

REPORT
OF
THE COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR ENDED 31 MARCH 1988

NO. 3

(CIVIL)

GOVERNMENT OF HIMACHAL PRADESH



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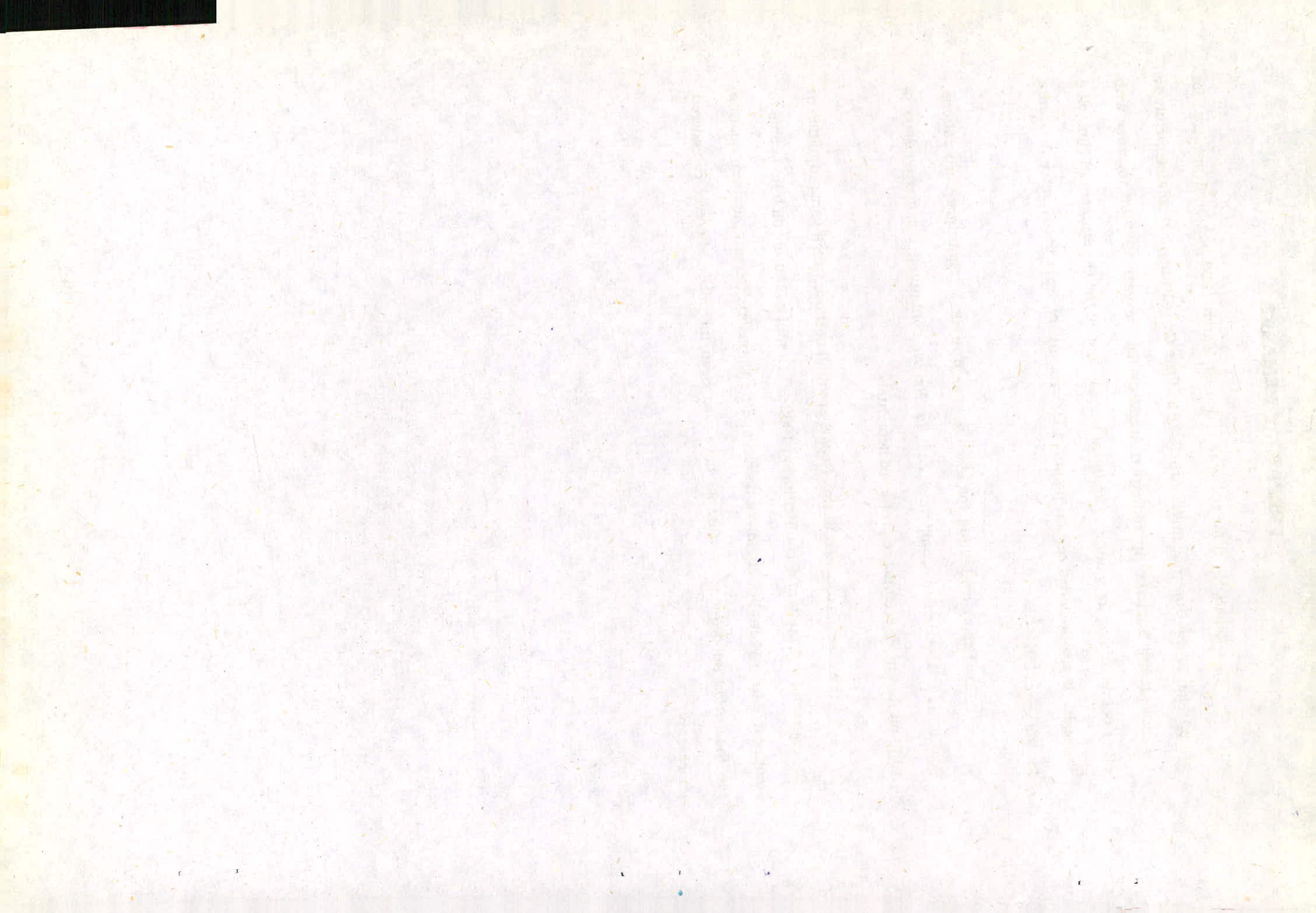
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PREFATORY REMARKS

This Report No. 3 for the year ended 31 March 1993 has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1992-93 together with other points arising from audit of financial transactions of the Government of Himachal Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1992-93.

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

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during 1992-93 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 1992-93 have also been included, wherever considered necessary.



OVERVIEW

This Report includes two chapters on the Finance and Appropriation Accounts of the Government of Himachal Pradesh for the year 1992-93, and four other chapters, comprising 3 reviews and 56 paragraphs, based on the audit of certain selected programmes and activities and of the financial transactions of Government. A synopsis of the important findings contained in the Report is presented in this Overview.

1. Accounts of the State Government

- ** As against a revenue surplus of Rs. 9.86 crores in 1991-92, accounts of the State Government for 1992-93 closed with a revenue deficit of Rs. 93.08 crores. This was because of a relatively higher growth of 17 per cent in its revenue expenditure than the growth in its revenue receipts which increased by 6 per cent in relation to the previous year. The State had incurred revenue deficits in four out of the six years 1987-88 to 1992-93.
- ** While the Revenue expenditure (both plan and non-plan) had increased by 17 per cent over the level of 1991-92, the Capital expenditure had gone up by only 9 per cent. The increase in the Non-Plan revenue expenditure during 1992-93 in relation to 1991-92 (17 per cent) outpaced the growth in Plan revenue expenditure which was only 15 per cent.
- ** The revenue receipts of the State Government increased from Rs. 649.81 crores in 1987-88 to Rs. 1052.49 crores in 1992-93 by 62 per cent. Tax revenue (Rs. 221.68 crores) and non-tax revenue (Rs. 66.78 crores) raised by the State Government during 1992-93 constituted 21.06 per cent and 6.34 per cent respectively of the total revenue receipts. During 1987-93, receipts from tax revenue increased progressively from Rs. 103.28 crores to Rs. 221.68 crores, the growth in relation to 1991-92 (Rs. 192.93 crores) being 15 per cent. The contribution of Sales Tax receipts to the total tax revenue declined from 38 to 34 per cent between 1987-88 and 1992-93; the contribution of State Excise receipts increased progressively from 30 to 34 per cent during the same period. Receipts from State Excise, which were a little over three fourth of the receipts from Sales Tax in 1987-88, had exceeded the receipts from Sales Tax in 1992-93.
- ** Non-tax revenue decreased by 10 per cent during 1992-93 in relation to 1991-92 (Rs. 74.75 crores).

- ** The State could raise only 27.40 per cent (tax revenue 21.06 per cent and non-tax revenue 6.34 per cent) of the total revenue receipts during 1992-93 and remained heavily dependent on grants-in-aid from the Central Government and its share of Union taxes and duties which constituted 46.35 per cent and 26.25 per cent respectively of the total revenue. The State's share of Union taxes and duties increased progressively from Rs. 142.57 crores in 1987-88 to Rs. 276.24 crores in 1992-93. Grants-in-aid from the Central Government also increased during this period from Rs. 332.33 crores to Rs. 487.79 crores.
- ** The increasing trend in the revenue gap of the State caused an alarming increase in the internal debt of the State which has gone up to five times from Rs. 71.35 crores at the end of 1987-88 to Rs. 355.42 crores at the end of 1992-93. Increase in the internal debt over last one year alone has been 96 per cent.
- ** Inclusive of the increase of Rs. 504.14 crores (115 per cent) in Loans and Advances from the Central Government, and of Rs. 312.44 crores (175 per cent) in other liabilities, the total liabilities of the State Government (Rs. 1787.72 crores) had increased by 160 per cent in relation to 1987-88 (Rs. 687.07 crores).
- ** The debt burden had resulted in an increase in the interest liability of the State Government as well, which burgeoned by 261 per cent from Rs. 49.11 crores in 1987-88 to Rs. 177.12 crores in 1992-93. The outflow of funds on this account ranged between 8 and 15 per cent of the revenue expenditure during 1987-93. During 1992-93, the repayment of Central Government loans and advances and payment of interest thereon, exceeded the fresh loans and advances received by Rs. 38.85 crores, thereby causing net negative inflow.
- ** Of the Ways and Means Advances of Rs. 122.88 crores and Overdrafts of Rs. 4418.50 crores availed of by the State Government during 1992-93, Rs. 11.27 crores and Rs. 143.42 crores respectively were outstanding at the end of the year.
- ** Government's investments in various Statutory Corporations, Government Companies, Joint Stock Companies and co-operatives increased from Rs. 125.69 crores at the end of 1987-88 to Rs. 214.54 crores at the end of 1992-93. A meagre amount of Rs. 0.10 crore only was, however, received as dividend during 1992-93. The return on investments was substantially lower than the interest payable by Government on its borrowings.

** Guarantees given by Government for repayment of loans raised by various public enterprises, local bodies, etc., and outstandings increased by 76 per cent from Rs. 268.66 crores to Rs. 472.19 crores over a period of five years.

** The outstanding amount of loans and advances disbursed by the State Government stood at Rs. 552.61 crores as on 31st March 1993 compared to Rs. 363.83 crores as at the end of 1987-88. The net loans and advances disbursed by the State Government during the six-year period from 1987-88 to 1992-93 ranged between 15 and 55 per cent of the net receipts from long-term borrowings.

** Based on such information as was furnished by some of the departments, a sum of Rs. 12.71 crores, inclusive of interest of Rs. 3.19 crores, was overdue for recovery as of 31st March 1993 against loans and advances, the detailed accounts of which are maintained by the departmental officers themselves.

[Paragraphs 1.1 to 1.15]

2. Appropriation Audit and control over expenditure

** During 1992-93, savings in 50 cases aggregated to Rs. 121.66 crores. Expenditure of the State Government, however, exceeded the budget provisions in 15 cases by Rs. 4365.26 crores. The excess expenditure requires regularisation under Article 205 of the Constitution of India.

** The supplementary provision of Rs. 135.97 crores obtained during the year 1992-93 constituted 8 per cent of the original budget provision of Rs. 1627.58 crores. Supplementary provisions totalling Rs. 12.80 crores obtained in 14 cases during the year proved wholly unnecessary as the expenditure in all these cases was less than even the original budget provision.

** Savings of Rs. 50 lakhs and more in each case aggregating Rs. 117.13 crores (24 cases) occurred in 17 grants and one appropriation.

** Persistent savings/excesses, ranging from 5 to as high as 2884 per cent, occurred in 11 grants and 2 appropriations (16 cases) during the three-year period from 1990-91 to 1992-93.

** Of the total saving of Rs. 106.24 crores in voted grants, savings totalling Rs. 93.64 crores were surrendered only on the last day of the financial year. Savings aggregating to Rs. 24.88 crores in 18 grants and 7 appropriations were not surrendered by the concerned departments. On the other hand, as against the savings of Rs. 35.65 crores only available for surrender in 18

cases, an amount of Rs. 47.76 crores was actually surrendered. These instances were indicative of inadequate budgetary control.

(Paragraphs 2.1 and 2.2)

3. Integrated Rural Development Programme

The Programme was launched as major poverty alleviation programme in the State in 1978-79 in 29 blocks and was extended from 2 October 1980 to all the 69 blocks of 12 districts. The main objective of the Programme was to raise the level of the poorest families in the rural areas to enable them to cross the poverty line on a lasting basis by giving income generating assets and access to credit and other inputs. Expenditure aggregating Rs. 40.58 crores was incurred on the programme during 1985-93.

Important points noticed in the course of a review conducted during April-May 1993 of the implementation of the scheme by four District Rural Development Agencies through 22 Block Development Officers are summarised below:

- ** Against the target of 1.61 lakh families, 1.95 lakh families were provided assistance under the Programme during 1985-86 to 1992-93. However, of the 1.88 lakh families assisted during 1985-92, only 0.58 lakh families (31 per cent) were stated by Government to have crossed the poverty line. 1,173 families which were identified to be the poorest of the poor as per a survey conducted in 1981, had not been provided assistance even after a period of 12 years.
- ** The implementation of the Programme suffered from an inherent constraint of inadequacy of investment as the *per capita* investment even during 1988-89 to 1992-93 was generally below the minimum amount (as per an assessment made prior to 1979-80) required to enable the assisted families to cross the poverty line.
- ** Out of 1.38 lakh assets acquired from the assistance provided under the Programme, 0.61 lakh assets were not available with the beneficiaries.
- ** Loans aggregating to Rs. 47.82 crores were provided by banks to the beneficiaries; however, the Department did not monitor the repayment of loans and payment of interest.
- ** Rupees 96.26 lakhs were spent on administrative infrastructure in excess of the prescribed norms during 1990-91 to 1992-93. Contrary to instructions of Government of India, 32 vehicles (cost:Rs. 38.33 lakhs) were purchased for use at block level.
- ** Rupees 8.41 lakhs were spent by 3 DRDAs on non-income generating items/inadmissible items. In 4 DRDAs, subsidy of Rs. 2.18 lakhs had been

paid in excess due to non-observance of prescribed monetary ceilings.

** Of the 15,231 youths trained under TRYSEM Programme at a cost of Rs. 2.28 crores during 1985-93, 6,834 youths were not settled; this rendered the proportionate expenditure of Rs. 1.02 crores incurred on their training as unfruitful. The implementation of TRYSEM also suffered because of failure to provide the prescribed tool kits to the trainees.

** The programme of development of women and children in rural areas was handicapped because of failure to provide the requisite number of staff as well as lack of proper follow up action.

** The monitoring of IRDP was ineffective since different functionaries did not carry out the prescribed number of field visits and physical verification of assets. *Vikas patrikas* were either not maintained or were incomplete. No evaluation of the Programme had been done by the State Government.

(Paragraph 3.1)

4. Rural Sanitation Programme

In order to accelerate provision of sanitation facilities to the rural population, specially among the poorer section, and to protect and uphold the privacy and dignity of women, rural sanitation programme was started in the State from 1986-87. Rupees 3.62 crores were spent on the programme during 1986-87 to 1991-92.

** Rupees 10.49 lakhs drawn between 1986-87 and 1991-92 by 15 BDOs were lying unspent.

** 724 latrines for which Rs. 5.86 lakhs had been provided to beneficiaries in 10 Development Blocks during 1986-87 to 1991-92 had not been completed even as of April 1993.

** Sanitary latrines were not provided in 244 houses constructed between 1986-87 and 1991-92 in 11 blocks for scheduled castes/scheduled tribes beneficiaries as envisaged under the National Rural Employment Programme and Rural Landless Employment Guarantee Programme/Jawahar Rozgar Yojna.

(Paragraph 3.2)

5. National Project on Biogas Development

The National Project on Biogas Development was implemented in the State from 1981-82 with multiple objectives to provide energy in a clean and unpolluted form, to produce enriched manure to supplement the use of chemical fertilisers, to bring

improvement in the life of rural women folk and children by relieving them from drudgery and to improve sanitation and hygiene. Expenditure on the Project during the period 1985-93 aggregated to Rs. 14.89 crores.

Test-check of the records relating to the implementation of the scheme revealed, *inter alia*, the following:

- ** Although 27,844 biogas plants were reported to have been constructed in the State during 1985-93 as intimated to Government of India, the number actually constructed as per the records of the Directorate of Agriculture was 26,521. Contrary to the instructions issued by the Department of Non-Conventional Energy Sources (DNES), the size of 350 biogas plants exceeded the prescribed specifications. Installation of 2,959 plants of 3 cubic metre capacity in excess of the number prescribed by the DNES resulted in avoidable payment of subsidy to the beneficiaries amounting to Rs. 32.55 lakhs. Although the biogas plants were required to be completed within 3 months of release of subsidy, 45 plants in one district for which subsidy was paid in 1991-92, had remained incomplete even as of April 1993. The Departmental officers had not conducted the physical verification of biogas plants as prescribed.
- ** Although Government of India provided assistance for repair of plants, 334 plants in 3 districts were not functioning during 1985-86 to 1992-93 for want of repairs. Quarterly progress reports on non-functioning of plants were not sent to Government.
- ** The shortfall in providing training in different types of courses ranged up to 51 per cent.

(Paragraph 3.3)

6. Vocationalisation of Secondary Education

With a view to provide diversification of educational opportunities so as to enhance individual employability, reduce the mismatch between demand and supply of skilled manpower and to provide an alternative for those pursuing higher education, the scheme Vocationalisation of Secondary Education was started in the State from 1988-89. Expenditure on the scheme during 1988-93 aggregated to Rs. 4.59 crores against the budget provisions of Rs. 6.38 crores and Rs. 1.79 crores remained unutilised.

Test-check of the records relating to the implementation of the scheme revealed, *inter alia*, the following:

- ** Vocational courses could not be started in 15 schools as the posts of the Vocational teachers were not sanctioned although 75 per cent of the expenditure was to be borne by the Central Government. Only 3 per cent of the students were brought under the vocational stream against the target of 10 per cent by 1990. The class strength in 13 schools test-checked ranged from 1 to 19 against 20 to 25 envisaged.
- ** Twenty three schools were selected by Government for starting the vocational courses although these schools had not been recommended by the District Vocational Survey Team for introduction of vocational education. Courses other than those recommended by the survey team were started in the schools. Pre-service training was not arranged for 61 out of 91 teachers appointed under the scheme.
- ** Complete information regarding the progress of construction of worksheds/laboratories for which funds were provided by Government of India was not made available. Of the 26 worksheds/laboratories taken up for construction for 13 schools covered by test-check, only 19 worksheds/laboratories had been completed.
- ** Rupees 87.76 lakhs drawn between September 1991 and November 1992 for purchase of equipment, furniture and for developing instructional material were lying unutilised.
- ** Facilities for practical training were virtually non-existent; raw material was not made available because of which even other inputs were neutralised.
- ** No arrangements existed for providing vocational guidance; the Department had no information regarding the placement of students passing out of vocational stream.
- ** The monitoring of the scheme was ineffective; no evaluation of the impact of the scheme for the achievement of desired objective was done.

(Paragraph 3.6)

7. Rural Health Scheme (Under Tribal Sub-Plan)

Expenditure of Rs. 2.33 crores was incurred on Rural Health Scheme in tribal areas of the State under the Tribal Sub-Plan during 1987-88 to 1992-93.

Some of the important points noticed in the course of a review of the implementation of the scheme are summarised below:

- ** Against the target of opening 77 Health Centres during 1987-93, only 40 centres were opened. Of the 35 sub-centres opened during 1987-90, staff was provided after delays ranging from 1 to 28 months in 12 centres. No survey was conducted to ascertain morbidity pattern in tribal areas.

- ** Against 11 sanctioned posts of Medical Specialists in the tribal areas, no Medical Specialist had been provided from 1987-88 onwards. There were also 27 and 33 vacancies of Medical Officers and Staff Nurses respectively. A large number of posts of male and female health workers had remained vacant. Physiotherapy unit could not be established in the District Hospital, Kinnaur as a Physiotherapist was not posted. No dental care service was provided to the school children for two years (1989-91) as the Medical Officer concerned was on study leave and no substitute was provided. Only 4 to 34 per cent school children were examined under the School Health Services during the period from 1987-88 to 1992-93.

- ** Despite the high incidence of TB in the area, no TB patient was admitted in District Hospitals, Kinnaur and Lahaul and Spiti during 1987-88 to 1992-93 due to non-availability of beds and staff.

- ** Twenty three buildings taken up for construction 2 to 15 years ago remained incomplete after incurring an expenditure of Rs. 147.79 lakhs. The possession of six buildings completed at a cost of Rs. 35.60 lakhs by December 1992 had not been taken over by the Health and Family Welfare Department. Six residential buildings constructed at a cost of Rs. 25.51 lakhs between 1980 and December 1992 had been vacant after occupation for some time.

- ** Diet facilities were not provided to the indoor patients in District hospital and Rural hospital at Keylong and Kaza respectively.

(Paragraph 3.7)

8. Liberation of Scavengers

With a view to liberate the scavengers from their existing hereditary obnoxious and inhuman occupation of manually removing human excreta and filth to earn their livelihood and to engage them in alternative and dignified occupations without any financial loss to them, the scheme Liberation of Scavengers was started in 13 towns of the State between 1983-84 and 1987-88. Following important points were noticed during a review of the implementation of the scheme.

- ** The exact number of dry latrines to be converted into water borne latrines and the number of scavengers to be trained and rehabilitated in the State was not known to the Department.
- ** Out of the total amount of Rs. 162.78 lakhs provided to the Urban Local Bodies during 1986-87 to 1988-89 for conversion of dry latrines into water borne latrines, Rs. 53.49 lakhs remained unutilised with 7 bodies alone. Dharamsala Municipal Committee spent Rs. 4.81 lakhs out of the funds provided to it for conversion of 814 dry latrines on purchase of truck, ferro cement structures, sanitary materials, dustbins and maintenance of existing community latrines, etc. Rupees 10.57 lakhs were diverted for construction of new latrines/new community latrines/urinals.
- ** Although the works were to be completed within two years of commencement, only 36 per cent (7,582 out of 20,953) of the latrines could be converted into water borne latrines in 13 towns during 1986-92. In not a single town, the conversion of all the latrines was completed thereby; this frustrated the whole town approach which alone could have ensured abolition of scavenging once and for all in the selected towns. In Shimla town alone, 3294 latrines remained to be converted into water borne latrines.
- ** An amount of Rs. 70 lakhs provided by the Central Government during 1992-93 for training and rehabilitation of scavengers and passed on to the Himachal Pradesh State Scheduled Castes and Tribes Development Corporation in February 1993, had not been utilised as no programme for rehabilitation had been prepared by the Corporation as of May 1993.
- ** Of 728 scavengers required to be liberated in 10 towns, only 367 scavengers had been liberated and the balance 361 were yet to be liberated.
- ** No training was arranged for the liberated scavengers and their dependents to enable them to find alternative jobs, although the expenditure on this account was to be met by the Central Government.

(Paragraph 3.9)

9. Sale of tea plants

Expenditure of Rs. 38.92 lakhs (capital expenditure: Rs. 12.39 lakhs, revenue expenditure: Rs. 26.53 lakhs) was incurred during 1984-85 to 1992-93 on a nursery of tea plants set up at Diffarpatt in Kangra district by the Industries Department in July 1984. Although the expenditure on the nursery had been increasing from year to year, the subsidised sale price of tea plants fixed in June 1986 by the Director of Industries

in anticipation of approval of Government had not been revised. The area under tea cultivation in the State had declined from 3,232 hectares in 1986-87 to 1,712 hectares in 1990-91. The Department had neither carried out any study whether the plants sold at subsidised rates were actually planted nor ascertained the extent of their survival.

(Paragraph 3.11)

10. Improper utilisation of loan

State Government raised a loan of Rs. 35 lakhs in December 1987 from General Insurance Corporation of India for purchase of fire fighting equipment. The amount was deposited into the treasury by the Department. While an amount of Rs. 4.53 lakhs had not been drawn from the treasury so far, Rs. 8.54 lakhs drawn in March 1993 were lying unspent with the Department (August 1993). There were delays ranging between 31 and 58 months in the drawal of the remaining amount of Rs. 21.93 lakhs for the procurement of equipment and fabrication of tankers.

Interest amounting to Rs. 15.25 lakhs was paid on the loan to the General Insurance Corporation, although the entire amount of loan had not been utilised by the Department. The equipment purchased at a cost of Rs. 6.81 lakhs had only been utilised and remaining equipment procured at a cost of Rs. 15.12 lakhs had not been put to use.

(Paragraph 3.15)

11. Rural Water Supply Programme

The State Government incurred expenditure of Rs. 278.86 crores on execution of various rural water supply schemes from April 1974 to March 1993 to provide drinking water to all the villages of the State; of this Rs. 143.35 crores was incurred during 1988-89 to 1992-93. A review of the implementation of the rural water supply programme for the period from 1988-89 to 1992-93 based on the test-check of 11 divisions, supplemented by test-check of the records of the Engineer-in-Chief and information supplied by him disclosed the following:

** The State Government had targeted to provide potable water to all the 11,887 problem villages in the State by the end of Seventh Five Year Plan against the Government of India target of providing all the villages with potable drinking water during the Sixth Plan period. However, according to the information furnished by the Department, 1,151 such villages had not been provided potable water by the end of March 1990 and 130 problem villages were not covered even by March 1993. Similarly, 74 easy villages had not been covered even by March 1993. The information furnished by the Department was also at variance with the records of the Divisions; in 10 Divisions alone,

217 water supply schemes intended to provide drinking water facility to 694 villages were incomplete as of July 1993.

** Fifty four water supply schemes estimated to cost Rs. 434.01 lakhs were completed at a cost of Rs. 909.10 lakhs after delays ranging from 2 to 21 years. In eight Divisions, 40 schemes, taken up for execution between June 1973 and January 1989 were incomplete despite incurring expenditure of Rs. 330.48 lakhs.

** Twenty four water supply schemes were commissioned between 1980 and 1991 at a cost of Rs. 268.14 lakhs without providing treatment works resulting in supply of unfiltered water to the beneficiaries.

** Sixty one water supply schemes which had been completed by March 1993 had not been commissioned in four Divisions for want of power connections despite advance payments aggregating to Rs. 165.82 lakhs made to the State Electricity Board.

** Expenditure of Rs. 49.15 lakhs incurred on 4 water supply schemes had remained unfruitful as the schemes could not be completed either because of dispute over the source of water or lack of detailed investigations.

** Contrary to instructions of Government which provided for installation of hand pumps only in rural areas, 25 hand pumps had been installed in urban areas at a cost of Rs. 11.21 lakhs.

** The revenue collected in respect of 1,353 schemes was only 3 per cent of the total operation and maintenance expenditure; however, the Department had made no efforts to correlate the water rates with the operation and maintenance expenditure and revise the same.

** Safe drinking water could not be supplied despite spending sizeable amount of Rs. 143.35 crores on the construction and Rs. 142.03 crores on maintenance of water supply schemes as would be evident from the incidence of water borne diseases in the State. Evaluation to ensure that adequate and safe drinking water was being supplied to the beneficiaries had also not been done.

** Shortfall in chemical and bacteriological testing of drinking water supplied to the consumers in 13 divisions from 1990-91 to 1992-93 ranged between 89 and 100 per cent. Chemical and bacteriological analysis of water at source was not conducted before taking up the execution of 777 schemes.

** The Department had purchased 3.24 lakh running metres of galvanised iron pipes costing Rs. 141.06 lakhs during 1991-92 and 1992-93 without preparing detailed estimates and assessing definite requirements. Pipes valued at Rs. 15.11 lakhs had been purchased by the Engineer-in-Chief much in excess of the requirement of Jubbal Division.

(Paragraph 4.1)

12. Extra avoidable expenditure

Himachal Pradesh State Electricity Board Schedule of Tariff provided for the installation of capacitors of adequate rating by the agricultural and industrial consumers having inductive loads in the absence of which, surcharge at the rate of 10 per cent became leviable. Failure on the part of Shimla Division No. 2 of the Irrigation and Public Health Department to install the requisite capacitors at various pumping stations of water supply scheme, Shimla led to payment of Rs. 256.50 lakhs to the Board as surcharge for the period from November 1983 to September 1993.

(Paragraph 4.2)

13. Unfruitful expenditure on civil works and irrigation schemes

** A suspension bridge constructed over river Spiti at Leo (Kinnaur district) at a cost of Rs. 48.94 lakhs and opened for traffic in November 1988 had to be closed in October 1990 as the mild steel decking was observed to have failed since it did not conform to specifications and drawings. Expenditure of Rs. 23.36 lakhs was incurred on construction of road from Leo bridge against the total length of 17 kilometres; but the road was constructed in patches from km. 1.24 onwards. Consequently the entire expenditure of Rs. 72.30 lakhs incurred on the construction of bridge and road had remained unfruitful.

** Expenditure of Rs. 14.30 lakhs incurred by the Public Works Department on the construction of 2 stadia, 3 buildings and 2 cable-ways had not yielded the intended benefits because the works had either not been completed or not put to the intended use because of paucity of funds, technical defects, dispute over the title to land, etc.

** Expenditure of Rs. 25.85 lakhs incurred on the construction and maintenance of 3 irrigation schemes had remained unfruitful as negligible culturable command area was irrigated by the schemes because of less

demand of water by the farmers, non-completion of *chak* development works, drying up of the source of the scheme or *kuhl* being under repairs.

(Paragraphs 4.3, 4.11 and 4.12)

14. Under-utilisation of irrigation potential

Expenditure of Rs. 160.56 lakhs incurred on construction of six irrigation schemes in Ani and Padhar Divisions completed between 1987-88 and 1989-90 remained largely unfruitful because of poor utilisation of irrigation potential which ranged from 3 to 10 per cent.

(Paragraph 4.7)

15. Infructuous expenditure on works

** Construction of an air-strip at Rangrik (Spiti valley) taken up in September 1988 was abandoned by the Department in August 1989 after incurring an expenditure of Rs. 7.47 lakhs because the State Government decided to construct a helipad instead of air-strip, thus rendering the entire expenditure infructuous. The helipad has not yet been constructed.

** Construction of tourist accommodation at Kaza without obtaining administrative approval had to be abandoned by the Department as subsequently Government decided not to construct the tourist accommodation; this resulted in an infructuous expenditure of Rs. 0.82 lakh.

** Construction of a bridge across Baroni *khad* at km. 16/0 of Rampur-Gaura-Mashnoo road was abandoned after incurring an expenditure of Rs. 1.43 lakhs as the strata was not found suitable for the construction of the bridge.

(Paragraph 4.13)

16. Incomplete works

Sixteen road works, 5 buildings and a compound wall were lying incomplete after incurring an expenditure of Rs. 52.41 lakhs. The works were held up either because of involvement of forest land or non-acquisition of private land falling in the alignment of roads or paucity of funds and other reasons.

(Paragraphs 4.23 and 4.24)

17. Material management and inventory control

A review of the material management and inventory control in the North Zone during 1990-93 based on the test-check of the records of 8 divisions and the office of the Chief Engineer (North Zone) disclosed the following:

- ** The value of stores held by the various divisions under the Chief Engineer (North Zone) had increased from Rs. 172.56 lakhs at the end of 1990-91 to Rs. 336.89 lakhs at the end of 1992-93. The Department had not fixed division-wise reserve stock limits.
- ** Local purchases of stores involving Rs. 89.73 lakhs had been made in 8 divisions during the period from April 1990 to March 1993 in excess of the delegated powers.
- ** Failure on the part of the Divisions to place indents for commonly used items led to non-finalisation of rate contracts by the Controller of Stores. These items were purchased from the local market at varying rates. Purchase of items which were borne on rate contract, from suppliers not borne on rate contract resulted in avoidable extra expenditure of Rs. 5.96 lakhs. The prescribed procedure of making purchases after inviting open tenders was also not followed.
- ** Bitumen costing Rs. 79 lakhs was lying unutilised in 6 divisions. Similarly, materials costing Rs. 61.84 lakhs issued to various works between March 1987 and March 1992 were lying unutilised in material-at-site accounts of the works.
- ** Despite the known cost effectiveness of heating bitumen by oil fired tar boilers, bitumen continued to be heated by conventional method of burning fuel; this deprived the Government of saving of Rs. 21 lakhs as well as the conservation of dwindling forest resources.

(Paragraph 5.1)

18. Himachal Pradesh University

- ** Failure of the Directorate of Correspondence Courses of Himachal Pradesh University to get the work of checking of response sheets and preparation of lessons done from its teachers according to the duties prescribed by the UGC led to an avoidable payment of Rs. 2.90 lakhs to the teachers other than those of correspondence courses.
- ** The University incurred avoidable extra expenditure of Rs. 1.95 lakhs on

issue of learning material in excess of requirement. Expenditure of Rs. 1.68 lakhs incurred on filing and pursuance of a special leave petition was rendered infructuous because of a subsequent decision to withdraw the appeal. Super Micro Computer purchased in 1987 by the Department of Computer Sciences for Rs. 6.12 lakhs had been out of order from October 1991. The University had paid Rs. 3.68 lakhs as Municipal taxes for a building which was located outside the Municipal limits. Temporary advances totalling Rs. 12.48 lakhs granted between 1978-79 to 1991-92 to various officials/departments had not been adjusted as of August 1993.

(Paragraph 6.2.4)

19. Other points of interest

(i) Excess purchase of tents by the Chief Conservator of Forests (Settlement) for the Collectors (Settlement) without any immediate requirement resulted in idle investment of Rs. 3.20 lakhs for over 4 years.

(Paragraph 3.14)

(ii) Against the total amount of Rs. 14.57 lakhs provided for the construction of 113 houses for economically weaker sections of the society in Shimla, only 10 houses were completed at a cost of Rs. 1.05 lakhs after a lapse of 10 years. Expenditure of Rs. 8.44 lakhs incurred on development of site and construction of houses which remained incomplete was rendered unfruitful.

(Paragraph 3.16)

(iii) Two machines purchased by the Controller of Printing and Stationery for Rs. 1.89 lakhs for printing of tickets of HRTC in March 1989 were not put to use as the operational staff of these machines had not been sanctioned.

(Paragraph 3.17)

(iv) Failure on the part of the Department in utilising the services of staff of Mechanical Division, Shimla rendered surplus consequent upon the completion of airport at Jubber Hatti in March 1990 by relocating them elsewhere resulted in an infructuous expenditure of Rs. 11.78 lakhs incurred on their pay and allowances up to July 1993.

(Paragraph 4.19)

(v) A snow-cutter purchased by Mechanical Division, Shimla in August 1975 at a cost of Rs. 12.25 lakhs was lying idle in the workshop of the division since March 1986 for want of repairs.

(Paragraph 5.2)

(vi) Materials costing Rs. 5.63 lakhs had either not been handed over by the Junior Engineers to their successors at the time of their transfer or found short at the time of physical verification or had not been accounted for in the material-at-site accounts of the works.

(Paragraph 5.8)

(vii) Authentication of the entry in the cash book without proper verification of the record by the Project Director, Desert Development Project, Spiti facilitated embezzlement of Rs. one lakh by the Office Superintendent.

(Paragraph 6.2.2)

CHAPTER-I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Sources and application of funds

The following statement contains details of the sources of funds at the disposal of the State Government and their application during the financial year 1992-93:

Sources (Receipts)	(Rupees in crores)	Application (Expenditure)	(Rupees in crores)
Tax Revenue	221.68	Revenue Expenditure	1145.57
Non-Tax Revenue	66.78		
Grants-in-aid from the Central Government	487.79	Capital Expenditure	205.32
States' share of Union Taxes and Duties —			
Taxes on Income other than Corporation Tax	36.12		
Union Excise Duties	240.12		
Internal Debt including Ways and Means Advances (excluding over- drafts from Reserve Bank of India)	160.74	Discharge of Internal Debt including Ways and Means Advances (excluding over- drafts from Reserve Bank of India)	130.15
Loans and Advances from the Central Government	115.77	Discharge of Loans and Advances from the Central Government	56.37
Recoveries of Loans and Advances	19.12	Loans and Advances disbursed	32.28
Net Receipts under Public Account	112.66	Net increase in Cash Balance including Cash Balance Investment	
Increase in overdraft from Reserve Bank of India	143.42	Account, Departmental Cash Balance, Permanent Advances, etc.	34.51
Total	1604.20		1604.20

The state of finances of the State Government has been broadly analysed in

the succeeding paragraphs.

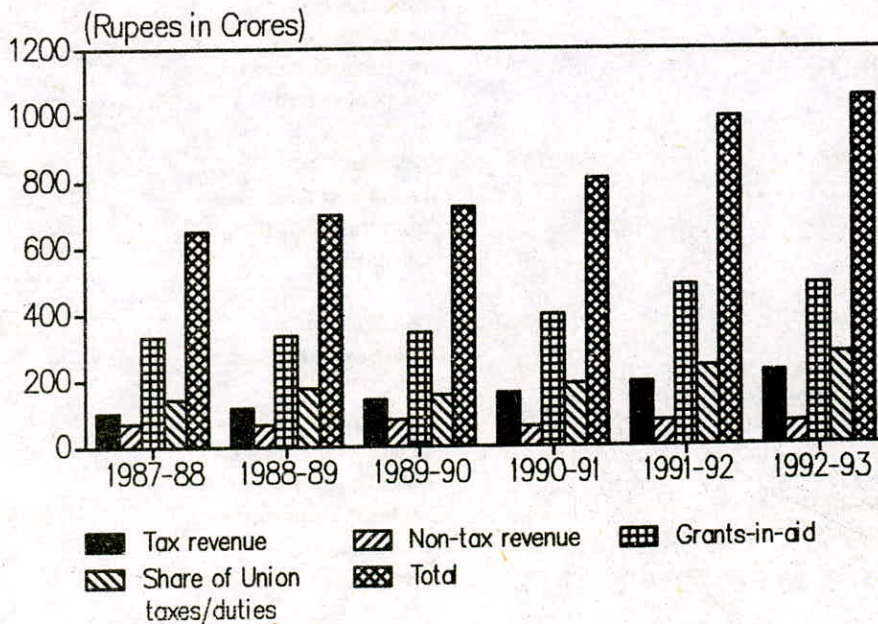
1.2 Revenue receipts

1.2.1 The actual revenue receipts during six-year period ending 1992—93 were as follows:

Year	Budget estimates	Revised estimates	Actuals	Percentage growth of Revenue Receipts over the previous year
(Rupees in crores)				
1987-88	549.19	631.82	649.81	22
1988-89	663.35	790.43	698.38	7
1989-90	817.83	748.04	721.23	3
1990-91	779.55	843.45	806.63	12
1991-92	936.42	994.07	992.42	23
1992-93	1889.89	1875.87	1052.49	6

1.2.2 The position of revenue realisations from different sources during the period from 1987-88 to 1992-93 and their contribution to the total revenue of the State are depicted in the following chart:

SOURCES OF REVENUE



A more detailed analysis of receipts from different sources is contained in the succeeding paragraphs.

