.26	0.60
9.	41-Tribal Areas Sub-plan 22-Panchayat and Rural Development Department 2501-01-796-101-0702-6121-Training of Rural Youth for self employment	2.50	1.48	(-)1.15	1.02	0.13
10.	42-Public Works relating to Tribal Areas Sub-plan-Roads and Bridges-5054-03-796-101-0101-5255-Costruction of bridges (NABARD)	19.92	14.20	(-)10.00	5.72	4.28
11.	42-Public Works relating to Tribal Areas Sub-plan-Roads and Bridges-5054-04-794-800-0602-1910-Construction of Roads in Bastar	10.00	4.64	(-)8.00	5.36	2.64
12.	56-Rural Industries 2851-107-0101-8585 Establishment of offices of decentralisation of programmes and duties of Panchayat	1.78	0.56	(-)1.44	1.22	0.22



(Rupees in crore)

1.	2.	3.	4.	5.	6.	7.
13.	64-Special Component Plan for Scheduled Castes 22-Panchayat and Rural Development Department 2505-01-789-702-0703-Centrally sponsored scheme SCP-9376-Jawahar Rojgar Yojna	85.00	73.09	(-)13.59	11.91	1.68
14.	75-Upgradation of standards of Administration recommended by the Tenth Finance Commission-Jail 2056-001-5858-Repairs and renovation of barracks	1.24	0.19	(-)1.24	1.05	0.19
15.	78-Externally aided projects pertaining to Rural Industries Department 2851-107-1201-Externally aided project normal 3394-Extension of Mulberry	5.00	2.32	(-)2.74	2.68	0.06
16.	84-Financial Assistance to three tier Panchayati Raj Institutions under Special Component Plan for Scheduled Castes 25-Scheduled Tribes and Scheduled Casts Welfare Department 2225-01-789-277-0103-Special Component Plan for Scheduled Castes 5133-other scholarships	18.00	13.04	(-)5.12	4.96	0.16



- (c) Some of the cases of unnecessary augmentation of funds by re-appropriation despite saving under the relevant grant are mentioned below.

(Rupees in crore)

Sl. No.	Grant No. and head of account	Original plus supplementary provision	Actual expenditure	Final Saving	Reappropriation
1.	2.	3.	4.	5.	6.
1.	23-Water Resources Department 2701-01-201-6135 Canal	11.64	10.03	1.61	(+)2.43
2.	58-Expenditure on Relief on Account of Natural Calamities and Scarcity. 2406-01-101-3891 Plantation Work	3.00	0.64	2.36	(+)2.75
3.	58-Expenditure on Relief on Account of Natural Calamities and Scarcity-2515-800-2389-Construction work	1.00	0.44	0.56	(+)1.18
4.	58-Expenditure on Relief on Account of Natural Calamities and Scarcity 3054-04-337-1467-District and other Roads	2.00	0.47	1.53	(+)4.56
5.	72-Expenditure pertaining to Gas Tragedy Relief Works-2210-01-001-4566-Sultania Lady Hospital	3.53	--	3.53	(+)2.40



- (d) Cases in which funds were injudiciously augmented by re-appropriation more than the amount required to cover the excess of expenditure over the provisions are mentioned below.

(Rupees in crore)

Sl. No.	Grant No. and head of account	Original plus supplementary provision	Re-appropriation	Actual expenditure	Excess before re-appropriation
1.	2.	3.	4.	5.	6.
1.	3-Police 2055-003-195-Other Police Training Centre	11.97	(+)1.38	13.18	1.21
2.	23-Water Resources Department 2701-80-001-275-Abiyana Establishment	10.50	(+)3.30	13.35	2.85
3.	39-Expenditure pertaining to Food Civil Supplies and Consumer Protection Department 2408-01-102-0101-570-To bring fair price shop under Co-operative and subsidy to meet losses in the sale of Joar	11.05	(+)5.37	13.66	2.61
4.	41-Tribal Areas Sub-Plan (22-Panchayat and Rural Development Department) 2501-01-796-101-0102-4972-Grant-in-aid to DRDA	15.00	(+)4.69	19.59	4.59
5.	48-Narmada Valley Development 4701-01-233-0101-2433-Executive Establishment	3.29	(+)1.17	4.32	1.03
6.	58-Expenditure on Relief on Account of Natural Calamities and Scarcity 2702-80-800-3819-Minor Irrigation (Agriculture)	3.00	(+)10.91	10.40	7.40
7.	64-Special Component Plan for Scheduled Castes (22-Panchayat and Rural Development Department) 2501-01-789-800-0103-657-Integrated Rural Development Scheme	25.70	(+)1.52	26.64	0.94



## APPENDIX-IX

(Reference : Paragraph 2.3.12 at page 29)

### Expenditure incurred without Budget Provision

(Rupees in lakh)

Sl. No.	Grant Number	Head of Account	Expenditure incurred without approval of legislature
1.	2.	3.	4.
1.	2-Other expenditure pertaining to General Administration Department	2052-092-8243-Human Rights Commission	87.60
2.	6-Expenditure pertaining to Finance Department	7610-800-8086-Medical Advances	9.67
3.	11-Expenditure pertaining to Commerce and Industry Department	6860-01-190-0101-3283-Compensation of cash losses in Jaora, Mahidpur, Daloda Sugar Mills	4.00
4.	11-Expenditure pertaining to Commerce and Industry Department	6860-01-190-0101-9040-Loan to MP State Industries Corporation	33.00
5.	62-Externally aided projects pertaining to Medical Education	2515-102-0101-State Plan Schemes (Normal) UNICEF Assistance	10.71
<b>Total</b>			<b>144.98</b>



## APPENDIX-X

(Reference: Paragraph 2.3.13(a) at page 29)

### Lapsing of budget provision

(Rupees in crore)

Sl. No.	Number and name of Grant/Appropriation	Total available saving	Amount not surrendered (percentage to total saving in brackets)
(1)	(2)	(3)	(4)
<i>Revenue : Voted</i>			
1.	8 Land Revenue and District Administration	42.95	37.53 (87.4)
2.	10 Forest	71.40	28.64 (40.1)
3.	11 Expenditure pertaining to Commerce and Industry Department	11.94	5.18 (43.4)
4.	13 Agriculture	86.69	12.40 (14.3)
5.	19 Public Health and Family Welfare	62.62	50.39 (80.5)
6.	43 Sports and Youth Welfare	7.74	5.97 (77.1)
7.	44 Higher Education	29.52	19.57 (66.3)
8.	47 Man Power Planning Department and Technical Education	18.02	11.73 (65.1)
9.	55 Expenditure pertaining to Woman and Child Welfare	43.99	43.99 (100)
10.	64 Special Component Plan for Scheduled Castes	52.26	27.33 (52.3)
11.	72 Expenditure pertaining to Gas Tragedy Relief Works	13.43	13.43 (100)
12.	73 Externally aided projects pertaining to Housing and Environment Department	29.76	5.00 (16.8)
13.	74 Externally aided projects pertaining to Finance Department	150.00	150.00 (100)
14.	81 Financial Assistance to Urban Bodies	28.77	22.88 (79.5)
15.	82 Financial Assistance to Tribal Area Sub Plan-Three Tier Panchayati Raj Institution	34.86	23.84 (68.4)
16.	84 Financial Assistance to three tier Panchayati Raj Institutions under Special Component Plan for Schedule Castes	27.36	10.84 (39.6)
<b>TOTAL (A)</b>			<b>463.21</b>



(1)		(2)	(3)	(4)
<b>B-Revenue : Charged</b>				
1.		Interest payment and Servicing Department	136.33	136.29 (100)
		<b>Total (B)</b>		<b>136.29</b>
<b>C-Capital : Voted</b>				
1.	23	Water Resources Department	63.23	34.54 (54.6)
2.	24	Public Works Road and Bridges	15.97	15.97 (100)
3.	41	Tribal Area Sub-plan	51.50	25.46 (49.4)
4.	45	Minor Irrigation Works	29.18	27.83 (95.4)
5.	48	Narmada Valley Development	122.79	19.79 (16.1)
6.	55	Expenditure pertaining to Women and Child Welfare	14.18	14.18 (100)
7.	57	Externally aided projects pertaining to Water Resources Department	18.41	16.41 (89.1)
8.	62	Externally aided projects pertaining to Medical Education	28.27	28.27 (100)
9.	67	Public Works Buildings	18.60	18.60 (100)
10.	72	Expenditure pertaining to Gas Tragedy Relief Works	8.07	8.07 (100)
11.	81	Financial Assistance to Urban Bodies	13.11	13.11 (100)
<b>D-Capital : Charge 1</b>				
1	23	Water Resources Department	6.79	6.79 (100)
		<b>Total-D</b>		<b>6.79</b>
		<b>Grand Total (A+B+C+D)</b>		<b>828.31</b>



## APPENDIX-XI

(Reference paragraph 2.3.14(a) at page 29)

### Cases of injudicious surrender

(Rupees in crore)

Sl. No.	Grant number and name	Available Saving	Amount Surrendered
(1)	(2)	(3)	(4)
<b>(A)</b>	Revenue (Voted)		
1.	1-General Administration	3.23	3.90
2.	3-Police	48.62	64.35
3.	6-Expenditure pertaining to Finance Department	2896.54	2993.18
4.	7-Expenditure pertaining to Commercial Tax Department	5.07	12.29
5.	17-Co-operation	0.48	2.68
6.	21-Expenditure pertaining to Housing and Environment Department	1.23	3.29
7.	26-Expenditure pertaining to Culture Department	1.72	2.26
8.	29-Administratoin of Justice and Election	41.44	45.21
9.	30-Expenditure pertaining to Panchayat and Rural Development Department	1.92	23.05
10.	40-Expenditure pertaining to Command Area Development Department	0.93	1.04
11.	41-Tribal Areas Sub-plan	23.60	49.96
12.	69-Expenditure pertaining to Urban Welfare Department	14.69	14.71
13.	75-Upgradation of standards of Administration recommended by the Tenth Finance Commission-Jail	1.65	1.84
14.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	15.52	42.25
	<b>Total - A</b>	<b>3056.64</b>	<b>3260.01</b>
<b>(B)</b>	<b>Capital : Voted</b>		
1.	40-Expenditure pertaining to Command area Development Department	0.66	0.67
2.	42-Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	17.17	18.00
3.	75-Upgradation of standards of Administration recommended by the Tenth Finance Commission-Jails	0.40	0.48
	<b>Total - B</b>	<b>18.23</b>	<b>19.15</b>



(Rupees in crore)

(1)	(2)	(3)	(4)
(C)	<b>Capital : Charged</b>		
1.	11-Expenditure pertaining to Commerce and Industry Department	0.75	0.76
	<b>Total - C</b>	<b>0.75</b>	<b>0.76</b>
	<b>Grand Total - (A+B+C)</b>	<b>3075.62</b>	<b>3279.92</b>



## APPENDIX-XI(a)

(Reference : Paragraph 2.3.14(b) at page 29)

### Cases of injudicious/unrealistic surrenders

Sl. No.	Grant number and Name	Excess over provision	Amount surrendered
<b>A- Revenue Voted</b>			
1	2-Other expenditure pertaining to General Administration Department	0.72	1.47
2.	14-Expenditure pertaining to Animal Husbandry Department	1.85	1.89
3.	25-Expenditure pertaining to Mineral Resources Department	0.16	1.19
4.	27-School Education	298.22	1.84
5.	67-Public Works Buildings	15.13	1.94
	<b>Total-A</b>	<b>316.08</b>	<b>8.33</b>
<b>B-Revenue Charged</b>			
1.	29-Administration of Justice and Election	1.75	0.01
	<b>Total-B</b>	<b>1.75</b>	<b>0.01</b>
	<b>Total A+B</b>	<b>317.83</b>	<b>8.34</b>