1.3 Tax revenue

1.3.1 The tax revenue of the State Government increased from Rs. 192.93 crores in 1991-92 to Rs. 221.68 crores in 1992-93 representing a growth of 15 per cent.

1.3.2 Realisations from different taxes and duties during the period from 1987-88 to 1992-93 have been analysed in the following table:

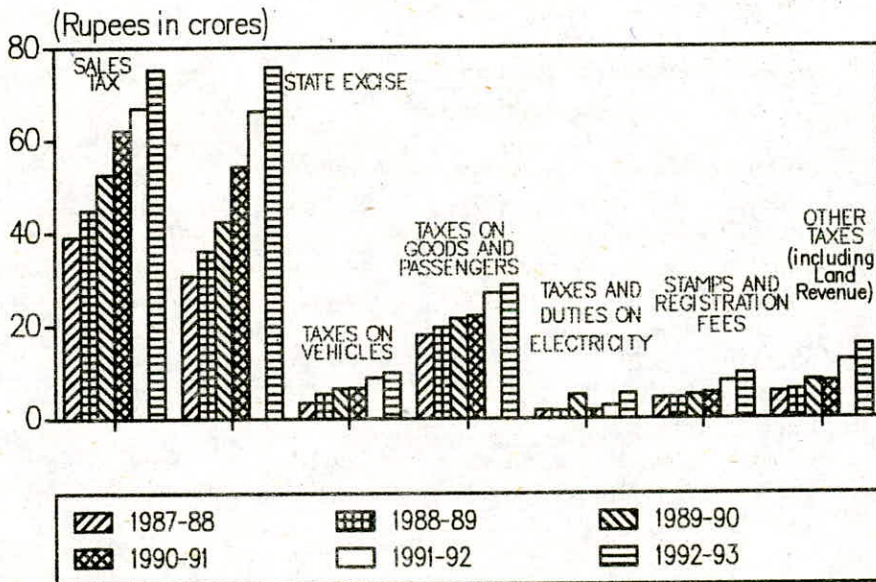
Year	Year-wise Tax Revenue Amount	Percentage growth over previous year
(Rupees in crores)		
1987-88	103.28	12
1988-89	118.10	14
1989-90	141.96	20
1990-91	160.90	13
1991-92	192.93	20
1992-93	221.68	15

	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
(Rupees in crores)						
Sales Tax	39.16 (38)	44.86 (38)	52.59 (37)	62.11 (39)	66.90 (35)	75.20 (34)
State Ex- cise	30.67 (30)	36.06 (31)	42.40 (30)	54.21 (34)	66.25 (34)	75.78 (34)
Taxes on Vehicles	3.33 (3)	5.27 (4)	6.47 (5)	6.59 (4)	8.78 (5)	9.88 (5)
Taxes on Goods and Passengers	17.98 (17)	19.59 (17)	21.49 (15)	22.13 (14)	26.98 (14)	28.63 (13)
Taxes and Duties on Electricity	1.75 (2)	1.57 (1)	5.00 (3)	1.81 (1)	2.76 (1)	5.27 (2)
Land Revenue	0.43 (1)	0.43 (-)	0.88 (1)	0.80 (-)	0.90 (1)	1.59 (1)
Stamps and Registration Fees	4.39 (4)	4.38 (4)	4.99 (3)	5.49 (3)	7.98 (4)	9.53 (4)
Other Taxes and Duties on Commodities and Services	5.57 (5)	5.94 (5)	8.14 (6)	7.76 (5)	12.38 (6)	15.80 (7)
Total	103.28 (100)	118.10 (100)	141.96 (100)	160.90 (100)	192.93 (100)	221.68 (100)

Note: Figures within parentheses represent the percentage of individual taxes to the total tax revenue.

1.3.3 The increase in tax revenue collections by Rs. 28.75 crores during 1992-93 in relation to the previous year was mainly attributable to additional realisations from State Excise (Rs. 9.53 crores), Sales Tax (Rs. 8.30 crores), Other Taxes and Duties on Commodities and Services (Rs. 3.42 crores), Taxes and Duties on Electricity (Rs. 2.51 crores), Taxes on Goods and Passengers (Rs. 1.65 crores), Stamps and Registration Fees (Rs. 1.55 crores), Taxes on Vehicles (Rs. 1.10 crores) and Land Revenue (Rs. 0.69 crore).

1.3.4 The trends in regard to the major sources of tax revenue during the last six years are depicted below:



The contribution of Sales Tax to the total tax revenue declined from 38 to 34 per cent between 1987-88 and 1992-93. State Excise has progressively emerged as a major contributor to the total tax revenue; during 1992-93, the receipt from State Excise exceeded the receipt from Sales Tax.

1.3.5 An analysis of the realisations of tax revenue from different sources during 1992-93 *vis-a-vis* the Budget Estimates and the Revised Estimates revealed significant variations. These variations were as high as 26 per cent in respect of other Taxes and Duties on Commodities and Services and 20 per cent in respect of Land Revenue even

vis-a-vis the Revised Estimates. Details in this regard are tabulated below :

Actuals Revenue head 1991-92	1992-93		Actuals	Percentage variation with reference to Revised Estimates	
	Budget Estimates	Revised Estimates			
(Rupees in crores)					
0.90	Land Revenue	0.62	1.33	1.59	(+)20
7.98	Stamps and Regi- stration Fees	6.36	8.38	9.53	(+)14
66.25	State Excise	67.39	69.56	75.78	(+) 9
2.76	Taxes and Duties on Electricity	4.13	5.59	5.27	(-) 6
12.38	Other Taxes and Duties on Commodities and Services	11.23	12.54	15.80	(+)26

1.4 Non-tax revenue

1.4.1 Whereas the tax revenue had progressively increased since 1987-88; the growth in non-tax revenue was erratic, during the period (1987-93) as would be evident from the table alongside. Non-tax revenue actually declined by 10 per cent from Rs. 74.45 crores in 1991-92 to Rs. 66.78 crores in 1992-93.

The decrease was mainly attributable to reduced realisations

Year-wise Non-Tax Revenue		
Year	Non-Tax Revenue	Percentage increase(+)/ decrease(-) over the previous year
(Rupees in crores)		
1987-88	71.63	(+)34
1988-89	67.40	(-) 6
1989-90	82.25	(+)22
1990-91	59.32	(-)28
1991-92	74.45	(+)26
1992-93	66.78	(-)10

from certain sectors as indicated in the following table:

Description of Head of Account	Actuals		Decrease	
	1991-92	1992-93	Amount	Percentage
(Rupees in crores)				
0070 Other Administrative Services	3.40	2.16	1.24	36
0408 Food, Storage and Warehousing	0.60	0.01	0.59	98
0425 Co-operation	8.80	1.40	7.40	84
0852 Industries	8.33	2.17	6.16	74

The reasons for the comparatively low realisations during 1992-93 were not furnished by Government.

The decrease in revenue realisations from these sectors was, however, partially offset by increased realisations from Miscellaneous General Services (Rs. 4.52 crores), Non-Ferrous Mining and Metallurgical Industries (Rs. 2.38 crores) and Medical and Public Health (Rs. 0.82 crore).

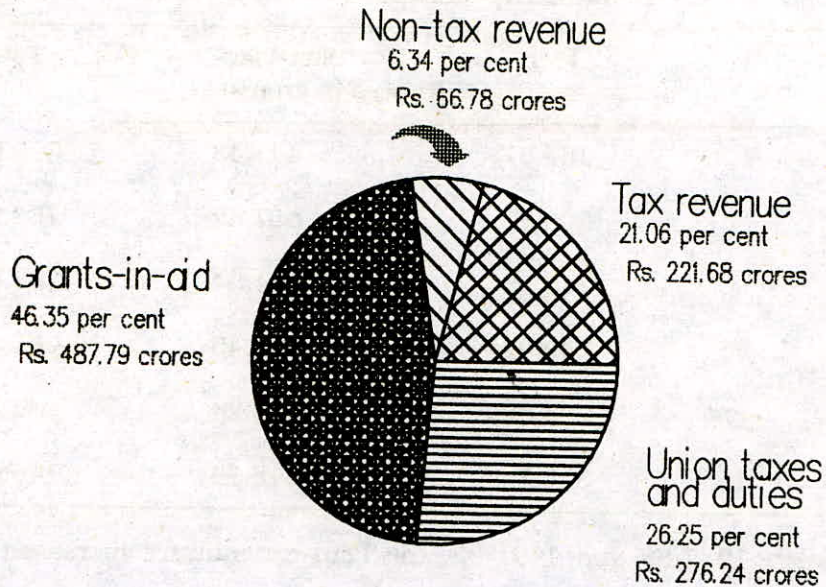
1.4.2 As in the case of tax revenue, actual realisations of non-tax revenue during 1992-93 varied significantly from the Budget and the Revised Estimates.

As against the revised estimates of Rs. 0.14 crore and Rs. 5.12 crores respectively under "Industries" and "Miscellaneous General Services" for 1992-93, the actual realisations accounted for were Rs. 2.17 crores and Rs. 8.97 crores. Similarly, realisations under "Forestry and Wild Life", and "Food, Storage and Warehousing" was Rs. 23.43 crores and Rs. 0.01 crore against the revised estimates of Rs. 26 crores and Rs. 2.26 crores respectively. Reasons for such wide variations were not ascertainable.

1.5 Grants-in-aid and share of Union taxes and duties

1.5.1 Himachal Pradesh being a small State, the scope for raising revenue internally had always been limited. The State had, therefore, to depend heavily on Grants-in-aid from the Central Government and its share of Union taxes and duties. The contributions made by the four major sources of revenue, namely tax revenue, non-tax revenue, Grants-in-aid from the Central Government and share of Union taxes

and duties, during the year 1992-93 are depicted in the following chart :



1.5.2 The State's share of Union taxes and duties had progressively increased by 94 per cent between 1987-88 (Rs. 142.57 crores) and 1992-93 (Rs. 276.24 crores).

During 1992-93, the increase was 15 per cent over the preceding year (Rs. 239.82 crores).

The increase in Grants-in-aid from the Central Government was from Rs. 332.33 crores in 1987-88 to Rs. 487.79 crores during 1992-93 - an increase of 47 per cent. In 1992-93, the increase in Grants-in-aid was less than 1 per cent over the preceding year from Rs. 485.22 crores to Rs. 487.79 crores. Relevant details in this regard are presented in the table alongside.

Grants-in-Aid and Share of Union Taxes and Duties received from the Central Government		
Year	Grants-in-Aid	Share of Union Taxes and Duties
(Rupees in crores)		
1987-88	332.33	142.57
1988-89	336.50	176.38
1989-90	342.97	154.05
1990-91	398.46	187.95
1991-92	485.22	239.82
1992-93	487.79	276.24

1.6 Revenue expenditure

1.6.1 The growth in revenue expenditure between 1987-88 and 1992-93 is shown in the following table:

Revenue Expenditure			
Year	Plan	Non-Plan (Rupees in crores)	Total
1987-88	167.37	441.43	608.80
1988-89	200.80	567.42	768.22
1989-90	210.96	571.54	782.50
1990-91	249.02	652.45	901.47
1991-92	284.32	698.24	982.56
1992-93	326.73	818.84	1145.57

Between 1987-88 and 1991-92, the Plan expenditure increased by 70 per cent whereas the increase in Non-Plan expenditure was of the order of 58 per cent during the same period. However, during 1992-93, the increase in Non-Plan expenditure in relation to 1991-92 (17 per cent) outpaced the growth in Plan expenditure which was only 15 per cent.

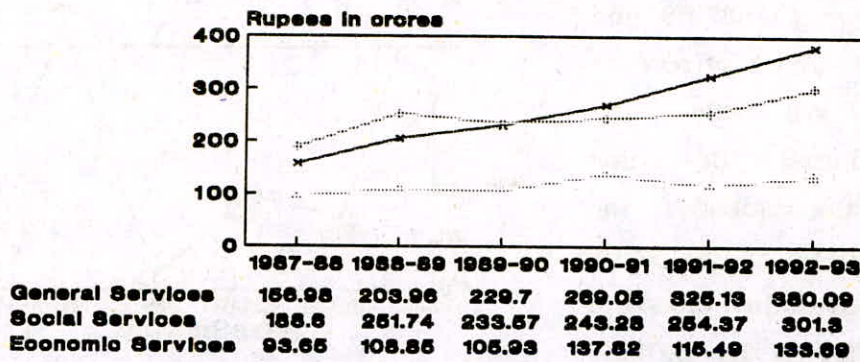
1.6.2 An analysis, Sector-wise, of the expenditure on Revenue Account from 1987-88 to 1992-93 is presented below:

Sector	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	(Rupees in crores)					
General Services (Non-Plan)	156.98	203.96	229.70	269.05	325.13	380.09
General Services (Plan)	4.59	5.64	6.00	9.14	12.00	13.43
Social Services (Non-Plan)	188.60	251.74	233.57	243.28	254.37	301.30
Social Services (Plan)	48.33	63.78	76.74	112.70	115.82	140.54
Economic Services (Non-Plan)	93.65	108.85	105.93	137.82	115.49	133.69
Economic Services (Plan)	114.45	131.38	128.22	127.18	156.50	172.76
Grants-in-Aid and Contributions	2.20	2.87	2.34	2.30	3.25	3.76

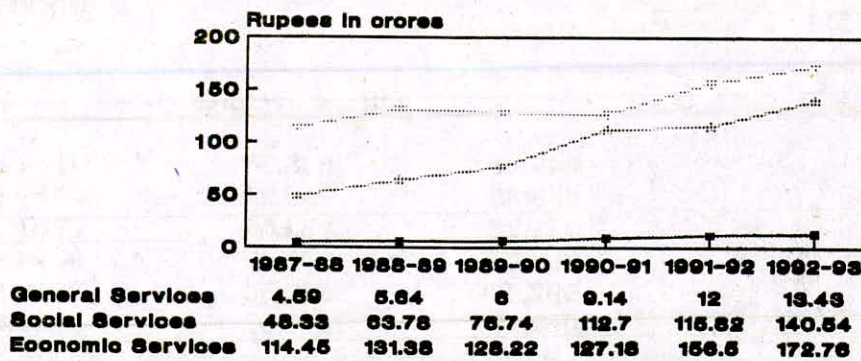
In relation to the previous year (1991-92), the Plan expenditure during

1992-93 on Social Services, General Services and Economic Services had increased by 21, 12 and 10 per cent respectively. While the Non-Plan expenditure on Social Services, General Services and Economic Services had increased by 18, 17 and 16 per cent respectively.

Trend of Non-Plan Expenditure

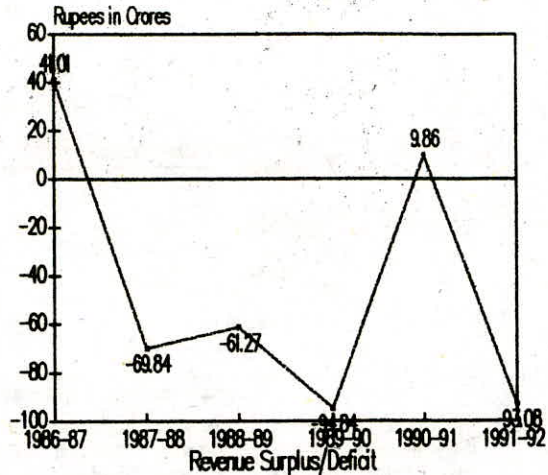


Trend of Plan Expenditure



1.7 Revenue Surplus/Deficit

The State had incurred revenue deficits in four out of the six years 1987-88 to 1992-93. As against a revenue surplus of Rs. 9.86 crores in 1991-92, there was a net revenue deficit of Rs. 93.08 crores during 1992-93. While revenue receipts increased by 62 per cent between 1987-88 and 1992-93, the growth of revenue expenditure was faster - 88 per cent - during the same period. Consequently, the revenue surplus of Rs. 41.01 crores in 1987-88 had eroded to revenue deficit of Rs. (-)93.08 crores in 1992-93. The year-wise position during 1987-88 to 1992-93 is given in the following table:



Year	Revenue		
	Receipts	Expenditure	Surplus(+)/ deficit(-)
(Rupees in crores)			
1987-88	649.81	608.80	(+) 41.01
1988-89	698.38	768.22	(-) 69.84
1989-90	721.23	782.50	(-) 61.27
1990-91	806.63	901.47	(-) 94.84
1991-92	992.42	982.56	(+) 9.86
1992-93	1052.49	1145.57	(-) 93.08

1.8 Capital expenditure

The Capital expenditure during 1992-93 was Rs. 205.32 crores as against Rs. 188.10 crores in 1991-92, representing an increase of 9 per cent. The comparative

position of Revenue expenditure and Capital expenditure during the years from 1987-88 to 1992-93 is tabulated below:

Year	Revenue expenditure	Capital expenditure (Rupees in crores)
1987-88	608.80	130.18
1988-89	768.22	131.85
1989-90	782.50	122.14
1990-91	901.47	149.22
1991-92	982.56	188.10
1992-93	1145.57	205.32

It would be seen that the Revenue expenditure (both Plan and Non-Plan) had increased by 88 per cent during 1987-93, whereas the Capital expenditure had gone up by only 58 per cent during the same period.

1.9 Public Debt and Other liabilities

1.9.1 Under Article 293(1) of the Constitution of India, the State Government may borrow within the territory of India, upon the security of the Consolidated Fund of the State, within such limits, if any, as may from time to time be fixed by an Act of the Legislature of the State. No law has been passed by the State Legislature prescribing such limits.

Public Debt of the State consists of internal debt and loans and advances from the Central Government. Internal debt comprises long-term loans raised in the open market and loans received from the Life Insurance Corporation of India, National Bank for Agriculture and Rural Development and other institutions to finance various projects and schemes. This also includes ways and means advances from the Reserve Bank of India and bonds issued by the State Government. Loans and advances from the Central Government represent loans received from the Government of India for the execution of various Plan and Non-Plan schemes. Besides, Government has other liabilities on account of funds raised through small savings, provident funds, etc.

In order to meet the increasing demands of expenditure and to bridge the resource gap, the State Government had been increasingly resorting to borrowings. The total liabilities of the State Government had increased by 160 per cent from Rs. 687.07 crores in 1987-88 to Rs. 1787.72 crores in 1992-93. While the increase in the internal debt was 398 per cent, loans and advances from the Central Government and other

liabilities increased by 115 and 175 per cent respectively. Details of such liabilities of the State Government during the period were as follows:

At the end of	Internal Debt	Loans and Advances from the Central Government	Total Public Debt	Other liabilities	Total liabilities
(Rupees in crores)					
1987-88	71.35	436.80	508.15	178.92	687.07
1988-89	87.39	515.20	602.59	217.64	820.23
1989-90	104.50	628.02	732.52	268.60	1001.12
1990-91	135.56	828.03	963.59	330.90	1294.49
1991-92	181.41	881.54	1062.95	396.10	1459.05
1992-93	355.42	940.94	1296.36	491.36	1787.72

1.9.2 The burden of debt had also increased the interest liability of the State Government. The outflow of funds on account of interest payments had been increasing progressively, the payments during 1992-93 being 261 per cent more than the outflow during 1987-88. The position is summarised in the following table:

Year	Revenue expenditure	Interest payments	Percentage of interest payments to Revenue expenditure
(Rupees in crores)			
1987-88	608.80	49.11	8
1988-89	768.22	69.01	9
1989-90	782.50	87.99	11
1990-91	901.47	110.45	12
1991-92	982.56	147.85	15
1992-93	1145.57	177.12	15

1.9.3 The State Government had, however, discharged its debt service obligations to the Central Government. According to the schedule of repayment of loans and advances from the Central Government, the State Government was required to pay Rs. 56.37 crores towards principal and Rs. 98.25 crores as interest during the year 1992-93. Both the amounts were paid in time. The repayment of loans and advances inclusive of interest was Rs. 38.85 crores more than the amount of loans and advances (Rs. 115.77 crores) received from the Central Government during the year. Thus, there was a negative inflow of loans and advances from the Government of India during 1992-93.

1.10 Ways and Means Advances and Overdrafts

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum cash balance of Rs. 20 lakhs. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking Ways and Means Advances or Overdrafts from the Bank. The Government of India Treasury Bills are also re-discounted to make good the deficiency in the cash balance.

The extent to which the State Government maintained the minimum balance with the Bank during 1987-93 is indicated below:

	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
(i) Number of days on which minimum balance was maintained-						
(a) without obtaining any advance	185	169	84	178	132	22
(b) by obtaining Ways and Means Advances	01	23	96	3	70	102
(ii) Number of days on which Overdraft was taken	--	2	108	77	98	232
(iii) Number of days on which Government of India Treasury Bills were rediscounted	180	171	77	107	66	9

The net addition in respect of loans and advances during the six-year period ranged between 15 and 55 *per cent* of the net receipts from long-term borrowings of the State Government.

1.11.2 Recoveries in arrears: Of the loans advanced to the Shimla Municipal Corporation and other Municipalities, etc., the detailed accounts of which are kept in the office of the Senior Deputy Accountant General (Accounts and Entitlements), recoveries of Rs. 10.18 lakhs (principal : Rs. 5.03 lakhs; interest : Rs. 5.15 lakhs) were overdue as on 31st March 1993.

In respect of loans, the detailed accounts of which are maintained by the departmental officers, the total amount overdue for recovery against loans advanced as on 31st March 1993, to the extent relevant information was received, was Rs. 12.71 crores including Rs. 3.19 crores on account of interest. The major portion of the arrears related to loans to "Private bodies/boards/institutions and co-operatives" (Rs. 7.74 crores), "Soil Conservation Loans" (Rs. 2.25 crores) and "Village and Small Industries" (Rs. 2.33 crores). The details of the recoveries of arrears in respect of seven departments were not furnished as of November 1993.

1.12 Investments and Returns

1.12.1 The total investments of the State Government increased from Rs. 198.11 crores as on 31st March 1992 to Rs. 214.54 crores as on 31st March 1993. The

detailed position of fresh investments made during the year was as follows:

Name of the Concern	Investments during 1992-93	Accumulated loss/profit up to the end of 1992-93
(Rupees in lakhs)		
1. Statutory Corporations		
Himachal Pradesh Financial Corporation	220.00	Nil
Himachal Road Transport Corporation	800.00	(-)9187.57 [#]
Himachal Pradesh Scheduled Castes Development Corporation	40.00	NA
Himachal Pradesh Ex-Servicemen Corporation	11.00	NA
2. Government Companies/Joint Stock Companies		
Himachal Pradesh State Industrial Development Corporation Limited	220.00	(+) 13.81 [*]
Himachal Pradesh State Small Industries and Export Corporation Limited	8.00	(-) 183.34 [*]
Himachal Pradesh State Handicrafts and Handloom Corporation Limited	10.00	(-) 284.05 [*]
Himachal Pradesh Tourism Development Corporation Limited	22.00	(-) 605.47 [*]
Himachal Pradesh State Electronic Development Corporation Limited	20.00	(-) 118.21 [*]
Himachal Pradesh General Industries Corporation	15.00	(-) 115.96 [*]
Himachal Pradesh State Civil Supplies Corporation	1.00	(+) 64.47

NA - Not available

[#] Provisional

^{*} Represents accumulated loss up to the end of 1991-92; the accounts for the year 1992-93 had not been finalised as of October 1993

In addition, a sum of Rs. 23.46^{\$} lakhs had been invested in co-operative banks and Rs. 269.54^{\$} lakhs in co-operative societies. However, these organisations do not come under the purview of audit by the Comptroller and Auditor General of India.

1.12.2 While the investments made by the State Government increased from Rs. 125.69 crores at the end of 1987-88 to Rs. 214.54 crores at the end of 1992-93, dividend/interest had not correspondingly increased during the period. The dividend/interest earned during 1991-92 were Rs. 0.12 crore and in 1992-93, Government earned Rs. 0.10 crore. Detailed position of investments and dividend/interest from 1987-88 onwards is given below:

Year	Total investment up to the end of the year	Dividend/interest received during the year	Percentage of Col 3 to Col 2
(1)	(2)	(3)	(4)
	(Rupees in crores)		
1987-88	125.69	0.03	0.02
1988-89	141.02	0.03	0.02
1989-90	159.06	0.08 [^]	0.05
1990-91	177.51	0.02 [^]	0.01
1991-92	198.11	0.12 [^]	0.06
1992-93	214.54	0.10 [^]	0.05

The returns from Government investments were substantially lower than the rate at which interest was paid by the State Government on borrowings. The investment of Rs. 179.46 crores made by the State Government in 33 Corporations/Companies as of March 1993 had not earned any dividend during the last six years 1987-93.

1.13 Guarantees given by the State Government

The position of contingent liability for guarantees given by the State Government for repayment of loans and payment of interest thereon by the Statutory

^{\$} The investment in Co-operative banks and societies is inclusive of Rs 17.15 lakhs being value of shares redeemed during the year 1992-93

[^] Provisional figures

Corporations, Government Companies, co-operatives, etc., was as follows:

As on 31st March	Maximum amount guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
(Rupees in crores)			
1988	376.28	268.66	6.71
1989	442.98	313.28	13.04
1990	527.46	352.71	2.67
1991	674.88	403.30	4.60
1992	723.18	361.65	8.41
1993	756.09	472.19	9.93

There had been an increase of 76 per cent in the amount of guarantees outstanding over the period of five years.

The State Government charges at the rate of 0.5 per cent as guarantee fee and 0.1 per cent as commitment charges on the amount guaranteed. Against the total amount of Rs. 0.34 crore due as of 31st March 1993 on account of guarantee fee and commitment charges, Rs. 0.27 crore were received by the State Government.

1.14 Summarised Financial position

The financial position of the State Government as on 31st March 1993 emerging from the Appropriation Accounts and Finance Accounts for the year 1992-93 and the abstract of Receipts and Disbursements for the year is indicated in the following statements:

STATEMENT-I - SUMMARISED FINANCIAL POSITION OF THE STATE GOVERNMENT AS ON 31 MARCH 1993

(Rupees in crores)

LIABILITIES		ASSETS			
Amount as on 31 March 1992	Amount as on 31 March 1993	Amount as on 31 March 1992	Amount as on 31 March 1993	Amount as on 31 March 1993	Amount as on 31 March 1993
1	2	3	4	5	6
181.41	Internal Debt	212.00	1513.20	Gross capital outlay	1718.51
	(excluding overdrafts from the Reserve Bank of India)			Investment in Shares of Companies, Corporations, etc.	214.54
	Market Loans	151.32		Other Capital	1503.97
	Loans from the Life Insurance Corporation of India	7.82		Expenditure	
	Loans from the General Insurance Corporation of India	0.36			
	Loans from the National Bank for Agriculture and Rural Development	3.74			

1	2	3	4	5	6
	Loans from National Co-operative Development Corporation	14.77			
	Loans from other institutions	22.72			
	Ways and Means Advances from the Reserve Bank of India	11.27			
881.54	Loans and Advances from the Central Government	940.94	539.46	Loans and Advances	552.61
	Pre-1984-85 Loans	126.68		Loans for Energy	469.33
	Non-Plan Loans	598.01		Other Development Loans	59.31
	Loans for State Plan Schemes	169.01		Loans to Government Servants and Miscellaneous Loans	23.97
	Loans for Central Plan Schemes	0.58			
	Loans for Centrally Sponsored Plan Schemes	46.66			
1.00	Contingency Fund	1.00	0.50	Appropriation to Contingency Fund	0.50
			(-)18.76	Suspense and Miscellaneous Balances	(-)23.06
396.10	Small Savings, Provident Funds, etc.	491.36	0.13	Advances	0.12
30.63	Deposits Overdrafts from Reserve Bank of India	41.97	(-)149.45	Cash	(-)114.94
1.77	Reserve Funds	2.31		Cash in Treasuries and Local Remittances	4.30
43.73	Remittance Balances	44.95		Departmental Cash Balance including Permanent Advances	0.08
348.90	Surplus on Government Account	255.79		Cash Balance Investment Account	0.14
	Last years' balance	358.14		Deposits with the Reserve Bank of India	(-)119.46
	Less				
	(i) Current years' deficit	93.08			
	(i) Adjustments	9.27*			
	(ii) Miscellaneous Government Accounts	**			
1885.08		2133.74	1885.08		2133.74

According to Statement No.14 of the Finance Accounts 1992-93, the Revenue Surplus on Government Account was Rs. 265.06 crores. The difference of (-) Rs. 9.27 crores is explained below:

	(Rupees in crores)
(i) Progressive amount adjusted under head "7810-Inter-State Settlement"	(-) 1.43
(ii) Progressive amount adjusted under head "8680-Miscellaneous Government Accounts"	(+)0.18
(iii) Net amount adjusted <i>pro forma</i>	(-)8.00
(iv) Progressive difference due to rounding	(-)0.02
Net total:	(-)9.27

** Rs. 22,465 only.

**STATEMENT-II - ABSTRACT OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR 1992-93**

SECTION-A-REVENUE

RECEIPTS		DISBURSEMENTS				
<i>(Rupees in crores)</i>		<i>(Rupees in crores)</i>				
I Revenue Receipts	1052.49	I Revenue Expenditure	1145.57			
		Sector	Non-Plan	Plan	Centrally sponsored schemes (including Plan Schemes)	Total
(i) Tax-revenue	221.68	(A) General Services	380.09	10.80	2.63	393.52
(ii) Non-Tax revenue	66.78	(B) Social Services	301.30	108.58	31.96	441.84
(iii) States' Share of Union Taxes and Duties	276.24	(C) Economic Services-				
(iv) Non-Plan Grants	114.78	(i) Agriculture and Allied Activities	66.81	75.61	16.44	158.86
(v) Grant for State Plan Schemes	298.27	(ii) Rural Development	12.62	19.64	12.24	44.50
(vi) Grants for Central and Centrally Sponsored Plan Schemes	74.74	(iii) Irrigation and Flood Control	4.79	10.99	1.56	17.34
II Revenue deficit carried over to Section B	93.08	(iv) Energy	5.00	1.20	1.57	7.77
		(v) Industry and Minerals	2.73	7.49	2.49	12.71
		(vi) Transport	38.15	7.90	0.31	46.36
		(vii) Sciences, Technology and Environment	--	0.36	--	0.36
		(viii) General Economic Services	3.59	14.94	0.02	18.55
		(D) Grants-in-aid and Contributions	3.76	--	--	3.76
			<u>818.84</u>	<u>257.51</u>	<u>69.22</u>	<u>1145.57</u>
	1145.57					1145.57

SECTION-B-OTHERS

RECEIPTS

DISBURSEMENTS
(Rupees in crores)

(Rupees in crores)

RECEIPTS			DISBURSEMENTS			
			(Rupees in crores)			
			II Opening overdraft from Reserve Bank of India			
III	Opening Cash Balance including Permanent Advance and Cash Balance Investment Account, etc.	(-) 149.45	III Capital Outlay Sector	Non-Plan	Plan	Total
						205.32
IV	Recoveries of Loans and Advances	19.12	(A) General Services	--	11.03	11.03
(i)	From Energy	1.18	(B) Social Services	--	79.34	79.34
(ii)	From Government servants	4.03	(C) Economic Services-			
(iii)	From others	13.91	(i) Agriculture and Allied Activities	(-) 1.64	10.85	9.21
			(ii) Rural Development	--	0.05	0.05
			(iii) Irrigation and Flood Control	--	12.86	12.86
V	Public Debt Receipts	276.51	(iv) Energy	--	33.04	33.04
(i)	Internal Debt including Ways and Means Advances (excluding overdrafts from Reserve Bank of India)	160.74	(v) Industry and Minerals	--	5.19	5.19
(ii)	Loans and Advances from the Central Government	115.77	(vi) Transport	--	53.23	53.23
			(vii) General Economic Services	--	1.37	1.37
VI	Public Account Receipts	1249.13	IV Loans and Advances Disbursed-			32.28
(i)	Small Savings, Provident Funds, etc.	167.74	(i) For Energy			23.13
(ii)	Reserve funds	97.46	(ii) To Government Servants			3.58
(iii)	Deposits and Advances	225.37	(iii) To others			5.57
(iv)	Suspense and Miscellaneous	142.56				
(v)	Remittances	616.00	V Revenue deficit brought down			93.08
			VI Repayment of Public Debt-			186.52
			(i) Internal Debt including Ways and Means Advances (excluding overdrafts from Reserve Bank of India)			130.15
			(ii) Repayment of Loans and Advances to the Central Government			56.37

RECEIPTS**DISBURSEMENTS**

(Rupees in crores)

(Rupees in crores)

		VII Public Account		
		Disbursements		1136.47
		(i) Small Savings, Provident Funds, etc.	72.48	
		(ii) Reserve funds	96.93	
		(iii) Deposits and Advances	214.02	
		(iv) Suspense and Miscellaneous	138.25	
		(v) Remittances	614.79	
VII	Closing overdrafts from Reserve Bank of India	143.42	VIII Cash Balance at the end of the year	(-)114.94
			(i) Cash in Treasuries and Local Remittances	4.30
			(ii) Departmental Cash Balances including Permanent Advances	0.08
			(iii) Cash Balance Investment Account	0.14
			(iv) Deposits with Reserve Bank of India	(-)119.46
		<u>1538.73</u>		<u>1538.73</u>

Explanatory Notes:

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to the notes and explanations contained therein.
2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.
3. Though a part of the revenue expenditure (grants) and the loans are used for capital formation by the recipient, its classification in the accounts of the State Government remains unaffected by end use.
4. Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government account. The balancing figure of Rs. 285.32 crores as on 31 March 1983 was treated as cumulative surplus for drawing up the first statement for 1983-84.
5. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of States and others pending settlement, etc. The balance under Suspense and Miscellaneous had increased from Rs. 18.76 crores (Credit) on 31st March 1992 to Rs. 23.06 crores (Credit) as on 31st March 1993.

6. The closing balance according to the Reserve Bank of India, under "Deposits with Reserve Bank of India" was Rs. 257.47 crores (Credit), against the balance of Rs. 119.46 crores (Credit) shown in the accounts. While a difference of Rs. 130.85 crores had been reconciled (October 1993), the balance (Rs. 7.16 crores) was awaiting reconciliation (October 1993).

1.15 Assets and Liabilities of the State

The assets, comprising capital investments and loans advanced, and the total liabilities of the State Government during the six-year period from 1987-88 to 1992-93 were as follows:

At the end of	Assets	Liabilities
	(Rupees in crores)	
1987-88	1294.12*	729.60*
1988-89	1374.32*	879.64*
1989-90	1495.11	1061.70
1990-91	1695.34	1356.77
1991-92	1885.08	1536.18
1992-93	2133.74	1877.95

While the assets grew by 65 per cent over the period of five years, the liabilities had increased by 157 per cent during the same period.

* Differs from the position reflected in earlier Audit Reports due to the non-inclusion of data relating to "Deposits with Reserve Bank" under cash balance.