**APPENDIX-XII***(Reference : Paragraph 2.3.18 at page 31)***Non-reconciliation of expenditure figures**

Sl. No.	Head of Account	Grant No.	Amount of expenditure not reconciled during the year (Rupees in crore)
1.	2.	3.	4.
1.	2013	1	7.56
2.	2052	2	1.14
3.	2202/4202	27, 44 and 59	2376.52
4.	2210	18, 19, 41, 72 and 79	673.46
5.	2211	1, 19, 41, 61 and 64	100.54
6.	2250	2	1.57
7.	2401	13, 41 and 52	84.31
8.	2415	13, 16, 54 and 64	13.01
9.	2406/4406	10, 41, 58, 64, 71 and 77	72.58
10.	2425	17, 32, 41 and 64	48.10
11.	2810	12	0.50
12.	2852	11 and 12	6.71
13.	3425	46	1.55
14.	4210	62	3.73
15.	4425	17	59.14
16.	6425	17	18.37
Total Major Heads : 18		Total	3468.79



### APPENDIX-XIII

(Reference : Paragraph 2.3.19 at page 31)

#### Defective sanction of Re-appropriation/ Surrender

Sl. No.	Number of sanctions	Grant number	Amount (Rupees in crore)	Particulars of irregularities
1	1	55	7.39	Sanction for re-appropriation of more than Rs.10.00 lakh were issued without prior approval of Finance Department
2.	4	18	4.26	Fund to the head "Office Expenses" increased by re-appropriations and funds re-appropriated from "Salary and Wages" heads to other heads
3.	1	4	0.44	Sanction were issued after expiry of Financial year 1998-99
4.	6	10, 11, 56, 16, 37	4.26	Non-availability of funds in the heads from which re-appropriation/surrender was sanctioned
5.	1	27	17.39	Non-availability of details of minor heads sub-heads, detailed heads on sanctions
6.	1	27	4.43	Late receipt of sanctions after closing of Appropriation account 1998-99
7.	1	6	5.70	Non tally of totals of both the sides of Re-appropriation Sanctions
8.	1	25	0.02	Re-appropriation from charged to voted
<b>Total</b>	<b>16</b>		<b>43.89</b>	



## APPENDIX-XIV

(Reference : Paragraph 2.3.20 at page 31)

### Rush of Expenditure during March 1999

(Rupees in crore)

Sl. No.	Grant number and description of grant	Total Provision	Expenditure upto			Total Expenditure upto March 1999	Expenditure in March	Percentage of expenditure in March to total expenditure
			June 1998	September 1998	December 1998			
1.	17-Co-operation	162.35	4.45	19.17	25.34	141.84	71.66	50.5
2.	21-Expenditure pertaining to Housing and Environment Department	56.17	5.51	13.06	18.54	52.70	29.89	56.7
3.	25-Expenditure pertaining to Mineral Resources Department	22.76	2.13	5.58	8.38	22.92	11.34	49.5
4.	36-Transport	25.92	3.05	6.90	9.75	24.74	11.58	46.8
5.	39-Expenditure pertaining to food Civil Supplies and Consumer protection Department	83.49	0.0045	22.45	21.09	72.59	40.69	56.05
6.	53-Upgradation of Standards of Administration recommended by the Tenth Finance Commission Police	5.59	Nil	Nil	Nil	2.00	2.00	100 %
7.	59-Upgradation of Standards of Administration recommended by the Tenth Finance Commission School Education	28.29	0.35	3.97	4.36	35.87	29.93	83.4
8.	72-Expenditure pertaining to Gas Tragedy Relief Works	92.65	2.48	8.75	13.83	71.15	49.47	69.5
9.	76-Upgradation of standards of Administration recommended by the tenth Finance Commission-Revenue	3.54	Nil	Nil	0.29	2.54	1.59	62.7
10.	78-Externally aided projects pertaining to Rural Industries Department	20.00	0.03	0.19	0.27	2.57	2.17	84.2
11.	80-Financial Assistance to three tier Panchayati Raj Institution	702.82	52.09	170.54	257.75	687.28	349.14	50.8
12.	85-Financial Assistance to Urban bodies under Special Component Plan for Schedule Castes	2.93	0.0050	0.21	0.25	0.83	0.53	63.9
13.	88-Externally Aided Project pertaining to urban Development Department	0.68	--	--	--	0.68	0.68	100 %



## APPENDIX-XV

(Reference : Paragraph 2.4.2 (i) at Page 34)

**Statement showing persistent excess, from 1995-96 to 1998-99  
under MH 2215 water supply and sanitations under grant  
number 20**

(Rupees in crore)

Head	Year	Budget provision	Expenditure	Percentage of excess
2215-01-Water	1995-96	87.53	120.88	38
Supply-799-	1996-97	52.52	115.03	119
Suspense Stock and	1997-98	52.52	135.25	158
Miscellaneous	1998-99	52.52	111.19	112
Advances (Non Plan)				
2215-01-001-	1995-96	2.94	3.35	14
Director and	1996-97	2.85	4.04	41
Administration	1997-98	2.87	3.24	13
	1998-99	3.40	3.38	---
2215-800-Other	1995-96	28.43	31.60	11
Expenditure (Non-	1996-97	16.66	17.84	07
plan)	1997-98	17.53	21.92	25
	1998-99	22.63	26.44	17
2215-01-102-Rural	1995-96	82.43	89.52	09
Water Supply	1996-97	105.67	106.37	01
Scheme (Plan)	1997-98	107.47	124.48	16
	1998-99	157.25	138.13	---



## APPENDIX-XVI

(Reference : Paragraph 2.4.2 (i) at Page 34)

**Statement showing the excess expenditure against the provisions  
for non-plan expenditure under 4 heads under grant number 67**

(Rupees in crore)

Sl. No.	Head	Year	Allotment	Expenditure	Percentage of excess
1.	2059-052- Machinery and equipment	1995-96	15.50	18.62	20
		1996-97	19.50	18.81	Saving
		1997-98	18.90	21.58	14
		1998-99	18.90	20.34	8
2.	2059-053-Office Building, Maintenance and Repairs	1995-96	25.00	34.00	36
		1996-97	27.68	34.57	25
		1997-98	33.79	46.87	39
		1998-99	29.00	43.50	50
3.	2059-799- Suspense	1995-96	80.00	141.46	77
		1996-97	84.00	135.86	62
		1997-98	92.00	141.04	53
		1998-99	92.00	83.63	Saving
4.	2216-800-Housing other expenditure	1995-96	15.75	19.69	25
		1996-97	20.38	22.34	10
		1997-98	24.75	28.77	16
		1998-99	24.75	27.87	13



## APPENDIX-XVII

(Reference : Paragraph 2.4.2(iii) at Page 35)

**Statement showing cases of Inadequate budget provision exhibiting excess persistently in grant number 67.**

*(Rupees in crore)*

Sl. No.	Name of Scheme/Head	Year	Total Grant	Expenditure	Excess
1.	2059-01-051-183-Other minor works	1995-96	37.52	287.18	(+)249.66
		1996-97	52.34	377.79	(+)325.45
		1997-98	27.31	378.04	(+)350.73
		1998-99	72.00	302.99	(+)230.99
2.	2059-80-799-4056-Miscellaneous Public Works Advances	1995-96	900.00	2358.34	(+)1458.34
		1996-97	945.00	2041.05	(+)1096.05
		1997-98	999.50	5314.17	(+)4314.67
		1998-99	999.50	2388.39	(+)1388.89
3.	2216-80-800-4489-Ordinary Repairs	1995-96	1219.85	1738.59	(+)518.74
		1996-97	1557.74	2015.58	(+)457.84
		1997-98	1957.66	2338.85	(+)381.19
		1998-99	1957.66	2324.27	(+)366.61



## APPENDIX-XVIII

(Reference paragraph 2.4.2 (iv) at page 35)

**Statement showing the difference in AG's and Departmental figures during 1995-96 to 1998-99**

*(Rupees in crore)*

Major Head	Non-plan/ Plan	1995-96			1996-97			1997-98			1998-99		
		Expenditure as per AG (A&E)	Expenditure as per Department	Difference	Expenditure as per AG (A&E)	Expenditure as per Department	Difference	Expenditure as per AG (A&E)	Expenditure as per Department	Difference	Expenditure as per AG (A&E)	Expenditure as per Department	Difference
2059	Non-plan	259.94	182.55	77.39	267.43	193.35	74.08	292.39	213.48	78.91	255.43	151.83	103.60
2216	Non-plan	26.94	20.47	6.47	32.53	24.21	8.32	38.52	29.70	8.82	38.71	28.79	9.92
4059	Plan	10.28	8.30	1.98	12.71	12.00	0.71	14.97	13.92	1.05	18.09	15.20	2.89
4202	Plan	18.47	15.36	3.11	14.55	13.48	1.07	12.00	11.01	0.99	6.29	5.98	0.31
4210	Plan	8.35	4.10	4.25	6.79	6.38	0.41	9.81	8.50	1.31	7.19	6.67	0.52
4216	Plan	5.02	4.30	0.72	9.38	8.13	1.25	10.11	8.94	1.17	5.30	4.73	0.57



## APPENDIX-XIX

(Referred to in paragraph 3.1.3.1 at page 40)

### Allotment of funds and details of yearwise expenditure

(Rupees in Crore)

Sl. No.	Name of component	Amount finally approved by GOI	Yearwise Expenditure incurred by State Government								
			1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
1.	Economic Rehabilitation	21.18	2.13	2.31	2.43	1.97	3.10	0.80	0.63	0.98	5.27
2.	Social Rehabilitation	49.72	5.29	7.90	9.41	2.78	6.31	3.34	5.01	--	5.64
3.	Environmental Rehabilitation	23.76	6.34	5.68	4.02	2.10	3.31	0.46	0.48	0.37	0.40
4.	Litigation and Administration	7.70	1.42	1.30	1.20	1.12	1.02	1.01	0.78	0.81	1.36
5.	Medical Rehabilitation	150.35	7.86	8.61	10.43	15.26	22.27	11.17	9.54	10.89	56.81
6.	Miscellaneous										
(i)	Scientific studies	5.00	0.02	0.03	--	--	0.09	5.01	--	--	--
(ii)	Information and publicity	0.29	--	--	--	--	--	--	--	--	--
		<b>258.00</b>	<b>23.06</b>	<b>25.83</b>	<b>27.49</b>	<b>23.23</b>	<b>36.10</b>	<b>21.79</b>	<b>16.54</b>	<b>15.05</b>	<b>69.48</b>



## APPENDIX-XX

(Referred to in paragraph 3.1.3.2 at page 41)

### Amount kept under Civil Deposits

(In Rupees)

Sl. No.	Office by which the amount was kept in Civil Deposit	Year	Amount	Purpose	Year of withdrawal	Amount	Balance	Remarks
1.	Joint Director, ITI	94-95	8500000	--	--	--	--	Lapsed 3/98
2.	Director, Centre for rehabilitation studies	94-95	729700	--	95-96	7,29,700	--	
3.	Chief Medical Officer, Gas Rahat Bhopal	94-95	61690493	--	--	--	61690493	
4.	Director, Centre for rehabilitation studies	95-96	2500000	--	96-97	25,00,000	--	
5.	Director, Relief and Rehabilitation	3/97	230050000	--	97-98	2,75,58,526	202491474	
6.	Director, Centre for Rehabilitation studies	96-97	2100000	--	97-98	21,00,000	--	
7.	Director, Gas Relief and Rehabilitation	98-99	500027000	--	--	--	500027000	
							764208967	



## APPENDIX-XXI

(Referred to paragraph 3.1.3.3 at page 41)

### Activities approved in action plan but not taken up.

*(Rupees in lakh)*

Sl. No.	Name of the Activity	Allotment
1.	Service centre	143.00
2.	Protein Deficiency	460.00
3.	Special inputs	245.00
4.	Reconstruction of houses	250.00
5.	Multipurpose of workers for Malaria, T.B., MCH, rehabilitation programme	175.00
6.	Health education	77.00
7.	Mobile Vans	299.00
8.	Computerisation of registrations	50.00
9.	Kotra Sultanabad	433.00
10.	Construction of New hospitals	267.00
(i)	Master Lal Singh O.P.D.	
(ii)	Shakir Ali O.P.D.	
(iii)	Narela Shankar dispensary	
(iv)	Bagh farahat Dispensary	
11.	Community Health Scheme	9.50
12.	Smokeless chulas	300.00
		2708.50



## APPENDIX-XXII

(Referred to paragraph 3.1.3.4 at page 41)

### Expenditure on Activity not covered under the Action Plan

*(Rupees in lakh)*

Sl. No.	Name of the Activity	
1.	Pay and allowances	2015.60
2.	Expenditure of awards to orphans	16.33
3.	Construction of court building	505.10
4.	Repairs of S.D.O office and Court building	15.17
5.	Plantation	42.73
6.	Supply of free Milk	266.00
7.	Supply of uniforms	371.00
8.	Malikhedi Hospital	36.02
		<b>3267.95</b>



### APPENDIX-XXIII

(Referred to in paragraph 3.1.5.2 at page 43)

#### Equipments purchased for documentation not brought on stock

Sl. No.	Name of equipment	Hospital/Dispensary to which issued	Date of issue	Quantity	Value (In Rupees)
1.	Flexible Fibro optic GI Endoscope	SAK	27.6.87	1	30,06,100
2.	Projector Lensometer Lamps	JNH, Ibrahimganj, Jahangirabad	2.11.90 6.1.90	3	6,37,440
3.	Ophthalmoscope 35 V	SAK, JNH	13.1.88 24.7.87	2	5,658
4.	PFT	JNH	1.7.87	1	9,09,125
5.	Projection Perimeter	SAK, Ibrahimganj	12.6.88	2	5,600
6.	Spiro Screen	SAK, JNH	1.8.89	2	5,936
7.	Vitalograph	JNH	8.10.87	1	49,275
8.	Slit lamp	JNH	11.12.88	1	11,789
					<b>46,30,923</b>



## APPENDIX-XXIV

(Referred to in paragraph 3.1.5.2 at page 43)

### Statement showing equipments not utilised in documentation

Sl. No.	Name of equipments	Number of equipments		Cost of idle equipment (Rupees)
		Received	Lying idle	
1.	Tonometer	13	05	5,183
2.	Projection Lensometer	13	07	1,51,000
3.	100 M.M. Camera	10	01	6,35,923
4.	300 MA X-Ray Gen. Tube	10	01	1,88,000
5.	Spirometer Gloud (Vitalgraph)	12	01	38,049
6.	Slit lamp	13	02	1,08,080
7.	Pestometer	13	03	8,400
				<b>11,34,635</b>



## APPENDIX-XXV

(Refer to paragraph 3.1.6.4(b) at page 50)

### Machines lying idle for want of repairs

Sl. No.	Name of machine	Name of supplier	Date of purchase	Date from which lying idle for want of repair	Cost of equipment (Rupees in lakh)
1.	Auto refractor	21 <sup>st</sup> century New Delhi	30.3.89	16.6.90	2.90
2.	Auto film processor	American India America	22.5.89	1.7.90	6.76
3.	Gloud P.F.T	C.M.O	6.11.89	7.4.93	9.00
4.	Ventilator adult	Puriton Benette U.K.	25.11.88	1.4.92	3.12
5.	Ventilator Padriatic	Puriton Benette U.K.	25.11.88	1.4.92	3.12
6.	Cardio Stress system	Burdic Germany	5.90	25.5.96	7.00
7.	G.I. Endoscope	C.M.O.	1988	11/90	7.00
8.	Photocopier Panasonic FP 330.	C.M.O	28.9.93	--	Awaited
9.	Difibrilator	C.M.O.	6.3.89	9/89	3.23
10.	3 MMR Camera's	W.H.O	1987-88	1990-91	2.74
					44.87



## APPENDIX-XXVI

(Referred to paragraph 3.1.6.6 at page 51)

### Purchase of imported consumables in excess of requirement

Sl. No.	Name of article	Date of purchase	Quantity purchase	Amount paid	Balance as on	Value
1.	Consumable for computerised cardiac stress	6.11.89	20800	22880 US\$	20300 11/89	22330 US\$
2.	ECG printing paper for cardiac stress	6.11.89	160	1600 UK.£	50 3/91	500 U.K. £
3.	Disposable mouth pieces for spiro screen	20.6.89	610	207400 US\$	110 10/89	37400 US\$
4.	Printer Ribbon for spiro screen	20.6.89	850	31025 US\$	530 10/89	19345 US\$
5.	Printer paper roll for spiro screen	20.6.89	305 Box	14640 US\$	254 7/92	12192 US\$
6.	ECG printer paper roll	6.11.89	80 pkts.	8000 US\$	50 4/94	5000 US \$
7.	Disposable mouth pieces for vitalograph	22.4.89	305 Box	6862.50 UK £	194 11/94	4365 UK £
8.	Printer paper for vitalograph	22.4.89	762.5x4	46695.50 UK £	1706 11/94	26394.44 UK £
9.	Mesh filter for vitalograph	22.4.89	122	2116.20 UK £	22 7/89	381.70 UK £
	<b>Total</b>					<b>96267 US \$</b> <b>31641 UK £</b>



## APPENDIX-XXVII

(Reference to in paragraph 3.1.6.7 at page 51)

### Non-accountal of imported equipment and consumables

Sl. No.	Name of equipment/article	Date of purchase	Quantity	Amount	Date of issue to SAK	Quantity issued	Date of issue to JNH	Quantity issued	Value	
1.	Automatic Blood cell	8/89	1	42200 US\$	Not recorded	1	--	--	SAK 42200 US\$	JNH --
2.	Consumable for cardiac stress Electrodes	11/89	500	22880 US\$	15.11.89	500	--	--	22880 US\$	--
3.	ECG printing paper for cardiac stress	11/89	160	1600 US\$	--do--	10	7/90	50	100 US\$	500 US\$
4.	Computerised POG Analyser E 600	6/89	1	23360 US\$	22.6.89	1	--	--	23360 US\$	--
5.	Consumable for ECG analyser ECG electrical	11/89	19200	21120 US\$	7.9.91	2000	7/90	25000	2200 US\$	27500 US\$
6.	ECG printing paper for ECG analyser	11/89	80 pkts	8000 US\$	9.4.94	20 pkts			2000 US\$	
7.	ECG care system	2/89	1	62000 US\$	7.7.89	1			62000 US\$	
8.	Neo natal Resuscitation unit	7/90	1	17900 SFR	Not recorded	1			17900 SFR	
9.	Pentax open GI gastro scope	3/94	1	821360 Yen	22.3.94	1			821360 Yen	
10.	Disposable mouth pieces for spiro screen	6/89	610 boxes	207400 US\$	1.8.89	100	10/89	200	34000 US\$	68000 US\$
11.	Printer ribbon for spiro screen	6/89	850	31025 US\$	1.8.89	300			10950 US\$	
12.	Printer paper roll for spiro screen	6/89	305 boxes	14640 US\$	11.8.89	400 Box			1920 US\$	
13.	Syringe infusion pump	11/89	1	18500 US\$	29.12.89	1			18500 US\$	
14.	Sodium and potassium analyser	6/95	2	17650 US\$	30.6.95	1	6/89	1	8825 US\$	8825 US\$
15.	Semi Automatic Chemistry analyser	6/95	2	Rs.392625	7.6.95	2			Rs.392625	
16.	Printer paper for vitalograph	4/89	762.5 roll	46695 UK£	24.9.91	400 rolls	7/89	80 rolls	24496 UK£	4899 U£
17.	Computerised and Cardiac stress test system	6/89	1	40242 US\$	15.11.89	1	--	--	40242 US\$	--
18.	Nose clips for spiro screen	6/89	200 pkt	1900 US\$			10/89	200 pkts	--	1900 US\$
19.	Dispesable mouth pieces for vitalograph	4/89	305 pkt	6862 UK£	--	--	7/89	200 pkts	--	4500 UK£
20.	Mesh filter for vitalograph	4/89	122 pkt	2117 UK£	--	--	7/89	100 pkts	--	1735 UK£
21.	Connecting tube for vitalograph	4/89	610	7472 UK£	--	--	7/90	600	--	7350 UK£
	Total			512517 US\$ 63146 UK£ 821360 Yen					260352 US\$ 22496 UK£ 821360 Yen	97900 US\$ 18484 UK£



## APPENDIX-XXVIII

(Referred to in paragraph 3.1.6.7 at page 51)

### List of materials issued on back date

Sl. No.	Item	Value as per stock register	Value as per physical verification	Stock shown to have been issued in back date after the date of physical verification
1.	ECG printing paper for cardiostress	1600 US \$	-- Nil	1500 US \$
2.	ECG printing paper (for ECG analyzer)	8000 US \$	1000 US \$	7000 US \$
3.	Printing ribbon for spiro screen	31025 US \$	-- Nil --	19345 US \$
4.	Printing paper for spiro screen	14640 US \$	864 US \$	11856 US \$
5.	Syringe for infusion pump	18500 US \$	-- Nil--	18500 US \$
6.	Disposable mouth piece	2363 UK £	59 UK £	4388 UK £
7.	Printing paper for vitalograph	33590 UK £	26394 UK £	33590 UK £
8.	Connecting tube for vitalograph	122 UK £	61 UK £	122 UK £
9.	Ventilation (Adult/child)	17500 US \$	--	17500 US \$
		91265 US \$	1864 US \$	75701 US \$
		36075 UK £	26514 UK £	38100 UK £



## APPENDIX –XXIX

(Referred to in paragraph 3.1.6.9 at page 52)

### Purchase of medicines at higher rates

Sl. No.	Name of Medicines	Quantity	Approved rate	Rate of which purchased	Difference in rate	Excess payment
<b>J.N.Hospitals, Bhopal 1/90 to 2/91</b>						
1.	Cap. Ampicillin 250 mg.	92300	102/100	116/100	14/100	12922
2.	Cap. Cephalexin	82100	195/100	238.50/100	43.50/100	35713
3.	Tab. Endopa 250 mg	10000	112.63/100	122.34/100	9.72/100	972
4.	Tab. Endopa 250 mg.	20000	112.63/100	117.76/100	5.13/100	1026
5.	Tab. Erytromycin	2000	150/100	180/100	30/100	600
6.	Tab. Ertromycin	13000	150/100	190/100	40/100	5200
7.	Cap. Rifampicin 150 mg.	3500	103.87/100	130/100	26.13/100	915
8.	Cap. Rifampicin 150 mg.	20000	103.87/100	112/100	8.13/100	1626
9.	Cap. Terramycin 250 mg.	49000	425.36/1000	440/1000	14.64/1000	717
10.	Cap. Terramycin 250 mg.	20000	425.36/1000	510.72/1000	85.36/1000	1707
11.	Dextrose 5%	2400	7.70/each	10/each	2.30/each	5520
12.	Dextrose 10%	2000	8.60/each	10.50/each	1.90/each	3800
13.	Inj. Ampicillin 500 mg.	20500	4.50/ each	5.02/ each	0.52/ each	10660
14.	Inj. Dexamethasone	16800	3.40/ each	4.35/ each	0.95/ each	15960
15.	Syp. Anacof 450 ml.	1000	12.75/ each	24/ each	11.25/ each	11250
16.	Syp. Navadin	4500	12.75/ each	26.10/ each	13.35/ each	60075
17.	Syp. Senicof	1700	12.75/ each	23.85/ each	11.10/ each	18870
18.	Syp. Mediplan	3100	12.75/ each	21.20/ each	8.45/ each	26195
19.	Syp. Kodryl	4500	12.75/ each	22.90/ each	10.15/ each	45675
20.	Syp. Theohist	4200	12.75/ each	22.85/ each	10.10/ each	42420
21.	Syp. Chemplex	1000	17.50	24/ each	6.50/ each	6500
22.	Tab. Amalgin	145000	120/100	147.25/1000	27.25/1000	3951
23.	Surgical Tray	80	115/ each	185/ each	70/ each	5600
24.	Mattress foam for surgical table	40	595/ each	690/ each	95/ each	3800
25.	B.P. Instrument	35	290/ each	380/ each	90/ each	3150
26.	Folly catheder	400	25/ each	34.75/ each	9.75/ each	3900
<b>CMO (Gas Rahat) Bhopal 1/95 to 7/96</b>						
27.	Cap. Ampicillin 250 mg.	115500	138/100	151.50/100	13.50/100	15593
28.	Cap. Ampicillin 250 mg.	75000	168.58/100	182/100	13.42/100	10065
29.	Cap. Ampicillin 250 mg.	150600	168.58/100	181.50/100	12.92/100	19458
30.	Cap. Amoxycillin 250 mg.	144000	144.60/100	156/100	8.40/100	12096
31.	Cap. Amoxycillin 250 mg.	16000	148/100	156/100	8/10	1280
32.	Cap. Amoxycillin 500 mg	43600	310/100	337.50/100	27.50/100	11990
33.	Cap. Amoxycillin 100 mg	265000	154.75/100	164.75/100	10/100	26500
34.	Cap. Rifampicin 450 mg.	88900	219/100	435/100	216/100	192024
35.	Cap. Rifampicin 450 mg.	22800	319/100	330/100	11/100	2508
36.	Inj. Ampicillin 500 mg.	16000	5.45/ each	7.80/ each	2.35 /each	37600
<b>C.M.O. (Gas Rahat) Bhopal 8/96 to 9/97</b>						
37.	Tab. Numol	122500	88/100	102/100	14/100	17150
38.	Cap. Tetracycline 500 mg.	187500	157/100	234/100	77/100	144375
39.	Tab. Ibrufen 400 mg.	627000	41/100	59/100	18/100	112860
40.	Cap. Ampicillin 250 mg.	8500	255/100	289/100	34/100	2890