CHAPTER-II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Budget and expenditure

The summarised position of actual expenditure during 1992-93 against grants/appropriations was as follows:

	Original grant/ appropriation	Supple- mentary	Total	Actual Expendi- ture	Variation Saving(-)/ Excess(+)
(Rupees in crores)					
I. Revenue					
Voted	1000.24	70.81	1071.05	1068.90	(-) 2.15
Charged	195.33	0.43	195.76	180.35	(-) 15.41
II. Capital					
Voted	247.22	60.99	308.21	262.82	(-) 45.39
Charged	0.80	0.39	1.19	1.19	
III. Public Debt					
Charged	149.51	--	149.51	4461.61 [@]	(+)4312.10 [@]
IV. Loans and Advances					
Voted	34.48	3.35	37.83	32.28	(-) 5.55
Grand Total	1627.58	135.97	1763.55	6007.15	(+)4243.60

2.2 Results of Appropriation Audit

2.2.1 Saving/excess in grants/appropriations

The overall excess was the net result of saving in 50 cases and excess in 15 cases as shown below:

	Savings		Excesses		Net saving(-)/ excess(+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
(Rupees in crores)						
Voted	53.62	52.62	51.47	1.68	(-) 2.15	(-) 50.94
	(In 24 grants)	(In 19 grants)	(In 6 grants)	(In 6 grants)		
Charged Appropriations	15.42	--	0.01	4312.10 [@]	(-)15.41	(+)4312.10 [@]
	(In 7 appropriations)		(In 1 appropriation)	(In 2 appropriations)		

The overall supplementary grants and appropriations obtained during

[@] Includes Rs. 4275.08 crores on account of repayment of overdrafts and shortfalls obtained from Reserve Bank of India.

1992-93 constituted 8 per cent of the original grants and appropriations.

In 14 cases, the supplementary provision of Rs. 12.80 crores was unnecessary as the expenditure in all these cases was less than even the original provisions. Details are given in Appendix-I.

Of the final savings of Rs. 106.24 crores under voted grants and of Rs. 15.42 crores under charged appropriations, savings of not less than Rs. 50 lakhs in each case aggregating to Rs. 117.13 crores (24 cases) occurred in 17 grants and one appropriation, details of which are indicated below, along with the main reasons for the savings wherever furnished by Government:

Serial number	Grant	Amount of saving (Percentage of savings)	Main reasons
		(Rupees in crores)	
Voted Grants			
Revenue			
1.	4-General Administration	2.09 (5)	Non-filling of vacant posts, etc.
2.	5-Land Revenue	14.21 (38)	Transfer of funds to other departments for repairs and restoration of roads and bridges and water supply schemes damaged due to natural calamities.
3.	8-Education, Sports, Arts and Culture	2.67 (1)	Non-filling of vacant posts, etc.
4.	9-Health and Family Welfare	4.26 (5)	Non-filling of vacant posts, less purchase of medicines, machinery, equipments, etc.
5.	11-Agriculture	5.77 (12)	Less demand of grants-in-aid, non-filling of vacant posts, etc.
6.	13-Soil and Water Conservation	2.56 (21)	Non-filling of vacant posts and less purchase of material/livery, etc.
7.	16-Forest and Wild Life	2.28 (4)	Imposition of Plan ceiling of Planning Department, execution of less works, less purchase of material, etc.
8.	21-Co-operation	0.94 (13)	Non-filling of vacant posts.
9.	22-Food and Warehousing	1.15 (8)	Less demand of levy sugar.
10.	27-Labour and Employment	1.03 (18)	Non-filling of vacant posts, non-purchase of machinery, etc.

Serial number	Grant	Amount of saving (Percentage of savings)	Main reasons
11.	29-Finance	10.01 (12)	Less expenditure on the payment of pension and gratuity than anticipated.
12.	31-Tribal Development	3.73 (6)	Non-filling of vacant posts, less receipt of grant-in-aid cases, etc.
Capital grants			
13.	8-Education, Sports, Arts and Culture	0.59 (10)	Non-finalisation of administrative approval and expenditure sanction of buildings.
14.	9-Health and Family Welfare	0.79 (7)	Non-finalisation of administrative approval and expenditure sanction of buildings and non-availability of land for construction of buildings.
15.	11-Agriculture	3.18 (20)	Less demand of machinery and equipment, etc.
16.	12-Irrigation and Flood Control	7.77 (40)	Less demand for major works.
17.	14-Animal Husbandry and Dairy Development	1.10 (58)	Transfer of scheme to the Himachal Pradesh Milk Federation.
18.	17-Roads and Bridges	9.76 (17)	Not intimated (October 1993).
19.	21-Co-operation	0.92 (17)	Receipt of less cases for investments.
20.	22-Food and Warehousing	1.59 (7)	Not intimated (October 1993).
21.	23-Water and Power Development	21.63 (30)	Reduction in plan ceiling.
22.	28-Water Supply, Sanitation, Housing and Urban Development "	2.85 (4)	Not intimated (October 1993).
23.	31-Tribal Development	1.30 (6)	Less execution of rural roads and non-completion of buildings.
Charged Appropriation			
Revenue			
24.	29-Finance	14.95 (8)	Less interest payments than anticipated.

2.2.2 Persistent savings/excesses

Expenditure was persistently less than the total provisions by 5 per cent and more in 14 cases during 1990-93, while it exceeded the provision persistently in 2 other cases. Relevant details were as follows:

Savings/excesses as percentage of total grants			
Grants	1990-91	1991-92	1992-93
I-Savings			
A. Revenue-Voted			
2-Governor and Council of Ministers	13	8	11
13-Soil and Water Conservation	26	10	21
27-Labour and Employment	19	10	18
31-Tribal Development	6	5	6
B. Capital-Voted			
9-Health and Family Welfare	31	23	7
12-Irrigation and Flood Control	10	36	40
13-Soil and Water Conservation	24	6	36
14-Animal Husbandry and Dairy Development	35	14	58
17-Roads and Bridges	23	18	17
23-Water and Power Development	19	39	30
30-Loans and Advances	6	5	7
31-Tribal Development	6	8	6
C. Revenue-Charged			
4-General Administration	16	24	29
29-Finance	63	7	8
II-Excesses			
D. Revenue-Voted			
10-Public Works	12	31	43
E. Capital Charged			
29-Finance	1458	713	2884

2.2.3 Surrender of funds

Savings in a grant or appropriation are to be surrendered to Government immediately after these are foreseen, without waiting till the end of the year, unless such savings are required to meet excesses under some other units. However, no savings should be held in reserve for possible future excesses.

Of the final savings of Rs. 106.24 crores under voted grants reflected in the accounts for 1992-93, an amount of Rs. 93.64 crores was surrendered only on the last day of the financial year.

In 18 voted grants (25 cases) and 7 charged appropriations, savings amounting to Rs. 24.71 crores and Rs. 0.17 crore respectively were not surrendered. Of these, the entire saving of Rs. 11.42 crores in 6 voted grants was not surrendered. Details of major variations where savings were more than 20 per cent and also more than Rs. 1.00 crore but were not surrendered are contained in Appendix-II.

In 18 cases, the amount surrendered exceeded the overall savings. Further, in case of 5 grants (7 cases), Rs. 2.32 crores were surrendered although the expenditure exceeded the grant and no savings were available for surrender. Relevant details are as follows:

(A) Surrender of funds larger than available savings:

Serial Number	Grant	Amount of Savings	Amount Surrendered
(Rupees in lakhs)			
Revenue-Voted			
1.	1-Vidhan Sabha and Elections	22.28	24.74
2.	3-Administration of Justice	42.86	42.99
3.	5-Land Revenue	1420.86	1548.27
4.	6-Excise and Taxation	17.28	28.83
5.	7-Police and Allied Organisation	12.02	114.39
6.	8-Education, Sports, Arts and Culture	267.32	1000.59
7.	13-Soil and Water Conservation	256.05	267.01
8.	14-Animal Husbandry and Dairy Development	35.49	46.54
9.	18-Supplies, Industries and Minerals	42.37	49.49
10.	21-Co-operation	93.89	96.65
11.	24-Stationery and Printing	43.95	44.17
12.	29-Finance	1000.89	1113.66
Capital-Voted			
13.	8-Education, Sports, Arts and Culture	59.29	71.51
14.	9-Health and Family Welfare	78.81	93.24
15.	13-Soil and Water Conservation	14.25	14.29
16.	21-Co-operation	92.30	130.18
17.	26-Tourism and Hospitality Organisation	39.25	39.28
18.	30-Loans to Government Servants	26.19	49.87

(B) Surrender of funds in spite of overall excess expenditure:

Serial Number	Grant	Amount of excess expenditure	Amount Surrendered
(Rupees in lakhs)			
Revenue-Voted			
1.	10-Public Works	2297.69	135.85
2.	12-Irrigation and Flood Control	628.60	20.00
3.	19-Social Security and Welfare (including nutrition)	5.20	59.30
4.	20-Rural Development	87.15	7.05
5.	28-Water Supply, Sanitation, Housing and Urban Development	1265.62	4.37
Capital-Voted			
6.	10-Public Works	123.08	0.67
7.	19-Social Security and Welfare (including nutrition)	36.28	5.00

The amounts in all these cases were surrendered only on the last day of the year. These instances were indicative of ineffective control over and monitoring of expenditure.

2.2.4 Excess over grant/ appropriation

In the revenue section, there was a total excess of Rs. 51,47,07,620 in 6 grants and Rs. 47,542 in one appropriation while excesses in the capital section amounted to Rs. 1,68,64,938 in 6 grants and Rs. 43,12,09,76,044[@] in 2 appropriations. These excesses, details of which have been furnished below, require

[@] Includes Rs. 4275.08 crores on account of repayment of overdrafts and shortfalls obtained from Reserve Bank of India.

regularisation under Article 205 of the Constitution.

Serial number	Grant	Total grant/ appropriation	Actual expenditure	Amount of excess (Percentage of excess)
1	2	3	4	5
		Rupees	Rupees	Rupees
Voted Grants				
Revenue				
1.	10-Public Works	53,83,56,000	76,81,25,494	22,97,69,494 (43)
2.	12-Irrigation and Flood Control	25,83,97,000	32,12,56,879	6,28,59,879 (24)
3.	17-Roads and Bridges	32,94,49,000	41,57,30,228	8,62,81,228 (26)
4.	19-Social Security and Welfare (including nutrition)	24,17,19,000	24,22,38,666	5,19,666 (-)
5.	20-Rural Development	36,03,43,000	36,90,58,129	87,15,129 (2)
6.	28-Water Supply, Sanitation, Housing and Urban Development	74,39,81,000	87,05,43,224	12,65,62,224 (17)
Capital				
7.	4-General Administration	23,61,000	25,13,094	1,52,094 (6)
8.	5-Land Revenue	20,90,000	21,74,500	84,500 (4)
9.	10-Public Works	8,72,15,000	9,95,23,217	1,23,08,217 (14)
10.	15-Fisheries	51,09,000	56,83,240	5,74,240 (11)
11.	18-Supplies, Industries and Minerals	5,51,80,000	5,52,98,027	1,18,027 (-)
12.	19-Social Security and Welfare (including nutrition)	1,07,02,000	1,43,29,860	36,27,860 (34)

1	2	3	4	5
Charged Appropriation				
Revenue				
1.	1-Vidhan Sabha and Elections	4,93,000	5,40,542	47,542 (10)
Capital				
2.	17-Roads and Bridges	1,10,98,121	1,10,98,129	8 (-)
3.	29-Finance	1,49,51,02,000	44,61,60,78,036 [@]	43,12,09,76,036 [@] (2884)

The reasons for the excess have not been furnished as of October 1993.

2.2.5 Non-receipt of explanation for savings/excesses

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

Such explanations for variations in respect of the Appropriation Accounts for 1992-93 were not received as of October 1993 in the case of 355 heads/sub-heads.

2.2.6 Recoveries in reduction of expenditure

The demands for grants are for the gross amount of expenditure to be incurred in a particular year and show recoveries to be taken in reduction of expenditure separately by way of foot notes thereunder. Similarly, in the Appropriation Accounts, the recoveries are also shown separately in an Appendix thereto. A scrutiny of the Accounts for 1992-93 revealed that against the budget estimates of Rs. 69.82 crores in the revenue section, actual recoveries were Rs. 103.68 crores. In the capital section, against the budget estimates of Rs. 61.23 crores, actual recoveries were Rs. 58.70 crores.

[@] Includes Rs. 4275.08 crores on account of repayment of overdrafts and shortfalls obtained from Reserve Bank of India.

In the revenue section, recoveries in reduction of expenditure were under-estimated by Rs. 33.86 crores in 5 grants whereas in 1 grant there were short recoveries to the extent of Rs. 0.01 crore. Similarly, in the capital section, there was short budgeting in the case of 6 grants/appropriations involving Rs. 5.10 crores and less recoveries in 4 grants involving Rs. 7.63 crores. Details of major variations involving 20 per cent of the original estimates and not less than Rs. one crore are given in Appendix—III.

2.2.7 Injudicious reappropriation

A grant or appropriation for charged expenditure is distributed by sub-heads or standard objects (called **primary units**) under which it shall be accounted. Reappropriation of funds can take place between primary units of appropriation within a grant or appropriation before the close of financial year to which such grant or appropriation relates. Reappropriation of funds should be made only when it is known or anticipated that the appropriation from the unit for which funds are to be transferred will not be utilised in full or that savings can be effected in the appropriation of the said unit.

During test-check of the Accounts for 1992-93, it was observed that in the case of 34 sub-heads in 13 grants/ appropriations, reappropriation amounting to Rs. 5.52 crores was injudicious as per details in Appendix-IV in-as-much as (i) the original provision under the sub-head to which funds were transferred by reappropriation was more than adequate and consequently final saving under the sub-head was greater than the amount reappropriated to that sub-head, or (ii) the original provision from which funds were transferred was inadequate and the final excess under that sub-head was greater than the amount reappropriated. This was indicative of lack of adequate control over expenditure.

2.2.8 Delayed communication of reappropriation orders

The Finance Department issues reappropriation orders, based on the expenditure actually incurred towards the end of the financial year, which have the effect of reducing the provisions under heads where savings are anticipated and correspondingly increasing the provisions under heads where excesses are likely. All such reappropriation orders should be issued on or before the last day of the financial year, viz. 31st March, and are normally required to be delivered to the Accounts Office by the 15th April following.

Reappropriation orders in respect of all the 31 grants were, however, received in the Accounts Office after delays ranging from 13 to 75 days. Apart from delaying finalisation of the Appropriation Accounts, such belated receipt of the reappropriation orders also indicates the need for adequate financial information system in Government to enable the timely forecast of savings and excesses and issue of reappropriation orders.

2.3 Reconciliation of departmental figures

In order to exercise effective control over expenditure, all departmental officers are required to reconcile, expenditure of their respective departments periodically with the expenditure booked in the accounts maintained by the Accountant General before the close of year's accounts. This would enable the departmental officers to detect any frauds or defalcations promptly.

Despite reporting the extent of delay in reconciliation to Government periodically, three¹ Controlling Officers had not reconciled the expenditure of Rs. 21.95 crores in respect of three heads of accounts for the whole year 1992-93. Expenditure totalling Rs. 21.95 crores, therefore, remained unreconciled.

The matter was referred to Government in October 1993; their reply has not been received (November 1993).

2.4 Drawal of funds in advance of requirements

The Financial Rules stipulate that money should not be drawn from the treasury unless it is required for immediate disbursement or for the recoupment of

¹ Chief Electoral Officer (2015-Elections: Rs. 1.70 crores); Director, Health and Family Welfare (2211-Family Welfare: Rs. 15.64 crores) and Chief Engineer, Irrigation and Public Health (2702-Minor Irrigation: Rs. 4.61 crores)

funds out of any permanent advance. It is also not permissible to draw advances from the treasury for the execution of works, the completion of which is likely to take considerable time. Any unspent balance is required to be refunded promptly into the treasury.

Test-check of accounts of various departments revealed that funds aggregating Rs. 158.43 lakhs¹ were drawn for the execution of various schemes and development works and kept in the form of cash, bank drafts and deposits in banks/post offices. Of this, Rs. 52.43 lakhs² were disbursed leaving the balance amount of Rs. 106 lakhs unutilised as indicated in Appendix-V.

1 1986-87 to 1990-91: Rs. 28.37 lakhs and 1991-92: Rs. 130.06 lakhs

2 1990-91: Rs. 1.55 lakhs; 1991-92: Rs. 21.12 lakhs; 1992-93: Rs. 28.88 lakhs and 1993-94: Rs. 0.88 lakh

CHAPTER-III

CIVIL DEPARTMENTS

Rural Development Department

3.1 Integrated Rural Development Programme

3.1.1 Introduction

The Integrated Rural Development Programme (IRDP) was launched as major poverty alleviation programme in the State in 1978-79 in 29 blocks and was extended from 2 October 1980 to all the 69 blocks of 12 districts of the State. The main objective of the programme is to enable the rural poor to cross the poverty line on a lasting basis by providing income generating assets and access to credit and other inputs. The assets which could be in primary, secondary and tertiary sectors are provided through financial assistance in the form of subsidy by Government and loans advanced by the financial institutions. With a view to provide self employment to rural youth and women two more schemes. Training of rural youth for self employment (TRYSEM) and Development of women and children in rural areas (DWCRA) were also launched in August 1979 and 1982-83 respectively. A family of about 5 persons with an annual income level of below Rs. 3,500; subsequently revised to Rs. 6,400 from 1985-86 and to Rs. 11,000 from 1992-93 was termed as below the poverty line.

3.1.2 Organisational set up

The programme was being implemented under the overall supervision of the Financial Commissioner (Development), assisted by the Director-cum-Additional Secretary, Rural Development Department (RDD) through District Rural Development Agencies (DRDAs) and Block Development Officers (BDOs).

3.1.3 Audit coverage

A review on the implementation of the programme during the period 1978-79 to 1983-84 was included as paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year 1983-84-Government of Himachal Pradesh-(Civil).The present review on the implementation of the programme covering the period from 1985-86 to 1992-93 has been conducted during April and May 1993 and is based on a

The abbreviations used in this review have been listed in the Glossary in Appendix-XIII (Page 206)

test-check of the records of 4 DRDAs¹, including 22 BDOs and the Director, Rural Development Department. Results thereof are discussed in the succeeding paragraphs.

3.1.4 Highlights

Banks had disbursed loans totalling to Rs. 47.28 crores to IRDP beneficiaries but the Department was not aware of the position of outstanding loans, cases of non-recovery, belated recovery, penal interest and waiver of loans, etc.

(Paragraph 3.1.6)

1,173 families identified under II DP as poorest of the poor as per survey lists for the year 1981 had not been provided assistance even after 12 years as of May 1993.

Implementation of the programme suffered from an inherent constraint of inadequacy of investment as the per capita investment even during 1988-89 to 1992-93 was less than the amount required as per the estimates made prior to 1979-80.

(Paragraph 3.1.7)

In four DRDAs, subsidy of Rs. 2.18 lakhs had been paid in excess of the prescribed limits.

Contrary to the instructions of the Government of India, three DRDAs incurred expenditure of Rs. 8.41 lakhs on non-income generating items/inadmissible items.

Out of 1,37,159 assets acquired from the assistance under IRDP, 60,860 assets were not available with the beneficiaries.

(Paragraph 3.1.8)

Twelve works taken up for execution between 1985-86 and September 1991 were lying incomplete even after incurring expenditure of Rs. 4.26 lakhs.

Expenditure of Rs. 96.26 lakhs had been incurred on administrative infrastructure in excess of the prescribed norms.

(Paragraph 3.1.9)

Of the 15,231 youths trained under TRYSEM programme at a cost of Rs. 2.28 crores, only 8,397 youths(55 per cent) were employed.

(Paragraph 3.1.10)

Contrary to the instructions of the Government of India, 32 vehicles were purchased at a cost of Rs. 38.33 lakhs for use at block level

Two computers purchased at a cost of Rs. 2.62 lakhs had not been utilised for the programme for the last 5 to 6 years.

(Paragraph 3.1.14)

3.1.5 Planning under IRDP

A five year development profile required to be worked out for each block and aggregated at district level indicating inventory of resources, study of the on-going programme, practical possibilities of development in agriculture and non-agriculture sector was not drawn up for the entire period of Seventh and Eighth Plans in the four districts test-checked in audit. However, two surveys to find out the families living below the poverty line were conducted in 1981 and 1992.

3.1.6 Financial performance

(a) IRDP was a Central sector scheme up to 1978-79 and 100 per cent funds were provided by the Central Government. The programme was, however, made a Centrally sponsored scheme from 1979-80 and expenditure was shared equally by the Central and the State Governments. During 1985-93, Rs. 4058.30 lakhs were spent on the programme against Rs. 2900.02 lakhs released by the Central and State Governments to the DRDAs on 50:50 basis as indicated below:

Year	Budget allotment			Expenditure
	Centre share	State share	Total	
(Rupees in lakhs)				
1985-86	215.43	215.44	430.87	552.02
1986-87	218.88	218.88	437.76	682.81
1987-88	192.88	192.88	385.76	603.56
1988-89	397.97	211.56	609.53	532.10
1989-90	49.70	231.76	281.46	563.41
1990-91	151.78	169.36	321.14	411.62
1991-92	122.00	119.01	241.01	388.55
1992-93	101.33	91.16	192.49	324.23
	1449.97	1450.05	2900.02	4058.30

The excess expenditure over allotment was met from the carry over of previous years and interest money.

(b) On the recommendation of the BDOs, loans for the activities approved under IRDP are sanctioned and disbursed to the beneficiaries by the banks and the amount of

subsidy was adjusted. The outstanding recovery of loans is required to be reported by the banks to the Department to finalise an action plan in block and district level consultative committees to tackle difficult cases. Banks had disbursed loans totalling Rs. 4727.93 lakhs to IRDP beneficiaries during 1985-86 to 1992-93 as detailed below:

Year	Amount of loan disbursed (Rupees in lakhs)
1985-86	663.47
1986-87	809.94
1987-88	740.68
1988-89	613.29
1989-90	732.00
1990-91	502.74
1991-92	420.34
1992-93	<u>245.47</u>
Total:	4727.93

There was no proper co-ordination between banks and DRDAs as the latter were not aware of the position of outstanding loans/cases of non-recovery, belated recovery, penal interest and waiver of loans, if any.

3.1.7 Physical progress

(i) During 14 years of implementation of IRDP in the State only 2.59 lakh families, out of 3.86 lakh families identified up to March 1992 for assistance under the programme, could be covered as of March 1993. Shortfall in coverage worked out to 33 per cent; for which reasons were not intimated by the Directorate.

(ii) Assistance under IRDP was admissible for Primary sector comprising rural activities under agriculture, forestry and fishery; secondary sector involving manufacturing, processing of raw materials into finished products and tertiary sector which involves services required by the primary and secondary sectors. Assistance was admissible to both new and old families. The old families were those who had been provided assistance earlier but were unable to cross the poverty line. Against the target coverage of 1.61 lakh families during 1985-86 to 1992-93, 1.95 lakh families were

covered as under:

Year	Targets	Sector-wise coverage			Total		
		Primary	Secondary	Tertiary	Old	New	Total
(In numbers)							
1985-86	30,000	17,622	6,425	9,527	22,656	10,918	33,574
1986-87	31,000	20,235	6,674	10,046	25,117	11,838	36,955
1987-88	27,930	15,781	6,760	9,940	27,004	5,477	32,481
1988-89	21,174	13,080	4,832	7,685	16,216	9,381	25,597
1989-90	20,000	15,625	5,791	9,001	16,844	13,573	30,417
1990-91	15,000	9,440	2,719	4,878	9,412	7,625	17,037
1991-92	9,500	5,736	1,749	4,334	4,224	7,595	11,819
1992-93	6,000	2,665	1,253	3,038	4,549	2,407	6,956
Total	1,60,604	1,00,184	36,203	58,449	1,26,022	68,814	1,94,836

(iii) According to the instructions contained in IRDP Manual at least 30 per cent each of the assisted families were to be drawn from scheduled castes (SC) and scheduled tribes (ST) and women. These limits were raised to 50 per cent (SC/ST), 40 per cent (women) and 3 per cent of the families should belong to the handicapped with effect from 1st April 1990. Against these targets the coverage was as follows:

Year	Number of families assisted	Percentage of SCs	Percentage of STs	Percentage of women	Percentage of handicapped
1985-86	33,574	54	8	11	--
1986-87	36,955	51	11	15	--
1987-88	32,481	55	9	21	--
1988-89	25,597	52	10	22	--
1989-90	30,417	50	10	25	--
1990-91	17,037	47	10	31	--
1991-92	11,819	42	10	39	0.025
1992-93	6,956	41	12	37	0.073

Coverage of women ranged from 11 to 39 per cent as compared to the prescribed limit of 40 per cent. Coverage of handicapped was almost negligible against the prescribed limit of 3 per cent. Of the 1,87,880 families assisted during 1985-92, 57,638 families only (31 per cent) were stated by Government in May 1993 to have crossed the poverty line.

(iv) Test-check revealed that 1,173 families in 78 panchayats² of 22 blocks in 4 districts were included in both the survey lists of 1981 and 1992. These families though poorest of the poor were not provided assistance even after 12 years of the implementation of the programme in the State. The Department stated that these families were either defaulters in the repayment of loans procured from the banks/co-operative societies for the activities other than IRDP or were not interested in seeking the assistance.

(v) Estimates made prior to 1979-80 by experts had indicated that an investment (subsidy plus credit) of about Rs. 7,000 to Rs. 9,000 would be required to generate such additional income as would enable a beneficiary to cross the poverty line. Scrutiny made in audit, however, revealed that during 1988-89 to 1992-93 sector-wise per capita investment was much below these estimates as indicated below:

Year	Primary	Secondary	Tertiary
		(Rupees)	
1988-89	3,400	3,900	4,500
1989-90	3,500	3,300	4,700
1990-91	4,400	3,500	5,900
1991-92	4,700	5,300	7,000
1992-93	5,400	5,900	8,400

Thus the implementation of the programme suffered from an inherent constraint of inadequacy of investment.

3.1.8 Administration of subsidy

(i) Excess payment of subsidy

Subsidy was to be provided to the assisted families to the extent of 25 per cent of capital cost of the asset for small farmers, 33¹/₃ per cent for marginal farmers, agricultural laborers and rural artisans and 50 per cent for scheduled tribe

beneficiaries. The overall subsidy was to be limited to Rs. 5,000 and Rs. 3,000 for scheduled tribe and other families respectively. The percentage of subsidy was enhanced to 50 *per cent* subject to ceiling of Rs. 5,000 for scheduled caste families and physically handicapped persons, bringing them at par with the scheduled tribe families, from 1990-91 and 1991-92 respectively.

Records of 16 blocks under four DRDAs test-checked revealed that in 342 cases, subsidy amounting to Rs. 2.18 lakhs was paid in excess as it was not restricted to the prescribed limit. The Department stated (May 1993) that the matter was being investigated.

(ii) Misutilisation/irregular payment of subsidy

(a) Directorate of Rural Development had consolidated 156 cases of misutilisation of subsidy by the beneficiaries under IRDP. Of these, 82 cases were under trial in the courts; 8 were under investigation by the Vigilance Department and 4 cases were being investigated by the Department itself. Action taken in remaining 62 cases was not intimated to Audit. It was noticed in audit that in Kunihar and Kandaghat blocks of the Solan district 9 beneficiaries to whom subsidy and loan of Rs. 0.62 lakh (loan: Rs. 0.46 lakh and subsidy: Rs. 0.16 lakh) was disbursed, did not purchase the required assets and had misutilised the amount.

(b) IRDP Manual envisages that subsidy should be linked to credit and should be given in kind except the working capital component, which may be given in cash to provide economically viable projects to the beneficiaries. However, for capital investment up to Rs. 1,000, credit linkage is not obligatory. According to survey list of Una district, in 18 cases subsidy amounting to Rs. 0.40 lakh was disbursed prior to 1991-92 to the beneficiaries in cash without credit linkage.

(c) Financial viability of the activity was to be ensured before sanctioning the assistance. It was, however, noticed that in 376 cases subsidy had been disbursed by four DRDAs test-checked for different activities to the same beneficiaries on three or more occasions. The new activities did not have any co-relation with the old activities for which beneficiaries had received the assistance, which indicated that the financial viability of the activity was apparently not seen before granting the assistance.

(d) During 1985-86, subsidy amounting to Rs. 0.83 lakh was disbursed to 51 beneficiaries in Nadaun block of Hamirpur district for purchase of milch animals. This amount was debited to the infrastructure account of the Agency. Subsidy was disbursed at 50 *per cent* to each beneficiary without ascertaining their status as scheduled caste/scheduled tribe or inclusion of their names in the list of IRDP

beneficiaries. The Project Officer expressed his inability in May 1993 to intimate reasons for disbursement of subsidy to non-IRDP beneficiaries.

(iii) Expenditure on non-income generating items

(a) The Government of India stipulated in January 1981 that gradually the assistance for crop and other demonstration should be phased out and eventually totally discontinued under IRDP. Further assistance on other small individual items like agricultural implements and other inputs, was also to be phased out and given only in form of a comprehensive package. Expenditure on such items was to be reduced gradually from January 1983 so as not to exceed Rs. 0.15 lakh per annum per block.

It was observed that Rs. 4.19 lakhs were spent in excess of the prescribed limit by two³ DRDAs during 1985-86 to 1992-93 on items like chaff cutter, maize cutter, shellers and threshers, etc.

(b) Three DRDAs incurred expenditure of Rs. 4.22 lakhs⁴ during 1985-86 to 1992-93 for providing subsidy on non-admissible items like tarpaulins and construction of cattle sheds.

(iv) Non-maintenance of beneficiary ledger

In 5 blocks⁵ beneficiary ledgers had not been maintained to check the admissibility of the payment of subsidy on different occasions to the identified families.

(v) Non-existent assets

The assets acquired out of the assistance under IRDP cannot be disposed of without prior approval of the DRDA. However, a Status Survey conducted in 9 districts by the Department during 1992, showed that out of 1,37,159 assets acquired from the assistance under IRDP, 60,860 assets (44 per cent) were not available with the beneficiaries. No action had been taken by the Department against the defaulters according to penal clause of the agreement deed executed with them.

3 Kangra: Rs. 2.67 lakhs and Una: Rs. 1.52 lakhs

4 Kangra: Rs. 1.40 lakhs, Una: Rs. 2.16 lakhs and Hamirpur: Rs. 0.66 lakh

5 Chopal, Mashobra, Narkanda, Rampur and Rohru

(vi) Non-marking of assets

Assets provided to the beneficiaries should be marked to check the misutilisation or transfer of the assets. This was also necessary in the eventuality of filing insurance claim and physical verification of assets. Records of four DRDAs test-checked, however, revealed that assets other than milch cattle/animal provided to the beneficiaries, were not marked.

(vii) Non-supply of second milch animals

Under the programme two animals were to be supplied in succession to a beneficiary to avoid a fall in his income as soon as lactation period of one animal was over. In 27 blocks of five⁶ districts, 11,306 beneficiaries were provided with only one milch animal. No system was evolved for periodical check of the animals after purchase.

3.1.9 Irregularities in creation of infrastructure**(i) Incomplete works**

(a) In six blocks⁷ of DRDA, Shimla, 12 works (estimated cost: Rs. 7.74 lakhs) taken up for execution between 1985-86 and September 1991 had remained incomplete after incurring expenditure of Rs. 4.26 lakhs. The BDOs stated that these works could not be completed for want of (i) additional funds; (1 work),(ii) impediment in getting timber (5 works),(iii) steel trusses(1 work)and(iv) land dispute (2 works). No reasons were advanced for 3 works by the BDOs, Chirgaon and Rampur. The expenditure of Rs. 4.26 lakhs had, thus, remained unfruitful.

(ii) Non-crediting of rent to DRDA funds

According to guidelines of the programme, the ownership rights of assets created under IRDP/TRYSEM belong to the State Government. Rent of shops

6 Hamirpur, Kangra, Shimla, Solan and Una

7 Chirgaon, Rohru, Narkanda, Rampur, Jubbal and Theog

constructed on Government land was to be credited to DRDAs and rent of shops constructed on Panchayat/Panchayat Samities land was to be divided in the ratio of 75:25 between DRDA and concerned Panchayat/Panchayat Samiti respectively. It was, however, noticed in audit that:

- (a) rent amounting to Rs. 1.62 lakhs payable to DRDA had been retained by the respective panchayats in four blocks⁸ and was not deposited into DRDAs accounts;
- (b) rent of shops/sheds constructed in Shimla district at a cost of Rs. 6.74 lakhs between June 1988 and October 1992 was being collected by the concerned panchayats and was not known to the Department;
- (c) marketing Centre, Paonta constructed at a cost of Rs. 2.29 lakhs by BDO, Nahan was handed over to Panchayat Samiti, Paonta in December 1989 for use as TRYSEM hostel. This building was used as hostel and Rs. 0.08 lakh was realised as rent, which was credited to Samiti accounts instead of DRDA account. In February 1992, this hostel was given to police contingent who had not paid any rent as of May 1993.

(iii) Irregular expenditure on purchase of medicines

Ten per cent of the IRDP allocation is allowed to be spent on filling up the critical gaps in the infrastructure directly related to the projects of IRDP beneficiaries. However, the Project Officer, Hamirpur incurred an expenditure of Rs. 4.08 lakhs on the purchase of medicines and supplied the same to veterinary centres in Hamirpur district during 1986-87. Purchase of medicines for veterinary centres was not a permitted activity under IRDP and had not been regularised as of May 1993.

(iv) Excess expenditure on administrative infrastructure

According to prescribed norms, a part⁹ of IRDP allocation can be utilised for administrative infrastructure. However, during 1990-91 to 1992-93, expenditure amounting to Rs. 96.26 lakhs in excess of these norms was incurred on administrative

⁸ Jubbal, Narkanda, Paonta and Rohru

⁹ 15 per cent for DRDAs having 4 or less blocks; 12.5 per cent for DRDAs having 5 to 7 blocks and 10 per cent DRDAs having 8 or more blocks

infrastructure detailed as below.

Name of DRDAs	Total expenditure	Expenditure on administrative infrastructure (Rupees in lakhs)	Permissible expenditure on administrative infrastructure		Excess expenditure on administrative infrastructure
			Percentage	Expenditure (Rupees in lakhs)	
Bilaspur, Kinnaur, Lahaul and Spiti and Una	216.37	50.22	15	32.46	17.76
Chamba, Hamirpur, Kullu, Sirmour and Solan	421.59	86.58	12.5	52.70	33.88
Kangra, Mandi and Shimla	483.97	93.02	10	48.40	44.62
Total	1121.93	229.82		133.56	96.26

Reasons for excess expenditure were not intimated as of May 1993.

3.1.10 Training of rural youth for self employment (TRYSEM)

TRYSEM was introduced as a facilitating component of IRDP with the objective of imparting training to rural youth of the age of 18 to 35 years, who belonged to target group of families to enable them to seek self employment. All training expenses under this scheme up to March 1991 were met out of IRDP funds. During 1991-92 and 1992-93, funds totalling Rs. 35.20 lakhs were provided separately under this sub-scheme. Following points have emerged as a result of test-check.

(i) During 1985-86 to 1992-93, Rs. 227.82 lakhs were spent on the training of 15,231 youths under this scheme, of which 8,397 youths (55 per cent) were settled as detailed below:

Year	Youth		Expenditure (Rupees in lakhs)
	Trained	Settled	
	(In numbers)		
1985-86	2,647	1,298	34.09
1986-87	2,138	1,163	27.79
1987-88	1,920	1,578	23.68
1988-89	1,766	1,101	27.50
1989-90	1,856	1,303	25.74
1990-91	1,350	608	19.69
1991-92	1,973	786	37.59
1992-93	1,581	560	31.74
Total	15,231	8,397	227.82

Failure to settle 6,834 youths trained under TRYSEM rendered the

proportionate expenditure of Rs. 102.22 lakhs incurred on their training as unfruitful.

(ii) Free tool-kit costing not more than Rs. 500 (revised to Rs. 600 from March 1991) was to be given in kind to each trainee during the course of training after they had acquired some proficiency. In 21 blocks of 4 DRDAs test-checked, tool-kits were not provided. BDO, Chopal stated (May 1993) that the cost of tool-kits was higher as compared to the amount provided in the scheme. BDO, Gagret stated that there was no practice of providing tool-kits up to 1991-92. The other BDOs, did not furnish any reasons.