Sl. No.	Name of Medicines	Quantity	Approved rate	Rate of which purchased	Difference in rate	Excess payment
41.	Tab. Norfloxacin	9320	103.92/40	225/100	34.80/100	3243
42.	Tab. Analgin	165000	34/100	45/100	11/100	18150
43.	Tab. Ranitidine 150 mg.	130000	72.50/100	75.94/100	3.44/100	4472
44.	Cap. rifampicin 450 mg.	30500	425/100	485/100	60/4100	18300
45.	Cap Rifampicin 450 mg.	5000	425/100	460/100	35/100	1750
46.	Inj. Benzyl penicillin 5 lac	1000	4.23/ each	5.47/ each	1.24/ each	1240
47.	Inj. Benzyl penicillin 5 lac	1000	6.01/ each	7.40/ each	1.39/ each	1390
48.	Syp. B.complex	1473	14.40/ each	16.60/ each	2.20/ each	3241
<b>C.M.O. (Gas Rahat) Bhopal 8/98 to 3/99</b>						
49.	Tab. Metronidazole	106000	19.50/100	23.40/100	3.90/10	4134
50.	Tab. Norflaxin 400 mg.	100200	180/100	72.64/40	0.16/100	1603
51.	Tab. Septran D.S.	235000	98/100	104.60/100	6.60/100	1551
52.	Tab. Butamol 2 mg	110000	55.25/1000	115/1000	59.75/1000	6572
53.	Tab. Cotrimaxazole	52000	56/100	96/100	40/100	20800
54.	Cap. Ampicillin 250 mg.	89500	139/100	150/100	11/100	9845
55.	Cap. Amoxycillin 250 mg.	226500	150/100	163.3/100	13.30/100	30125
56.	Cap. Dexycyline 100 mg.	96200	120/100	130/100	10/100	9260
<b>Director (Gas Rahat) Bhopal 3/96 to 2/98</b>						
57.	Cap. Ampicillin 250 mg.	15000	132/100	170/10	38/100	5700
58.	Cap. Ampicillin 250 mg.	90000	132/100	146/100	14/100	12600
59.	Cap. Ampicillin 250 mg.	50000	132/100	170/100	38/100	19000
60.	Tab. Cotriflexine	6000	150/100	292.96/100	142.96/100	8578
61.	Tab. Cotriflexine	60500	150/100	200/100	50/100	30250
62.	Tab. Cotrimexazole 60 mg.	3725	5.99/ each	7.50/ each	1.51/ each	5625
63.	Tab. Cephalaxin 250 mg.	470	264/ each	298/ each	34/ each	15980
64.	Cap. Ampxyycillin 250 mg.	50000	132/100	179/100	41/100	20500
65.	Tab. Ethambutol	102000	1.24/ each	1.86/ each	0.62/ each	63240
66.	Cap. Tetracycline 500 mg.	21900	157/100	230/100	73/100	15987
67.	Cap. Tetracycline 500 mg.	35000	157/100	227/100	70/100	24500
68.	Hypermpdic needle 500 mg.	60000	0.57/ each	0.70/ each	0.13/ each	7800
69.	Disposable syringe 5 ml.	15000	0.95/ each	1.43/ each	0.53/ each	7950
70.	Disposable suringe 2 ml.	20000	0.77/ each	1.07/ each	0.30/ each	6000
71.	Hypermpdic needle	60000	0.57/ each	0.70/ each	0.13/ each	7800
72.	Disposal syringe 2ml.	2000	0.77/ each	1.07/ each	0.30/ each	6000
73.	Disposal syringe 5ml.	15000	0.95/ each	1.43/ each	0.53/ each	7950
74.	Disposable syringe IC needle 2 ml.	1690	1.34/ each	2.95/ each	1.61/ each	2721
75.	Disposable syringe IC needle 5 ml.	1580	1.52/ each	3.15/ each	1.63/ each	2575
76.	Disposable syringe IC needle 5 ml.	50000	1.52/ each	1.79/ each	0.47/ each	23500
77.	Disposable syringe IC needle 2 ml.	50000	1.34/ each	1.43/ each	0.99/ each	4950
78.	Disposable syringe IC needle 10 ml.	1000	2.10/ each	2.35/ each	0.25/ each	250
79.	Cap. Tetracycline 250 mg.	82800	95/100.	81/100	14/100	11592
80.	Tab. Paracetmol	830000	17.88/100	21.60/100	3.72/100	30876
81.	Tab. Mebendazole	44100	124/100	34/100	26.56/60	19522
82.	Tab. Ibrufen 400 mg.	169000	28.60/100	59/100	30.40/100	51376
83.	Tab. Ibrufen 400 mg.	38000	28.60/100	65/100	36.40/100	13832
84.	Cap. Rifampicin 450 mg.	39400	366.70/100	565/100	198.30/100	78130
85.	Cap. Rifampicin 450 mg.	5000	366.70/100	485/100	118.30/100	5915



Sl. No.	Name of Medicines	Quantity	Approved rate	Rate of which purchased	Difference in rate	Excess payment
86.	Cap. Rifampicin 450 mg.	3300	366.70/100	458/100	91.30/100	3013
87.	Tab. Cephlexin 250 mg.	67000	240/100	298/100	58/100	38860
88.	Tab. Analgin 500 mg.	55000	270/100	450/100	180/100	9900
89.	Tab. Doxycycline 100 mg.	127500	90/100	116/100	26/100	33150
90.	Tab. Chloroquine	27600	228.28/500	270.44/500	42.16/500	2327
91.	Tab. Paracetamol	102000	18/100	24.50/100	6.50/100	6630
92.	Inj. Ampicillin 500 mg.	136700	5.24/ each	7.90/ each	2.66/ each	363622
93.	Cap. rifampicin 450 mg.	10700	428/100	580/100	152/100	16264
94.	Cap. rifampicin 450 mg.	100000	428/100	480/100	52/100	52000
95.	Cap. rifampicin 450 mg.	45900	428/100	478/100	50/100	22950
96.	Cap. rifampicin 450 mg.	10000	428/100	580/100	152/100	15200
97.	Cap. Tetracycline 250 mg.	517000	71/100	97/100	26/100	134420
98.	Inj. Gentamycin	40000	4.64/ each	5.10/ each	0.46/ each	18400
99.	Cap. Ampicillin 250 mg.	15000	132/100	172/100	38/100	5700
<b>Director, Gas Rahat, Bhopal 3/98 to 2/99</b>						
100.	Tab. Mixiflame	50000	121.29/100	138.50/100	17.21/100	8605
101.	Cap. Amoxicillin 250 mg.	50000	171/100	179/100	8/100	4000
102.	Cap. Teramycin 500 mg.	21900	180/100	230/100	50/100	10950
103.	Tab. Furazolidine	100000	11.50/100	12.50/100	1/100	1000
104.	Tab. Meaxiflame	100000	121.29/100	138.50/100	17.21/100	8605
105.	Inj. Sefatoxine 1 gm.	262 voil	63.77/1voil	65/1voil	1.23/1voil	322
106.	Tab. Cotrimoxazole D.S.	39300	97/100	127/100	30/100	11790
107.	Analgin 500 mg.	64000	35/100	44/100	9/100	5760
108.	Tab. Pyrazinamid	25000	280/100	380/100	100/100	25000
109.	Tetracycline 250 mg.	177000	92/100	97/100	25/100	8850
110.	Tab. Exol	177000	2867/100	3027/100	160/100	283
111.	Tab. Maxiflame	50000	121.29/100	138.50/100	17.21/100	8605
112.	Tab. Metronedozole	75000	48/100	59/100	11/100	8250
113.	Tab. Paracytamol	230000	20/100	24.50/100	4.50/100	10350
114.	Ampicylline Cap 250 mg.	50000	150/100	170/100	20/100	10000
	<b>TOTAL</b>					<b>2424900</b>



## APPENDIX-XXX

(Refer to paragraph 3.1.6.13 at 53)

### Articles not taken into subsequent stock registers

Sl. No	Name of Article	Purchase date	Quantity purchase	Amount paid	Balance	Value	Stock register year/page no.
1.	Single Iron Rack	16/10/87	37	23,495.00	12	7620.00	88-89/4-3
2.	Bench Steel	87-88	242	1,16,160.00	13	6240.00	87-88/4-57
3.	Bedside folding screen	87-88	105	36,750.00	02	700.00	87-88/4063
4.	Office chairs	87-88 to 89-90	834	1,50,120.00	90	16,200.00	87-88/4-86
5.	Examination table	87-88 to 89-90	54	27,000.00	03	1500.00	--do--/104
6.	Executive Chair	24/3/88	10	5200.00	04	2080.00	--do--/113
7.	Lab Table	87-88	36	61,200.00	09	15,300.00	--do--/227
8.	Wodden chair	29/4/88	30	9900.00	08	2664.00	--do--/252
9.	Wooden stool	--do--	15	1185.00	07	553.00	--do--/271
10.	Revolving stool	87-88	139	25,298.00	45	455.00	--do--/278
11.	Table (office)	87-88 to 89-90	753	8,91,522.00	04	4736.00	--o--/363
12.	Steel stool	87-88	531	45,135.00	31	2635.00	--do--/319
13.	Almirah U Plain	24/4/87	11	29,226.00	10	26,369.00	--do--/317
14.	Bone punch	21/12/87	06	1650.00	03	825.00	--do--/5-33
15.	B.P. Apratus (Dial)	21/2/87	40	13,600.00	06	2040.00	--do--/43
16.	---- (Mercury)	--do--	50	14,250.00	44	12,540.00	--do--/67
17.	Fine coruial scissor	21/2/87	12	1080.00	12	1080.00	--do--/5-129
18.	Section enlarging spring	--do--	12	1020.00	12	1020.00	--do--/137
19.	Ethilon cud micro poin	29/3/88	23	1110.00	23	1110.00	--do--/154
20.	Lid sature holding	21/2/87	12	1140.00	12	1140.00	--do--/170
21.	Dressing drum (15x9)	18/3/87	24	14,640.00	06	3660.00	--do--/183
22.	----do---- (11x9)	---do---	40	14,200.00	19	6745.00	--do--/187
23.	----do---- (15x12)	---do---	20	14,400.00	06	4320.00	--do--/191
24.	Bandage Scissors (18x5)	8-87	20	1299.00	20	1299.00	--do--/205
25.	Dressing Drun (9x9)	18/3/87	45	13,050.00	21	6090.00	--do--/209
26.	Hot water bottle	--do--	100	3200.00	50	1600.00	--do--/213
27.	Jerruns screen	21/2/87	02	550.00	02	550.00	--do--/221
28.	Electric sterlizer	18/3/87	20	20,500.00	20	20,500.00	--do--/285
29.	Elecric with thermo state	18/3/87	07	13,860.00	06	11,880.00	--do--/331
30.	Folleys cathedor	5/87	50	3250.00	30	1950.00	--do--/426
31.	I.U.C.D. kit	8/87	04	19,250.00	02	9625.00	--do--/431
32.	Plastic Aprim	20/5/87	100	2500.00	86	2150.00	--do--/471
33.	Acralic vapour sterlizer	3/90	02	3640.00	02	3640.00	--do--/697
34.	Angle iron rack	29/12/89	50	39,250.00	49	38,465.00	--do--/7-3