3.1.11 Development of women and children in rural areas (DWCRA)

Development of Women and Children in Rural Areas (DWCRA), a sub-scheme of IRDP, was started in 1982-83 in selected districts with the primary objective of focussing attention on the rural women below the poverty line with a view to provide them with opportunities of self-employment on a sustained basis. Women belonging to identified rural families can become members of DWCRA and also avail subsidy and credit under IRDP, subject to overall subsidy ceilings for various categories of beneficiaries laid down in IRDP guidelines. The women members of DWCRA form groups of 10-15 women each for taking up economic activities suited to their skill, aptitude and local conditions. The women members of DWCRA formed 1,608 groups of 10-15 women each against the target of 1,572 groups for taking up economic activities suited to their skill, aptitudes and local conditions. During the period 1985-86 to 1992-93, Rs. 204.28 lakhs were spent on the scheme. Test-check revealed as follows:

(i) In addition to the benefits of loan and subsidy admissible under IRDP to individual member, each group of women under DWCRA was given a lump sum grant of Rs. 0.15 lakh as Revolving Fund for purchase of raw material, etc. In 18 cases in 4 blocks¹⁰, accounts opened in the banks between April 1988 and November 1991 were never operated and the amount of Rs. 2.70 lakhs remained unutilised. In Chirgaon block the revolving fund amount was deposited in the post office savings account in March 1992 to achieve the target of small savings. In the remaining three blocks, it was stated by the respective BDOs¹¹ (April-May 1993) that units were being encouraged to take up the activities.

(ii) Out of 61 posts of *Gram Savikas* sanctioned for manning block level administration, 39 were in position. 8 Assistant Project Officers (Women's

10 Chirgaon: Rs. 1.65 lakhs; Chopal: Rs. 0.15 lakh; Narkanda: Rs. 0.60 lakh and Rampur: Rs. 0.30 lakh

11 Chopal, Narkanda and Rampur

Development) were in position as against 12 sanctioned for all districts. At State level, the sanctioned strength of Deputy Secretary, Assistant, Steno and Messenger (one each) was not provided reportedly due to financial constraints.

(iii) The scheme visualises an on-going participative evaluation of the programme to be conducted by the *Gram Savika*, *Mukhya Savika* and members of group. At half-yearly intervals, the group along with the *Gram Savika* and *Mukhya Savika* were required to review the achievements of the targets and also to discuss the bottlenecks, and problems with a view to find out solutions. No such meetings were held at group and block level. A monitoring format for Management Information System at Group, block and district level had also not been submitted every year.

3.1.12 Monitoring

(i) Non-strengthening of monitoring cell

Ministry of Rural Development invited proposals from the State Government in January 1992 for strengthening of Block Level Administration/Setting up of monitoring cells at State level. No such proposal was sent to the Government of India; a separate monitoring cell was also not created.

(ii) Qualitative monitoring of IRDP at block/DRDA level

(a) In order to develop a consistent system of monitoring of the implementation of IRDP at block/DRDA level through field visits and physical verification of assets, following schedule of inspection of families at various levels of officers was provided in the IRDP Manual:

Serial number	Designation of Officer	Number of families to be covered per month
1.	District Magistrate/Chairman DRDA	10
2.	Project Officer, DRDA	20
3.	Assistant Project Officer (APO) (Monitoring)	40
4.	Sub-Divisional Magistrate (SDM)	20
5.	Block Development Officer	20
6.	Assistant Development Officer	20

On the basis of inspection reports, received from these officers, DRDAs were required to prepare a consolidated report and discuss the same in the meetings of the Governing Body. A consolidated report was to be sent to the State Government at the end of each quarter.

In four districts test-checked such reports were not prepared and discussed at the Governing bodies of DRDAs and no consolidated report was submitted to the State Government.

(b) To ensure that IRDP beneficiaries had crossed the poverty line, proper follow-up of the progress made as a result of assistance given under IRDP was required to be done. For this purpose *Vikas Patrikas* (in duplicate) were required to be prepared which, *inter alia*, contain general particulars of beneficiaries, financial assistance given, its repayment, status of projects, etc. and kept continuously up-dated. Of this one copy was to be given to the family of the beneficiary to enable the visiting officers to know the quantum of assistance given, assets acquired and additional income generated, etc. In 16 blocks under three DRDAs¹² *vikas patrikas* were not maintained at the block level.

A perusal of 421 *vikas patrikas*, issued to the beneficiaries in four districts test-checked, revealed that in 44 cases no officer/official visited the beneficiary. In 13 cases the visits of BDOs were found recorded and in the remaining 364 cases visits were merely at the level of Village Development Co-ordinators (VDCs). The beneficiaries were never visited by SDM/District Magistrate. Besides, it was noticed that *Vikas Patrikas* issued to the beneficiaries did not contain complete information regarding assistance given, repayment of loans, etc.

Physical verification of assets required to be undertaken on a campaign basis at the end of each year was not carried out.

3.1.13 Evaluation

No evaluation/concurrent evaluation study had been conducted by the State regarding IRDP due to financial constraints and paucity of funds. There did not also exist any data bank on non-governmental organisations which could help Government in the implementation of the programme.

3.1.14 Other topics of interest

(a) Vehicles

(i) According to the instructions of the Government of India, no vehicle can be purchased out of DRDA funds for use by the BDOs. Notwithstanding these instructions, 32 vehicles in seven DRDAs¹³ were purchased at a cost of Rs. 38.33 lakhs

¹² Hamirpur, Shimla and Una.

¹³ Chamba: 5, Hamirpur:2; Mandi: 8; Nahan: 5; Shimla:6; Solan: 5 and Una: 1.

during 1985-86 to 1989-90 for use at block level. The case sent by the State Government to regularise this purchase was turned down by the Government of India in October 1989. The DRDA funds spent on purchase of vehicles had not been recouped by the State Government as of May 1993. Besides, Rs. 1.20 lakhs were spent by the DRDA, Shimla between 1987-88 and 1989-90 on the body fabrication of jeeps of three BDOs¹⁴, Sub-Divisional Magistrate and Deputy Commissioner without the concurrence of Government.

(ii) The instructions issued (March 1991) by the Rural Development Department stipulated that the maintenance and petrol charges of the vehicle provided to the Deputy Commissioner (DC) as Chairman of DRDA were to be borne by the Deputy Commissioner office. Contrary to these instructions, in Shimla district, expenditure of Rs. 2.24 lakhs on maintenance and petrol charges of the vehicles provided to the Chairman and Vice-Chairman between April 1991 and March 1993 was met from IRDP funds.

(b) Irregular expenditure

According to the instructions of the State Government, no telephone charges except those of the Project Officer were to be borne by the DRDA. Contrary to these instructions, charges of telephone used by the Deputy Commissioner, Shimla amounting to Rs. 1.02 lakhs for the year 1990-91 and 1991-92 were met out of interest received on IRDP funds.

(c) Idle computers

A computer valued at Rs. 1.71 lakhs was purchased by the DRDA, Hamirpur during 1987. The computer was installed in Deputy Commissioner's Office from 1987 to 1992 and no work relating to the Agency was done. Thereafter, it was lying idle with the Agency for want of Computer room as of May 1993.

Similarly, a computer (cost: Rs. 0.91 lakh) was purchased in April 1988 by DRDA, Una. According to the Project Officer, some general type data was fed in the computer but detailed information relating to the programme could not be fed as of January 1993 for want of trained official. The Agency spent additional amount of Rs. 0.25 lakh on annual maintenance during 1991-92. Thus, Rs. 1.16 lakhs spent on the purchase and maintenance of the computer had remained unfruitful.

(d) Suspected misappropriation of Agency funds

(i) During September 1978 to March 1981, 50 *khaddies* costing Rs. 0.79 lakh were purchased from a firm by Small Farmers Development Agency (SFDA), Shimla. The amount was remitted through bank draft in April 1980. Neither the *khaddies* were received nor actual payee receipt of the firm in token of having received the amount was available on record. The Deputy Director of Agriculture who made payment as Project Officer retired in December 1989 but the accounts had not been settled as of May 1993. During February-March 1992, the accounts relating to his period were got checked by a departmental officer with a view to find out other irregularities committed by him. The investigating officer, in addition to the suspected misappropriation of Rs. 0.79 lakh, pointed out a recovery of Rs. 0.32 lakh on account of non-adjustment of LTC, medical and petrol advances, etc for the period between 1978 and 1981. Of the total amount of Rs. 1.11 lakhs, Rs. 0.40 lakh only had been recovered from the retirement benefits of the officer as of May 1993. The Rural Development Department stated (October 1993) that the matter regarding recovery had been taken up with the Agriculture Department.

(ii) During 1984-85, DRDA, Shimla purchased secateurs costing Rs. 1.31 lakhs for further sale to IRDP families through BDOs. All the secateurs had been sold and the balance stock secateurs as on March 1992 was nil. Of the total sale proceeds of Rs. 1.31 lakhs recoverable from 6 BDOs¹⁵, Rs. 0.12 lakh only was deposited in February 1992 and January 1993 by BDO, Jubbal. Sale proceeds of Rs. 1.19 lakhs had not been deposited with the DRDA, Shimla. All the BDOs stated that the matter regarding non-deposit of the sale proceeds was under investigation.

(iii) A cheque of February 1990 for Rs. 1 lakh remitted by the DRDA, Shimla and encashed by the BDO, Jubbal had not been accounted for. DRDA, Shimla directed (June 1993) BDO, Jubbal to locate the said amount but the reply was awaited from the BDO as of July 1993.

(iv) Fifty tarpaulins and 15 *atta-chakkis* despatched by a supplier in December 1980 and May 1981 respectively had not been received by the BDO, Rampur for the last 13 years although cost of these articles of Rs. 0.81 lakh was paid during January 1981 and May 1981 by the Project Officer, Shimla. It was stated in June 1993 that a departmental enquiry regarding non-receipt of material was pending with Deputy Director (RDD) as of June 1993.

(v) In DRDA, Shimla Rs. 18.34 lakhs on account of completed work created

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Chirgaon: Rs. 0.21 lakh; Chopal: Rs.0.01 lakh; Jubbal: Rs.0.46 lakh; Mashobra: Rs. 0.18 lakh; Theog: Rs.0.41 lakh and Rohru: Rs. 0.04 lakh.

between 1985-86 and 1992-93 had not been depicted in the balance sheet.

These points were referred to Government in September 1993; reply has not been received (November 1993).

3.2 Rural Sanitation Programme

In order to provide sanitation facilities to the rural population, specially the poorer section and to protect and uphold the privacy and dignity of women, rural sanitation programme known as an 'Integrated Programme for Sanitary Latrines' in rural areas was started from 1986-87. The funds allocated under Centrally sponsored schemes like National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) (these two programme merged with Jawahar Rozgar Yojna (JRY) from 1989-90) and Central Rural Sanitation Programme (CRSP) for sanitation purposes were pooled by the State Government with funds allocated under State Plan for implementation of integrated programme for sanitary latrines. Under the scheme, assistance of Rs. 1,200 per beneficiary was admissible to all categories. It was, however, raised to Rs. 1,500 in the case of scheduled castes/scheduled tribes, IRDP and Antodaya beneficiaries from 1991-92. The programme envisaged provision of technical and material help within the limits of Rs. 1,200 and Rs. 1,500 in constructing the latrines.

The programme was being implemented by the Director, Rural Development through the Block Development Officers (BDOs). Important points noticed in the course of a general review of implementation of the programme during the period 1986-87 to 1991-92 in 26 out of 69 blocks undertaken by Audit during March-June 1992 and February-April 1993 are mentioned in the following paragraphs.

(a) Financial outlay

The budget provisions and expenditure incurred under the programme was as under:

Year	Budget Provision			Expenditure		
	Under CRSP	State Government	Total	Under CRSP	State Government	Total
	(Rupees in lakhs)					
1986-87	9.00	73.80	82.80	9.00	73.96	82.96
1987-88	30.00	33.12	63.12	30.00	33.10	63.10
1988-89	9.00	30.00	39.00	9.00	30.00	39.00
1989-90	-	30.00	30.00	-	25.71	25.71
1990-91	-	20.00	20.00	-	19.75	19.75
1991-92	15.00	117.00	132.00	15.00	116.00	131.00
	63.00	303.92	366.92	63.00	298.52	361.52

The funds were placed at the disposal of the Block Development Officers by the Department for further disbursement to the beneficiaries. In 15 Development Blocks, Rs. 10.49 lakhs drawn between 1986-87 and 1991-92 had been lying unspent with the BDOs or in the banks and post offices.

(b) Implementation of the scheme**(i) Preparation of Annual Action Plan**

The Shelf of Project and Annual Action Plan were to be prepared at district level by adopting cluster approach, taking village or panchayat as one unit. However, except in Bilaspur and Solan districts such action plans were not prepared in the test-checked districts.

(ii) Physical performance

The targets and achievements of providing sanitary latrines under the programme were as under:

Year	Targets	Achievements	Shortfall (percentage)
1986-87	14,075	9,639	32
1987-88	10,090	9,752	3
1988-89	6,051	6,450	-
1989-90	3,247	2,784	14
1990-91	1,666	1,809	-
1991-92	10,000	9,322	7

(iii) Non-completion of works

Rupees 5.86 lakhs were disbursed to 724 beneficiaries for construction of 724 latrines in 10 blocks¹ during 1986-87 to 1991-92. Beneficiaries were required to complete the construction of these latrines by the end of the financial year in which the assistance was provided by the Department. The progress of the work was also to be monitored by the Department. But these latrines were lying incomplete as of April 1993. The Block Development Officer, Theog stated (June 1992) that the beneficiaries were not taking interest to complete the works. In the case of other blocks it was stated by the BDOs concerned that the beneficiaries were being persuaded to complete the latrines. However, no efforts were made to recover the amount from the defaulters in accordance with the instructions of the State Government issued in July 1991. The latrines were, however, shown to have been completed in the monthly progress reports sent by the BDOs to the Director, Rural Development Department.

(iv) Non-provision of latrines

The programme envisaged construction of pour flush water seal sanitary latrines for the houses built for scheduled castes(SC)/scheduled tribes (ST) under NREP and RLEGP/JRY. It was, however, noticed that sanitary latrines were not provided in 244 houses constructed between 1986-87 and 1991-92 in 11 blocks² and the amount of Rs. 2.66 lakhs provided for the purpose remained unutilised in the banks as of March 1993. While six BDOs³ attributed the non-construction of latrines to lack of interest by the beneficiaries; the other BDOs did not furnish any reasons.

(v) Extra assistance

The programme provided for construction of sanitary latrines in all village level institutions like Health Sub-Centres, Schools, Panchayat Ghars, Anganwaries, etc. by providing assistance of Rs. 1,200 in each case under NREP/RLEGP.

It was, however, noticed that in 112 cases assistance ranging from Rs. 2,400 to Rs.10,000 in each case was provided during 1986-87 to 1991-92 by 9 BDOs⁴. Thus resulted in excess payment of Rs. 2.77 lakhs. Reasons for assistance in excess of the

1 Anil, Banjar, Mashobra, Nichar, Nirmand, Paonta, Panchrukhi, Rampur, Rewalsar and Theog

2 Banjar, Dehra, Ghumarwin, Hamirpur, Kangra, Mehla, Nurpur, Pragpur, Rait, Rewalsar and Rampur

3 Banjar, Dehra, Kangra, Mehla, Nurpur, and Rait

4 Bilaspur, Dehra, Ghumarwin, Hamirpur, Kangra, Nadaun, Pragpur, Paonta and Sunder Nagar

prescribed norm were not intimated.

(vi) Low representation to weaker sections

The State Government revised (October 1991) the criteria for selection of beneficiaries under the programme in the ratio of 60:40 for assistance to weaker sections and general category respectively and released funds accordingly. Test-check of records of 8 blocks⁵ revealed that out of 1,191 beneficiaries selected between November 1991 and March 1992 only 303 (25 per cent) beneficiaries belonged to the weaker sections. Reasons for less coverage were attributed by three blocks⁶ to higher cost of construction, less population of such categories and receipt of less applications from SC/ST beneficiaries whereas no reasons for less coverage of weaker sections were advanced by other BDOs.

(vii) Monitoring and evaluation

Monthly reports showing physical and financial achievements were required to be submitted by the BDOs to Government through the Project Officers, DRDAs. It was noticed that the progress was shown by the BDOs on the basis of drawal/receipt of funds irrespective of disbursement of assistance to the beneficiaries.

Task forces at the State, District and Block levels were constituted by Government in August 1991 to evaluate the implementation of the programme. Copies of evaluation reports of the task forces if completed were not made available to Audit.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

Agriculture Department

3.3 National Project on Biogas Development

3.3.1 Introduction

Biogas is an important renewable source of energy which can be produced and utilised in a decentralised manner by majority of our rural population. The National Project on Biogas Development (NPBD) was sanctioned in the year 1981 as a Central Scheme. The project was implemented in the State from 1981-82.

⁵ Banjar, Hamirpur, Kangra, Mehla, Nadaun, Nurpur, Panchrukhi and Rewalsar

⁶ Mehla, Nurpur and Panchrukhi

The broad objectives of the Project are (i) to provide energy in a clean and unpolluted form, (ii) to produce enriched manure to supplement the use of chemical fertilisers, (iii) to bring improvement in the life of rural women folk and children by relieving them from drudgery, and (iv) to improve sanitation and hygiene.

The over-all responsibility for the implementation of the project vested in the Director of Agriculture who was assisted by the Agriculture Engineer (Biogas Development). At the district level, the project was being implemented by the Deputy Directors of Agriculture/District Agriculture Officers with the help of extension staff.

The implementation of the Project during the period from 1985-86 to 1992-93 was reviewed in audit during February -May 1993 based on a test-check of records of 5¹ of the 12 districts. Records of the Himachal Pradesh Krishi Vishav Vidyalaya, Palampur and Khadi and Village Industries Commission (KVIC), Shimla, who were also associated in the implementation of the Project, were also test-checked supplemented by a scrutiny of the records of the Director of Agriculture.

3.3.2 Financial performance

Budget provision and expenditure incurred during 1985-93 was as follows.

Year	Budget allotment			Expenditure			Variation Excess(+)/ Saving(-)		
	Central	State	Total	Central	State	Total	Central	State	Total
(Rupees in lakhs)									
1985-86	100.22	63.19	163.41	106.14	77.62	183.76	(+)5.92	(+)14.43	(+)20.35
1986-87	105.00	70.00	175.00	121.05	83.00	204.05	(+)16.05	(+)13.00	(+)29.05
1987-88	109.44	88.77	198.21	109.43	78.78	188.21	(-)0.01	(-)9.99	(-)10.00
1988-89	87.72	72.53	160.25	87.72	72.52	160.24	--	(-)0.01	(-)0.01
1989-90	125.00	92.10	217.10	67.75	65.29	133.04	(-)57.25	(-)26.81	(-)84.06
1990-91	130.00	88.00	218.00	104.05	77.06	181.11	(-)25.95	(-)10.94	(-)36.89
1991-92	133.50	83.00	216.50	129.14	75.00	204.14	(-)4.36	(-)8.00	(-)12.36
1992-93	136.85	76.00	212.85	142.63	91.33	233.96	(+)5.78	(+)15.33	(+)21.11
	927.73	633.59	1561.32	867.91	620.60	1488.51	(-)59.82	(-)12.99	(-)72.81

Following points emerged as result of test-check.

- (i) Savings under Central Sector were attributed by the Director of Agriculture to non-finalisation of scheme for promotional incentives, non-identification of individuals for granting awards, not charging the expenditure incurred under service charges to Central grant and under State Sector to non-filling up of posts.

(ii) According to the instructions of the Government of India, the Central subsidy was to be paid to the beneficiaries only after completion of the work of biogas plants in all respects. It was, however, noticed during the inspection of the plants conducted during 1989 to 1991 by the Department of Non-Conventional Energy Sources (DNES) of the Central Government that 108 plants in 5 districts test-checked were still incomplete although subsidy of Rs. 4.01 lakhs in those cases had already been paid by the Agriculture Department.

In addition to the above, of the 49 biogas plants of Nalagarh Block (Solan district) inspected by the staff of the Directorate of Agriculture in September 1989, only 6 were found functional; 31 were found to be non-functional and the remaining 12 were incomplete, on which inadmissible subsidy of Rs. 0.44 lakh was paid to the beneficiaries.

3.3.3 Physical performance

The targets for the installation of biogas plants in the State were fixed by the Central Government. The year-wise targets and achievements thereagainst were as follows.

Year	Targets	Achievements reported to the Government of India	Actual achievements according to the records of the Directorate of Agriculture
(In numbers)			
1985-86	2,500	2,650	4,318
1986-87	2,500	2,850	4,713
1987-88	3,000	3,201	3,185
1988-89	3,500	3,505	3,036
1989-90	3,500	5,076	2,475
1990-91	3,500	3,651	2,675
1991-92	3,500	3,510	2,962
1992-93	3,400	3,401	3,157
	25,400	27,844	26,521

In addition, 363 biogas plants were constructed by the Khadi and Village Industries Commission, Himachal Pradesh against the target of 425 biogas plants fixed by the Khadi and Village Industries Commission, Bombay.

(i) There were wide variation in the yearly achievements intimated to the Government of India by the State Government and the achievements as per the records of the Director of Agriculture compiled from the data received from their field units. The Director of Agriculture stated (May 1993) that the yearly achievements intimated to the Government of India indicated the number of biogas plants actually commissioned, whereas the figures intimated by the field units also included the plants though

constructed but not commissioned. The performance reported to the Government of India was not correct.

(ii) Although the block-wise targets were fixed for the construction of biogas plants by the Director, these were not followed during actual execution of work. In Mandi district, the achievement of construction of plants in Karsog Block during 1986-87 was as high as 450 *per cent* and in Seraj Block it was nil during 1986-87, 1990-91 and 1991-92. The Deputy Director of Agriculture, Mandi stated (March 1993) that the plants were installed according to potential available in the respective blocks. It was further stated by him that in future block-wise targets will be fixed keeping in view the climatic conditions/availability of local construction material. The targets fixed were thus, not realistic.

(iii) On the basis of the recommendations of the Regional Office of the DNES, Chandigarh and the Himachal Pradesh Krishi Vishva Vidyalaya, Palampur, the Director of Agriculture issued (May 1991) instructions that oversize plants should not be constructed as the required cow dung was not available with the beneficiaries and consequently these plants were prone to failure. It was further directed that 75 *per cent* plants of 2 cubic metres (cum) capacity and 15 *per cent* plants of 3 cum capacity of total plants may be constructed during 1991-92. The details of plants actually constructed during 1991-92 in the State and during 1992-93 in the five districts test-checked were as follows. Information relating to other district for the year 1992-93 was not made available to Audit.

Year	Number of plants constructed					Total
	1cum	2cum	3cum	4cum	6cum	
1991-92	--	494(14)	2,691(77)	323(9)	2(-)	3,510
1992-93	46(2)	853(42)	1,098(55)	25(1)	--	2,022
Total	46	1,347	3,789	348	2	5,532

Figures within parentheses represent the percentage

Contrary to instructions, 350 plants of 4 cum and 6 cum capacity were constructed. Also total of 3,789 plants of 3 cum capacity were constructed where as only 830 plants were required to be constructed (15 *per cent* of the total 5,532 plants). The excess installation of 2,959 plants of 3 cum capacity resulted in avoidable payment of subsidy to the beneficiaries amounting to Rs.32.55 lakhs. The Department did not furnish the reasons for construction of large size plants in excess of the prescribed norms.

(iv) According to the instructions (March 1982) of the State Government, the biogas plants were required to be completed within three months of the release of the subsidy. It was, however, noticed from records that 45 plants, against which subsidy amounting to Rs. 1.53 lakhs had been paid out of the State funds during 1991-92 had remained incomplete in Hamirpur District as of April 1993.

(v) In Mandi District, materials like bricks and cement costing Rs. 2.26 lakhs had been issued to 113 beneficiaries for the construction of biogas plants between April 1984 and May 1992. Neither the material had been returned by the beneficiaries nor the plants had been constructed as of March 1993.

(vi) Completion certificates of biogas plants were required to be issued by the Block Development Officers or equivalent officers of the implementing agencies. These certificates were, however, issued by the Biogas Supervisors, Junior Engineers and Assistant Development Officers of the Agriculture Department, who were responsible for the construction of the plants.

(vii) Utilisation certificates of amount of the subsidy were required to be furnished to the Government of India by the State Government. Utilisation certificates of 24,443 plants against which subsidy amounting to Rs. 992.06 lakhs had been paid during the period 1985-86 to 1991-92 had not been furnished by the Director of Agriculture as of April 1993.

3.3.4 Field inspections

(i) The programme prescribed physical verification of the biogas plants at different levels as indicated below so as to avoid wrong reporting of progress and claiming of excess subsidy.

Block level officer	100 per cent
District level officer	5 to 10 per cent
State level officer	1 to 5 per cent

No such physical verification was, however, carried out by any of these departmental officers. In a survey conducted by DNES between 1989 and 1991, the DNES observed that the Department had incorrectly reported construction of 444 plants which had actually not been commissioned. On these plants, the subsidy amounting to Rs. 17.74 lakhs had already been claimed.

The Agriculture Engineer (Biogas plant) stated (March 1993) that the work of physical verification had been entrusted by the Department to the Biogas Supervisors, Junior Engineers, Assistant Development Officers, who themselves were responsible for the construction of the plants.

(ii) The scheme provided for field survey of cent *per cent* plants in some blocks selected at random by the Regional Project Officers, Biogas Monitoring Cells of the DNES. The Regional Project Officers, Chandigarh and Jaipur conducted survey in 8 blocks of three districts between December 1989 and November 1991. The position of the plants inspected was as under:

Name of block	Total number of plants	Plants inspected	Percentage
<u>Bilaspur District</u>			
Bilaspur Sadar	853	160	19
Ghumarwin	640	115	18
<u>Solan District</u>			
Dharampur	277	104	38
Kunihar	562	151	27
Nalagarh	388	59	15
Solan	409	53	13
<u>Hamirpur District</u>			
Bhoranj	568	32	6
Nadaun	610	91	15

The survey reports of these three districts sent to the Director of Agriculture indicated the non-completion, non-commissioning, defective construction, reasons for non-functioning, etc. of the plants. These reports were accordingly forwarded by the Director of Agriculture to the field offices for necessary action. However, follow up action was not taken by the field offices on the reports.

The survey was also conducted in 6 blocks of Mandi District; but the details of the plants inspected were not available.

3.3.5 Repair and maintenance of biogas plants

Repair scheme of the Project provided for Rs. 750 per plant and higher repair charges on case to case basis for the plants having structural problems. The funds for this purpose were also provided by the Central Government.

In three districts², 334 plants were found to be non-functional by the field staff of the Department and the Regional Centre, Palampur during 1985-86 to 1992-93. Neither any repair estimates for these plants were prepared nor any demand for the

schools varied from 1 to 19 students. The shortfall in the number of students in the vocational courses was attributed by the Department to lack of interest on the part of parents and lack of job opportunities after the completion of the courses.

3.6.7 Implementation of the scheme

(i) Management structure

A five-tier management structure at the National, Regional, State, District and Institutional levels supported by Research and Development Organisations was contemplated under the scheme. The State Government was to set up a State Council for Vocational Education (SCVE) which was to function as an overall policy formulating and coordinating body. In addition, vocational wing in State Education Department, separate vocational wing in SCERT and District Vocational Education Committees were to be set up, besides strengthening the vocational wings of the District Education Offices to provide effective policy formulation, co-ordination and implementation support to the programme.

The State Council of Vocational Education was constituted in July 1987. The vocational wing in the Education Department was created in March 1988. Vocational wings in the District Education offices, envisaged under the scheme were, however, not created in any of the districts. Against the required staff strength of 18 persons in vocational wing of the Directorate office, only 8 persons had been provided as of May 1993. Full staff strength envisaged in the scheme had also not been provided in the schools.

(ii) District vocational surveys

District vocational surveys were to be carried out for providing necessary data for the selection of courses and institutions after assessment of manpower needs in the area.

District vocational surveys were conducted in all the districts of the State between November 1988 and May 1989 by the staff of the Directorate of Education and no experts of the State Institute of Vocational Education (SIVE) or the State Council of Education, Research and Training were associated in the survey as required under the scheme.

Audit scrutiny of the survey reports revealed that out of the 40 schools selected by the State Government for implementing the scheme, only 17 schools had been recommended by the survey team on the basis of manpower need, etc. The

remaining 23 schools had not been recommended by the survey team.

The survey team had recommended 40 different courses for different schools keeping in view the local requirements. The recommendations of the survey team were not, however, kept in view while introducing the courses in the schools. Of the 40 courses recommended for 17 schools by survey team only 6 courses were introduced.

(iii) Provision of teachers

Availability of full and part-time teachers for vocational training was a crucial factor for implementation of the scheme. Against the 100 posts of teachers sanctioned for 25 schools, 91 teachers were in position (June 1993). Nine posts had not been filled-in from the inception of the scheme, reasons for which were not intimated. However, the Central share amounting to Rs. 9.40 lakhs on account of salary of these vacant posts for the period from April 1988 to March 1993 was irregularly claimed by the State Government.

(iv) Training of teachers

Pre-service programme for fresh entrants, training programmes and periodic refresher courses for inservice teachers and package training programme for part-time teachers was to be a regular feature to meet the requirement of vocational teachers for the scheme. The facilities available with training institutions of other organisations were also to be utilised to meet the requirement of training. The NCERT was to act as the principal co-ordinating agency for the training programme.

Of the 91 teachers appointed, pre-service training was imparted to only 30 teachers. Reasons for not imparting training to other teachers were not intimated. No other training was arranged. However, 6 seminars were arranged during July 1988 to March 1993 at different institutions which were attended only by 81 teachers.

(v) Provision of worksheds/laboratories

Rupees 61.50 lakhs were provided by the Government of India during 1987-88 to 1991-92 for the construction of 82 worksheds/laboratories at the rate of Rs. 0.75 lakh per building required for each vocational course in the schools. The funds were released to the Deputy Commissioners by the State Government for taking

up the works through the Block Development Officers. The progress of construction was not, however, monitored by the Director of Education with the Deputy Commissioners/Block Development Officers and no information was available with the Director of Education regarding the number of works completed, number in progress, etc.

Of the 26 worksheds/laboratories taken up for construction between 1988-89 and 1990-91 for 13 schools covered by test-check, only 19 worksheds/laboratories had been completed at a cost of Rs. 16.35 lakhs against the provisions of Rs. 14.25 lakhs. This led to excess expenditure of Rs.2.10 lakhs incurred on the construction of buildings for Senior Secondary School, Banjar(Rs. 0.58 lakh) and Kalpa (Rs. 1.52 lakhs). As a result of this, the work of execution of two other buildings for these schools could not be started. Remaining five buildings on which an expenditure of Rs. 3.72 lakhs had been incurred against the provision of Rs. 3.75 lakhs were lying incomplete as of May 1993, due to paucity of funds. The excess expenditure was attributed to escalation in the cost of construction.

(vi) Provision of equipment

(a) An amount of Rs. 86.42 lakhs was drawn by the Director of Education between September 1991 and November 1992 for the purchase of equipment and furniture for use in the vocational schools as per details given below:

Purpose	Month of drawal	Amount (Rupees in lakhs)
Equipment for "Repair and Maintenance of Electrical domestic appliances" course	March 1992	25.65
Equipment and furniture, etc. for the new vocational courses to be started	November 1992	60.77

The entire amount of Rs. 86.42 lakhs remained unutilised in the shape of bank drafts/banker's cheques. The requisite purchases could not be effected as the

rate contract for the same had not been finalised by the Controller of Stores. Tenders for the purchases had been called for by the Department in June 1993. Further developments were awaited (June 1993). This resulted in non-imparting of practical training to the students effectively in respective courses and also new courses could not be started in the schools.

(b) Teaching aids like calculators and type-writers valued at Rs. 5.04 lakhs purchased in July 1992 by the Director of Education and supplied to 15 schools were lying unutilised in the schools as the vocational courses in these schools had not been started as of June 1993 since the posts of the teachers had not been sanctioned by Government. Due to the same reasons furniture valued at Rs. 0.91 lakh purchased in November 1992 for the Senior Secondary Schools, Chopal (Shimla district) and Daroh (Kangra district) could not be used.

(c) One electric generator costing Rs. 0.25 lakh purchased in March 1991 by the Principal, Senior Secondary School (Boys), Solan was lying idle as of June 1993 due to non-electrification of workshed.

(d) Two electronic type-writers and five steel almirahs were purchased for use in the office of the Director of Education in March 1991. The entire cost of these articles amounting to Rs. 0.77 lakh was irregularly charged to the scheme.

(vii) Provision of raw material

Raw material like chemicals, glass wares, computer stationery, electric wires, elements, electric bulbs, preservators for food stuffs, etc. required for the practicals of the vocational courses were to be provided by the State Government on continuing basis. Any shortage in this would neutralise the input and would adversely affect acquisition of skills by students. It was, however, noticed that raw materials were not supplied to any of the schools subjected to test-check. Practical training to the students was, therefore, not provided for want of raw material.

(viii) Curriculum and instructional materials

(a) In order to have a broad uniformity in course structure and to maintain national standards for a given vocation so as to promote larger mobility and acceptability of vocational products, a well structured curriculum was to be developed with the assistance of NCERT and SCERT and other expert agencies. Instructional materials were to be made available for vocational education in time. Subsidy was to be provided to text book organisation, etc., and was to be passed on to the students of the vocational stream by way of reasonably priced text books. Workshops were also to be

held to curriculum development and preparation of instructional materials.

The syllabus developed by the NCERT had been adopted by the State, except for Horticulture course, for which the programme had been developed by the State. Only 7 workshops were held between July 1988 and October 1989. An amount of Rs. 0.85 lakh was spent on these activities between 1988-89 and 1990-91 against the amount of Rs. 2.19 lakhs provided by the Government of India for the purpose. The balance amount of Rs. 1.34 lakhs was lying unspent with the Department.

(b) An amount of Rs. 1.34 lakhs drawn by the Director of Education during September 1991 and July 1992 for developing instructional material for the existing vocational courses in the schools was not utilised and was retained in the shape of bank draft/banker cheques as of June 1993.

(ix) Practical training

The practical training to the students was to be arranged in institutions like polytechnics, industrial training institutions, nursing schools, commercial and industrial establishments, hospitals, farms, etc. depending on the nature of the vocation and intensity of the practical training required for the course.

Although 6 courses had been introduced in 25 schools in the State for which 2,180 students were studying from 1989-90 to 1992-93 at +2 stage, practical training required for all the courses was arranged only to 148 students in two courses viz., Food Preservation (8 students) and Auditing and Accountancy (140 students). No apprenticeship was provided to the students. Reasons for not arranging practical training in other courses were not intimated.

(x) Vocational guidance

One school teacher in each vocational school was to be trained in vocational guidance who was to devote at least half of work time at the school for running the guidance programme. Besides, one trained counsellor was also to be appointed at the District level to organise and run the Career Advice Centre and assist the vocational guidance teacher at the school level.

Neither the posts of counsellor were created and trained counsellors were appointed in the State nor any Vocational Guidance Teacher was imparted training as envisaged in the scheme.

(xi) Modification of recruitment rules/employment

The State Government was to review and amend the recruitment policies and rules of recruitment in Government, quasi-Government institutions, public and private sectors to provide a clear preference for the graduates of the vocational stream. The Director of Education was to take up a systematic survey of various job requirements in Government/quasi-Government and public and private sector and suggest suitable modifications.

It was noticed that neither any survey envisaged in the scheme was conducted by the Department nor the recruitment **policy and rules** were amended. The Department had no information about the students **who** got employment after passing out from the vocational stream.

3.6.8 Monitoring and evaluation

The scheme had been operative **in the** State since 1988-89. But no monitoring was being done at the Directorate level for feed back of the proper implementation of the scheme. The overall picture of the implementation of the scheme was thus not available with the Director.

Evaluation of the scheme had not been done to know the impact of the scheme.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

Health and Family Welfare Department

3.7 Rural Health Scheme (Under Tribal Sub-Plan)

To provide health care for all by 2000 A.D., a Rural Health Scheme was started from 2nd October 1977. The scheme was implemented in the tribal areas of the State falling in Kinnaur, Lahaul and Spiti districts and Bharmour and Pangri tehsils (Chamba district) under the Tribal Sub-Plan.

The objective of the scheme was proposed to be achieved through the following components.

- (i) Opening of health centres and construction of hospital buildings and staff

quarters.

- (ii) Upgradation of primary health centres (PHCs) and providing of infrastructure.
- (iii) Strengthening of district hospitals/rural hospitals.
- (iv) Providing of staff under dental school health services.
- (v) Establishment of survey team to find out morbidity pattern and physiotherapy units.
- (vi) Control of leprosy, blindness and tuberculosis (TB).
- (vii) Strengthening of services of blood banks.

The scheme was implemented under the overall supervision of the Director, Health Services, and the concerned Chief Medical Officers (CMOs) were responsible for its implementation in the districts. At the field level, the scheme was implemented through the net work of 16 primary health centres. The Multi-Purpose Workers (MPWs) in the primary health sub-centres were the key persons for implementation of the scheme.

The implementation of the scheme from 1987-88 to 1992-93 was reviewed in audit during May-July 1993, based on test-check of the records in Lahaul-Spiti and Kinnaur districts and Bharmaur and Pangi tehsils of Chamba district, supplemented by a review of the records of the Director, Health Services. Results of test-check of these records are discussed in the succeeding paragraphs.

- (a) A survey team consisting of Medical Officer, Laboratory Technician, Pharmacist, Computer, Female Health Supervisor, Assistant, Peon and Driver (one each) with headquarters at Kalpa was to be established during 1984. This team was to conduct survey to find out morbidity pattern in the tribal areas.

Though no survey was conducted as the staff for this purpose had not been posted as of May 1993, an amount of Rs. 1.73 lakhs spent on other programme during 1989-91 had been irregularly charged to the scheme. The Chief Medical Officer stated (May 1993) that this was done to avoid lapse of funds.

(b) Details of the budget provision for and the expenditure incurred on the scheme during the six year period ending March 1993 were as follows:

Year	Budget provision	Expenditure incurred	Excess
(Rupees in lakhs)			
1987-88	10.65	11.95	1.30
1988-89	11.99	21.63	9.64
1989-90	27.07	36.80	9.73
1990-91	27.78	46.42	18.64
1991-92	36.30	53.44	17.14
1992-93	<u>62.80</u>	<u>62.80</u>	--
Total	176.59	233.04	56.45

Excess expenditure of Rs. 56.45 lakhs was attributed (July 1993) by the Department to payment of arrears on account of revision of pay scales, and payment of increased dearness allowance, from time to time.

(c) The targets fixed from 1987-93 for opening Primary Health Centres (PHCs), Community Health Centres (CHCs) and sub-centres for providing further health infrastructure and achievements thereagainst were as under:

Year	Units to be opened			Units actually opened		
	PHCs	CHCs	Sub-centres	PHCs	CHCs	Sub-centres
1987-88	1	--	30	--	--	16
1988-89	1	--	22	2	--	10
1989-90	1	1	16	1	1	9
1990-91	1	--	1	--	--	--
1991-92	1	--	2	--	--	--
1992-93	<u>--</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>--</u>	<u>--</u>
Total	5	1	71	4	1	35

(i) Shortfall in the opening of health centres for providing health care in the tribal areas was attributed (July 1993) by the Department to paucity of funds.

(ii) Of the 35 sub-centres opened during 1987-90, the staff was provided after delays ranging from 1 to 28 months in 12 centres. This was attributed by the Chief Medical Officers, Kinnaur and Keylong and Block Medical Officer, Pangri to late joining of workers and non-availability of suitable accommodation. Delayed posting of staff deprived the tribal people of the medical facilities for over two years in certain cases.

(d)(i) Construction of 23 buildings¹ (estimated cost: Rs. 227.73 lakhs) was taken up by the Public Works Department between December 1977 and November 1991. Scheduled to be completed within a period of twelve months from their commencement, these works had not been completed even after delays of 3 to 108 months. Expenditure totalling Rs. 147.79 lakhs had been incurred on these works as of March 1993. Further details in this regard are contained in Appendix-VI.

The Director, Health Services attributed the non-completion of buildings to paucity of funds and the short working season in the area. The plea of the Department was not tenable as these factors should have been taken in view while fixing the estimated period for completion of these buildings.

The expenditure of Rs. 147.79 lakhs had, therefore, not yielded the intended benefits. Delays in completion of buildings would also have an inevitable impact on costs.

(ii) Civil Dispensary building at Sagnam (Lahaul and Spiti district) was completed by Public Works Department during March 1981 at a cost of Rs. 5.55 lakhs. However, its possession had not been taken over by the Health and Family Welfare Department as of May 1993 on the ground that completion certificate was awaited. The Dispensary continues to function in a rented building.

(iii) Possession of five buildings² completed during December 1992 at a cost of Rs. 30.05 lakhs had not been taken over as of May 1993 due to non-provision of water supply and sanitary fittings.

(iv) Six residential buildings constructed at a cost of Rs. 25.51 lakhs between 1980 and December 1992 had been vacant, after occupation for some time, as detailed in Appendix-VII.

1 District Hospital (1), Rural Hospital (1), PHCs (3), Sub-Centres (16) and Doctor Residences (2).

2 Lahaul: sub-centres-Chemrat, Salgran and Pimbla; Pangl: sub-centre, Kulbf and WHP, Charak

(e) Posts of medical specialist, medical officer and staff nurses had not been filled up under the scheme during 1987-88 onwards. The position of vacant posts under these categories as of June 1993 was as under:

Description	Number of sanctioned posts	Staff in position	Vacancies
Medical specialist	11	Nil	11
Medical officer	68	41	27
Staff nurse	53	20	33
Total	132	61	71

In order to establish a physiotherapy unit in the District hospital, Kinnaur, a post of physiotherapist was sanctioned in October 1986. The physiotherapy unit could not be established as of May 1993 as no Physiotherapist was posted. An amount of Rs. 0.70 lakh spent for other purposes were, however, irregularly charged to this scheme during 1987-88.

One male health worker and one female health worker were to be provided to each sub-centre. The position in this regard was as follows:

Year	Sub-centres	Centre with both male and female health worker	Centre with only male health worker	Centre with only female health worker	Centre with no health worker
(In numbers)					
Kinnaur district					
1987-88	26	--	7	14	5
1988-89	32	8	13	11	--
1989-90	35	8	14	12	1
1990-91	35	5	16	14	--
1991-92	35	24	5	6	--
1992-93	35	25	4	6	--
Lahaul and Spiti district					
1987-88	19	--	5	7	7
1988-89	26	1	9	13	3
1989-90	29	--	11	14	4
1990-91	29	--	11	14	4
1991-92	29	5	9	15	--
1992-93	29	5	9	15	--
Chamba district (Bharmour and Pangti tehsils)					
1987-88	14	9	2	3	--
1988-89	24	11	7	5	1
1989-90	30	11	6	9	4
1990-91	30	10	8	11	1
1991-92	30	12	7	11	--
1992-93	30	12	7	11	--

In Kinnaur and Lahaul and Spiti districts 15 and 5 female health workers

respectively were diverted to the district hospitals and PHCs, with the result that the services of these personnel were not available in the field.

(f) The Department had sanctioned 100 and 50 beds for the District Hospitals at Rekong Peo (Kinnaur district) and Keylong (Lahaul and Spiti district) respectively. Rural hospitals and community health centres were to be provided with 20 beds. Similarly, each PHC was to be provided with 6 non-diet beds. The position of beds provided in these medical institutions as of June 1993 was as follows:

	Beds sanctioned	Beds provided
	(In numbers)	
	<u>District Hospitals</u>	
Keylong	50	30
Rekong Peo	50 (up to 1991-92 and increased to 100 in 1992-93)	40
	<u>Rural Hospitals</u>	
Bharmaur	20	20
Kaza	20	8
Pangi	20	20
Sangla	20	6
	<u>Community Health Centres</u>	
Kinnaur district	26	16
Lahaul and Spiti district	20	4
	<u>Primary Health Centres</u>	
Kinnaur district	42	6
Lahaul and Spiti district	24	8
Bharmaur tehsil	12	--
Pangi tehsil	18	8

The shortfall in provision of indoor facilities was attributed by the Departmental Officers to shortage of accommodation.

(g) Two cooks were posted in the District hospital, Keylong and Rural hospital, Kaza (one each) during November 1983 and June 1978 respectively for providing diet to the indoor patients in these two hospitals. But the kitchen could not be started in these hospitals (except for 8 months, from August 1990 to March 1991, in the District hospital, Keylong) due to non-supply of food commodities on credit by the local shop-keepers (Keylong) and non-availability of accommodation (Kaza). In the meantime, the cooks were paid Rs. 4.72 lakhs on account of salary from June 1978 to March 1993. The Departmental Officers stated (June 1993) that the services of the cooks were

utilised as Class-IV employees in the office. Thus the intended purpose of providing diet to the indoor patients was not achieved.

(h)(i) Under the school health services programme started in June 1978, the Medical Officer of the hospital/PHC along with para medical staff was required to visit the schools in their areas to examine the students and deliver talks in preventive diseases, sanitation in villages, immunisation and personal hygiene. The position in this regard in Kinnaur and Lahaul and Spiti districts and Bharmour tehsil was as follows; information in respect of Pangri tehsil (Chamba district) was not made available.

Year	Total number of schools	Total number of students	Number of schools visited	Number of students examined
1987-88	355	17,729	22(6)	791(4)
1988-89	375	14,197	21(6)	1,263(9)
1989-90	386	16,170	19(5)	972(6)
1990-91	389	16,347	75(19)	5,617(34)
1991-92	392	19,062	91(23)	1,836(10)
1992-93	395	19,944	82(21)	2,663(13)

(Figures within parentheses represent the percentage to total)

The shortfall in visits was attributed by the CMOs to shortage of staff and the schools being situated in far-flung areas.

(ii) Under the school dental health Programme, a team consisting of Medical Officers (Dental), Dental mechanic, Dental hygienist, and a Dental attendant with headquarters at Shimla was constituted during March 1986. The team was required to visit the schools in tribal areas to provide dental health care to the school children. One vehicle was also provided at a cost of Rs. 1.14 lakhs to the team in March 1986.

No targets for visits of the team were fixed by the Department. Only 40 schools were visited by this team and 4,649 students were examined during first two years 1987-89. No further visits could be made by this team as the Medical Officer concerned remained on study leave during 1989-91. The entire area of the State was brought under the preview of this team from 1991-92 and no separate data for the tribal area was kept by the Department thereafter.

Other staff of the team, on which an expenditure of Rs. 12.38 lakhs was incurred during 1989-91 was not utilised for the intended purpose.

(i) Mention was made in paragraph 4.6 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1986-87 about inadequate provision of staff in the District Tuberculosis Centre, Kinnaur.

Further scrutiny in audit revealed that although the TB Centres at Lahaul Spiti and Kinnaur had been started in October 1984 and incidence of TB cases was fairly widespread in the area as evidenced by the detection of cases between 1989-90 and 1992-93 as given below yet no staff had been provided to the TB centres as of May 1993 and work was managed by the District Hospital staff.

Year	Sputum examination conducted	New cases of TB detected
1989-90	845	359
1990-91	842	311
1991-92	512	337
1992-93	861	506

It was stated (May 1993) by the CMOs concerned that no TB patient was admitted in the hospitals during 1987-88 to 1992-93 due to non-availability of beds/staff.

(j) In order to establish blood banks in all the District hospitals, the State Government sanctioned (November 1992) posts of Medical Officer, Laboratory Technician and Laboratory attendant (one each) for the District hospitals at Keylong and Rekong Peo. The blood banks could not be established as of May 1993 due to non-posting of requisite staff. Equipment costing Rs. 0.47 lakh and Rs. 0.84 lakh respectively was purchased in March 1992 for the blood banks at Keylong and Rekong Peo. The equipment purchased for the blood bank, Keylong had been lying in Deen Dayal Upadhyaya Hospital, Shimla had not been transferred to Keylong as of June 1993. The equipment purchased for the blood bank, Rekong Peo was stated to be in use for other purposes in the hospital.

(k) With a view to show films relating to health care, etc. to the rural people, a post of Projectionist had been provided at Keylong (Lahaul and Spiti district). Audio-visual equipment (cost: Rs. 0.27 lakh) had also been provided for the purpose.

The film projector went out of order during 1987-88. The sanction of the Director Health Services to repair the projector at an estimated cost of Rs. 0.02 lakh sought by the CMO, Lahaul and Spiti in September 1990 had not been received as of May 1993. The projector was, therefore, lying unutilised and no film show could be exhibited after 1987-88. In the meantime, the Projectionist was paid emoluments totalling Rs. 1.66 lakhs from 1987-88 to 1992-93 without being utilised for the intended services. The CMO, Lahaul and Spiti stated (May 1993) that the services of the Projectionist were being utilised as clerk. Besides non-utilisation of the services of the Projectionist for the intended purposes, audio-visual publicity relating to health care

was not provided to the tribal people during this period.

(l) A duplex portable X-ray plant was purchased by the CMO, Keylong in June 1979 for Rs. 0.52 lakh from a Bombay based firm. The X-ray plant was not utilised up to November 1984 as the District hospital, Keylong had two X-ray plants with it. The plant was transferred to the PHC, Gondhla in November 1984. However, due to non-posting of radiographer it could not be utilised there as of June 1993.

(m) No evaluation had been done to know the impact of the programme.

These points were referred to Government in September 1993; reply has not been received (November 1993).

3.8 Deficiencies in purchase of medicines

Following deficiencies/irregularities in purchase of medicines were noticed in audit.

(i) Medicines for the State Hospitals/Dispensaries are purchased centrally by the Director Health Services and supplied to the Chief Medical Officers (CMOs). Only small purchases are made by the Chief Medical Officers in accordance with the powers vested in them. The samples of medicines are collected from the hospitals by the Drug Inspectors under the Drugs and Cosmetics Act, 1940 and got analysed from the Government Analyst, Punjab, Chandigarh.

Samples of medicines purchased between August 1989 and August 1991 were collected by Drug Inspectors between February 1990 and August 1991 from the stores of CMOs, Kangra and Mandi. The results of the samples tested were received between August 1990 and November 1991. Medicines valued at Rs. 2.13 lakhs (Kangra: Rs. 0.63 lakh and Mandi: Rs. 1.50 lakhs) which had been found sub-standard in tests had been issued before receipt of the results of the medicines.

The delay in collection of samples of medicines by the Drug Inspector and receipt of the results thereof from the laboratory resulted in the issue of sub-standard medicines.

(ii) Prior to October 1989, shelf life of anti-malaria drugs was not known to the Assistant Director (Malaria) of the State Government. During October 1989, Director National Malaria Eradication Programme, Government of India conveyed the clarification of the Drug Controller (India) that shelf-life of all anti-malaria drugs was 60 months and directed that such drugs, whose shelf-life had expired should not be used

and be destroyed. Accordingly anti-malaria drugs costing Rs. 4.55 lakhs¹ received from the Government of India on the requisition sent by the Assistant Director (Malaria) were destroyed in 10 districts of the State between 1989 and 1991.

(iii) On the recommendations of an Advisory Committee, the State Government framed in May 1988 policy for the purchase of medicines for use in the Health and Family Welfare Department. According to this policy, vital (life saving) drugs were to be purchased from the pharmaceutical or the Government of India Undertakings. Injectable essential drugs were to be purchased from Public Sector Undertakings, National and Multinational houses of repute and other essential drugs from the local manufacturing units in the State.

It was, however, noticed that between June 1989 and December 1991, vital and essential drugs costing Rs. 6.90 lakhs for use in Mandi District were purchased by the Chief Medical Officer, Mandi (Rs. 4.22 lakhs) and the Deputy Commissioner, Mandi (Rs. 2.68 lakhs) from 9 dealers of medicines other than those specified at an extra cost of Rs. 1.72 lakhs as compared to the cost payable to authorised bodies/dealers.

(iv) Medicines costing Rs. 2 lakhs purchased during July 1991 by the Deputy Commissioner, Mandi for use in Mandi District to fight the epidemic were lying unused as of November 1993. The expiry date of these medicine is June/July 1994.

These points were referred to Government in July 1993; their reply has not been received (November 1993).

Local Self Government Department

3.9 Liberation of Scavengers

A Centrally sponsored Scheme "Liberation of scavengers" was launched in 1980-81 under the Protection of Civil Rights Act, 1955. The objective of the scheme was to liberate the scavengers from their existing hereditary obnoxious and inhuman occupation of manually removing human excreta and filth to earn their livelihood and to engage them in alternative and dignified occupations without any financial loss to

¹ Chloroquine: 17.79 lakh tablets; Primaquine (2-5 mg): 0.22 lakh tablets and; Primaquine (7.5 mg): 0.33 lakh tablets.

them. The scheme was taken up for execution in 13 towns¹ by the Urban Local Bodies out of total 50 bodies of the State between 1983-84 and 1987-88. No additional town was taken up under the scheme after 1987-88.

The main components of the scheme were as under :

- (i) Conversion of dry latrines into water borne flush latrines.
- (ii) Time bound programme for identification of scavengers and their dependents and their aptitude for alternative trade through survey.
- (iii) Training in identified trades for scavengers and their dependents at the nearest local training institutions/ centres of various departments of the State Government, the Central Government and other Semi-Government and Non-Government organisations.
- (iv) Rehabilitation of scavengers in various trades and occupations by providing subsidy, loan, margin money, bank loan, etc.

The scheme was implemented by the Director, Urban Local Bodies Department through the Urban Local Bodies and the Local Self Government Department was the Nodal Department.

Certain important points noticed in the course of a general review of implementation of the scheme during the period from 1986-87 to 1991-92 by 10 Urban Local Bodies² undertaken by Audit during February 1993 to May 1993 are mentioned in the following paragraphs.

(i) Survey

Director, Urban Local Bodies stated (May 1993) that a survey of towns to identify the number of dry latrines required to be converted into water borne latrines and the scavengers to be liberated and rehabilitated was conducted in Shimla town and 5 other districts. No survey report was, however, made available to Audit. No survey had been conducted in the remaining towns of Shimla District and 6 other districts, where the scheme was to be implemented. The exact number of dry latrines to be converted and the scavengers to be liberated and rehabilitated in the State was, therefore, not known to the Department.

¹ Chamba (1984-85), Dalhousie (1987-88), Dehra (1987-88), Dharamsala (1984-85), Jawalamukhi (1987-88), Kullu (1984-85), Mandi (1984-85), Nahan (1984-85) Palampur, (1987-88), Paonta Sahib (1987-88), Rampur (1987-88), Shimla (1983-84) and Sunder Nagar (1984-85).

² Municipal Corporation, Shimla; Municipal Committees: Chamba, Dalhousie, Dharamsala, Kullu, Paonta Sahib, Palampur, and Sunder Nagar and Notified Area Committees: Dehra and Jawalamukhi.

(ii) Implementation of the scheme**(A) Conversion of dry latrines****(i) Financial arrangement**

The scheme was to be financed by the Central and the State Government on 50:50 basis, after it was administratively approved by the Government of India.

The Central assistance received, funds released to the Urban Local Bodies and the expenditure incurred in respect of 13 Urban Local Bodies, where the scheme was implemented was as follows.

Year	Central assistance received	Funds released to Urban Local Bodies		Total
		Central share	State share	
		(Rupees in lakhs)		
1986-87	35.74	35.74	28.74	64.48
1987-88	28.81	28.81	28.81	57.62
1988-89	20.34	20.34	20.34	40.68
Total	84.89	84.89	77.89	162.78

(a) The funds received from the Central Government were to be released by the State Government to Urban Local Bodies which were to be utilised by them for providing subsidy to the house holders for conversion of dry latrines into water borne flush latrines at different rates prescribed for different towns. The State share was to be utilised by granting interest free loans to the house holders. Of Rs. 162.78 lakhs released to the Urban Local Bodies from 1986-87 to 1988-89, Rs. 53.49 lakhs (Central share: Rs. 27.72 lakhs and State share: Rs. 25.77 lakhs) remained unutilised with 7 Bodies³ (March 1992). The unspent amount had been kept by the Local Bodies with the treasuries in their Personal Ledger Accounts (Rs. 13.46 lakhs) and with the banks (Rs. 40.03 lakhs). While no reasons were advanced by the Municipal Committees, Kullu and Palampur, the remaining 5 Bodies attributed non-utilisation of funds to lack of space for constructing pits, incomplete sewerage lines, disputes over land, incomplete works of latrines, etc. Interest of Rs. 5.26 lakhs accrued on the amounts was kept in banks as of March 1993.

The scheme was modified from 1989-90 which provided for raising loan from Housing and Urban Development Corporation by the Urban Local Bodies for further

distribution to the beneficiaries and beneficiary's contribution at the rate of 5, 15 and 50 per cent from economically weaker section, low income group and middle/high income group categories, respectively. No funds were released from 1989-90 onwards as no Urban Local Body came forward for obtaining loan under the scheme.

(b) Under the scheme assistance was payable to the beneficiaries for conversion of existing dry latrines into water borne only. In 4 Urban Local Bodies⁴, assistance for Rs. 6.75 lakhs was, however, paid to the beneficiaries for the construction of 512 new latrines during 1986-87 to 1991-92. Similarly, Rs.3.82 lakhs were spent between 1988-89 and 1991-92 by 5 Urban Local Bodies⁵ on the construction of new community latrines/urinals.

Thus the expenditure of Rs.10.57 lakhs incurred on construction of new latrines and new community latrines/urinals was irregular.

(c) Out of Rs. 8.87 lakhs released to the Municipal Committee, Dharamsala during 1984-85 to 1986-87 for conversion of 814 dry latrines, Rs. 4.81 lakhs were spent during 1991-92 on the purchase of a truck, pre-cast ferro cement structures, sanitary materials, dust bins, repair and maintenance of existing community latrines, etc., which was irregular. The Director, Urban Local Bodies stated (September 1993) that an enquiry in the matter was being conducted.

(d) Contrary to the provisions of the scheme, the Municipal Corporation, Shimla engaged one Junior Engineer from January 1984 to March 1993 and charged Rs. 3.38 lakhs on account of his salary to the scheme. The Director, Urban Local Bodies stated (September 1993) that the Junior Engineer was engaged with the sanction of Government.

(e) The amount of recovery of interest free loan from the beneficiaries was to be deposited into the Government treasury in a revolving fund to be utilised for granting further loans to the beneficiaries of other Urban Local Bodies in future. In Palampur, Rs. 1.75 lakhs received from the beneficiaries as recovery of loan during 1988-89 to 1992-93 were not deposited into the treasury. Instead the amount was deposited with a bank in a savings account of the Municipal Committee.

⁴ Dehra, Jawalamukhi, Palampur and Sunder Nagar

⁵ Dehra, Dharamsala Jawalamukhi, Kullu and Paonta Sahib

(ii) Physical performance

The total number of dry latrines required to be converted in the State was not known to the Department as survey had not been done in all the towns. However, the position of dry latrines required to be converted and the latrines actually converted into water borne latrines in 13 towns where the scheme was implemented during the period from 1986-87 to 1991-92 was as under:

Serial number	Name of the town	Number of latrines to be converted	Number of latrines converted as of March 1992	Shortfall
1.	Chamba	3,200	1,869	1,331
2.	Dalhousie	650	52	598
3.	Dehra	410	207	203
4.	Dharamsala	814	196	618
5.	Jawalamukhi	435	203	232
6.	Kullu	1,427	774	653
7.	Mandi	2,500	702	1,798
8.	Nahan	4,000	944	3,056
9.	Palampur	500	358	142
10.	Paonta Sahib	900	234	666
11.	Rampur	900	395	505
12.	Shimla	4,437	1,143	3,294
13.	Sunder Nagar	<u>780</u>	<u>505</u>	<u>275</u>
	Total	20,953	7,582	13,371

(a) The works were to be completed within 2 years from commencement. Only 36 per cent dry latrines could be converted into water borne latrines against the target of 20,953 and huge amount remained unspent.

(b) The scheme aimed at conversion of all existing dry latrines into water borne latrines in the selected towns on whole town approach basis so that scavenging could be finally put an end to once and for all in the selected towns. Though the State Government selected 13 towns for implementing the scheme, in none of the towns all existing dry latrines were completely converted into water borne latrines as indicated in the above table. Thus the objective of the scheme to abolish scavenging once and for all in the selected towns was defeated.

(c) In case the work was to be executed by the beneficiaries themselves the loan component (50 per cent of the approved cost) was to be released on the execution of an agreement by the beneficiary with Local Urban Body. The loan was to be utilised within 30 days of its receipt.

Subsidy (50 per cent of the approved cost) was to be released on the production of utilisation certificate of the loan and after spot inspection by the Junior Engineer of the Local Urban Body regarding completion of latrines. A scrutiny of

records in the following 5 Urban Local Bodies revealed that 594 works against which loan amounting to Rs. 4.64 lakhs had been disbursed between 1988-89 and 1991-92 were lying incomplete.

Serial number	Name of Local Body	1988-89		1989-90		1990-91		1991-92	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(Amount in lakhs of rupees)									
1.	Dehra	52	0.42	11	0.09	14	0.11	-	-
2.	Jawalamukhi	62	0.50	9	0.07	23	0.18	12	0.10
3.	Palampur	152	1.22	-	-	-	-	-	-
4.	Paonta Sahib	10	0.08	23	0.18	11	0.09	37	0.30
5.	Sunder Nagar	-	-	178	1.30	-	-	-	-
	Total	276	2.22	221	1.64	48	0.38	49	0.40

Municipal Committee, Dharamsala had released Rs. 3.35 lakhs as subsidy during 1986-89 in anticipation of the completion of work of latrines and no loan had been provided in these cases.

(B) Liberation and rehabilitation

(i) Financial performance

An amount of Rs. 60 lakhs was released by the Central Government in March 1992 for the implementation of the scheme "Training and rehabilitation of scavengers" in the State. The amount was not drawn by the State Government during the year 1991-92. Meanwhile, another amount of Rs. 10 lakhs was released by the Government of India in May 1992. The entire amount of Rs. 70 lakhs was drawn by the State Government in February 1993 and was passed on to the Himachal Pradesh State Scheduled Castes and Tribes Development Corporation in the same month. The amount was lying unutilised with the Corporation as programme for implementation of the scheme had not been prepared by the Corporation as of May 1993.

(ii) Physical performance

In 10 towns⁶ test-checked, there were 728 scavengers, including 75 part-time scavengers who required liberation. Of that, 367 scavengers had been liberated from their profession during 1986-92; leaving 361 scavengers who were still engaged in the old profession. Of the liberated scavengers, 260 were rehabilitated by

providing alternative jobs or self employment, etc., 75 did not require alternative job as they were already doing other full time jobs before liberation and remaining 32 scavengers were yet to be rehabilitated as of March 1992.

(iii) Training

The entire cost of training was to be borne by the Central Government. However, no training had been organised in the State for the liberated scavengers and their dependents to enable them to find alternative jobs.

The matter was referred to Government in July 1993; final reply has not been received (November 1993).

Industries Department

3.10 Unfruitful expenditure on the construction of buildings

Administrative approval and expenditure sanction for construction of Type-III residential accommodation for Extension Officers in ten blocks¹ of Kangra district was accorded for Rs. 9.47 lakhs² between October 1987 and June 1990. The buildings were to be completed through respective Block Development Officers (BDOs) in the block colonies within one year from the date of release of funds. Rupees 9.02 lakhs were paid to the BDOs in two instalments during April 1988 (Rs. 4.53 lakhs) and April 1989 (Rs. 4.49 lakhs) by the Director of Industries and General Manager, District Industries Centre, Dharamsala respectively. An amount of Rs. 0.45 lakh being the second instalment pertaining to BDO, Baijnath was, not released due to non-availability of land for the building.

The work of nine buildings was started between June 1988 and November 1989. These buildings were constructed between December 1989 and August 1991 at a cost of Rs. 8.52 lakhs. But finishing works such as water and sanitary installations, electric fittings, fixings of shutters of doors and windows, etc. had not been done in the buildings, reportedly due to shortage of funds. Buildings in Nagrota-Suriyan and Indora Blocks were occupied by the Extension Officers during May and July 1991 respectively and building at Kangra Block was transferred to Animal Husbandry Department in August 1992 for use as Veterinary Hospital. As regards building at Baijnath Block, after getting the land, the work was started in February 1993 and filling

¹ Bhawarna, Baijnath, Indora, Kangra, Nagrota Bagwan, Nagrota-Suriyan, Nurpur, Panchrukhi, Pragpur and Rait.

² Rs. 94,670 each building

work in plinth had been done as of May 1993 at a cost of Rs. 0.30 lakh. Remaining 6 buildings were lying still unutilised as of September 1993.

It was stated by the Executive Engineer, Rural Development Department in August 1992 and the BDOs (June 1993 and August 1993) that Rs. 3.59 lakhs would be required for the completion of the finishing works in remaining 6 buildings³, which had not yet been put to use. Funds were, however, not provided (May 1993) to the BDOs for execution of remaining works.

While expenditure of Rs. 5.67 lakhs incurred on the construction of these buildings had remained unfruitful for 18 to 36 months, the intended purpose of providing accommodation to Extension Officers could not be achieved and they were paid house rent allowance of Rs. 0.34 lakh during the period.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

3.11 Sale of tea plants

A nursery of tea plants was set up at Diffarpatt (Kangra district) by the Industries Department in July 1984, on the land transferred by the Indo-German Agriculture Development Project, for providing tea plants to the tea growers in the area at nominal rates to raise their living standards. Rupees 38.92 lakhs (capital expenditure: Rs. 12.39 lakhs and revenue expenditure: Rs. 26.53 lakhs) were spent on the nursery from 1984-85 to 1992-93.

The position of targets for raising of the plants in the nursery, number of plants raised, and the number of plants sold was as under:

Year	Targets*	Number of plants raised* (In lakhs)	Number of Plants sold
1986-87	1.00	0.60	0.54
1987-88	1.25	0.90	0.81
1988-89	1.50	1.10	0.92
1989-90	1.75	1.35	1.21
1990-91	2.25	1.80	1.48
1991-92	2.75	2.20	1.98
1992-93	2.50	1.75	1.57

³ Bhawarna: Rs. 0.50 lakh; Nagrota Bagwan: Rs. 0.50 lakh; Nurpur: Rs. 0.50 lakh; Panchrukhi: Rs. 1.06 lakhs; Pragpur: Rs. 0.53 lakh and Rait: Rs. 0.50 lakh

* The plants were raised two years back and became suitable for sale during these years.

The Director of Industries fixed in June 1986, in anticipation of the approval of the State Government, the sale rate at 10 paise per plant to the farmers belonging to the scheduled caste and 25 paise per plant to others against the cost price of Rs. 1.61 per plant worked out by the Technical Officer (Tea), Palampur later on in February 1987. The approval of Government sought in July 1986 had not been received as of September 1993. The Department started selling the plants raised in the nursery during 1986 by transporting the plants near to the tea gardens at the above rates fixed by the Director of Industries and 8.51 lakh tea plants were sold to the farmers during 1986-87 to 1992-93 for Rs. 2.09 lakhs. Although the expenditure on the nursery had increased from Rs. 0.93 lakh in 1985-86 to Rs. 4.40 lakhs during 1992-93, the sale price of the plants fixed in June 1986 had not been revised as of May 1993.

It was also seen that the area under tea cultivation in the State had declined from 3,232 hectares in 1986-87 to 1,712 hectares in 1990-91. The Department had neither carried out any study whether the plants sold at subsidised rates were actually planted nor ascertained the extent of their survival. Thus, it was not possible to assess whether the scheme fulfilled its objective of raising the living standards of the people.

The matter was referred to Government in August 1991; reply has not been received (November 1993).

Social and Women's Welfare Department

3.12 Payment of relief to disabled persons

Mention was made in paragraph 3.16 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 1992 regarding payment of pension to ineligible persons in Chamba District.

It was further noticed that based on periodical reviews conducted during February 1989, December 1990, March 1991 and September 1991, the Department identified 148 disabled persons as having become ineligible to draw the pension in Kinnaur district. These persons, however, continued to draw pension as their cases were not put up to the District Welfare Committee for review although 10 meetings of the Committee were held between February 1989 and August 1992. The pension in 146 cases was stopped by the Deputy Commissioner, Kinnaur, from July 1992. This was approved by the District Welfare Committee in September 1992. The payment of pension continued to be made in two cases as of March 1993. The payment of pension to all the 148 persons who had been identified from different dates as ineligible aggregated to Rs. 1.44 lakhs. The District Welfare Officer, Kinnaur, stated (May 1993) that the payment of pension in two cases had not been discontinued due to

inadvertence and that their cases would be submitted to the District Welfare Committee.

Continued recurring payments to persons identified by the Department as having become ineligible for the pension could have been avoided had these cases been submitted to the District Welfare Committee in its first meeting held immediately after their detection and finalisation of such cases by the departmental authorities.

The matter was referred to Government in June 1993; reply has not been received (November 1993).

Forest Farming and Environmental Conservation Department

3.13 Extra expenditure on purchase of inter-link chains

For construction of spurs and water harvesting structures under soil conservation schemes, wire crates made of GI wire filled up with boulders are provided. Alternatively, readymade mesh of inter-link chains of GI wire available in the market are used for filling up boulders. For manufacturing such structures, GI wire used to be purchased from the rate contract firms for weaving mesh of wire crates. The weaving work used to be got done through departmental labour. It was noticed (between August 1992 and March 1993) in audit that the Principal Chief Conservator of Forests placed supply orders, between 1989-90 and 1991-92 for the purchase of inter-link chains instead of GI wire without working out the comparative cost. Accordingly, 1,07,195 square metres of inter-link chains costing Rs. 52.71 lakhs were received in 9 Divisions¹. Since inter-link chains were costlier as compared to GI wire and meshing thereof, the difference between the cost of these two items on the above purchase worked out to Rs. 18.34 lakhs.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

3.14 Idle investment on purchase of tents

Keeping in view the scarcity of residential accommodation at Hamirpur, the Assistant Conservator of Forests (Settlement), Hamirpur, sought approval of the Chief Conservator of Forests (Settlement) in December 1988 to purchase 16 tents and 12 tarpaulins for the staff engaged on settlement work.

¹ Bilaspur: Rs. 1.48 lakhs; Dharamsala: Rs. 12.50 lakhs; Jubbal: Rs. 7.56 lakhs; Nachan: Rs. 0.30 lakh; Nahan: Rs. 2.23 lakhs; Nurpur: Rs. 10.66 lakhs; Rampur: Rs. 10.51 lakhs; Renuka: Rs. 5.45 lakhs and Shimla: Rs. 2.02 lakhs

The Chief Conservator of Forests (Settlement), Shimla placed four supply orders on three Delhi based rate contract firms for purchase of 180 tents and 15 tarpaulins between January and March 1989. Against this purchase order, the Collector Forests, Hamirpur, Kullu and Nahan received 180 tents and 10 tarpaulins in February-March 1989 at a total cost of Rs. 3.20 lakhs. No requisition for tents and tarpaulins had, however, been received from the Collectors Forests, Nahan and Kullu.

All the 60 tents and 5 tarpaulins received by Collector, Nahan were, lying unused as the settlement work under his jurisdiction had not been started as of May 1993. Out of the 60 tents and 5 tarpaulins received by Collector, Kullu, only 11 tents and 2 tarpaulins were used for a period of 2 years from August 1989 to November 1991 in Lahaul and Spiti district and the remaining tents and tarpaulins had not been put to use (June 1993). The tents received by the Collector, Hamirpur were also not used; but 32 tents were issued to the Divisional Forest Officers Working Plan, Nurpur and Rajgarh, and Wild Life, Kullu in February and March 1991 and the remaining 28 tents were lying unused (July 1993).

The purchase of material by the Chief Conservator of Forests (Settlement) for the Collectors (Settlement) without any immediate requirement was not justified and it resulted in idle investment of Rs. 3.20 lakhs for over 4 years.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

Home Department

3.15 Improper utilisation of loan

The State Government raised a loan of Rs. 35 lakhs in December 1987 from General Insurance Corporation of India for the purchase of fire fighting equipment. According to the terms of loan, interest at the rate of Rs. 9.75 *per cent* per annum or at the rate fixed by the Government of India, from time to time, was to be charged. The loan was to be repaid in 15 equal annual instalments. The amount of loan was to be drawn on or before 31 December 1987 and was to be utilised by the State Government within 6 months from its drawal. The loan was actually deposited into the treasury by the Corporation in January 1988 and was to be utilised by July 1988.