Sl. No	Name of Article	Purchase date	Quantity purchase	Amount paid	Balance	Value	Stock register year/page no.
35.	Steel almirah	12/89 to 3/90	30	57,900.00	29	55,970.00	--do--/7
36.	Angle Iron Rack (Small)	4/86	10	7300.00	05	3650.00	--do--/15
37.	Office chair	11/89	45	10,665.00	14	3318.00	--do--/97
38.	Office table	29/12/89	10	17,270.00	05	8635.00	--do--/101
39.	Oxygen cylinder (1320 litre)	12/12/86	20	24,280.00	06	7284.00	--do--/110
40.	Refrigerator (165 litre)	3/90	03	16,235.00	03	16,235.00	--do--/122
41.	---do--- (286 litre)	13/11/86	02	11,020.00	01	5510.00	--do--/130
42.	---do--- (310 litre)	3/90	03	26,341.00	02	17,560.00	--do--/136
43.	Type writer english (prima)	2/90	02	9654.00	02	9654.00	--do--/157
44.	Weighing machine (adult)	4/86	09	3105.00	05	1725.00	--do--/170
45.	Servo control voltage stabilizer 1KVA	3/87	02	9068.00	01	4534.00	--do--/173
46.	Desert cooler	22/6/89	16	29,200.00	04	9800.00	--do--/181
47.	Empty drum (100 ltr)	3/89	05	1975.00	05	1975.00	--do--/207
48.	Water filter	11/3/88	05	2800.00	03	1680.00	--do--/252
49.	Pigeon hole 24	3/87	02	3715.00	02	3715.00	--do--/270
59.	Film hanger 10x12	1/88	232	6264.00	112	3624.00	--do--/59
60.	Fixer	3/89	290 Pkt	35434.00	54	6958.00	--do--/61
61.	Lead protection screen	1/88	29	1131.00	08	31200.00	--do--/63
62.	Lead lived cassette box	10/87	25	23750.00	08	7600.00	--do--/69
63.	S.S.Tank 10 Galon	8/87	18	11232.00	11	6864.00	--do--/71
64.	S.S.Tank 5 Galon	1/88	36	18687.00	25	12794.00	--do--/75
65.	X-Ray cassette 10x12	12/87	76	16598.00	29	6334.00	--do--/181
66.	X-Ray view box (4 film size)	1/88	16	13904.00	04	3476.00	--do--/195
67.	Film Drying rack	3/88	64	5312.00	61	5063.00	--do--/229
68.	Veginal/Speculum (09-13 IDPL)	2/88	100	3049.00	97	3004.00	--do--/231
69.	Load rubber gloves	1/88	18	8820.00	18	8820.00	--do--/235
70.	Dr.Towel	28/3/94	150	6900.00	150	6900.00	1-Q/201
71.	White bed sheet	--do--	150	12817.00	150	12817.00	--do--/205
72.	Green cloth	--do--	300	12600.00	300	12600.00	--do--/211
73.	Bad pane	--do--	20	1680.00	20	1680.00	--do--/255
74.	Urine Male E.I.	--do--	20	1360.00	20	1360.00	--do--/261
75.	Tray surgical 12x8.5	--do--	20	4960.00	16	3968.00	--do--/271
76.	Urine female E.I.	--do--	20	1480.00	20	1480.00	--do--/295
77.	Colour development (Red, Black Brown)	--do--	01	104545.00	01	104545.00	--do--/361
78.	Instrument trolley	28/5/94	04	7200.00	01	1800.00	1-O/17
79.	Patient trolley	--do--	04	14000.00	04	14000.00	--do--/25
80.	Bed side screen	--do--	16	14400.00	14	12600.00	--do--/29



Sl. No	Name of Article	Purchase date	Quantity purchase	Amount paid	Balance	Value	Stock register year/page no.
81.	Stretcher	--do--	04	14960.00	04	14960.00	--do--/33
82.	I.V. Drip stand	--do--	05	4250.00	03	2550.00	--do--/37
83.	Distruement tray 10x8	--do--	12	1920.00	12	1920.00	--do--/53
84.	----do---- 12x10	--do--	12	2880.00	12	2880.00	--do--/55
85.	----do---- 14x10	--do--	12	3420.00	12	3420.00	--do--/57
86.	Forcep Kocher Intestinal straight 24.3 cm	--do--	12	1503.00	12	1503.00	--do--/107
87.	Forcep mosquito straight	--do--	24	1644.00	24	1644.00	--do--/1009
88.	----do--- curved	--do--	24	1659.00	24	1659.00	--do--/111
89.	Forcep kocher curved (1x2 teeth)	--do--	24	1855.00	24	1855.00	--do--/115
90.	Oxygen trolley	9/6/94	18	14976.00	18	14976.00	--do--/147
91.	D and E kit	5/90	03	2496.00	02	1640.00	--do--/17
92.	Vasectomy kit complete	3/90	02	8110.00	02	8110.00	--do--/62
93.	Kellys pad complete C bulb	--do--	24	6916.00	14	4060.00	--do--/66
94.	Disting and correcting set complete	3/90	03	4200.00	03	4200.00	1(k)/5-69
95.	Delivery kit complete C ss	--do--	02	5500.00	02	5500.00	--do--/70
96.	Surgical tray without cover	5/90	12	2982.00	05	2982.00	--do--/74
97.	Dressing drum 15x9	5/90	06	4020.00	06	4020.00	--do--/79
98.	Instrument (different size)	--do--	178	13750.00	178	13750.00	--do--/88-91
99.	Be-counter 5 keys, cell counting machine	7/87, 11/87	27	13365.00	17	8415.00	1(A)87-88-90- 91-41
100	BP Apperatus	4/87, 9/87, 11/87	180	34200.00	29	5510.00	--do--/48
101	Voltage stabilizer model 800 Nelco	3/88	25	16750.00	04	2680.00	--do--/110
102	Microvision MVL 20, 300 M operating (portable)	8/3/91	04	13520.00	04	13520.00	--do--/133
103	Microvision Mini slit lamp	8/3/91	05	9100.00	03	5460.00	--do--/137
104	Schimer tear test	--do--	02 boxes	12480.00	02	12480.00	--do--/139
105	Microscope (olympus)	19/12/87	20	59568.00	04	11912.00	--do--/183
106	Toner Brown (5210)	3/91	14	9464.00	14	9464.00	--do--/197
107	Toner Blue (5210)	3/91	14	9464.00	13	8788.00	--do--/199
108	Toner Red (5210)	3/91	14	9464.00	14	9464.00	--do--/201
109	Fixation FRCS 3x4 (teeth)	3/91	08	3000.00	08	3000.00	--do--/203
110	Blade breaker	--do--	04	2400.00	04	2400.00	--do--/205
111	Spectro photo meter	8/87	01	14260.00	01	14260.00	--do--/427
<b>Total</b>						<b>838995.00</b>	



## APPENDIX -XXXI

(Referred to in paragraph 3.2.6 at page 65)

**Statement showing allocation, lifting and distribution of food grains and shortfall in lifting and distribution against allocation and lifting thereof**

### A. Wheat

Year	Quantity in lakh M.Ton						Rate per quintal		
	Allocation		Lifting (% shortfall)		Distribution (% shortfall)		Market Price	PDS Price	RPDS Price
	PDS	RPDS	PDS	RPDS	PDS	RPDS			
1992-93	3.04	2.84	2.45 (19%)	2.27 (20%)	2.27 (8%)	2.09 (8%)	428	330	255
1993-94	3.48	2.14	1.28 (63%)	1.38 (36%)	1.26 (2%)	1.35 (2%)	415	385	305
1994-95	2.07	3.54	0.50 (76%)	1.09 (69%)	0.44 (12%)	0.95 (13%)	442	460	377
1995-96	2.09	3.75	0.67 (68%)	1.06 (72%)	0.49 (27%)	0.75 (30%)	452	460	377
1996-97	2.44	3.62	2.05 (16%)	2.32 (36%)	2.31	1.75 (24%)	590	520	300
1997-98	1.97	3.48	1.11 (44%)	1.94 (44%)	1.18	1.66 (14%)	590	515	300
1998-99	1.52	3.52	1.01 (33%)	2.20 (38%)	1.11	2.12 (4%)	618	515	300

### B. Rice

1992-93	2.59	2.71	1.58 (39%)	1.70 (37%)	1.42 (10%)	1.59 (7%)	584	430	352
1993-94	2.87	2.18	0.79 (73%)	1.26 (42%)	1.90	0.32 (74%)	620	490	412
1994-95	2.06	3.54	0.52 (75%)	1.39 (61%)	0.51	1.15 (17%)	706	600	512
1995-96	2.08	3.75	0.66 (68%)	1.54 (59%)	0.66	1.22 (21%)	741	600	512
1996-97	1.89	4.09	1.11 (41%)	1.91 (53%)	1.16	1.85 (3%)	744	720	400
1997-98	1.47	3.16	0.92 (37%)	1.98 (37%)	1.13	1.84 (7%)	802	770	400
1998-99	1.24	2.88	0.86 (31%)	2.32 (19%)	0.81 (6%)	2.22 (4%)	890	770	400



**APPENDIX-XXXII**

*(Referred to in Paragraph 3.2.6.1 and 3.2.6.2 at page 65 and 66)*

**Statement showing details of number of Ration cards, Population covered by Fair Price shops and number of Ration Units.**

Year	Population of the state as per base of 1991 census	Population covered by F.P.S.			No. of Ration Cards			No. of Ration Units		
		(In Lakh)	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
1992-93	697	1,60,05,864	4,51,77,707	6,11,83,571	28,42,693	73,48,996	1,01,91,689	1,32,01,444	3,58,76,260	4,90,77,704
1993-94	715	1,53,45,642	4,95,88,561	6,49,34,203	27,12,136	84,01,053	1,11,13,189	1,28,91,935	3,94,02,326	5,22,94,261
1994-95	733	1,58,06,988	5,03,93,566	6,62,00,554	27,81,799	87,78,617	1,15,60,416	1,34,46,287	4,21,89,436	5,56,35,723
1995-96	751	1,61,90,147	5,34,22,720	6,96,12,867	29,08,213	96,96,019	1,26,04,232	1,57,35,325	4,26,20,115	5,83,55,440
1996-97	768	1,67,09,888	5,35,83,883	7,02,93,771	29,85,259	96,97,954	1,26,83,213	1,38,59,432	4,23,18,307	5,61,77,739
1997-98	786	1,67,77,355	5,33,82,833	7,01,60,188	30,20,034	96,90,656	1,27,10,690	1,39,62,170	4,21,26,010	5,60,88,180
1998-99	804	1,68,11,485	5,41,64,308	7,09,75,793	31,81,182	1,01,96,977	1,33,78,159	1,39,87,670	4,20,83,935	5,60,71,605



### APPENDIX-XXXIII

(Referred to in para 3.2.6.2 at page 66)

#### Statement showing District wise details of Bogus Ration Cards

Sl. No.	Name of District	No. of Bogus ration cards in operation	Remarks
1.	Gwalior	1,31,426	Excess Ration Cards were found in operation during 1995-96 to 1997-98.
2.	Hoshangabad	74,299	General Old Ration Cards were not taken back while issuing ration cards to BPL group.
3.	Jhabua	1,33,005	--do--
4.	Morena	57,130	--do--
5.	Sehore	52,275	--do--
	Total	4,48,135	



## APPENDIX-XXXIV

(Referred to in Paragraph 3.2.6.3 at page 66)

### Statement showing year-wise details of Fair Price Shops and Mobile Van Shops

Year	No. of Fair Price Shops			Mobile Van Shops
	Urban	Rural	Total	
1992-93	3350	18,876	22,226	N.A.
1993-94	3340	19,130	22,470	143
1994-95	3325	19,403	22,728	166
1995-96	3570	19,734	23,304	160
1996-97	3599	20,182	23,781	166
1997-98	3652	20,489	24,141	182
1998-99	3652	20,489	24,141	213