Audit scrutiny of the accounts of the Chief Fire Officer, Shimla revealed that there were delays ranging between 31 and 58 months in the drawal of Rs. 21.93 lakhs for the procurement of equipment and fabrication of tankers. Of this, while equipment valuing Rs. 6.81 lakhs were put to use after a delay of two years from the date of

purchase, equipment costing Rs. 15.12 lakhs had not been put to use as of August 1993. Further details were as under:

Serial number	Month of drawal	Amount drawn (Rupees in lakhs)	Delay in drawal after July 1988 (Months)	Purpose for which drawn	Remarks
1.	March 1991	1.25	31	Purchase and fabrication of two water tankers	Chassis of water tankers were purchased in July 1991. But due to delay in their fabrication, these could be put to use only in July 1993 (one) and August 1993 (one).
	March 1993	5.46	55		
2.	March 1993	0.10	55	Fire fighting equipments	These were received in February 1993 and put to use in the same month.
3.	June 1993	15.12	58	Five small water tanker chassis	These were received in June 1993 and case for their fabrication was under process.
	Total	21.93			

Of the remaining amount of Rs. 13.07 lakhs, while Rs. 8.54 lakhs drawn in March 1993 were lying unspent in the shape of bank drafts with the Department, Rs. 4.53 lakhs had not been drawn as of August 1993.

The delay in the utilisation of loan was attributed by the Department in June 1993 to late receipt of expenditure sanctions from the State Government. The expenditure sanctions sought by the Department in June 1988 were conveyed by Government between March 1991 and May 1993.

While interest amounting to Rs. 15.25 lakhs was paid on the loan of Rs. 35 lakhs received from the Corporation in January 1988, it could not be utilised within the stipulated period of six months and equipment purchased at a cost of Rs. 6.81 lakhs only could be put to use as of August 1993.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

Revenue Department

3.16 Unfruitful expenditure on providing sites and services

A scheme for providing sites and services to economically weaker sections of the society in urban areas was launched by the State Government in January 1983.

Persons domiciled in Himachal Pradesh, whose annual income was less than Rs. 7,500 and who had no house or house site, any where in the country, were to be provided a developed plot of land in the urban area or in adjacent village. The cost of developed plot was to be restricted to Rs. 5,000 recoverable in 20 equal annual instalments and was to bear interest of 4 per cent. Housing loan of Rs. 6,000 each was also to be provided to enable the beneficiary to construct a house.

In Shimla District, Rs. 3.65 lakhs were paid to the Block Development Officer (BDO), Mashobra by the Sub-Divisional Officer (SDO) (Urban), Shimla between February 1984 and July 1988 for the development of 73 plots at Totu. The development work was completed in February 1991. In the meantime, an amount of Rs. 4.32 lakhs was provided between April 1986 and January 1990 by the Deputy Commissioner, Shimla to the SDO (Urban), Shimla for disbursing housing loans to the beneficiaries. The cost of each house was estimated at Rs. 0.11 lakh in January 1988. Instead of disbursing the loan to the beneficiaries, it was decided in January 1988 by a Committee constituted under the Chairmanship of Deputy Commissioner, Shimla that the construction of houses be done by the BDO, Mashobra and the remaining expenditure at the rate of Rs. 0.05 lakh per house should be met by arranging loan from the bank for the beneficiaries.

The amount of Rs. 4.32 lakhs was transferred to the BDO, Mashobra in September 1988 (Rs. 4.20 lakhs) and in February 1991 (Rs. 0.12 lakh) by the SDO (Urban), Shimla. Loan amounting to Rs. 2.20 lakhs to 44 beneficiaries provided by a bank between November 1986 and October 1988 was also placed at the disposal of BDO, Mashobra during 1988-89. The entire amount of Rs. 6.52 lakhs was deposited with a bank in saving bank account. Of this, Rs. 1.92 lakhs were spent up to December 1989 by the BDO, Mashobra on construction of 7 houses up to roof level, 8 houses up to plinth level and 4 houses up to slab level. But none of the houses was completed due to increase in construction cost of the houses. The increased completion cost was estimated to Rs. 0.14 lakh per house in November 1988 according to the offer of a contractor and Rs. 0.28 lakh during August 1990. Further work was stopped by the BDO as the beneficiaries refused to bear the extra cost of construction of the houses. The balance amount lying in the bank was transferred to the Deputy Commissioner by the BDO, Mashobra in April 1992 through cheque. The cheque had not been encashed, and the entire amount of Rs. 4.60 lakhs and interest amounting to Rs. 1.62 lakhs was lying unutilised in the bank as of July 1993. In the meanwhile, the Deputy Commissioner, Shimla stated in October 1993 that the cheque had been returned to the BDO, Mashobra in August 1993.

Similarly, Rs. 2 lakhs were paid during 1982-83 to the Himachal Pradesh Housing Board by the Deputy Commissioner, Shimla for development of 40 plots at

Sanjauli. The site development work was completed during 1983-84 by the Housing Board at a cost of Rs. 1.80 lakhs. The balance amount of Rs. 0.20 lakh was refunded to the SDO (Urban), Shimla which was deposited into treasury in September 1993. The SDO (Urban), Shimla was provided Rs. 2.40 lakhs in May 1984 for disbursement of housing loan to 40 beneficiaries. Loan totalling Rs. 2.12 lakhs was disbursed to 37 beneficiaries up to April 1985. The balance amount of Rs. 0.28 lakh was kept in a savings bank account. Of the 37 beneficiaries, who were given loans, only 10 persons completed their houses and the remaining 27 persons neither refunded the amount nor constructed the houses. Recovery of loan had also not been effected from any of the beneficiary as of September 1992.

Against the total amount of Rs. 14.57 lakhs including Rs. 2.20 lakhs disbursed as loan by the bank for the construction of 113 houses between 1982-83 and January 1990 for economically weaker sections of the society, only 10 houses were completed at a cost of Rs. 1.05 lakhs. While expenditure of Rs. 8.44 lakhs incurred on the development and construction of remaining houses had remained unfruitful, the balance amount of Rs. 4.88 lakhs after depositing Rs. 0.20 lakh into treasury, was lying unutilised in the bank.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

Printing and Stationery Department

3.17 Idle investment on purchase of ticket printing machines

The State Government accorded sanction in March 1989 for purchase of two semi-automatic rotary ticket printing machines for printing of tickets of the Himachal Pradesh Road Transport Corporation (HRTC). The machines which required 8 persons for their operation were purchased by the Controller, Printing and Stationery in March 1989, at a cost of Rs. 1.89 lakhs. The Department had been demanding the staff required for the operation of the machines every year in the staff proposals; but specific proposal for the staff was sent in December 1990. The proposal was turned down by Government in February 1992 owing to blanket ban on the creation of new posts. The machines could not, therefore, be utilised as of April 1993. The warrantee period of the machines also expired in March 1990. The HRTC continued to get their tickets printed from private agencies and spent Rs. 62.93 lakhs during four years from 1989-90 to 1992-93 on this account.

On being pointed out in audit in October 1991, the Controller, Printing and Stationery stated (May 1992) that the machines are first procured and then the staffing arrangements are made to run any new unit. This plea was not tenable as the approval of Government for the entire project, and not in piece meal for machinery and staff should have been obtained at the first instance particularly when these two components were inter-dependent.

This resulted in the investment of Rs. 1.89 lakhs remaining idle since March 1989. Further, according to the tentative cost worked out in June 1990 by the Department, on an enquiry by the HRTC, printing of one book containing 100 tickets by the Government Press would cost Rs. 3.52 as against 77 paise per book being paid by the HRTC to the private printers.

The matter was referred to Government in July 1992 and again in May 1993; reply has not been received (November 1993).

Animal Husbandry Department

3.18 Unfruitful expenditure on Angora Rabbit Farm, Ribba

Based on a project report from the District Animal Husbandry Officer, Kinnaur and with a view to help in uplifting the lot of weaker sections of the District, a sum of Rs. 1.50 lakhs¹ was approved (September 1988) by the Deputy Commissioner, Kinnaur for setting up an Angora Rabbit Farm at Ribba (Kinnaur district). While approving the project, the District Animal Husbandry Officer was directed to intimate details of families to be benefitted as well as other benefits likely to accrue through this project. The project envisaged provision of 8 male and 32 female rabbits to the Farm which were expected to multiply to a strength of 576 after a year. These were then to be distributed in units of five (1 male and 4 female) on 50 per cent subsidy to the identified families under Integrated Rural Development Programme and on full cost to others. The Farm was to be established within the existing building of the Department and only one additional daily wage labour was to be engaged.

An amount of Rs. 1.58 lakhs was spent on the Farm during 1989-90 and 1990-91. Fifty five Angora rabbits (19 male and 36 female) at a cost of Rs. 0.10 lakh were transferred to Ribba during July-August 1989 from two different farms.

¹ Cost of 40 Angora rabbits to be imported from Germany and their transportation charges (Rs. 1 lakh) and maintenance cost of Farm (Rs. 0.50 lakh)

Expenditure of Rs. 0.14 lakh was incurred on transportation of 40 rabbits from Kandwadi to Ribba, out of which 26 rabbits (10 male and 16 female) died during transit. The matter regarding heavy casualty of rabbits in transit had not been enquired. Remaining 15 rabbits were transported in Government vehicle. Thus only 9 male and 20 female rabbits reached Ribba. Materials valued at Rs. 0.66 lakh which included a generator set (cost: Rs. 0.17 lakh), and 2,500 metres alkathene pipe of 20 mm diameter (cost : Rs. 0.43 lakh) were purchased for establishing the Farm, Rs. 0.06 lakh on miscellaneous items and an amount of Rs. 0.68 lakh were spent on upkeep of the Farm during 1989-90 and 1990-91 against the provision of Rs. 0.50 lakh in the project report being the cost of material (Rs. 0.36 lakh) and up keep cost (Rs. 0.14 lakh).

Between November 1989 and November 1990, 71 rabbits were born taking the total to 100. The average life of an angora rabbit is 9 years. However, 62 rabbits (41 born in the farm) died within one year because of unfavourable climatic conditions as stated by the Incharge, Veterinary Hospital, Ribba (July 1991) and the District Animal Husbandry Officer, Kinnaur (May 1993). The remaining 38 rabbits (19 male and 19 female) were sold to 19 breeders during October-November 1990 in units of two each (1 male and 1 female). A sum of Rs. 0.09 lakh was realised as sale proceeds of rabbits and their wool. The farm was closed during February 1991. The Department was not aware regarding further reproduction, sale of wool, etc. by the breeders to whom the rabbits were sold.

Due to failure to take into account the climatic conditions of the area, which should have been well known to the Department before starting the project, the intended purpose of establishing the Farm could not be achieved and the Farm had to be closed within two years of its starting. The expenditure of Rs. 1.58 lakhs incurred on the Farm had largely proved to be unfruitful.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

General

3.19 Outstanding inspection reports

Audit observations on financial irregularities and defects in the maintenance of accounts noticed during local audit and not settled on the spot in absence of complete replies are communicated to the heads of offices and higher departmental

authorities through inspection reports. Serious and more important irregularities are also reported to heads of departments and Government. Half-yearly reports of inspection reports and paragraphs outstanding for more than six months are forwarded to Government to expedite their compliance.

At the end of June 1993, 20,420 paragraphs included in 5,444 inspection reports issued up to December 1992 in respect of various Civil departments including Public Works (B&R), Irrigation and Public Health and Forest Farming and Environmental Conservation Departments remained to be settled as indicated below:

Serial number	Name of Department	Inspection Reports (In numbers)	Paragraphs
1.	Civil Departments	4,261	15,392
2.	Public Works (B&R)	451	1,916
3.	Irrigation and Public Health	288	1,372
4.	Forest Farming and Environmental Conservation	444	1,740
Total		5,444	20,420

The year-wise break-up of the outstanding reports and paragraphs in respect of Agriculture, Justice, Home Guards and Technical Education Departments, issued up to December 1992 but not settled as of June 1993 was as follows:

Serial number	Period	Agriculture		Justice		Home Guards		Technical Education	
		Inspection reports	Para-graphs	Inspection reports	Para-graphs	Inspection reports	Para-graphs	Inspection reports	Para-graphs
(In numbers)									
1.	Up to March 1987	200	764	36	53	7	9	4	8
2.	1987-88	18	59	--	--	4	4	--	--
3.	1988-89	33	200	9	28	2	5	8	8
4.	1989-90	36	83	36	105	4	7	--	--
5.	1990-91	31	219	9	29	8	15	10	13
6.	1991-92	34	235	13	39	5	11	12	63
7.	1992-93	16	98	--	--	--	--	2	2
(Up to December 1992)									
Total		368	1,658	103	254	30	51	36	94

Replies to the inspection reports are required to be furnished to the Audit Office within a month of the receipt of inspection report by the concerned office. There had been a delay of one to three years in furnishing even first replies to the inspection

reports/paragraphs from the following departments:

Name of Department	Number of inspection reports/paragraphs to which first replies were received after delay of over					
	One year		Two years		Three years	
	Inspection reports	Paragraphs	Inspection reports	Paragraphs	Inspection reports	Paragraphs
Agriculture	9	69	--	--	4	45
Justice	--	--	1	10	8	31
Home Guards	--	--	--	--	1	3

Some of the typical irregularities commented upon in the outstanding inspection reports are broadly categorised below:

Serial number	Category of objection	Inspection reports (In numbers)	Paragraphs	Amount (Rupees in lakhs)
1.	Drawal of funds in advance of requirements/ blocking of funds	67	83	183.31
2.	Irregular expenditure attributable to absence of sanction, non-invitation of tenders, etc.	193	283	915.69
3.	Overpayments, non-recovery of rents and advances/ miscellaneous recoveries	216	333	273.82
4.	Non-accounting/shortages of stores	112	145	56.10
5.	Non-disposal of unserviceable stores	47	47	22.50
6.	Losses and thefts, etc.	66	74	85.73
7.	Misappropriation of cash/store	52	66	83.00
8.	Non-production of actual payees' receipts/utilisation certificates	29	33	121.32
9.	Wasteful expenditure	28	40	113.83
10.	Irregular repair of vehicles	44	46	31.52
11.	Incomplete works	9	9	132.51
12.	Outstanding loans	27	28	927.99
13.	Diversion of funds	9	9	29.58
14.	Non-availing of transport subsidy	3	3	4.23
15.	Avoidable expenditure	7	7	4.76
16.	Non-adjustment of contingent advances	20	20	112.25
17.	Non-reconciliation with treasury	16	16	--
18.	Non-production of records to Audit	23	24	--
19.	Non-maintenance of records	19	20	--
20.	Non-conducting of physical verification of stores	8	9	--
21.	Rush of expenditure at the end of financial year	3	3	--

Some of the interesting points included in the outstanding inspection reports are briefly mentioned below:

Agriculture Department

(a) Irregular expenditure on repair of vehicles

Financial rules provide that where cumulative expenditure on repairs of a vehicle exceeded Rs. 10,000, no repair exceeding Rs. 500, should thereafter be carried out without the sanction of the Administrative Department. Besides, the total expenditure on the repairs of a vehicle should not exceed its cost price without approval of the Finance Department.

Rupees 0.52 lakh on repairs of 4 vehicles were spent in excess of Rs. 10,000 each by the Deputy Director of Agriculture, Nahan from January 1986 to September 1990 without obtaining sanction of the Administrative Department. Further, expenditure of Rs. 4.42 lakhs was incurred on the repairs of 3 vehicles by the Deputy Director of Agriculture, Hamirpur (Rs. 2.57 lakhs) and 2 vehicles by the Deputy Director of Agriculture, Nahan (Rs. 1.85 lakhs) in excess of the cost price of the vehicles without obtaining sanction of the Finance Department.

(b) Outstanding loans

Soil Conservation loans amounting to Rs. 48.74 lakhs (Principal: Rs. 26.56 lakhs and interest: Rs. 22.18 lakhs) paid to various loanees between 1959-60 to 1991-92 were awaiting recovery by the Assistant Soil Conservation Officers (Ghumarwin: Rs. 12.96 lakhs; Chamba: Rs. 2.60 lakhs; Kullu: Rs. 23.44 lakhs and Una: Rs. 9.74 lakhs).

The matter was referred to Government in September 1993; reply has not been received (November 1993).

3.20 Idle equipment

Different items of equipment acquired by various departments between 1977-78 and March 1992 at a total cost of Rs. 20.07 lakhs had either not been installed or gainfully utilised for reasons, such as non-providing of electric connection, non-posting of trained operating personnel, for want of repairs, non-starting of new trades, etc.. Relevant details in this regard have been furnished in Appendix-VIII.

The non-commissioning/non-utilisation of equipment resulted not only in blocking up of the Government funds but also deprived the community at large of the services for which these were procured.

The matter was referred to Government in September 1993; reply has not

been received (November 1993).

3.21 Misappropriations, defalcations, etc.

The position of cases of alleged misappropriations, defalcations, etc. of the Government money, reported to Audit up to the end of March 1993 and final action on which was pending as of September 1993 was as follows:

Particulars	Number of cases	Amount (Rupees in lakhs)
Cases reported up to 31st March 1992 and outstanding on 31st October 1992	124	52.80
Cases reported during 1992-93	Nil	Nil
Cases disposed of till September 1993	5	0.27
Cases outstanding on 30th September 1993	119	52.53

Of these, 19 cases (amount involved: Rs. 4.13 lakhs) were outstanding for more than 20 years. Of the 119 cases, 102 cases were outstanding in Public Works (B&R) Department (52 cases: Rs.35.71 lakhs), Irrigation and Public Health Department (45 cases: Rs. 8.65 lakhs), and the Forest Farming and Environmental Conservation Department (5 cases: Rs. 1.35 lakhs), including 77 cases (Rs 35.99 lakhs) awaiting completion of departmental investigations.

CHAPTER-IV

WORKS EXPENDITURE

Irrigation and Public Health Department

4.1 Rural Water Supply Programme

4.1.1 Introduction

Himachal Pradesh is a hilly State and the people living in villages had to fetch safe drinking water from distant places. To mitigate their sufferings, the State Government through the successive Five-Year-Plans formulated schemes to provide them with safe drinking water through various rural water supply schemes (RWSS). Supply of drinking water to problem villages was included in the Fifth Five Year Plan under the Minimum Needs Programme (MNP) with emphasis on areas of acute scarcity and endemic to water-borne diseases. Accelerated Rural Water Supply Programme (ARWSP), a Centrally sponsored scheme, was introduced in 1977-78 to supplement the efforts of the State Government with a view to give priority to the needs of the scheduled castes/scheduled tribes. The scope of the programme was further enhanced by the State Government by introducing tap in each kitchen from 1990-91 at Government expenses and provisions for installation of deep-well hand pumps from November 1991.

4.1.2 Organisational set up

The State Irrigation and Public Health Department (I&PH) is responsible for the execution, repairs and maintenance of rural water supply schemes and its functions under the control of Engineer-in-Chief and Chief Engineer (North). The Department had 11 Circles and 41 divisions. At the headquarters office, Superintending Engineer, Planning and Investigation-I had also been designated as Programme Officer for designing, planning and monitoring the RWSS.

4.1.3 Audit Coverage

Records of eleven divisions¹ for the period from April 1988 to March 1993 relating to the execution, functioning, repairs and maintenance of rural water supply schemes were test-checked during April 1993-July 1993. This was supplemented by test-check of records of the Engineer-in-Chief and information supplied by him.

The abbreviations used in this review have been listed in the Glossary in Appendix-XIII (Page 206)

¹ Arki, Bilaspur, Dalhousie, Dharamsala, Ghumarwin, Jubbal, Mandi, Nurpur, Shimla-I, Solan-II and Una-II.

Important and interesting points noticed as a result of test-check are discussed in the succeeding paragraphs.

4.1.4 Highlights

The State Government had targeted to provide potable water to all the 11,887 problem villages in the State by the end of Seventh Five Year Plan. However, 1,151 such villages had not been provided potable water by the end of March 1990; 130 problem villages had not been covered even by March 1993. Besides, 74 easy villages still remained to be covered. The information furnished by the Department was also at variance with the position seen from records of the Divisions; in 10 Divisions alone 217 water supply schemes intended to cover 694 villages had remained incomplete as of July 1993.

Fifty four water supply schemes estimated to cost Rs. 434.01 lakhs had been completed after delays ranging from 2 - 21 years at a cost of Rs. 909.10 lakhs. Forty schemes estimated to cost Rs. 204.03 lakhs had remained incomplete even after 3 to 19 years despite incurring expenditure of Rs. 330.48 lakhs.

Twenty four water supply schemes were commissioned between 1980 and 1991 at a cost of Rs. 268.14 lakhs without providing treatment works resulting in supply of unfiltered water to the beneficiaries.

An expenditure of Rs. 49.15 lakhs incurred on four water supply schemes had either remained unfruitful or blocked because of dispute over the source of water, lack of detailed investigations and incorrect statement of the figures of water discharge.

Contrary to the instructions of Government according to which hand pumps should have been installed only in rural areas, 25 hand pumps had been installed in urban areas at a cost of Rs. 11.21 lakhs.

(Paragraph 4.1.7)

Five water supply schemes commissioned between 1982-83 and 1988-89 at an expenditure of Rs. 15.83 lakhs were not functioning properly due to decrease ranging between 40 and 67 per cent in the discharge of water at the sources.

(Paragraph 4.1.8)

Despite spending sizeable amount of Rs. 14335.17 lakhs on the construction and Rs. 14202.69 lakhs on maintenance of the schemes during 1988-1993, supply of safe drinking water could not be ensured.

Shortfall in chemical and bacteriological testing of drinking water being supplied to the consumers in 13 divisions from 1990-91 to 1992-93 ranged between 89 per cent and 100 per cent.

Chemical and bacteriological analysis of water at source was not conducted before taking up 777 schemes for execution.

(Paragraph 4.1.10)

The Department had purchased 3.24 lakh running metres of galvanised iron pipes costing Rs. 141.06 lakhs during 1991-92 and 1992-93 without preparing detailed estimates and assessing definite requirements. Pipes valued at Rs. 15.11 lakhs had been purchased by the Engineer-in-Chief much in excess of the requirement of Jubbal Division.

(Paragraph 4.1.11)

No evaluation to ensure that adequate and safe drinking water was being supplied to the beneficiaries had been conducted by the Department.

(Paragraph 4.1.12)

4.1.5 Budget provision and expenditure

Expenditure aggregating to Rs. 27885.68 lakhs had been incurred by the State Government on execution of various rural water supply schemes from April 1974 to March 1993 to provide drinking water to all the villages of the State.

The year-wise outlay, budget provision and expenditure incurred on the construction of rural water supply schemes during the last five years ending March 1993 was as under:

Year	Plan outlay	Budget Provision		Expenditure		Saving(-)/Excess(+)	
		State Sector	Central Sector	State Sector	Central Sector	State Sector	Central Sector
(Rupees in lakhs)							
1988-89	1633.00	2072.00	927.00	1903.16	--	(-)168.84	(-)927.00
1989-90	1900.00	1376.85	--	770.17	590.22	(-)606.68	(+)590.22
1990-91	2308.00	1086.00	567.00	1112.04	570.28	(+)26.04	(+)3.28
1991-92	4410.00	1890.00	3622.10	1859.44	1174.87	(-)30.56	(-)2447.23
1992-93	4070.00	2496.00	0.20	3495.70	2859.29	(+)999.70	(+)2859.09
Total:	14321.00	8920.85	5116.30	9140.51	5194.66	(+)219.66	(+)78.36

Reasons for excess expenditure of Rs. 298.02 lakhs during 1988-93 have not been furnished as of November 1993.

4.1.6 Targets and achievements

Physical targets and achievements during the period 1988-93 were as follows:-

Year	Targets (Number of villages)	Achievements
1988-89	566	570
1989-90	350	350
1990-91	350	350
1991-92	354	425
1992-93	777	703*

The State Government had launched a scheme from 1990-91 to provide tap in each kitchen at Government expenses with a view to mitigate the sufferings of women and children. Against the target of 58,000 connections for 1990-93, 46,522 connections had been provided during 1990-91 to February 1993.

A revolutionary programme of installing deep-hand-pumps in the mountainous areas of the State was also started in November 1991 by exploring underground water. The programme was for installation of 1,000 hand-pumps against which 1,064 pumps had been installed as of March 1993.

4.1.7 Physical progress

(a) According to 1981 census, there were 16,807 inhabited villages in the State. Based on the location of source of water and availability of potable water, these villages were categorised as problem villages (11,887) and easy villages (4,920) for the purpose of supply of water. In the context of International Drinking Water and Sanitation Decade (1981-90), the Government of India had fixed a target to provide all the villages with potable drinking water during the Sixth Five Year Plan period. In the State, it had, however, been targeted to cover all the problem villages in the Seventh Plan period.

According to the information furnished (April 1993) by the Department, 10,736 problem villages and 4,519 easy villages had been covered by March 1990. Of the remaining 1,151 problem villages, 130 villages had not been covered as of March 1993. Similarly, of the remaining 401 easy villages, 74 villages had not been covered as of March 1993.

The information furnished by the Department did not, however, agree with the position noticed from the records of the Divisions. In 10 out of the divisions test-checked (except Dharamsala), execution of 217 water supply schemes intended to cover

*Includes 130 partially covered villages.

694 villages, having a total population of 1.12 lakhs was incomplete as of July 1993 on account of paucity of funds, local disputes and non-release of power connections by the Himachal Pradesh State Electricity Board, etc. Solan Division No.II had reported full coverage of 122 villages including 105 problem villages during the years 1991-92 and 1992-93 though 27 water supply schemes had not been commissioned for want of power connection. Of these, necessary works for the supply of power had not even been started by the State Electricity Board for 11 schemes as of May 1993. Similarly, Bilaspur Division had reported the completion of water supply scheme, Chambli in March 1993 despite the fact that the distribution lines for the supply of water had not been laid as of May 1993.

(b) Delay in completion of schemes

The schemes were to be completed within one to five years. It was, however, noticed that 54 schemes (241 villages) were not completed within the stipulated period. Delay in individual cases ranged between 2 and 21 years (1-5 years: 28 cases, 5-10 years: 19 cases, more than 10 years: 7 cases). Abnormal delay in the completion of these schemes resulted in an avoidable increase in cost of their construction. As against the estimated cost of Rs. 434.01 lakhs, Government had incurred expenditure of Rs. 909.10 lakhs on their completion. Besides, these 241 villages with population of 0.48 lakh were denied the intended benefit during this period. The delay was attributed by the Divisional Officers mainly to paucity of funds.

(c) Incomplete water supply schemes

In 8 divisions², 40 water supply schemes estimated to cost Rs. 204.03 lakhs and taken up for execution between June 1973 and January 1989 remained incomplete after incurring an expenditure of Rs. 330.48 lakhs up to July 1993. Delay in individual cases ranged between 3 and 19 years (3-5 years: 11 cases; 5-10 years: 10 cases and more than 10 years: 19 cases). The schemes, were held up for want of funds (38 cases) and local disputes over sources of water (2 cases).

This resulted in the intended benefits being denied to 152 villages having a population of 0.40 lakh even after incurring an expenditure of Rs. 330.48 lakhs.

(d) Non-execution of treatment works

(i) In cases where the source was a *khad*, a *nallah* or a spring, provision was made in the estimates of the schemes for construction of treatment works to ensure

supply of potable water to the consumers. In 5 divisions³, 24 water supply schemes designed to provide drinking water to 104 villages having a population of 0.55 lakh were commissioned between 1980 and 1991 at a cost of Rs. 268.14 lakhs without providing treatment works resulting in supply of untreated water to the beneficiaries.

(ii) In Ghumarwin Division, 5 lift water supply schemes constructed at a cost of Rs. 77.35 lakhs against the estimated cost of Rs. 26.53 lakhs were commissioned between 1980-81 and 1985-86 to provide drinking water to a population of 20,263 persons. In September 1992, the Divisional Officer reported to the Superintending Engineer, Hamirpur that the *khad* water had eroded the filter media around percolation wells of these schemes during the rainy season of 1991 which resulted in tapping of turbid water for the schemes. Even the mechanical filters installed during 1984-87 on three of the schemes at a cost of Rs. 2.44 lakhs were found to be below the required capacity for which no reasons were on record. Accordingly, the Executive Engineer proposed in September 1992 to instal filter units viz., sedimentation tanks and filter beds for these schemes at a cost of Rs. 7.50 lakhs so as to ensure supply of properly filtered water under all conditions. The filter units had not been constructed as of May 1993 resulting in supply of unfiltered water.

(e) Supply of power

The Department is required to make advance payment to the Himachal Pradesh State Electricity Board (HPSEB) for getting electric connection for the operation of lift water supply schemes. The payments are released on the basis of estimates prepared by the HPSEB. It was, however, noticed that 61 water supply schemes, execution of which had been completed by March 1993 (date of completion of the respective RWSS was not intimated by the divisions), could not be commissioned in four divisions⁴ for want of power connections. Advance payments totalling Rs. 165.82 lakhs for providing electric connection for these schemes had been made to the HPSEB during the period from 1987-88 to 1992-93. Non-release of electric connection as of June 1993 had not only resulted in idle investment but also in depriving the beneficiaries of the intended benefits.

(f) Unfruitful expenditure

(i) Gravity water supply scheme, Panjgain (Bilaspur district) was administratively approved in August 1980 for Rs. 7.68 lakhs. The scheme was designed

³ Dalhousie, Dharamsala, Ghumarwin, Shimla-I and Una-II

⁴ Indora, Solan-I, Solan-II and Una-II

for a period of 15 years to serve an ultimate population of 3,593 persons and 1,300 students (present population: 2,764 persons and 1,000 students). The present and ultimate water requirements worked out to 1,20,560 litres and 1,56,720 litres per day respectively. The source of the scheme was Bagga spring which had daily discharge of 7,81,400 litres. The local people raised a dispute over the tapping of water from this source. The dispute, was, however, settled during 1980 itself. In the meantime, the Department tapped another source -Jajar spring, which had daily discharge of 1,20,000 litres during the lean period. The scheme was commissioned during March 1981 at a cost of Rs. 11.22 lakhs.

Scrutiny of the records of Bilaspur Division revealed that another water supply scheme for Jamthal and Harnoda villages had already been constructed by the division during 1975 from the Jajar spring, the present and ultimate water requirements of which were 75,000 and 1,07,170 litres per day respectively. Thus, only 45,000 litres of water could be spared for the water supply scheme, Panjgain which was hardly sufficient to meet the requirements of even 1/3rd of the then population of the village. Accordingly, an estimate for re-modelling the Panjgain scheme was approved in March 1987 for Rs. 5 lakhs. This estimate envisaged the tapping of water from a local *nallah* by constructing a percolation well which had daily lean period discharge of 2,10,816 litres. The re-modelling work was started in May 1989 and an expenditure of Rs. 10.40 lakhs had been incurred as of March 1993. While the work was in progress, the local people did not allow lifting of water from the source and the scheme was held up.

Failure to tap the original source which had become dispute free in 1980 itself resulted in depriving the beneficiaries of adequate supply of water. The expenditure of Rs. 21.62 lakhs incurred on the construction of the original scheme and on its remodelling work had also remained largely unfruitful.

(ii) Designed to provide drinking water to an ultimate population of 9,672 persons and 1,357 students of 32 villages over a period of 30 years, water supply scheme, Amlehar-Bharbrian (Hamirpur district) was administratively approved in June 1974 for Rs. 14.21 lakhs. The source of the scheme was Man *khad*, which had a daily discharge of 12,48,000 litres against the daily water requirement of 4,00,450 litres. Water for the scheme was to be lifted from two percolation wells of 20 feet internal diameter and 40 feet deep to be constructed on the bank of Man *khad*. The scheme was commissioned by Hamirpur Division in February 1982 at a cost of Rs. 18.84 lakhs. As against the coverage of 32 villages envisaged in the approved estimate, 37 villages with existing population of 6,739 persons and 2,264 students were covered. It was also noticed that only one percolation well up to half of the designed depth was constructed due to encountering of rock and the daily discharge of 1,70,000 litres only was obtained from this well. In July 1987, the daily discharge of the source was found to have

decreased to 70,000 litres only. Efforts made in October 1989 to recharge the starta by lifting water direct from the Man *khad* could secure discharge of 1,70,000 litres per day but quality of water deteriorated due to addition of the unfiltered *khad* water. Failure of percolation well, site of which had not been selected in consultation with the senior Hydrogeologist was attributed by the Executive Engineer in March 1992 to the starta comprising mainly of clay and encountering of hard rock at 6 metres depth at the site. Augmentation of the scheme proposed in March 1987 by constructing a percolation well near the place Kohla had not been taken up as of May 1993 for which the estimate was under process for the last over six years. Thus, due to lack of thorough investigations, the objective of providing adequate and safe drinking water to the beneficiaries had remained unachieved over the last more than eleven years despite incurring expenditure of Rs. 18.84 lakhs.

(iii) Water supply scheme, Deem (Shimla district) was commissioned in 1981-82 at an expenditure of Rs. 5.92 lakhs. The daily requirement of water in respect of this scheme was 60,880 litres per day while the lean period daily discharge of water at source, as measured in May 1984, was found to be 31,104 litres.

In March 1985, water supply scheme, Koti (also known as Darkoti) was administratively approved for Rs. 1.15 lakhs. According to the approved estimate, daily requirement of water assessed at 11,800 litres was proposed to be supplied to 295 persons over a period of 16 years by tapping the storage tank of water supply scheme, Deem. It was noticed in audit that the lean period discharge of water of the tank of Deem scheme, which was found to be 31,104 litres per day was indicated as 88,704 litres by the Assistant Engineer, Kotkhai while framing the estimate without recorded reasons. The scheme was taken up for construction by Jubbal Division in March 1988 and an expenditure of Rs. 2.98 lakhs had been incurred as of December 1989 on laying of 10 kilometres long distribution system. The beneficiaries of the Deem scheme, objected to the diversion of water of the storage tank to Koti scheme because the lean period discharge of the storage tank was not sufficient even for that scheme. Accordingly, a fresh estimate for Rs. 12.56 lakhs based on a new spring source, for covering village Darkoti along with another village Jharoli was sponsored in May 1993 and was awaiting sanction. Thus the investment of Rs. 2.98 lakhs incurred on the scheme remained idle and the residents of village Darkoti were denied the benefit of water supply for the last five years.

(iv) Augmentation of the water supply scheme for Bhadiar-Bhargaon group of villages (Mandi district), (initially constructed during 1966-67), was administratively approved in October 1983 at an estimated cost of Rs. 9.52 lakhs. The scheme, designed to serve an ultimate population of 4,611 persons and 1,585 students over a period of 15 years, was stipulated to be completed within two years and was taken up during 1983-84. An expenditure of Rs. 5.71 lakhs had been incurred on construction

of storage tank, filter bed, sedimentation tanks and laying of distribution lines as of March 1993 and gravity main of 65 mm diameter galvanised iron pipe remained to be replaced by galvanised iron pipe of 100 mm diameter.

Test-check of the records of Mandi Division conducted during October 1991 and further information obtained in May 1993 revealed that the inhabitants of Koti village, where the source of the scheme was located, did not allow further construction on the plea that the Department would tap more water from the source resulting in future shortage of water in their *kuhls* which were running down below the head works of the scheme. The Superintending Engineer, Irrigation and Public Health Circle, Sunder Nagar, therefore, directed the Executive Engineer in August 1984 to stop further execution of the scheme till the dispute was resolved. Notwithstanding these instructions, the division went ahead with the construction of the scheme and incurred an expenditure of Rs. 2.56 lakhs between August 1984 and June 1987 on civil works and laying of distribution lines. Thereafter, further execution of work was stopped and had not been resumed as of May 1993 due to non-resolving of dispute.

The expenditure of Rs. 5.71 lakhs incurred on the augmentation of the scheme had thus, remained unfruitful and the beneficiaries deprived of the intended benefits for a period of over 6 years.

(g) Selection of unsuitable site

Designed to provide drinking water to an ultimate population of 2,502 persons and 728 students over a period of 30 years, lift water supply scheme, Gahar-Sawar-Padhyar was approved in May 1974 for Rs. 4.97 lakhs. Having *Seer khad* as its source, the scheme was constructed at a cost of Rs. 6.95 lakhs, in anticipation of technical sanction and commissioned during 1981-82. During floods, which occurred in May 1987, the percolation well and pump house of the scheme were partially damaged thereby necessitating provision of protection works which were proposed in November 1987 at an estimated cost of Rs. 2.88 lakhs. Instead of approving the estimate for protection works, the Superintending Engineer, Hamirpur advised the Executive Engineer, Ghumarwin Division in December 1987 to examine the possibility of shifting the source of the scheme and allied works to the site of lift irrigation scheme of the same name. Neither had the proposal been examined nor protection works provided for want of approval to the estimate and availability of funds. Subsequently, during the floods which occurred in August 1992, further damages aggregating to about Rs. 3 lakhs were caused due to washing away of pump house with some of the materials and damages to the percolation well, which necessitated construction of the scheme afresh as the existing site of the damaged structures was not considered safe by the Department. The scheme was temporarily restored in

September 1992 at a cost of Rs. 1 lakh by erecting a rising main of 670 metres length from the site of the irrigation scheme, as suggested by the Superintending Engineer earlier in 1987. The pumping machinery was also housed under a temporary shed at a safer place. A restoration estimate for Rs. 5.95 lakhs, which envisaged construction of permanent pump house, sedimentation tank, filter bed, etc., at the site of lift irrigation scheme was under process as of May 1993.