**APPENDIX-XXXV**

*(Referred to paragraph 3.2.8.2 (ii) at page 68)*

**Statement showing unfruitful expenditure on construction of godowns.**

Sl. No.	Name of place of godowns	Capacity in M.T.	Sanctioned cost (Rupees in Lakh)	Date of Completion	Period of godowns not utilised for P.D.S. as on 31.3.99 (In months)
1.	Shahpur	1000	16.34	20.2.95	49
2.	Bajna	1000	16.34	23.2.94	61
3.	Dondi	1000	16.34	30.6.94	57
4.	Manpur (Shahdol)	1000	16.34	30.3.95	48
5.	Narayanganj	1000	16.34	25.7.94*	56
6.	Majholi	1000	16.34	30.3.95	48
7.	Chitrangi	1000	16.34	31.3.95	48
8.	Rampurnakin	1000	16.34	31.3.95	48
9.	Lohare	1000	16.34	30.6.95	45
10.	Deori	1000	16.34	30.6.95	45
11.	Mampur (Rajnandgaon)	1000	16.34	30.3.95	48
12.	Mohgaon	1000	16.34	30.6.95	45
13.	Lanji	1000	16.34	31.8.95	43
14.	Tamiya	1000	16.34	31.8.95	43
15.	Athner	1000	16.34	15.3.97	24
16.	Bag	1000	16.34	30.6.94	57
17.	Kusumi	1000	16.34	4.11.96	29
18.	Sihawal	1000	16.34	31.3.95	48
19.	Tonk Khurd	1000	16.34	--	36
20.	Baroda	1000	16.34	15.10.98	5



## APPENDIX-XXXVI

(Referred to paragraph 3.2.9 at page 68)

### Statement showing year-wise details of Allotment and Distribution of Sugar/Kerosene/Coarse grains

Year	Quantity in M.T.		Quantity in K. Ltrs.	
	Sugar		Kerosene	
	Allotment	Distribution	Allotment	Distribution
1992-93	3,35,588	3,28,908 (98.01%)	4,95,298	4,86,948 (98.31%)
1993-94	3,23,475	3,10,762 (96.07%)	5,31,084	4,78,661 (90.14%)
1994-95	3,08,577	2,92,123 (94.67%)	5,65,573	5,64,230 (99.41%)
1995-96	3,22,932	3,07,800 (95.31%)	6,12,700	6,22,521
1996-97	3,58,739	3,46,781 (96.67%)	6,65,702	6,61,755 (99.44%)
1997-98	3,47,873	3,42,886 (98.57%)	6,94,576	6,93,637 (99.86%)
1998-99	3,45,060	3,30,992 (95.92%)	8,50,428	8,46,393 (99.53%)

### COARSE GRAINS

(Quantity in M. Ton)

Year	Maize		Jowar		Bajara	
	General	Subsidized	General	Subsidized	General	Subsidized
1992-93	--	47,894	--	6,213	--	5,976
1993-94	14,760	11,567	1848	6,128	--	71
1997-98	44,863	--	3104	--	--	--



## APPENDIX-XXXVII

(Referred to in paragraph 3.3.7.3 at page 74)

### Statement showing excess lifting of foodgrains from FCI

Sl. No.	Name of district	Year	Foodgrains lifted from F.C.I.	Distributed to lead/ link societies	Foodgrains not distributed	Percentage of non-distribution
1.	2.	3.	4.	5.	6.	7.
(In Quintals)						
1.	Guna	1995-96	25545.20	16072.00	9473.20	37%
2.	Shahdol	1995-96	30052.08	20182.56	9869.52	33%
		1996-97	39123.65	22649.03	16474.62	42%
		1998-99	35007.43	25718.43	9289.00	27%
3.	Sagar	1995-96	4663.41	3106.00	1557.41	33%
		1996-97	49753.00	37302.00	12451.00	25%
4.	Dhar	1995-96	28404.00	18090.00	10314.00	36%
		1996-97	34085.20	20752.00	13333.20	39%
5.	Bilaspur	1995-96	46510.00	33226.00	13284.00	29%
6.	Morena	1995-96	4796.60	3568.97	1227.63	26%
	<b>Total</b>		<b>2,97,940.57</b>	<b>2,00,666.99</b>	<b>97273.58</b>	



### APPENDIX-XXXVIII

(Referred to in paragraph 3.3.7.8 at page 75)

Statement showing the number of students to whom Mid Day Meal not provided during August and September 1998

Sl No.	Name of district	Total no. of students
1.	Gwalior	168607
2.	Mandsaur	190996
3.	Guna	231539
4.	Shajapur	114366
5.	Ratlam	111917
6.	Shivpuri	144868
7.	Betul	175025
8.	Seoni	148211
9.	Chhatarpur	176377
10.	Mandla	168396
11.	Dewas	121476
	<b>Total</b>	<b>1751778</b>



## APPENDIX-XXXIX

(Referred to in paragraph 3.3.8.2 at page 76)

### Incorrect reporting of utilised quantity of foodgrains by the State Government to Government of India

(In quintals)

Year	Particular	Gwalior	Satna
1995-96	Opening balance	Nil	Nil
	Lifting	Nil	23216
	Utilisation	Nil	11775
1996-97	Opening balance	Nil	11441
	Lifting	14023	39337
	Utilisation	26995	57054
	Excess utilisation	(-)12972	(-)6276
1997-98	Opening balance	(-)12972	(-)6276
	Lifting	Nil	31134
	Utilisation	Nil	73373
	Excess Utilisation	(-)12972	(-)48515
<b>Total excess Utilisation (12972+48515)</b>		<b>61487</b>	



## APPENDIX-XL

(Referred to in paragraph 3.3.9.2 at page 77)

### Excess expenditure due to excess utilisation of foodgrains

(In quintals)

Sl. No.	Name of District/Block	Year	Maximum No. of school days	No. of students benefited	Quantity of foodgrains actually utilised	Maximum quantity of foodgrains admissible	Excess quantity of foodgrains utilised	Excess expenditure (In Rupees)
01.	Betul	1995-96	144	131612	21238.49	18952.12	2286.37	35,98,746
02.	Nagari (Raipur)	1995-96	144	19348	3396.11	2786.11	610.00	11,07,150
	--do--	1996-97	240	20118	4938.10	4828.32	109.78	1,99,250
	<b>Total</b>				<b>29572.70</b>	<b>26566.55</b>	<b>3006.15</b>	<b>49,05,146</b>



## APPENDIX-XLI

(Referred to in paragraph 3.3.9.3 at page 77)

### Excess expenditure on hot meal charges

(In rupees)

Year	Quantity of foodgrains actually utilised (In quintals)	Expenditure actually incurred	Expenditure admissible as per norms fixed by the Government	Excess Expenditure
1997-98	16939.77	17812108	12704828	5107280
1998-99	12252.63	14099242	9189473	4909769
	29192.40	31911350	21894301	10017049



**APPENDIX-XLII**

*(Referred to in paragraph 3.3.9.4 at page 78)*

**Non-return of un-utilised foodgrains and non refund of unspent money on hot meal subsidy**

*(In Rupees)*

Sl. No.	Name of district	Name of Block	Balance quantity of foodgrains (In quintals)	Unspent amount
1.	Bilaspur	B.E.O. Kota	1856.12	246766
		C.E.O. Kota	--	276144
		B.E.O. Pandaria	--	122595
		C.E.O. Pandaria	--	20286
2.	Guna	B.E.O. Guna	--	159574
		Nagarpalika Guna	--	119795
		C.E.O. Ashoknagar	621.49	179764
		C.E.O. Bahmori	542.18	117644
3.	Sagar	B.E.O. Kesely	1360.44	243100
		Dy. Director Education Sagar	--	52310
4.	Betul	B.E.O. Probhat Pattnam	--	196022
		B.E.O. Amla	--	198706
5.	Khandwa	Dy. Director Education Khandwa	--	1273091
6.	Dhar	C.E.O. Badnawar	155.03	1028554
		<b>TOTAL</b>	<b>4535.26</b>	<b>4234351</b>



## APPENDIX-XLIII

(Referred to in paragraph 3.3.9.6 at page 78)

### Statement showing the names of Primary Schools where mid-day-meal was not provided/distributed

Sl. No.	Name of the district	Name of the Block	Names of P/S where M.D.M. not provided/distributed	Period	Reasons
1.	Betul	Bhainsdehi (12 schools)	(i). Primary Schools Hanuman dhana (ii).Kawaramal (iii) Phagra (iv) Mazari (v)Sasauda (vi) Rajjandhana (vii) Korkoodhana (viii) Mudgaon (ix) Neemdhana (x)Banjaridhana (xi) Dhotaradhana (xii)Maudhana (12 P/ schools)	1997-98	Due to non providing of funds for conversion of foodgrains into cooked meal.
2.	Bilaspur	Takahatpur (1 school)	Primary School Beltukri	1998-99	Not given
3.	Guna	Ashok Nagar (404 schools)	All P/schools of the block	July 1998 to Dec. 1998	Not given
4.	Dhar	Badnawar Dhar, Tirla, Bagh, Nisarapur, Manawar (22 schools)	22 P/schools of Badnawar block No. of Students 1608 No. of enrolled students 48544	July 98 onwards April to August 1998	Non allotment of foodgrains. Not given
5.	Sagar	Keshli 1550 Schools	P/schools Nawalpur, Bharadi, Mohara Total Students-284 Entire Sagar Districts No. of Students 200087.	1996-97 (10Months) 1997-98 (2Months) April, 1997	Not given
6.	Shahdol	NA	No. of blocks 8 in No. of blocks 9 in No. of blocks 12 in	April 1996 April 1997 April 1998	Not given
7.	Mandsaur	1975 Schools	Entire Mandsaur district	April 1996 April 1997 April 1998	Non allocation of foodgrains by district authority.



## APPENDIX-XLIV

(Referred to in paragraph 3.3.9.8 at page 79)

### Non furnishing of utilisation certificates

Sl. No.	Name of districts	Year	Education Deptt. (Amount in Rs.)	Tribal Welfare Deptt. (Amount in Rs.)	Totals (Rs.)
1.	2.	4.	4.	5.	6.
1.	Guna	1995-96	1,06,18,540	--	1,06,18,540
		1996-97	1,53,27,120	--	1,53,27,120
			<b>2,59,45,660</b>		<b>2,59,45,660</b>
2.	Morena	1995-96	15,11,464	--	15,11,464
		1996-97	16,60,784	--	16,60,784
		1997-98	5,30,354	--	5,30,354
			<b>37,02,602</b>		<b>37,02,602</b>
3.	Raipur	1995-96	--	36,39,647	36,39,647
		1996-97	--	69,20,092	69,20,092
		1997-98	--	61,64,880	61,64,880
		1998-99 (12/98)	--	47,19,600	47,19,600
			<b>2,14,44,219</b>		<b>2,14,44,219</b>
4.	Bilaspur	1995-96	70,28,370	1,31,39,910	2,01,68,280
		1996-97	1,17,13,950	1,80,89,474	2,98,03,424
		1997-98	45,08,335	1,71,71,955	2,16,80,290
		1998-99 (12/98)	--	1,10,03,250	1,10,03,250
			<b>2,32,50,655</b>	<b>5,94,04,589</b>	<b>8,26,55,244</b>
5.	Sagar	1995-96	20,98,530	--	20,98,530
		1996-97	38,47,305	--	38,47,305
		1997-98	8,72,048	--	8,72,048
			<b>68,17,883</b>		<b>68,17,883</b>
6.	Shahdol	1995-96	51,77,250	1,09,96,616	1,61,73,866
		1996-97	86,28,750	1,85,21,232	2,71,49,982
		1997-98	12,94,313	1,78,12,105	1,91,06,418
		1998-99	--	1,66,01,915	1,66,01,915
			<b>1,51,00,313</b>	<b>6,39,31,868</b>	<b>7,90,32,181</b>
7.	Betul	1995-96	47,04,390	91,86,045	1,38,90,435
		1996-97	56,56,530	1,62,17,005	2,18,73,535
		1997-98	--	1,50,27,022	1,50,27,022
		1998-99	--	1,13,48,609	1,13,48,609
			<b>1,03,60,920</b>	<b>5,17,78,681</b>	<b>6,21,39,601</b>
8.	Dhar	1995-96	13,14,928	94,99,529	1,08,14,457
		1996-97	21,47,087	94,94,469	1,16,41,556
		1997-98	1,73,848	76,19,764	77,93,612
		1998-99	--	88,32,165	88,32,165
			<b>36,35,863</b>	<b>3,54,45,927</b>	<b>3,90,81,790</b>
	<b>Grand Total</b>		<b>8,88,13,800</b>	<b>23,20,05,284</b>	<b>32,08,19,180</b>