Thus, selection of an unsafe site prone to threat of floods for construction of the head works of the scheme in the first instance and inaction on the suggestion of the Superintending Engineer had resulted in avoidable loss by damages and disruption in proper functioning of the scheme. Pending reconstruction of the head works of the scheme, unfiltered water continued to be supplied to the sizeable affected population.

(h) Tap at each house

(i) Under "Tap to each house programme", Department had provided 46,522 connections⁵ in the villages during the period from 1990-91 to February 1993 at a total cost of about Rs. 1395.66 lakhs.

(ii) Test-check of the records of 4 divisions⁶ revealed that against the estimated cost of Rs. 220.58 lakhs for providing 6,994 taps during 1990-91 to 1992-93, the actual expenditure was Rs. 269.68 lakhs. Action to revise the estimates had not been taken as of September 1993.

(iii) Paonta Sahib Division provided 173 taps to the kitchens from 3 water supply schemes at a total cost of Rs. 7.74 lakhs from December 1991 to September 1992.

However, security deposits required to be obtained for new connections were not obtained from the beneficiaries before providing the taps. When security deposit was demanded before releasing the water, the beneficiaries refused to pay it. Consequently water was not released and expenditure of Rs. 7.74 lakhs remained unfruitful as of January 1993.

(i) Deep Well Hand Pumps

(i) According to the scheme, the hand pumps were to be installed only in rural areas. It was, however, noticed that 25 hand pumps⁷ had been installed in urban

5 1990-91: 8,000, 1991-92: 20,000, 1992-93: 18,522

6 Dalhousie, Dharamsala, Ghumarwin and Una-II

7 Bilaspur: 3 pumps: Rs. 1.06 lakhs, Ghumarwin: 7 pumps: Rs. 4.62 lakhs, Nagrota Bagwan: 5 pumps: Rs. 1.66 lakhs, Kangra: 6 pumps: Rs. 2.06 lakhs, Nurpur: 3 pumps: Rs. 1.35 lakhs and Solan: 1 pump: Rs. 0.46 lakh

areas at a total cost of Rs. 11.21 lakhs.

(ii) Out of total 1,266 bores, 202 bores were found to be unsuccessful due to technical failures (105) and dry bores (97). Test-check of the records of 8 divisions⁸ revealed that the reasons for 93 unsuccessful bores done at the sites selected by the Remote Sensing Cell of the State Government had not been investigated. Action to put the bores in operation, which remained unsuccessful because of technical reasons, had also not been taken. The entire expenditure of about Rs. 44.59 lakhs incurred on 202 unsuccessful bores had thus remained unfruitful.

(iii) Installation works of hand pumps were allotted to the approved contractors on the rates and terms and conditions finalised by the Engineer-in-Chief. Rate contracts were finalised for Rs. 0.46 lakh per unit in October 1991, Rs. 0.39 lakh per unit in May 1992 and Rs. 0.48 lakh in October 1992. The revision in the rate of the third rate contract was intimated by the Engineer-in-Chief to the field officers in November 1992 with the directions to close all the on-going contracts and reaward the remaining work at the increased rate. In 4 divisions⁹, contracts of 4 contractors were closed and the remaining un-drilled 117 bores out of total awarded 252 bores, were allotted to other contractors at the increased rates. This resulted in avoidable expenditure of about Rs. 10.77 lakhs as the contractors were bound to complete the contracts at the agreed rates. Reasons for closing the contracts already awarded and for reawarding the works at increased rates were not intimated.

4.1.8 Improper functioning of schemes

In 3 divisions¹⁰, five schemes designed to provide drinking water to 20 villages having a population of 6,439 persons and commissioned between 1982-83 and 1988-89 at a cost of Rs. 15.83 lakhs were not functioning properly due to decrease ranging between 40 and 67 per cent in the discharge of water at the sources. While no action for improvement/augmentation of 4 schemes had been taken by Mandi and Bilaspur Divisions, the Executive Engineer, Shimla Division No.I had requested (November 1992) the Municipal Corporation, Shimla to connect the water supply scheme of Phlood village with the water supply scheme of the Shimla town.

⁸ Arid, Bilaspur, Dalhousie, Dharamsala, Ghumarwin, Nurpur, Solan-I and Una-II

⁹ Ghumarwin, Nurpur, Solan-I and Una-II

¹⁰ Bilaspur, Mandi and Shimla-I

4.1.9 Non-revision of water rates

The Manual on water supply and treatment provides that the water rates should be fixed in such a way that the annual recurring cost of operation and maintenance of water supply schemes is realised from the parties actually consuming the water after setting aside some amount for a reserve for meeting the capital expenses for future improvement of the system.

Information received from 14 divisions¹¹, revealed that in respect of 1,353 schemes, revenue totalling Rs. 88.45 lakhs had been levied and realised against the operation and maintenance expenditure of Rs. 2713.16 lakhs from 1990-91 to 1992-93, which was barely 3 per cent of the total maintenance expenditure. No efforts had, however, been made to correlate and revise the water rates with the operation and maintenance expenditure with a view to making the schemes self sustaining towards operation and for a reserve for meeting future improvement.

4.1.10 Testing of Water

Despite spending an amount of Rs. 14335.17 lakhs on construction and Rs. 14202.69 lakhs on maintenance of the schemes during the period between 1988-89 to 1992-93, the Department could not ensure supply of safe drinking water. The incidence of water borne diseases according to Medical Department were as under:

Sl.No	Description	1988	1989	1990	1991	1992	Total
1.	Cases of water borne diseases	1,08,987	1,00,291	1,02,104	1,62,051	83,378	5,56,811
2.	Death cases	217	126	130	269	79	821

According to the Manual on Water Supply and Treatment and instructions issued (July 1990) by the Engineer-in-Chief, periodical testing of water for general systematic chemical examination and for bacteriological testing was required to be done. Systematic records of testing of water were also required to be maintained.

(a) Test-check of the records of 13 Divisions¹², however, revealed the following position:

¹¹ Arki, Bilaspur, Dalhousie, Dharamsala, Ghumarwin, Indora, Jubbal, Mandi, Nurpur, Shimla-I, Solan-I, Solan-II, Una-I, and Una-II

¹² Arki, Bilaspur, Dalhousie, Dharamsala, Ghumarwin, Indora, Jubbal, Mandi, Nurpur, Solan-II, Shimla-I, Una-I, and Una-II

(i) Chemical Testing

Year	Tests required to be conducted	Tests actually conducted	Shortfall	Percentage of shortfall
1990-91	2,274(1,137)	33 (33)	2,241(1,104)	99
1991-92	2,494(1,247)	269(237)	2,225(1,010)	89
1992-93	2,654(1,327)	227(227)	2,427(1,100)	91
Total:	7,422(3,711)	529(497)	6,893(3,214)	

(ii) Bacteriological testing

1990-91	13,644(1,137)	33 (33)	13,611(1,104)	100
1991-92	14,964(1,247)	435(315)	14,529 (932)	97
1992-93	15,924(1,327)	312(257)	15,612(1,070)	98
Total:	44,532(3,711)	780(605)	43,752(3,106)*	

* Figures in brackets indicate the number of schemes

Apart from alarming shortfall in testing of water, most of the schemes were not at all taken up for chemical and bacteriological testing. Consequently, the supply of safe drinking water could not be ensured.

While the Executive Engineers, Arki, Dharamsala, Jubbal and Shimla-I Divisions stated (June and July 1993) that the testing was got done only when epidemics or water borne diseases had broken out, the Executive Engineers, Dalhousie, Mandi and Nurpur Divisions attributed the shortfalls to non-availability of sufficient testing facilities, existing departmental testing laboratories being located at far off places and shortage of testing staff. No reasons had been intimated by the remaining divisions. Although norms had been fixed in July 1984 for maintenance of water supply schemes providing for setting up of a testing laboratory under each circle office of the Department, the laboratories had been set up only under three circles at Kandaghat, Mandi and Dharamsala.

(b) Test-check of the test reports of Departmental Water Testing Laboratories samples in respect of Dalhousie, Dharamsala, Nurpur, Solan-I and Una-II Divisions revealed failure of water samples ranging from 11 to 84 per cent of the total samples tested. The Superintending Engineer, Una attributed (August 1991) the failure of the samples of Una Division No.II to improper chlorination of water samples. No reasons had been intimated by other divisions.

(c) In the wake of outbreak of water borne diseases during the year 1991, Government launched in February 1992 Operation Chlorination Programme for the year 1992 which was continued during the year 1993 also. This required, *inter alia*, proper chlorination of drinking water supplied through departmental schemes as also for submission of fortnightly reports by the divisions to the Engineer-in-Chief. Superintending Engineer, Planning and Investigation-I was appointed (February 1992) as the Nodal Officer for monitoring the chlorination programme.

Test-check of the records revealed that the reports were either not submitted regularly or were submitted after considerable delays. The information about scheme-wise availability of residual chlorine content in the water supplied to beneficiaries was prepared on an assumptive basis without actually measuring the same which was attributed (June and July 1993) to non-availability of requisite chloroscopes by Arki and Una-II Divisions. Even, in cases where the information was supplied by the 4 divisions¹³ on actual basis, the residual chlorine contents were either higher or lower than the permissible range of 0.2 parts per million to 0.5 parts per million in 996 and 1,461 cases, respectively. Timely monitoring and follow-up on the basis of these reports was also not done by the Nodal Officer in a number of cases.

(d) The Chief Medical Officer (CMO), Una reported (September 1991) continued detection of gastroenteritis cases in Bangana Block of Una district and advised urgent and proper chlorination of water sources to prevent further spread of the epidemic. While pointing out the lapses in proper chlorination of the water supplied from the departmental schemes by the Bangana Sub-division, the Executive Engineer, Una Division No.II asked the Assistant Engineer in September 1991 to ensure proper chlorination of the water supplied and frequent testing of water samples. Despite these instructions, the water samples were not got tested at all till July 1992 when 9 samples of equal number of schemes got tested from the departmental laboratory at Dharamsala revealed that all of them were unsafe on account of presence of colliform organisms (harmful bacteria). No further testing of water had been done as of June 1993.

(e) In eleven divisions test-checked, chemical and bacteriological analysis of water at source was not conducted for 777 schemes before taking up the schemes for execution between 1985-86 and 1992-93. The Divisional Officers stated that the required tests/analysis were not got conducted because there was no such practice in the State.

4.1.11 Irregularities in the purchases of stores

(a) In 6 divisions¹⁴, 3,23,888 running metres of galvanised iron pipes costing about Rs. 141.06 lakhs were purchased during 1991-92 and 1992-93 for the execution of 67 works, the detailed estimates of which were not prepared as of May-July 1993. Of these, administrative approval and expenditure sanction had not been obtained for 19 works and there was no budget provision for 21 works.

While no reply was furnished by the Divisional Officer, Bilaspur, the other

¹³ Arki, Bilaspur, Dharamsala and Mandi

¹⁴ Arki, Bilaspur, Dalhousie, Dharamsala, Ghumarwin and Una-II

Divisional Officers stated (May-July 1993) that the galvanised iron pipes had to be arranged in advance so that the targeted water supply schemes could be executed in time. It was also stated that the detailed estimates in respect of these schemes were being prepared and sent to the higher authorities for approval. The contention of the Divisional Officers was not acceptable as actual requirement of pipes could not be assessed without preparation of detailed estimates of the works. This had resulted not only in incurring of unauthorised expenditure but also in blocking of Government money.

(b) Jubbal Division intimated (January 1986) requirement of galvanised iron pipes of 80 mm (light) diameter for 3,175 running metres, against which 14,423 running metres of pipes were purchased by the Engineer-in-Chief in July 1986. Of this, 13,369 running metres pipes, valued at Rs. 15.11 lakhs were declared surplus to the requirement of the division in January 1993. Of this, 8,750 running metres of pipes had been transferred to other divisions in February 1993 and the balance quantity was still (July 1993) lying in the divisional store.

(c) In 9 divisions¹⁵, stores like pipe fittings, spare parts of pumping machineries, etc. valued at Rs. 18.61 lakhs, purchased prior to March 1985 were lying surplus to their requirements. Of these, Indora, Jubbal and Shimla-I Divisions had not circulated the lists of surplus stores to other needy divisions as of July 1993. The Divisional Officers did not intimate the manner in which these stores were proposed to be disposed off. The delay in disposal of the stores had resulted not only in blocking of Government funds but also in occupying space in the respective stores.

4.1.12 Monitoring and evaluation

One officer of the rank of Superintending Engineer had been designated as a Programme Officer in the direction office for monitoring the quarterly progress reports regarding physical and financial achievements. These reports were required to be sent by the 15th of the month following the quarter under review. In none of the divisions test-checked, the required reports were sent in time.

No evaluation had been conducted by the Department to ensure that adequate and safe drinking water was supplied to the beneficiaries.

4.1.13 Other points of interest

(a) The Engineer-in-Chief placed (September 1990 and March 1991) seven

¹⁵

Barsar, Ghumarwin, Indora, Jubbal, Mandi, Nurpur, Shimla-I, Una-I and Una-II

supply orders with various firms for the supply of 5,07,488 running metres (Rmt) of GI pipes of various grades and diameters for use in Dharamsala, Palampur and Dehra Divisions. Dharamsala Division was made the consignee for the entire supply. A quantity of 3,33,644 Rmt of pipes was received by the consignee between December 1990 and March 1991 at Kangra railway station. Of this, 1,62,774 running metres of pipes were transferred (February and March 1991) to Palampur (67,680 Rmt) and Dehra (95,094 Rmt) Divisions. This involved unnecessary coverage of distance of 40 kilometres for Dehra and Palampur respectively. Had the Department carted the requirements of Palampur and Dehra Divisions direct to their respective stores from the Kangra railway station, an expenditure of Rs. 1.29 lakhs incurred on carriage could have been avoided.

(b) Two pumping sets of 20-HP capacity having duty conditions of discharge as 0.84 litre per second and static head of 282.97 metres were procured and installed in July 1992 by Suni Division on Makercha Panehra Scheme (Shimla district) at a total cost of Rs. 2.02 lakhs. While commissioning of machinery in July 1992 the pumps gave a discharge of 0.42 litre per second only due to location of the storage tank at RD 720 instead of RD 690 as determined earlier. This necessitated providing (November 1992) of a booster pump of 3-HP capacity at a cost of Rs. 0.69 lakh. Had the Department procured the machinery of suitable duty specifications in the first instance, the expenditure of Rs. 0.69 lakh could have been avoided.

(c) Designed to supply drinking water to a population of 3,359 persons and 619 students of 22 villages, lift water supply scheme, Auda-Diggal (Solan district) was approved in December 1978 for Rs. 8.74 lakhs. The scheme was constructed at a cost of Rs. 23.82 lakhs and commissioned in November 1984. The pumping machinery designed for a total head of 484 metres was provided for the scheme against the required head of 520 metres at a cost of Rs. 1.75 lakhs due to which the machinery was not functioning properly and required frequent repairs of the pumps since 1988. The pumping machinery required replacement for which an estimate was under sanction. Procurement of the pumping machinery below the required specification had resulted in avoidable expenditure on frequent repairs of the pumps just after working for 4 years against the designed life of 15 years.

4.1.14 These points were referred to Government in September 1993; reply has not been received (November 1993).

4.2 Extra avoidable expenditure

The Himachal Pradesh State Electricity Board (HPSEB) Schedule of Tariff applicable from October 1982 provided that all agricultural and industrial consumers having inductive loads would install capacitors of adequate rating as specified by the

Board. In cases where the capacitors were not provided or were defective or under-rated, surcharge at the rate of 10 per cent was leviable.

The maintenance and operation of Shimla Water Supply Scheme, having five pumping stations¹, were taken over by the Irrigation and Public Health Department from the Shimla Municipal Corporation in October 1983.

A test-check of the records of Irrigation and Public Health Division No.II, Shimla conducted in August 1992 and further information collected in June 1993 revealed that the Division paid Rs. 237.28 lakhs to the Board on account of power factor surcharge between November 1983 and March 1993 as the requisite capacitors had not been installed by the division at four pumping stations² of the scheme. Information in respect of the fifth pumping station at Drabla was not available. In addition, a surcharge of Rs. 3.45 lakhs had also been paid by the division to the Board from September 1991 to February 1992 because of belated payment of energy bills.

The Superintending Engineer, Irrigation and Public Health (Mechanical) Circle stated (June 1993) that the bill for power factor surcharge for want of installation of capacitors was first raised by the Board in November 1989. Simultaneously, bill on account of arrears of power factor surcharge for the period from November 1983 to September 1989 was also raised. The matter relating to the levy of power factor surcharge retrospectively was taken up with the Board authorities in November 1991 when the division came to know that the Board had recovered the arrears on account of capacitor charges from the advance of Rs. 600.64 lakhs given to it in March 1991 for the adjustment of arrears/future payments of energy charges. As regards the payment of surcharge, it was stated that the payment of energy charges had been made to the Board regularly and the levy of surcharge was not correct. The matter was stated to be under correspondence with the Board authorities and a credit of Rs. 3.45 lakhs was expected, which had not been received as of July 1993.

It was also stated that the work relating to supply and installation of capacitor banks at Gumma (old), Gumma (new) and Drabla pumping stations had been awarded to a firm against two agreements in October 1992 and November 1992 at a total estimated cost of Rs. 11.85 lakhs. The work required to be completed by March 1993 had, however, not been completed as of September 1993. In the meantime, a further payment of Rs. 19.22 lakhs³ had been made to the Board on account of power

1 Gumma (old), Gumma (new), Chair, Cherot and Drabla

2 Gumma (old), Gumma (new), Chair and Cherot

3 Also includes charges for Drabla station from June 1993 to September 1993

factor surcharge for the period from April to September 1993. The Superintending Engineer, Irrigation and Public Health Circle (Mechanical), Shimla intimated (October 1993) that the materials had been supplied by the firm and the erection of the same was expected shortly. No action for delay in installation of the capacitors had, however, been taken against the firm. Action taken to install the capacitors at the remaining two pumping stations⁴ had also not been intimated.

The total approximate cost of installation of capacitors at all the five pumping stations would have been Rs. 19.75 lakhs. Failure on the part of the Department to provide the same, despite specific provisions in the Schedule of Tariff, had resulted in an extra avoidable expenditure of Rs. 256.50 lakhs. Besides, the payment of surcharge of Rs. 3.45 lakhs could have been avoided had the Division taken timely action to make payments of energy charges.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.3 Unfruitful expenditure on irrigation schemes

(a) Designed to irrigate 36 hectares of land, construction of Lift Irrigation Scheme, Kotla-Jakhuni (Kangra district) was administratively approved for Rs. 1.19 lakhs in January 1980 subsequently revised to Rs. 8.63 lakhs in December 1985. The scheme was taken up for construction by Dehra Division in September 1980 and completed during 1987-88 at a total cost of Rs. 9.98 lakhs. An expenditure of Rs. 5.30 lakhs had also been incurred on the annual repairs and maintenance of the scheme from 1987-88 to 1992-93.

Scrutiny of the records of the division revealed that the area irrigated by the scheme between 1988 and 1991 ranged between 0.16 and 6 hectares only.

The Divisional Officer attributed (January 1993) the shortfall in irrigation to non-carrying out of the chak development works which had not been provided in the estimate and less demand of water by the farmers. Efforts made, if any, to carry out the chak development and to educate the farmers to utilise the available water resources had not been intimated.

(b) Construction of Lift Irrigation Scheme for village Darkati (Kangra district) was administratively and technically approved at an estimated cost of Rs. 4.53 lakhs in January 1980 and February 1982 respectively. The scheme, with its source as Bhul *khad* and designed to irrigate culturable command area of 89 hectares was completed

in March 1986 at a cost of Rs. 5.42 lakhs. An expenditure of Rs. 2.38 lakhs had also been incurred on the annual repairs and maintenance of the scheme from 1985-86 to December 1992.

It was noticed in Audit that the scheme irrigated culturable command area of 7 hectares at the maximum between 1986 and 1990. No irrigation had been provided during 1991 and 1992 because of complete drying up of the source. However, an expenditure of Rs. 0.73 lakh had been incurred on the repairs and maintenance of the scheme during 1991 and 1992 inclusive of minimum demand charges for electricity after the scheme stopped functioning. The Executive Engineer stated (January 1993) that action to construct a tubewell about 500 metres downstream from the existing source was being taken in consultation with the Central Ground Water Board. Further developments had, however, not been intimated.

(c) Construction of Flow Irrigation Scheme for village Samrahan and horticulture nursery (Mandi district) designed to irrigate 37 hectares of land was administratively approved for Rs. 1.11 lakhs in March 1981. The scheme was completed at a cost of Rs. 2.16 lakhs in 1983-84. An expenditure of Rs. 0.61 lakh had also been incurred on the maintenance of the scheme up to March 1992.

Scrutiny by audit of the records of the division revealed (February 1993) that the scheme irrigated maximum culturable command area of 0.42 hectare during 1984 and 1990. No irrigation facilities had been provided during 1991 and 1992.

The Executive Engineer attributed the shortfall in irrigation to the *kuhl* being under repairs.

The construction of these schemes was thus ill-planned and an expenditure of Rs. 25.85 lakhs incurred on their construction and maintenance had failed to meet the objective.

The cases mentioned above were referred to Government in July 1993; reply has not been received (November 1993).

4.4 Unfruitful expenditure on buildings

(a)(i) To provide residential accommodation to the attendants deputed to regulate water at different sites of Giri Irrigation Project (Sirmour district), 7 Type-I quarters were constructed between March 1981 and March 1984 at a total cost of Rs. 1.72 lakhs against the estimated cost of Rs. 2.09 lakhs.

Test-check (July 1992) of the records of Giri Irrigation Division, Majra revealed that all the quarters had been lying vacant ever since their construction as the

attendants deputed were local residents, who preferred to stay in their own houses. The Executive Engineer stated (July 1993) that the quarters were being used as stores because no accommodation for stores was available on hire basis in the locality. The plea of the Executive Engineer was not tenable as 10 stores at various sites of the Project had already been constructed by the Department.

Evidently, the quarters had been constructed without assessing the definite requirements. The expenditure of Rs. 1.72 lakhs incurred on their construction had, thus, not served the intended purpose and had remained unfruitful.

(ii) In addition, 9 quarters (Type-I: 2; Type-II: 4; Type-III: 2 and Type-IV: 1) and the building of Assistant Engineer's office including rest house constructed in March 1978 at a total cost of Rs. 3.90 lakhs against the estimated cost of Rs. 4.79 lakhs had also been lying vacant for the periods ranging between 17 months and 42 months reportedly due to non-receipt of any application for the allotment and shifting of sub-division to other place. Directions sought by the Executive Engineer (February 1993) from the Superintending Engineer, Giri Irrigation Circle, Nahan either for the special repairs of the buildings or for their disposal were awaited (July 1993).

(b) Similarly, 3 Type-I quarters constructed at a cost of Rs. 0.95 lakh in March 1981 by Irrigation and Public Health Division No. I, Una for providing residential accommodation to the pump-operators and chowkidars working in Bhabour Sahib Irrigation Scheme (Phase I) in Una district had also been lying vacant ever since their construction because the workers deployed for the purpose were either local residents or daily paid attendants. An expenditure of Rs. 0.15 lakh had also been incurred on the repairs and maintenance of these quarters.

The Superintending Engineer, Irrigation and Public Health Circle, Una stated (April 1993) that there was likelihood of occupation of these quarters on the completion of phase II of the above scheme which was under execution.

Thus, the expenditure of Rs. 1.10 lakhs incurred on these quarters as of April 1993 had also not served any purpose and remained unfruitful.

These points were referred to Government in August 1993; reply has not been received (November 1993).

4.5 Unfruitful expenditure on flood protection works

In order to provide protection to 50 hectares of cultivable land and 70 houses of villages Kiratpur and Bhagwanpur (Sirmaur district) from the fury of floods of Bata river, the work providing flood protection to these villages was administratively approved in September 1985 at an estimated cost of Rs. 7.50 lakhs. The work was

started by Paonta Sahib Division during 1984-85 in anticipation of administrative approval and an expenditure of Rs. 10.59 lakhs had been incurred on it as of March 1990. As against the provision for the construction of 1,200 metres long embankment and one spur of 30 metres length in the sanctioned estimate, the division had actually constructed 650 metres long embankment and 4 spurs of 30 metres length each. The deviation from the approved estimate was attributed by the Divisional Officer in June 1993 to site conditions and directions of the Superintending Engineer.

Scrutiny of the records of the division revealed that the work was stopped in March 1990 because of paucity of funds. The flood protection works to the extent of Rs. 1.50 lakhs so provided, were damaged during the rainy season of 1989 and 1992. Further work to restore the damages had not been taken up as of June 1993 reportedly for want of funds.

The Executive Engineer stated (January 1993) that the damaged flood protection works were not sufficient to protect the land and houses of these villages.

In the circumstances, the expenditure of Rs. 10.59 lakhs already incurred on the flood protection works had not yielded the intended benefit of protecting cultivable land and houses and had largely remained unfruitful as of June 1993.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.6 Unfruitful expenditure on a tube-well

Designed to irrigate 12 hectares of land, Lift Irrigation Scheme, Saloh (Una district) was completed in March 1989 against the administrative approval for Rs. 16.11 lakhs accorded in December 1974 for 10 tubewells. An expenditure of Rs. 7.12 lakhs (boring and development of tubewell: Rs. 2.88 lakhs, and civil works: Rs. 4.24 lakhs) had been incurred on the scheme. Technical sanction of competent authority had not been obtained before taking up the work.

It was noticed (September/October 1992) that the scheme was lying inoperative since June 1990 due to appearance of excessive sand in the tubewell.

The Superintending Engineer (Mechanical), Tubewell Division, Gagret informed Audit in July 1993 that rupturing of tubewell assembly was noticed in May 1982 when it was being developed. An expenditure of Rs. 1.78 lakhs had been incurred on the development of the tubewell by that time. Further expenditure of Rs. 1.10 lakhs was incurred on remedial measures.

A Fact Finding Committee constituted by the Department visited the site of the tubewell in April 1991 and observed that it would have been better to abandon the

tubewell at the initial stage of development when it was found that the tubewell assembly had ruptured. The Committee was also of the opinion that the remedial measures adopted by the Department were not in order. The Committee further recommended that the tubewell should be abandoned and a new tubewell drilled in the vicinity of the existing tubewell so that the existing infrastructure could be utilised. The Superintending Engineer (Mechanical) Tubewell Division, Gagret stated (October 1993) that new bore had been drilled at a cost of Rs. 4.34 lakhs and was yet to be developed before taking up civil works.

Failure on the part of the Department to abandon the tubewell at the initial stage of development when the defects were noticed has thus resulted in idle investment of Rs. 4.24 lakhs as the intended objective could not be achieved. Besides, expenditure of Rs. 1.10 lakhs incurred on rectification of defects was also infructuous.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

4.7 Under-utilisation of irrigation potential

Test-check of the records of two divisions (Ani and Padhar) conducted during May and June 1992 revealed that irrigation potential of six irrigation schemes commissioned between 1987-88 and 1989-90 at a cost of Rs. 160.56 lakhs and designed to irrigate culturable command area of 830 hectares was under-utilised; to the extent of 90 to 97 per cent as tabulated below:-

Year	Number of schemes	Area to be irrigated per crop	Area irrigated		Percentage of shortfall	
			Rabi (In hectares)	Kharif	Rabi	Kharif
1988	5	802	38	76	95	91
1989	6	830	21	76	97	91
1990	6	830	55	84	93	90
1991	6	830	58	71	93	91
1992	6	830	40	79	95	90

Shortfall in utilisation of irrigation potential was attributed by the Executive Engineers mainly to less demand of water for irrigation (4 cases) and non-adoption of the desired cropping pattern (1 case) and low electric voltage (1 case). The Executive Engineer, Padhar Division further stated (May 1992 and July 1993) that the beneficiary farmers were likely to switch over to the changed cropping pattern after about eight to ten years as a result of the agriculture extension services by the concerned Department after which the irrigation potential was likely to be fully utilised.

The expenditure of Rs. 160.56 lakhs incurred on the construction of these schemes had, thus, remained largely unfruitful.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

4.8 Lift Irrigation Scheme, Dhar Jerkh

Designed to provide irrigation facilities to a culturable command area of 101 hectares, construction of lift irrigation scheme, Dhar Jerkh (Bilaspur district) was administratively approved in October 1981 at an estimated cost of Rs. 6.46 lakhs. The scheme was taken up for execution by Bilaspur Division in March 1982 and completed in November 1985 at a cost of Rs. 15.60 lakhs. According to the sanctioned estimate of the work, 770 metres rising main of cast iron pipes of 250 mm diameter was to be laid. However, 825 metres rising main of AC pressure pipes of 300 mm diameter was actually laid at site. The substitution was reportedly made on economic considerations.

The work relating to providing and laying of the rising main of AC pressure pipes with cast iron bends was awarded to a contractor in November 1984 and was completed in November 1985. Fifth and final bill was paid to the contractor in February 1988 for a gross amount of Rs. 3.45 lakhs. This also included Rs. 0.45 lakh being the cost of cast iron bends.

The scheme was tested in January 1986 and it was found that the joints of the rising main were leaking as cast iron bends had not been provided by the contractor. The desired discharge of water could thus not be received at the delivery tank and no irrigation could be provided to the culturable command area. The Executive Engineer stated (August 1991) that the scheme was checked by the Assistant Engineer during the course of its execution but the defects came to notice only at the time of testing of the scheme. The reply of the Executive Engineer was not tenable as deviation from the prescribed specification would have come to the notice of the Department had proper check been exercised when the work was being executed by the contractor. No action for the failure to provide cast iron bends had been taken against the contractor except withholding security of Rs. 0.22 lakh.

On persistent public demand, an estimate for the replacement of the rising main of AC pressure pipes laid earlier by Mild Steel Electrically Resistance Welded (MSERW) pipes was approved by the Superintending Engineer in January 1992 at an estimated cost of Rs. 3.75 lakhs and completed in July 1991 at a cost of Rs. 5.28 lakhs and the scheme commissioned during the same month.

It was also noticed that out of 825 running metres of AC pressure pipes originally laid and subsequently dismantled, 787 running metres of pipes had been accounted for. The accounting of the balance quantity of 38 running metres of pipes costing Rs. 0.16 lakh was not available.

The Executive Engineer while confirming the wasteful expenditure of Rs. 1.26 lakhs as worked out by the Division because of replacement of the rising main, intimated (August 1991) that enquiry to fix responsibility for the execution of defective work was being conducted at circle level. The outcome of enquiry was awaited as of September 1993.

Failure to execute the work according to the provisions of the agreement resulted not only in replacement of the rising main entailing wasteful expenditure of Rs. 1.26 lakhs but also in undue payment of Rs. 0.45 lakh to the contractor on account of cast iron bends which were not actually provided by him. Besides, the culturable command area could not be irrigated for a period of over five years even after incurring an expenditure of Rs. 15.60 lakhs and an additional expenditure of Rs. 5.28 lakhs was incurred to put the scheme in operation.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.9 Unutilised kuhl

In order to irrigate 15 hectares of land, remodelling of Peor kuhl near Tabo (Lahaul and Spiti district) was taken up by Kaza Division during 1981-82 and was completed and commissioned during 1989-90 at a cost of Rs. 2.77 lakhs against the estimated cost of Rs. 1.89 lakhs.

Test-check of records revealed (July 1992) that the proposed area of 15 hectares could not be irrigated as the fields had not been developed by the beneficiaries. The Divisional Officer stated (August 1993) that some of the beneficiaries had started developing their fields. Further developments were awaited.

The entire expenditure of Rs. 2.77 lakhs incurred on the scheme had, thus, remained unfruitful as of August 1993.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

4.10 Miscellaneous Works Advances

"Miscellaneous Works Advances" (MWA) is a transitory suspense head which is intended to record (i) transactions relating to sales on credit, (ii) expenditure incurred on deposit works in excess of deposits received, (iii) losses, retrenchments, errors, etc., and (iv) other items of expenditure, the allocation of which is not known and which cannot immediately be adjusted to the final head of account. The amounts placed under MWA are required to be cleared promptly. Large balances remaining outstanding for a long time could involve the risk of Government money not being realised. Besides, instances of misclassification, losses, misappropriations and other irregularities may remain undetected.

Mention was made in paragraph 4.14 of the Report of the Comptroller and Auditor General of India for the year 1976-77 (Civil) about outstanding balances under MWA. The Public Accounts Committee (Sixth Vidhan Sabha) in their 40th Report presented to the State Legislature on 21 March 1986 had observed that the Department should be vigilant in disposal of all cases involving the recovery of large amounts. The Committee had desired that the procedure and working of the Department should be improved and that action should be taken against those responsible for laxity in dealing with such cases. Notwithstanding these recommendations, large balances continued to persist under this head and effective steps to clear the old outstanding items did not appear to have been taken.

Test-check of the records of 13 divisions¹ of the Irrigation and Public Health (I&PH) Department (South Zone) conducted during April-May 1993 brought out the following points.

4.10.1 Position of outstanding balances

As worked out by Audit, 2,314 items aggregating to Rs. 203.72 lakhs and relating to the years 1968-69 to 1992-93 were outstanding in these divisions at the end

¹ Arki, Barsar, Bilaspur, Nahan, Paonta, Rampur Bushahar, Rekong Peo, Shimla-I, Shimla-II, Solan-I, Solan-II, Una-I, and Una-II

of March 1993. The category-wise break-up of these items was as follows:-

Serial number	Category	Number of items	Amount (Rupees in lakhs)
(i)	Advance payments to firms/suppliers awaiting receipt of material or adjustments	296	109.12
(ii)	Amount recoverable from departmental officials on account of shortages, non-accountal of stores, etc.	354	30.37
(iii)	Amount outstanding against other divisions/departments	29	25.69
(iv)	Amount recoverable from various firms/suppliers/contractors on account of short/non-supply of materials, excess payments, etc.	461	16.57
(v)	Amount recoverable from Assistant Engineers/Junior Engineers on account of unauthorised/irregular expenditure incurred by them	306	14.20
(vi)	Amount recoverable on account of hire charges of vehicles/machinery	257	2.99
(vii)	Amount recoverable on account of telephone/trunk call charges	368	0.25
(viii)	Miscellaneous items	243	4.53
	Total	2,314	203.72

Year-wise position of outstanding items was not worked out by any of the divisions test-checked and was analysed by Audit as follows:-

Period	Amount (Rupees in lakhs)
1968-69 to 1979-80	9.46
1980-81 to 1984-85	29.22
1985-86	4.07
1986-87	7.80
1987-88	5.15
1988-89	3.23
1989-90	4.03
1990-91	14.84
1991-92	11.94
1992-93	113.98

Total	203.72

4.10.2 Trend analysis

The trend of balances under the head during the preceding four years was as follows:-

Year	Opening balance on 1st April	Addition during the year (Rupees in lakhs)	Clearance during the year	Closing balance on 31st March
1989-90	108.38	102.21	85.74	124.85
1990-91	124.85	123.68	102.36	146.17
1991-92	146.17	113.65	125.79	134.03
1992-93	134.03	266.59	199.98	200.64

(i) The figures of outstanding balances (Rs. 203.72 lakhs) worked out in audit did not tally with those reported by the divisions to the Superintending Engineers through quarterly progress reports (Rs. 200.64 lakhs). The difference of Rs. 3.08 lakhs was mainly in 9 divisions², which indicated that either the correct position was not being reported through the quarterly progress reports/monthly accounts or debits and credits had not been updated in the MWA Registers.

(ii) The outstanding increased from Rs. 108.38 lakhs as on 31st March 1989 to Rs. 200.64 lakhs as on 31st March 1993 representing an increase of 85 per cent. The outstanding items were not being pursued vigorously.