## APPENDIX-XLV

(Referred to in paragraph 3.3.10.1 at page 79)

### Excess claims for reimbursement of Transportation charges

Sl. No.	Name of District	Period for claim	Quantity of foodgrain lifted from F.C.I. (In quintals)	Amount claimed (In Rupees)	Amount to be claimed (In Rupees)	Excess claim (In Rupees)
1.	Guna	1.7.97 to 31.3.98	30596.00	15,29,800	7,64,900	7,64,900
2.	Morena	1.6.97 to 31.3.98	53337.06	26,66,853	13,33,427	13,33,426
3.	Bilaspur	1.7.97 to 31.3.98	128632.39	64,31,620	32,15,810	32,15,810
4.	Mandsaur	1.7.97 to 31.3.98	30406.00	15,20,300	7,60,150	7,60,150
5.	Sagar	1.7.97 to 31.3.98	47013.03	23,50,652	11,75,326	11,75,326
6.	Shahdol	1.7.97 to 31.3.98	28732.57	14,36,629	7,18,314	7,18,315
	<b>Total</b>		<b>318717.05</b>	<b>1,59,35,854</b>	<b>79,67,927</b>	<b>79,67,927</b>



**APPENDIX-XLVI**

*(Referred to in paragraph 3.5.4 at page 104)*

**Yearwise position of Budget Provision and Expenditure**

**I. Central assistance**

*(Rupees in lakh)*

Year	GOI approved 111 projects + 113 WB projects				TRAINING			
	Budget provision	Actual release by GOI	Expenditure	(-) Saving (+) Excess	Budget provision	Actual release by GOI	Expenditure	(-) Saving (+) Excess
1992-93	2956.73	3091.00	2532.42	(-) 558.58	N.A.	72.24	58.14	N.A.
1993-94	3939.29	2631.69	3202.55	(+) 570.86	N.A.	63.44	48.65	N.A.
1994-95	4293.45	4088.09	3427.05	(-) 661.04	N.A.	54.54	51.50	N.A.
1995-96	4293.95	3902.20	3493.36	(-) 408.84	N.A.	23.24	3.37	N.A.
1996-97	4179.89	3898.16	4002.99	(+) 104.83	126.91	13.63	20.00	(-) 106.91
1997-98	4239.82	4840.29	4101.73	(-) 738.56	126.91	9.09	104.00	(-) 22.91
1998-99	7815.32	5131.48	5354.81	(+) 223.33	410.00*	100.00	39.03	(-) 370.97
<b>Total</b>	<b>31718.45</b>	<b>27582.91</b>	<b>26114.91</b>	<b>(-)1468.00</b>	<b>663.82</b>	<b>336.18</b>	<b>324.69</b>	<b>(-) 500.79</b>

**II. World Bank Assistance**

ICDS (World Bank) (244 projects (131+113))			
Budget provision	Actual release by GOI	Expenditure	(-) Saving (+) Excess
141.87	316.00	141.87	(-) 174.13
384.71	875.00	273.83	(-) 601.17
3677.69	3300.00	849.98	(-) 2450.02
3932.99	2851.00	2798.68	(-) 52.32
6552.76	4260.00	3076.42	(-) 1183.58
11445.55	9253.00	8525.61	(-) 727.39
10399.74	4941.00	7545.81	(+) 2604.81
36535.31	25796.00	23212.20	(-) 2583.80

**III. State Sector Scheme (62 projects)**

Year	Budget Provision	Expenditure	Savings
1998-99	247.28*	60.57	--

**IV. Supplementary Nutrition Programme**

Year	Budget Provision		Expenditure		Overall (-)Savings (+) Excess
	ICDS	MNP	ICDS	MNP	
1993-94	3720.29	NA	2823.20	NA	(-) 897.09
1994-95	3998.45	1608	3387.50	1337	(-) 610.95
1995-96	3921.00	1721	3445.92	1441	(-) 475.08
1996-97	4520.36	1250	3036.77	830	(-)1483.59
1997-98	5688.70	1549	5205.86	1467	(-) 482.84
1998-99	4842.60	1583	4730.43	1583	(-) 112.17
<b>Total</b>	<b>26691.40</b>		<b>22629.68</b>		<b>(-) 4061.72</b>

*Note :* Budget provisions and expenditure under ICDS include budget provision/expenditure on Minimum Need Programme (MNP).

\*

*Re-appropriated from funds pertaining to training released by GOI*



## APPENDIX-XLVII

(Referred to in paragraph 3.5.5.1 at page 107)

**Types of beneficiaries identified and covered under the scheme for the period 1992-93 to 1998-99 in test checked projects.**

(Figures in lakh)

Sl. No.	Types of beneficiaries	Number of beneficiaries																	
		1992-93		1993-94		1994-95		1995-96		1996-97		1997-98		1998-99		Total		Short fall	% of Shortfall
		I	C	I	C	I	C	I	C	I	C	I	C	I	C				
1.	Expectant and Nursing mothers	0.38	0.28	0.42	0.29	0.47	0.32	0.61	0.48	0.70	0.57	1.00	0.82	1.20	0.99	4.78	3.75	1.03	21.55
2.	Other women (15-45 years)	0.09	0.05	0.09	0.07	0.34	0.07	0.08	0.09	0.32	0.05	0.37	0.11	0.54	0.11	1.83	0.55	1.28	69.95
3.	Children less than 1 year	0.31	0.18	0.31	0.17	0.35	0.20	0.60	0.33	0.64	0.47	0.84	0.60	0.99	0.68	4.04	2.63	1.41	34.90
4.	Children between 1-3 years	0.70	0.50	0.76	0.51	0.90	0.52	1.08	0.73	1.23	0.93	1.64	1.27	1.80	1.38	8.11	5.84	2.27	27.99
5.	Children between 3-6 years	1.06	0.72	1.15	0.76	1.27	0.84	1.56	1.24	1.74	1.31	2.43	1.75	2.89	2.23	12.10	8.85	3.25	26.86

I= Identified

C= Covered



### APPENDIX-XLVIII

*(Referred to in para 3.5.5.2 and 3.5.5.3 (c) at page 107 and 109)*

**Statement showing details of visits of ICDS beneficiaries by ANM for  
Immunisation and Medical Health check up in test checked projects**

Year	No. of AWs.	Visits required	Visits made	Shortage of visits	Percentage of shortage	No. of projects on which no visits made
1992-93	2442	117216	28974	88242	75	4
1993-94	2442	117216	31962	85254	73	5
1994-95	2649	127150	37101	90049	71	5
1995-96	3003	138478	28775	109703	79	5
1996-97	3666	175966	78132	97834	56	4
1997-98	4447	212954	79277	133677	63	6
1998-99	5102	244896	86571	158325	65	5
	<b>Total</b>	<b>1133876</b>	<b>370792</b>	<b>763084</b>	<b>68</b>	



## APPENDIX-XLIX

*(Referred to in paragraph 3.5.5.3 (b) at page 109)*

**Number of children/women to be immunized and actually immunized in the test checked projects.**

Years upto 1991-92	B.C.G.		D.P.T.		Polio		Measles		T.T.	
	Targets	Achievement	Targets	Achievement	Targets	Achievement	Targets	Achievement	Targets	Achievement
1992-93	93395	37301 (40%)	106952	43233 (40%)	106610	47927 (45%)	81305	26848 (33%)	100026	42171 (42%)
1993-94	108833	37064 (34%)	110222	42100 (38%)	109157	47993 (44%)	875832	21951 (25%)	115994	40544 (35%)
1994-95	108696	41360 (38%)	110273	51802 (47%)	109821	57553 (52%)	87205	32989 (38%)	120024	50806 (42%)
1995-96	111788	49819 (45%)	115544	48240 (42%)	115073	61264 (53%)	87773	20021 (23%)	108371	44632 (41%)
1996-97	212793	67695 (32%)	219373	71954 (33%)	221120	76536 (35%)	101078	26407 (26%)	210824	67997 (32%)
1997-98	234435	92981 (40%)	243473	110261 (45%)	242141	126905 (52%)	207927	45200 (22%)	250492	95500 (38%)
1998-99	287645	84023 (29%)	288720	108709 (38%)	283207	110363 (39%)	240029	42800 (18%)	308013	97380 (32%)



## APPENDIX-L

*(Referred to in paragraph 3.5.5.3 (f) at page 111)*

**Statement showing number of childrens eligible, enrolled and attended pre-school education (Age group 3 to 5 years) in 33 test- checked projects**

Year	No. of projects	No. of Anganwadis attached	No. of Anganwadi where pre-school education imparted	No. of Children eligible for pre-school education	No. of Children actually enrolled (percentage of eligibles)	No. of Children actually attended (percentage of eligibles)
1992-93	11	2333	2317	176456	137793 (78.09)	112181 (63.59)
1993-94	12	2512	2505	196815	151418 (76.97)	123265 (62.63)
1994-95	19	2523	2520	194059	147405 (75.96)	80406 (41.43)
1995-96	20	2895	2797	221797	158938 (71.66)	120581 (54.37)
1996-97	16	3804	3682	312792	253210 (80.95)	184246 (58.90)
1997-98	18	4557	4327	391195	300734 (76.88)	229758 (58.73)
1998-99	19	5052	4761	412953	327217 (79.24)	238800 (57.83)



## APPENDIX-LI

*(Referred to in paragraph 3.5.8 at page 115)*

**Statement showing sanctioned/working strength in ICDS projects as on July 1999.**

Sl. No.	Name of post	Sanctioned			Working	Vacant	Percentage of 7 to 5
		Sanctioned	Surrendered	Balance			
1.	2.	3.	4.	5.	6.	7.	8.
1.	CDPO	426	90	336	290	46	14
2.	ACDPO	331	89	242	235	07	3
3.	ASO	380	39	341	137	204	60
4.	Supervisors	3152	170	2982	2345	637	21
5.	AWWs	67718	--	67718	64391	3317	5
6.	AWHs	62973	--	62973	58228	4745	8



## APPENDIX-LII

(Referred to in paragraph 3.31 at page 145)

**Statement showing the irregular payment of 12 per cent calculation amount and 30 per cent Solatium on the compensation of Trees, Houses, Wells etc.**

Sl. No.	Name of Unit	Reference to Case No.	Date of issue of notification under section 4(i)	Date of passing award	Total days	Compensation paid for				12 per cent calculation amount	30 per cent Solatium	Total
						Trees	Houses	Others	Total			
1.	Land Acquisition Officer, Bhopal	5/A-82/92-93	23.07.93	01.06.95	678	3475	37750	--	41225	9189	12368	21557
		6/A-82/91-92	07.08.92	30.06.95	1058	4589	--	--	4589	1596	1377	2973
		3/A-82/90-91	29.03.91	31.12.93	1008	22150	--	--	22150	7340	6645	13985
		2/A-82/94-95	15.09.95	01.10.96	381	--	227428	29000	256428	32120	76928	109048
		4/A-82/91-92	15.03.92	16.09.94	913	23960	517246	10000	551206	165452	165362	330814
		31/A-82/87-88	17.02.89	15.06.94	1942	7477	40805	--	48282	30826	14485	45311
		5/A-82/95-96	18.04.97	07.11.97 (possession)	199	50562	2939160	10000	2999722	196255	899916	1096171
2.	Land Acquisition Officer, Bilaspur	3/A-82/97-98	15.05.98	01.07.98	46	--	1970442	--	1970442	29800	591132	620932
3.	Land Acquisition Officer, Indore	20/A-82/90-91	08.03.91	15.01.94	1045	1695	205052	--	206747	71030	62024	133054
		2/A-82/94-95	31.03.95	31.10.95	215	2560	1906438	--	1908998	134937	572699	707636
		3/A-82/94-95	28.10.94	19.05.95	203	19682	--	378798	398480	26594	119544	146138
		1/A-82/94-95	29.10.94	14.03.97	865	3940	533230	--	537170	152762	161151	313913
4.	Land Acquisition Officer, Kasrawad (Khargone)	19/A-82/95-96	22.11.96	27.05.98	551	--	873350	--	873350	158208	262005	420213
5.	Land Acquisition Officer, Ujjain	1/A-82/93-94	12.08.94	16.05.97	1012	147466	80374	326731	554571	184511	166370	350881
		2/A-82/92-93	14.05.93	23.04.96	1075	38576	505746	127126	671648	237376	207495	438871
<b>TOTAL</b>									<b>1437996</b>	<b>3313501</b>	<b>4751497</b>	

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### APPENDIX-LIII

(Referred to in Paragraph 3.32 at page 147)

**Statement showing the excess compensation awarded and paid due to wrong adoption of formula in determining Market Value of land.**

Name of Unit	Case No.	Date of issue of notification U/s 4(i)	Date of award/possession	days	Market value of land on the basis of sale deeds as provided by Sub-Registrar			Area of land acquired (In hectare)	Compensation of land to be paid	Actual compensation paid	Difference	30% Solatium	12% Calculation amount	Total Excess paid.
					Area of land in hectares	Total sale value	Average Market value in hectares 1. Non Irrigated 2. Irrigated 3. Padat							
----- (In Rupees) -----														
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
Land Acquisition officer Khargone	41/A-82/96-97	28.3.97	31.03.98	368	3.104	1,21,000	38,982 NI	5.315	2,07,189	2,52,122	44,933	13,480	5436	63,849
	31/A-82/96-97	28.03.97	25.10.97	213	5.341 2.65	1,20,000 60,000	22,468 NI 22,642 Irr.	1.638 3.532	36,803 79,972 1,16,775	2,24,796	1,08,021	32,406	7564	1,47,991
	32/A-82/96-97	28.03.97	25.10.97	212	14.015	3,36,500	24,010 NI 36,015 Irr	1.722 6.383	41,345 2,29,884 2,71,229	3,39,142	67,913	20,374	4733	93,020
	3/A-82/96-97	28.03.97	11.09.97	168	8.248	2,24,900	27,268 NI 40,902 Irr 13,634 Padat	4.202 6.014 0.401	1,14,580 2,24,985 5,467 3,66,032	5,41,117	1,75,085	52,526	9670	2,37,281
	2/A-82/96-97	01.11.96	23.08.97	304	11.987	2,16,000	18,020 NI 27,030 Irr	9.796 28.251	1,76,524 7,63,625 9,40,149	11,24,839	1,84,690	55,407	18458	2,58,555

Contd..2.



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1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
Land Acquisition Officer Bhikangaon	33/A-82/96-97	14.3.97	04.12.97	266	19.271	2,93,500	15,230 NI 22,845 Irr 7,615 Padat	21.644 65.972 0.223	3,29,638 15,07,130 55,071 18,91,839	53,60,701	34,68,862	10,40,658	3,03,359	48,12,879
	5/A-82/96-97	14.3.97	29.11.97	260	--do--	--do--	--do--	3.444 6.726 0.223	52,528 1,53,655 1,698 2,07,881	5,50,836	3,42,955	1,02,886	29,315	4,75,156
Land acquisition officer Bilaspur	20/A-82/96-97	17.1.97	14.10.98	635	6.399	1,38,134	21,587 NI 32,380 Irr 10,794 Padat	4.267 14.213 1.011	92,112 4,60,219 10,913 5,63,244	10,04,425	4,41,181	1,32,354	92,104	6,65,639
	96/A-82/92-93	16.02.96	16.11.98	1001	8.86	2,76,800	31,241	2.35	73,416	1,05,743	32,327	9,699	10,638	52,664
	118/A-82/92-93	08.12.95	16.11.98	1065	0.43	16,500	30,233	6.19	1,87,142	2,43,068	55,926	16,779	19,581	92,286
	16/A-82/95-96	13.06.97	12.03.99	638	2.63	1,75,200	66,616	8.34	5,55,577	6,82,597	1,27,020	38,105	26,643	1,91,768
	8/A-82/96-97	10.06.97	12.03.99	641	3.82	1,15,100	30,131	2.45	73,821	94,872	21,051	6,315	4,436	31,802
	142/A-82/92-93	21.08.98	17.02.99	180	2.58	1,26,300	48,953	5.66	2,77,076	2,97,032	19,956	5,987	1,180	27,123
	9/A-82/96-97	21.07.97	22.8.98	398	--	--	48,904	5.84	2,85,599	3,28,186	42,587	12,776	5,572	60,935
					89.335			222.82			51,32,507	15,39,752	5,38,689	72,10,948



## APPENDIX-LIV

(Referred to in paragraph 3.41 at page 156)

### Statement showing outstanding DC bills as on 31 March 1999

(In Rupees)

Sl. No.	Major Head of Accounts	No. of DDOs	Amount of outstanding DC Bills as on 31-3-99	Less than three months	More than three months but less than six months	More than six month but less than one year	More than one year but less than two years	More than two years	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	2014-Administration. Of Justice	32	34,12,962	31,31,275	1,32,393	1,49,294	--	--	--
2.	2039-State Excise	24	1,28,97,158	2,04,065	10,20,375	4,46,099	92,89,496	19,37,123	--
3.	2045-Other taxes and duties on commodities and services	27	4,61,146	4,61,146	--	--	--	--	--
4.	2047-Other fiscal services	20	88,695	66,385	656	--	21,654	--	--
5.	2053-District Administration	25	38,23,031	30,63,063	1,357	--	11,307	7,47,304	--
6.	2075-Mis General Services	04	13,92,052	--	--	--	--	13,92,052	--
7.	2202-General Education	496	1,70,38,895	64,54,203	25,21,752	42,48,446	31,31,877	6,82,617	--
8.	2203-Technical Education	06	1,44,654	1,12,166	32,488	--	--	--	--
9.	2204-Sports and Youth Services	25	1,84,52,454	61,63,099	72,15,173	50,47,929	26,253	--	--
10.	2210-Medical and Public Health	154	15,05,25,061	5,83,56,895	2,39,30,457	96,10,911	3,55,96,528	2,30,30,270	--
11.	2211-Family Welfare	74	11,78,54,150	3,39,07,292	69,12,062	65,66,600	4,45,35,013	2,59,33,183	--
12.	2225-Welfare of SC/ST and OBC	143	5,72,92,864	57,05,309	96,43,012	1,13,14,696	1,28,11,423	1,77,87,424	--
13.	2230-Labour and Employment	18	7,74,892	45,744	3,73,834	6,533	3,48,781	--	--
14.	2235-Social Security and Welfare	06	19,26,500	7,97,500	10,92,500	Nil	36,500	Nil	--
15.	2401-Crop Husbandry	125	3,54,55,162	1,40,36,377	26,31,874	37,79,025	122,88,214	27,19,672	--
16.	2402-Soil and Water Conservation	46	4,81,28,856	1,77,86,793	1,99,49,681	1,03,92,382	--	--	--
17.	2425-Co-Operation	67	15,66,968	8,11,157	1,16,594	1,08,469	3,77,261	1,53,487	--
18.	2701-Major and Medium Irrigation	04	9,17,840	2,77,640	--	--	--	6,40,200	--
19.	2702-Minor Irrigation	02	43,216	43,216	--	--	--	--	--
20.	2705-Command Area Development	117	9,82,45,482	2,40,81,189	Nil	11,49,384	94,45,010	6,35,69,899	--
21.	2851-Village and Small Industries	06	4,34,852	4,11,633	23,219	--	--	--	--
	<b>Grand Total (in Rupees)</b>	<b>1418</b>	<b>57,08,76,890</b>	<b>17,59,47,147</b>	<b>7,55,97,427</b>	<b>5,28,19,768</b>	<b>12,79,19,317</b>	<b>13,85,93,231</b>	
	(in lakh)		5,708.77	1,759.47	7,55.97	528.20	1,279.19	1,385.93	



## APPENDIX-LV

(Referred to in paragraph 3.41 at page 156)

**Number of DDO's who drew AC Bill on more than one occasion  
without submitting DC Bills of previous draws of AC Bill**

Major Head of Accounts	No. of DDOs
2014	5
2039	13
2045	--
2047	9
2053	4
2075	--
2202	314
2203	2
2204	21
2210	80
2211	49
2225	11
2230	6
2235	--
2401	65
2402	42
2425	5
2701	--
2702	--
2705	25
2851	1
<b>TOTAL</b>	<b>652</b>



## APPENDIX-LVI

### Glossary of abbreviations

AA	Administrative Approval
ACDPO	Assistant Child Development Project Officer
ADH	Assistant Director Horticulture
ADS	Assistant Director Sericulture
AG-I	Adolescent Girls Group-I
AG-II	Adolescent Girls Group-II
ASCO	Assistant Soil Conservation Officer
AW	Anganwadi
AWTC	Anganwadi Training Centres
AWW	Anganwadi Worker
BCG	Bacillai Calmetti Gureine
BDO	Block Development Officer
BEO	Block Education Officer
CARE	Co-operation for American Relief Everywhere
CDPO	Child Development Project Officer
CEO	Chief Executive Officer
CLR	Commissioner, Land Records and Settlement
CMHO	Chief Medical Health Officer
CMO	Chief Medical Officer
CMOGR	Chief Medical Officer Gas Relief
CMR	Child Mortality Rate
CPWD	Central Public Works Department
CSR	Current Schedule of Rates
CSS	Central Semen Station
CTD	Commissioner Tribal Development
DC	Development Commissioner
DCCB	District Central Co-operative Bank
DD kits	Dai Delivery kits
DDA	Deputy Director Agriculture
DDO	Drawing and Disbursing Officer
DDVS	Deputy Director of Veterinary Services



DGS&D	Director General Supplies and Disposal
DOTW	District Organiser Tribal Welfare
DPAP	Drought Prone Area Programme
DDPSW	Deputy Director Panchayat and Social Welfare
DPT	Diphtheria Partusic Tetanus
DRDA	District Rural Development Agencies
DSCD	Director Scheduled Castes Development
DWCDO	District Women and Child Development Officer
DWCRA	Development of Women and Children in Rural Area
EAS	Employment Assurance Scheme
EE	Executive Engineer
EMD	Earnest Money Deposit
ENC	Engineer-in-Chief
ESIS	Employees State Insurance Scheme
FCI	Food Corporation of India
GOI	Government of India
GP	Gram Panchayat
GR	Gas Rahat
HUDCO	Housing and Urban Development Corporation
IAY	Indira Avas Yojana
ICDS	Integrated Child Development Services
DWCD	Department of Women and Child Development
IJRY	Intensified Jawahar Rojgar Yojana
IMR	Infant Mortality Rate
IRDP	Integrated Rural Development Programme
ITAP	Integrated Tribal Action Plan
JP	Janpad Panchayat
JRY	Jawahar Rojgar Yojana
LAO	Land Acquisition Officer
MARKFED	Madhya Pradesh State Marketing Federation
MDM	Mid Day Meal
MMR	Maternal Mortality Rate
MNP	Minimum Needs Programme
MPLUN	Madhya Pradesh Laghu Udyog Nigam
MPNAN	Madhya Pradesh Nagrik Aapoorti Nigam



MPSERIFED	MP State Sericulture Federation
MWS	Million Wells Scheme
NAN / MPNAN / SCSC	Nagrik Aapoorti Nigam or Madhya Pradesh State Civil Supplies Corporation
NSPE	Nutrition Support for Primary Education
OPD	Out Patient Department
PAC	Public Accounts Committee
PDDVS	Principal Director, Division of Veterinary Services
PDS	Public Distribution System
PHC	Primary Health Centre
PHED	Public Health Engineering Department
POIFP	Project Officer, Intensive Food Project
PWD	Public Works Department
REGP	Rural Employment Generation Programme
RRC	Revenue Recovery Certificates
SADO	Senior Agriculture Development Officer
SC	Scheduled Caste
SE	Superintendent Engineer
SIDA	Swedish International Development Agency
SLCC	State Level Co-ordinating Committee
SMM	Severe and Moderate Malnutrition
SNP	Supplementary Nutrition Program
SOR	Schedule of Rates
ST	Scheduled Tribes
TBC	Tuberculosis Centre
TRYSEM	Training of Rural Youth for Self Employment
TS	Technician
TT	Tetanus Toxide
UNICEF	United Nations International Children Education Fund
VAS	Veterinary Assistant Surgeon
WB	World Bank
WCDD	Directorate of Women and Child Development Department
WFP	World Food Programme
WHO	World Health Organisation
ZP	Zila Panchayat