(iii) Old items had generally not been attended to, as existence of most of the

²

Bilaspur: (-) Rs. 0.51 lakh; Nahan: (-) Rs. 6.20 lakhs; Rampur Bushahar: (-) Rs. 0.06 lakh; Rekong Peo: (-) Rs. 0.46 lakh; Shimla-I: (+) Rs. 0.40 lakh; Solan-I: (+) Rs. 0.57 lakh; Solan-II: (+) Rs. 0.06 lakh; Una-I: (+) Rs. 0.24 lakh and Una-II: (+) Rs. 2.88 lakhs

firms and whereabouts of majority of contractors and officers/officials from whom the amount was recoverable was not known. List of firms, contractors, officials, etc., was being circulated among other divisions periodically in a routine manner for effecting recovery. But this exercise did not yield any tangible result as the response was not adequate. In some cases, even the names of the firms were not correctly and completely written in the MWA register, which contributed to non-pursuance of the matter with the concerned firms.

4.10.3 Analysis of outstanding amounts

(a) Advance Payments to firms

Two hundred and ninety six items aggregating to Rs. 109.12 lakhs were outstanding against various firms/suppliers for want of receipt of material/supplies; the earliest item pertained to the year 1979-80 (Paonta, Una-I and Una-II). Of this, Rs. 82.02 lakhs were advanced during 1992-93 only.

In Rampur Division, three items amounting to Rs. 1 lakh were outstanding against a Patiala based firm since 1983-84. However, a reference was made to the firm in respect of only one item for Rs. 0.50 lakh in March 1991. In response the firm intimated (March 1991) that the material had already been supplied during March 1984 and October 1984. Necessary steps had not been taken up to reconcile the item thereafter.

(b) Shortages/non-accounting of material

Three hundred and fifty four items aggregating to Rs. 30.37 lakhs were outstanding on account of shortages/non-accounting of stores/non-handing over of charge, etc., by the departmental officials. The earliest item pertained to the year 1968-69 (Bilaspur). A few significant cases are discussed below:

(i) In Rampur Bushahar Division, Rs. 21.77 lakhs on account of shortages of stores (1980-81) was outstanding against a Junior Engineer. The concerned Junior Engineer was transferred from the division in August 1983. Of these, shortages amounting to Rs. 11.76 lakhs had been reconciled up to 1990-91 and the remaining shortages of Rs. 10.01 lakhs were neither recovered nor reconciled as of May 1993. The Divisional Officer stated (May 1993) that the matter was reported to the Vigilance Department during 1986-87.

Rupees 1.71 lakhs were outstanding against another Junior Engineer since

1978-79 on account of shortages of stores. The matter was taken up in March 1989 with Vigilance Department. Besides, Rs. 0.64 lakh on account of loss of stores due to theft, which took place in October 1989 were outstanding against another Junior Engineer. The FIR was also lodged with Police Department in October 1989.

Final outcome of the investigations in all these cases was awaited as of May 1993.

(ii) In Una Division No.II, Rs. 4.45 lakhs were outstanding against a Junior Engineer since 1986-87 since he did not hand over the stores. The Divisional Officer stated (June 1993) that the concerned Junior Engineer had been absconding since 1990-91 and as such case could not be processed further.

(iii) In Paonta Division, Rs. 2.70 lakhs were recoverable from a Junior Engineer on account of shortages of stores (1985-86: Rs. 2.57 lakhs and 1992-93: Rs. 0.13 lakh). No action to effect recovery or to reconcile the shortages had been taken as of May 1993.

(iv) In Shimla Division No.I, Rs. 0.32 lakh were outstanding against two drivers from 1988-89 to 1992-93 on account of shortage of POL and non-adjustment of out turn of vehicles.

The Divisional Officers had not initiated timely action to recover/reconcile the shortages. The officials, mainly Junior Engineers/Assistant Engineers were relieved of their duties on transfer or promotion without effecting recovery or getting the shortages reconciled.

(c) Advances against other divisions/departments

Twenty nine items totalling Rs. 25.69 lakhs on account of advance payments for the supply of stores, energy, etc., were outstanding against some divisions/departments. The earliest items pertained to the year 1983-84 (Paonta, Rekong Peo, Shimla-I and Solan-I).

(i) In Solan Division No.I, Rs. 2.23 lakhs were outstanding against Irrigation and Public Health Division, Kaza (Rs. 0.48 lakh) and Tube Well Division, Nalagarh (now shifted to Gagret) (Rs. 1.75 lakhs) from 1983-84 and 1985-86 respectively.

(ii) In Nahan Division, Rs. 0.71 lakh were outstanding against I&PH Sub-Division, Paonta from 1990-91.

The purposes for which the amounts were advanced to these divisions/sub-divisions were neither made available nor were found recorded in the MWA register.

(d) Recoveries from firms/suppliers/contractors, etc.

Four hundred and sixty one items aggregating to Rs. 16.57 lakhs were outstanding against various firms/suppliers/contractors on account of non/short supply of material, freight charges, defective supply of materials, labour charges and excess payments, etc. The earliest item related to the year 1968-69 (Bilaspur) which is indicative of the fact that adequate efforts were not initiated to recover/reconcile the old items. In the cases where matter was pursued by some of the divisions, there was no response from the concerned firms/suppliers. The possibility of some of the firms having gone out of the business at this belated stage cannot be ruled out.

Some of the significant cases are as under:-

(i) Of the total amount outstanding, Rs. 2 lakhs, comprising 89 items were outstanding against various contractors on account of their minus bills; labour charges and levy of penalty. Adequate efforts had not been made to recover the amount.

(ii) In Paonta Division, Rs. 1.60 lakhs and Rs. 0.78 lakh on account of short/non-supply of material transported through railways were outstanding against two Calcutta and Ahamedabad based firms respectively since 1980-81 to 1983-84.

The Divisional Officer stated (May 1993) that the Railway authorities, with whom the claim was lodged, had refused to accept the claim as the claims were time-barred. Relevant records were, however, not made available to Audit.

(iii) In Shimla Division No.I, Rs. 1.04 lakhs and Rs. 0.61 lakh were outstanding against two Patiala and Jalandhar based firms since 1983-84 and 1989-90 respectively. The Divisional Officer stated (May 1993) that the amounts pertained to different schemes and that the efforts were being made to reduce the balance. However, records indicating the action taken to recover the amount were not made available.

(iv) In Rampur Bushahar Division, Rs. 0.56 lakh were outstanding against a Ludhiana based firm since 1980-81. The firm expressed its inability in April 1991 to trace out the details. However, the firm requested the division to intimate the details of outstanding amount against it; these details had not been furnished to the firm as of May 1993.

(e) Unauthorised/irregular expenditure

Three hundred and six items aggregating to Rs. 14.20 lakhs were outstanding, mainly, on account of unauthorised/irregular expenditure by the Assistant Engineers and non/less recording of progress in the Muster Rolls by the Junior Engineers. The earliest item pertained to the year 1973-74 (Rampur Bushahar). These items included the following major cases:-

(i) Thirteen items aggregating to Rs. 1.01 lakhs were outstanding against an Assistant Engineer, presently working in Una Division No.II. These included one item amounting to Rs. 0.02 lakh for the year 1983-84, when the said Assistant Engineer had worked in Rampur Division, while the remaining 12 items amounting to Rs. 0.99 lakh pertained to the years 1990-91 to 1992-93 in respect of Una Division No.II.

(ii) In Barsar Division, Rs. 0.95 lakh on account of unauthorised expenditure/less progress of work were outstanding against an Assistant Engineer since 1990-91. It was noticed that after regular pursuance by the division, the Assistant Engineer stated (December 1992) that he was not aware of such outstanding amount and desired to consult the relevant records. The Divisional Officer, in turn, intimated (July 1993) that the relevant records were with the Vigilance Department and that no opportunity to reconcile the accounts could be given.

(iii) In Shimla Division No.II, Rs. 0.94 lakh were outstanding against an Assistant Engineer since 1990-91 on account of irregular purchases made by him.

(iv) Rupees 0.73 lakh³ on account of unauthorised expenditure including shortage of stores amounting to Rs. 0.21 lakh were outstanding in two divisions against an Assistant Engineer.

(f) Hire charges of vehicles and machinery

Two hundred and fifty seven items amounting to Rs. 2.99 lakhs were outstanding against various departmental officers/officials, other departments/corporations, contractors and firms on account of private use of vehicles and machinery of the divisions. The earliest item pertained to the year 1968-69 (Bilaspur).

(i) It was noticed that hire charges for private use of vehicles/machinery by the officers/ officials, contractors and other private parties were not realised immediately after the use of vehicles/machinery. In most of the cases, the concerned officers/officials had since been transferred to other divisions and their whereabouts

were not presently known to the divisions. The whereabouts of some of the contractors/private parties were also not known to the divisions. The chances of recovery of outstanding amounts from such officers/ officials/ contractors/private parties had, thus become very remote.

(ii) In Una Division No.II, a dozer was hired by one senior clerk during 1991-92 for private use. Hire charges amounting to Rs. 0.17 lakh had not been recovered as of May 1993.

4.10.4 Minus balances

In the divisions test-checked (except Shimla-II) of the total outstanding items, 98 items amounting to Rs. 4.40 lakhs for 1973-74 to 1992-93, represented minus balances. The minus balances were on account of amounts credited to the head in the absence of corresponding debits. This was indicative of improper maintenance of records.

4.10.5 Defects in maintenance of records

MWA registers had not been maintained properly in any of the divisions test-checked except Arki and Paonta. The totals worked out in the registers did not agree with the amounts shown in the quarterly returns. Year-wise break-up of outstanding items was not available and the registers had not been reviewed by the Divisional Officers/Divisional Accountants with a view to taking effective steps for the clearance of old outstanding items. Follow-up action for the adjustment/recovery of items placed under MWA was lacking.

4.10.6 Monitoring

The position of outstandings under the head is reported by the divisions to the concerned Superintending Engineers through quarterly progress returns for onward transmission to the Engineer-in-Chief.

It was noticed that the system of monitoring did not prove to be effective as the reports submitted by the Divisional Officers merely indicated the increase and decrease in balances. No attempt to analyse and conduct an in-depth study of old items and to find out the constraints in settling the more important and older items had been made. Efforts had also not been made to ascertain the whereabouts of officers/officials responsible for the outstandings. Even when some instructions were given by the Superintending Engineers and Engineer-in-Chief, these were not fully followed up by the Divisional Officers, with the result that the balances continued to

accumulate.

These points were referred to Government in September 1993; reply has not been received (November 1993).

Public Works Department

4.11 Unfruitful expenditure on works

(a) (i) Construction of a utility stadium at Nalagarh (Solan district) including a pavilion was administratively approved in January 1987 at an estimated cost of Rs. 4.39 lakhs. The work relating to construction of pavilion was technically sanctioned for Rs. 2.85 lakhs in July 1989. The work was taken up by Kasauli Division in September 1987 and an expenditure of Rs. 2.80 lakhs had been incurred on the masonry work of pavilion up to lintel level and construction of steps in a length of 135 metres. Further work was held up since June 1991 for want of funds. Action taken to arrange adequate funds and to complete the balance work had not been intimated. The expenditure of Rs. 2.80 lakhs had, thus, remained unfruitful as of May 1993.

(ii) Construction of a utility stadium at Sultanpur (Solan district) was administratively approved in February 1988 at an estimated cost of Rs. 3.53 lakhs. The work was taken up by Kasauli Division in March 1989 without obtaining technical sanction and after constructing retaining walls of the stadium, further work was stopped in July 1990 for want of budgetary allocation. Action taken to arrange adequate funds and to complete the work had not been intimated. The expenditure of Rs. 0.83 lakh incurred on the work had thus not yielded the intended benefits and had remained unfruitful as of May 1993.

(b) Construction of Type-IV quarter for Doctor's residence at Sandhasu (Shimla district) was taken up by Rohru Division in May 1985, in anticipation of administrative approval which was subsequently accorded in December 1985 for Rs. 1.44 lakhs. Technical sanction of the work had not, however, been received as of May 1993. The work was completed in June 1989 at a cost of Rs. 2.65 lakhs. The building was, however, not taken over by the Block Medical Officer, Chirgaon on the plea that boundary wall to the building had not been constructed. Scrutiny of records of the division revealed (September-October 1992) that no provision for the construction of the boundary wall existed in the sanctioned estimate of the work.

The Executive Engineer stated (May 1993) that the building constructed was just near the motorable road and construction of boundary wall was essential to ensure privacy of the occupant. It was further stated that the boundary wall was under construction and the quarter would be handed over to the Medical Department on its

completion.

The expenditure of Rs. 2.65 lakhs incurred on the building had thus not served the intended purpose and had remained unfruitful as of May 1993.

(c) Construction of 100-metric tonne capacity seed store with chowkidar quarter at Holi (Chamba district) was administratively approved in March 1990 at an estimated cost of Rs. 7.46 lakhs. The work was taken up for execution by Chamba Division in March 1990 without obtaining technical sanction.

Scrutiny by Audit of the accounts of the division revealed (February 1993) that the work was lying in an abandoned state since May 1991 after raising masonry up to 2.50 metres above plinth level at an expenditure of Rs. 2.42 lakhs (inclusive of Rs. 0.38 lakh being the cost of material lying unutilised in the material-at-site account of the work). However, the work had been stopped by the Forest Department on the plea that the land on which the building was taken up for construction actually belonged to that Department and that the use of forest land for non-forestry purpose without the approval of the Government of India was not permissible.

The Divisional Officer stated (February 1993) that the Forest Department had also registered a case in the Court of Law during May 1991 for starting illegal construction on the land which was yet to be decided. Further developments were awaited as of May 1993.

Failure to ensure the title of land had, thus, resulted in the expenditure of Rs. 2.04 lakhs remaining unfruitful and the intended benefits not being derived besides idle investment of Rs. 0.38 lakh on procurement of material.

(d) Construction of Assistant Engineer's office at Tikkar (Shimla district) was administratively approved in July 1987 at an estimated cost of Rs. 2.22 lakhs. The work, stipulated to be completed in two years, was taken up by the Rohru Division in March 1988 without obtaining technical sanction and completed up to plinth level by March 1990 at a total cost of Rs. 1.53 lakhs.

In the meantime, the work above plinth level was awarded to a contractor in November 1988 at a cost of Rs. 1.76 lakhs. The contractor had, however, not started the work as of April 1993 despite several notices. The contract agreement was finally rescinded in May 1993 and security of the contractor amounting to Rs. 0.03 lakh was forfeited. Funds amounting to Rs. 1.60 lakhs made available for the work during 1991-92 and 1992-93 remained unutilised. Action to complete the balance work had not been initiated as of May 1993.

The expenditure of Rs. 1.53 lakhs incurred on the work had thus remained

unfruitful for a period of over three years.

(e) To enable the inhabitants of Kharot village (Shimla district) to transport their horticultural produce, construction of a gravity type aerial cableway from Kharot to Mandli on Rohru-Chirgaon-Dodra-Kawar road was administratively approved in August 1981 at an estimated cost of Rs. 1.36 lakhs. The work was taken up for construction by Rohru Division in July 1986 and was completed in September 1989 at a cost of Rs. 2.17 lakhs. The cableway was leased (September 1989) to a society up to March 1990 at a fee of Rs. 0.02 lakh. Scrutiny of the records of the division revealed (September-October 1993) that the cableway was neither handed back to the Department by the lessee after the expiry of the lease period nor was it put to use after March 1990.

The Assistant Engineer, Chirgaon Sub-Division reported to the Executive Engineer in August 1992 that the cableway had been badly damaged by the inhabitants of the area and some of the components of the cableway had also been stolen and that about Rs. 3 lakhs would be required for its repairs. No action to repair the cableway had been taken as of May 1993.

(f) In order to enable the inhabitants of village Shah (Shimla district) to transport their agricultural produce and other goods, construction of a gravity type aerial cableway from Shah to Jhakri was administratively approved in July 1987 at an estimated cost of Rs. 0.94 lakh. The work was started by Rampur Division in July 1988 and was completed in November 1991 at a cost of Rs. 2.28 lakhs. The cableway was put to use on trial basis in July 1992 but some mechanical defects were noticed during trial.

The Executive Engineer stated (June 1993) that the defects had been removed and the cableway would be put to use during the apple season of 1993. It was further stated in October 1993 that the cableway could not be put to use during the apple season of 1993 and that experts were being contacted to get the defects removed.

The expenditure of Rs. 2.28 lakhs incurred on the construction of the cableway had thus, not served the intended purpose and had remained unfruitful as of September 1993

These points were referred to Government in August 1993; reply has not been received (November 1993).

4.12 Unfruitful expenditure on a bridge and a road

(a) Construction of 215-foot span stiffened suspension bridge over the Spiti river

at Leo (Kinnaur district) was administratively approved in June 1965 at an estimated cost of Rs. 3.57 lakhs; subsequently revised to Rs. 11.52 lakhs in February 1970. The work was technically sanctioned in December 1971 for Rs. 8.94 lakhs. The re-revised estimate amounting to Rs. 55.27 lakhs submitted by the Superintending Engineer, 11th Circle, Rampur to the Engineer-in-Chief in August 1988 was received back in the Kalpa Division in October 1988 with certain observations which had not been attended to as of July 1993. An expenditure of Rs. 48.94 lakhs had been incurred on the work as of June 1993.

The work originally stipulated to be completed in 18 months was started by Irrigation and Public Health Division, Pooh in December 1971 and sub-structure work, tower and anchorage block had been completed departmentally in June 1984. The abnormal delay of over six years in taking up the work was attributed (July 1993) by the Executive Engineer, Kalpa Division non-finalisation of drawings and designs; the delay of over twelve years in completing the aforesaid items of work was attributed to (i) modification of design due to changing needs and typical site conditions, (ii) limited working season in the area, (iii) non-availability of skilled labour and material, (iv) tough terrain and geographic conditions and (v) poor communication and transport facilities.

After its transfer to Kalpa Division in April 1986, the work relating to super-structure of the bridge was awarded to a contractor in March 1987 at a cost of Rs. 28.50 lakhs with a stipulated period of completion of six months. The contractor started the work in September 1987. While some items of work were yet to be completed and some defects pointed out by the Department were to be removed by the contractor, the bridge was thrown open to vehicular traffic in November 1988. Sixth running account bill of the contractor was also paid during the same month for a gross amount of Rs. 32 lakhs. The bridge was, however, closed for vehicular traffic in October 1990 as the mild steel decking was observed to have failed as it did not conform to the drawings and specifications. The contractor was requested by the division, from time to time, to complete the left out items and remove the defects but no action was taken by him. Compensation amounting to Rs. 2.85 lakhs was levied on the contractor and the work rescinded by forfeiting security deposit of Rs. 1 lakh in January 1993. The Executive Engineer, Mechanical Division, Dhalli was also requested in January 1993 to assess the quantum and the cost of rectification of defects in the bridge but no reply had been received and rectification work had not been started as of July 1993. The delay in starting the rectification work was attributed to blocking of National Highway during the intervening period.

In the meantime, the tower and approach of the bridge on the Malling side was damaged during August 1991 due to flood in Spiti river. An estimate for restoration of damages was approved at an estimated cost of Rs. 10.85 lakhs in May 1993. The restoration work was started in November 1991 and 40 per cent work had

been completed as of June 1993 after incurring expenditure of Rs. 3.03 lakhs.

Scrutiny of records further revealed that the Seventh and final bill of the contractor had not been finalised as of July 1993. According to the final bill under preparation, recovery amounting to Rs. 10.79 lakhs (tentatively) was due from the contractor on account of overpayment made in the previous running account bills, hire charges of vehicles/machinery, defective work done by the contractor, expenditure incurred by the Department on behalf of the contractor and compensation levied for delay in completion of work. The recovery proceedings could not be initiated because of non-finalisation of the bill. Action against the defaulting officers/officials had also not been initiated as of July 1993 because no decision had been taken by the higher authorities.

In the circumstances, the expenditure of Rs. 48.94 lakhs incurred on the bridge had largely remained unfruitful and the beneficiaries deprived of the intended benefits. Besides, recovery of Rs. 10.79 lakhs had not been effected from the contractor.

(b) Construction of road from Leo bridge to Hango village (Kinnaur district) having a total length of 17 kilometres was administratively approved at an estimated cost of Rs. 86.07 lakhs in January 1986 (Rs. 18.51 lakhs) and November 1990 (Rs. 67.56 lakhs). The road was intended to provide a link to the inhabitants of Leo, Chulling and Hango villages famous for cultivation of seed potato with the National Highway. The work from Leo side was started by Kalpa Division in July 1986 and road from RD 0/0 to RD 5/265 had been constructed as of June 1993 after incurring expenditure of Rs. 23.36 lakhs. While the road from RD 0/0 to RD 1/240 had been constructed in a continuous stretch, the road beyond RD 1/240 had been constructed in a number of patches. Reasons for constructing the road in insolated patches had not been intimated. Action to construct another bridge at RD 1/700 which was necessary to make the road through for vehicular traffic had also not been initiated as of July 1993.

Having regard to the fact that the road had been completed in a total length of 1.24 kilometres only and the bridge at Leo was not being utilised for vehicular traffic, the expenditure of Rs. 23.36 lakhs incurred on the road had also not served the intended purpose and had remained largely unfruitful.

The above cases were referred to Government in August 1993; reply has not been received (November 1993).

4.13 Infructuous expenditure on works

(a) Construction of an airstrip at Rangrik (Spiti Valley) was started by the Spiti Division, Kaza in September 1988 on the basis of an administrative approval accorded in August 1988 for Rs. 5 lakhs, which was not based on any estimate prepared by the division. Expenditure of Rs. 7.47 lakhs on levelling work in a length of 34 metres and in width of 140 metres was incurred up to August 1989. There was nothing on record to indicate whether or not the advice of Civil Aviation Authority had been obtained before taking up the work in hand.

The revised estimate amounting to Rs. 403.67 lakhs was submitted by the Engineer-in-Chief to the Commissioner, Tourism in December 1988 for arranging administrative approval, sanction to which had not been accorded as of January 1993. Consequently the work was stopped in August 1989. According to the history sheet of the estimate, construction of the airstrip was felt necessary as Spiti Valley remained cut off from the rest of the world for a major part of the year and since the valley was being developed as a tourist resort.

In June 1991, the Commissioner, Tourism informed the Executive Engineer that the State Government had decided to construct a helipad at Rangrik in place of an airstrip already under construction. No estimate for the construction of the helipad had been prepared by the division as of January 1993. The Department had also not explored the possibility of putting the levelled space to an alternative use.

The Executive Engineer intimated (January 1993) the Audit that there would be no utility in constructing the helipad at Rangrik as a helipad already existed at Kaza which was only 8 kilometres away from Rangrik.

In the circumstances, the construction of airstrip at Rangrik was ill-planned and the expenditure of Rs. 7.47 lakhs incurred on levelling work had been rendered infructuous.

(b) With a view to providing suitable accommodation to tourists visiting the Spiti Valley, the work for the construction of tourist accommodation at Kaza was taken up by Spiti Division, Kaza in June 1989 without obtaining administrative approval. A preliminary estimate amounting to Rs. 19.83 lakhs submitted by the Additional Deputy Commissioner, Kaza to the Commissioner, Tourism, in September 1989 had not been approved as of January 1993. In December 1991, the Director of Tourism informed the Additional Deputy Commissioner that Government had decided not to construct the tourist accommodation at Kaza. In the meantime, the work had been stopped in May 1990 on the instructions of Engineer-in-Chief and the Superintending Engineer, 11th Circle, Rampur after incurring an expenditure of Rs. 0.82 lakh on development of site and excavation of foundations.

Commencement of the work without obtaining administrative approval and subsequent decision of the State Government not to construct the tourist accommodation at Kaza had thus, resulted in the expenditure of Rs. 0.82 lakh being rendered infructuous.

(c) The work relating to construction of abutments of 24.75-metre span RCC T-Beam bridge across Broni khad at km 16/0 of Rampur Gaura Mashnoo road was awarded to a contractor by Rampur Division in April 1989 at a cost of Rs. 1.44 lakhs. The work was stipulated to be completed within 2 months.

Scrutiny of the records of the division revealed that a payment of Rs. 1.43 lakhs had been made to the contractor in May 1989 for 1,899 cubic metres of excavation in earth work against the quantity of 65 cubic metres provided in the agreement. It was seen that detailed investigations to establish the suitability of the strata had not been carried out before commencing the work.

Further work was abandoned in May 1989 as the strata was not found suitable for the construction of the bridge. Work on alternative site had also not been started as of May 1993.

The Executive Engineer stated (June 1993) that the bridge site was proposed between pucca rocks and there was no possibility of any loose strata but during the excavation it was found that the rocky portion was only in upper layers of the profile. It was also stated that deeper excavations were made to have the bridge foundation on pucca rock which caused variation in the quantity of excavation work.

Failure on the part of the Division to carry out detailed site investigations to determine the suitability of the strata for construction of abutments for bridge had thus resulted in infructuous expenditure of Rs. 1.43 lakhs.

These points were referred to Government in July 1993; reply has not been received (November 1993).

4.14 Overpayment of escalation charges

(i) Construction of 6 bridges on various *khads/nallahs* on Pathankot-Banikhet road between km 59/0 and 74/0 was awarded to a contractor by the Dalhousie Division in April 1986. According to the provisions of the contract agreement, escalation for increase in the wages of the labour and prices of materials was reimbursable to the contractor after deducting the first 10 per cent increase.

It was noticed (January 1993) in audit that while making payment (July 1991) of escalation to the contractor for increase in the wages of the labour and prices

of materials up to December 1986, the first 10 per cent increase was not deducted. This led to overpayment of escalation amounting to Rs. 2.65 lakhs (labour: Rs. 1.73 lakhs and materials: Rs. 0.92 lakhs) to the contractor.

(ii) In the same division, the work of construction of 40-metre effective span prestressed concrete bridge over Chakki khad at km 17/950 of Chowari Raipur Patka road was awarded to a contractor in May 1991. The payment of escalation in wages of labour was to be made according to a formula laid down in the agreement. The work was executed in backward area wherein 12.5 per cent increase in normal daily rate of labour was payable and base month for this purpose was February 1990. The 5th running account bill was paid to the contractor in August 1992 which included payment of escalation amounting to Rs. 1.54 lakhs.

It was noticed (January 1993) in audit that while working out the minimum wages of unskilled labour for payment of escalation charges, the Division failed to take into account the 12.5 per cent increase in the minimum wages of Rs. 20 during the base month of February 1990. This resulted in an overpayment of Rs. 1.13 lakhs to the contractor.

The Executive Engineer stated (May 1993) that the recovery would be made from the final bills of the contractors and the security deposit lying with the Department. Reasons for not effecting recovered from the contractors so far were not, however, furnished.

(iii) Work of construction of two buildings-(i) Combined Office Building, 'Armsdale' and (ii) Directorate of Industries Building were awarded to two contractors by Shimla Division No.III in April 1987 and January 1988 for Rs. 65.22 lakhs and Rs. 57.17 lakhs respectively. According to the terms and conditions of agreements with the contractors if in the course of execution of works, prices of materials (not being materials supplied from departmental stores) and or wages of labour increased as a result of any fresh law or statutory rule or order, the Department would reimburse such increase in excess of 10 per cent to the contractors, provided that any increase so payable was not attributable to delay in the execution of the contract within the control of the contractors.

Stipulated to be completed by April 1991 and February 1990, the buildings were actually completed by the contractors in February 1992 and March 1992 respectively. Rupees 101.46 lakhs and Rs. 73.34 lakhs had been paid in respect of these two works to the contractors up to 35th and 16th running bills which included Rs. 4.02 lakhs and Rs. 2.92 lakhs respectively on account of escalation charges. Final bills of the contractors, in both the cases were under preparation as of June 1993.

It was noticed (October-November 1992) in audit that of the amount of escalation charges, Rs. 3.57 lakhs were paid for the works executed beyond the stipulated dates of completion. The Superintending Engineer, 4th Circle, Shimla stated (June 1993) that delay in the completion of works was beyond the control of contractors and was attributable to delay in furnishing of drawings/designs to them by the Department, which the contractors had been pointing out repeatedly to the Department.

Thus, failure to furnish drawings/designs to the contractors in time, resulted in avoidable payment of escalation charges of Rs. 3.57 lakhs.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.15 Outstanding recoveries from contractors

Three works of formation cutting in earth work and construction of culvert in different reaches of Wazir-Bowali Jhakri bypass road (Kullu district) were awarded to three contractors by the Outer Seraj Division, Brow (now shifted to Nirmand) between July 1989 and March 1990. The works were stipulated to be completed within a period of one to three months.

The contractors did not complete the works within the stipulated periods despite repeated requests by the Department. All the three contracts were, therefore, rescinded between August 1991 and February 1992. Scrutiny of final bills of contractors, which had not been adjusted in accounts as of July 1993, revealed that recoveries on account of materials supplied departmentally at issue rates, non-stacking of serviceable stones, hire charges of machinery, compensation for delay in completion of works and other reasons totalling Rs. 3.43 lakhs were outstanding against the contractors as against a total payment of Rs. 0.86 lakh due to them. Neither had the final bills been adjusted in accounts nor action to effect net recovery of Rs. 2.57 lakhs taken as of July 1993.

The Executive Engineer stated (July 1993) that the recovery of Rs. 0.28 lakh would be effected from one of the contractors, out of the amount payable to him in respect of another work being executed by him under the division. It was also stated in October 1993 that a notice had been circulated amongst other divisions of the Department in August 1993 to intimate the dues payable to the remaining two contractors so that the outstanding amount could be recovered from them. Further developments were awaited as of September 1993.

The matter was referred to Government in August 1993; reply has not been

received (November 1993).

4.16 Overpayment of additional compensation

(a) In terms of the Land Acquisition Act, 1894, as amended in 1984, additional compensation calculated at the rate of 12 per cent per annum on the market value of land from the last date of publication of the notification under Section 4(1) of the Act to the date of the award of the Collector or the date on which possession of the land is taken, whichever is earlier, is payable. The additional compensation is payable over and above the market value of land.

(i) The Sarkaghat Division took possession of land in two villages for the construction of Plassi-Trifalghat road (Mandi district) during February 1978. The notification for the acquisition of this land under Section 4(1) of the Act was issued during December 1985. Compensation in this case was awarded by the Land Acquisition Collector during March 1990. Though the additional compensation, in terms of the Act, was payable only from the date of publication of the notification under Section 4(1) of the Act, this was incorrectly paid from the date (February 1978) from which the possession of the land was taken over to February 1988. This resulted in overpayment of additional compensation of Rs. 0.90 lakh.

(ii) Land for the construction of Karsog-Parlog road (Mandi district) was taken over by the Karsog Division in January 1980 and the notification under Section 4(1) of the Act was issued during July 1988. The Land Acquisition Collector awarded the compensation during September 1991. The additional compensation was awarded from the date of taking over possession of land to 30th April 1990 instead of from the date of publication of the notification to the date of award. This resulted in overpayment of additional compensation of Rs. 0.86 lakh.

(b) Test-check (February 1993) of the records of Land Acquisition Office, Kullu revealed that notification for the acquisition of land in Phat Blagar (Kullu district) for the construction of Banjar Khabbal road was published in the gazette in April 1988. While making the award of Rs. 2.73 lakhs for the compensation of land, in October 1991, the Land Acquisition Collector, Kullu, however, computed additional compensation from the date of taking over possession i.e. December 1978. Thus, against the admissible additional compensation of Rs. 0.41 lakh, actual payment of Rs. 1.46 lakhs was made which resulted in excess payment of additional compensation of Rs. 1.05 lakhs.

These points were referred to Government in September 1993; reply has not been received (November 1993)

4.17 Excess drawal of advances

According to standing order No.28 issued by the Chief Engineer in December 1976, under the provisions of the Land Acquisition Act, only the amount required for making immediate payment of compensation of land was to be withdrawn from the treasury. The amount remaining unspent for more than a month was to be kept under Revenue Deposits. Contrary to these orders, the Land Acquisition Collector, Kullu drew advances from Kullu Divisions No.I and II amounting to Rs. 66.58 lakhs between March 1986 and January 1993. Against these advances, an amount of Rs. 54.90 lakhs had been disbursed as of January 1993 and the balance amount of Rs. 11.68 lakhs kept in various banks and post offices.

Interest amounting to Rs. 9.20 lakhs had been earned up to August 1992 on the deposits out of the unspent/undisbursed awards. Of this, an amount of Rs. 5.05 lakhs had been withdrawn by the Land Acquisition Collector from various bank/post office accounts from time to time; records of works on which the amount had been spent were not made available to Audit.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

4.18 Construction of bridge over Sirhali khad

Construction of a 36.57-metre span centre to centre bearing pre-stressed concrete bridge over the Sirhali khad on Harsaur-Garli road (Hamirpur district) was administratively approved in March 1989 at an estimated cost of Rs. 14.21 lakhs and was stipulated to be completed within three years. The preliminary estimate of the work included a lump-sum provision of Rs. 1 lakh for the construction of approaches and wing walls on both the sides of the bridge. The construction of approaches was started by Barsar Division in October 1988, in anticipation of administrative approval and technical sanction, and was completed in April 1991 at a total cost of Rs. 6.07 lakhs.

Tenders for the construction of the bridge were invited by the division in December 1991. The tenders remained under process with the Executive Engineer, Barsar Division, Superintending Engineer, 8th Circle, Hamirpur and the Chief Engineer (South), Shimla between February 1992 and January 1993. While returning the unapproved tenders in January 1993, the Chief Engineer stated that the work could not be taken up due to paucity of funds. The plea of the Chief Engineer was not acceptable in Audit because funds aggregating to Rs. 6.70 lakhs made available for this work between 1989-90 and 1992-93 had been surrendered by the division.

Thus, by not taking up the construction of the bridge despite availability of

adequate funds, the expenditure of Rs. 6.07 lakhs incurred on the construction of approaches had not yielded the intended benefits and had remained unfruitful as of May 1993. The delay in taking up construction of bridge would also result in cost escalation.

The Superintending Engineer stated (May 1993) that detailed working drawings for the construction of RCC arch-bridge at the same site were under finalisation in Chief Engineer's office. The drawing had, however, not been finalised as of September 1993. It was further stated that the Garli side approach having a total length of 233 metres was being utilised for vehicular traffic for the benefit of the public. Even if this plea of the Superintending Engineer is accepted, the proportionate expenditure of Rs. 2.65 lakhs incurred on 180-metres long approach on the Harsaur side had remained unfruitful for a period of over 2 years.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.19 Infructuous expenditure on pay and allowances of surplus staff

Consequent upon the completion of the airport at Jubber Hatti in March 1990, employees of different categories of Mechanical Division, Shimla were rendered surplus. Seven daily paid workers were retrenched in July 1990 but the operation of orders of retrenchment was stayed by the State Administrative Tribunal during the same month.

A case for the adjustment of surplus staff was sent by the division to higher authorities, from time to time, between February 1991 and March 1993, but no decision had been taken as of May 1993. In the meantime, 35 employees (work charged: 17 and daily paid: 18) of different categories were declared surplus to the requirements of the division between January 1991 and May 1992. A list of surplus staff was also circulated amongst various circles and divisions of the Department in May 1992 and July 1992 but no requisition had been received from any of the circles/divisions for their services. The Executive Engineer stated (September 1993) that the services of the surplus staff would be utilised in Steel and Bridges Construction Sub-Division as the fabrication of some steel bridges had been allotted to the division by the State Government in August 1993.

In view of the fact that the staff had become surplus to the requirements of the division and final adjustment in other circles/divisions had not taken place, expenditure of Rs. 11.78 lakhs incurred on their pay and allowances from the dates of their becoming surplus to July 1993 had been rendered infructuous.

The matter was referred to Government in September 1993; reply has not

been received (November 1993).

4.20 Loss due to collapse of a retaining wall

Construction of a retaining wall between RD 147/825 and 147/852 of motor road round Shimla was taken up for execution by Shimla Division No.I in July 1990 against the provision made in the estimate of construction of Motor Road Round Shimla which had been administratively approved in August 1979 at an estimated cost of Rs. 41.56 lakhs. The opinion of the State Geologist with regard to the stability of the strata and design of the retaining wall was not obtained. The retaining wall was completed in March 1991 partly through departmental labour and partly through contractors at a cost of Rs. 1.51 lakhs. A portion of the retaining wall bulged out in April 1991 and was repaired during the same month by providing toe walls in steps and compacting the bulged portion at a cost of Rs. 0.04 lakh. Subsequently, the retaining wall collapsed in September 1992 resulting in damages to about 2 to 3 metres wide outer stretch of the road.

After the collapse of the retaining wall, the site was inspected by the State Geologist in October 1992 on the request of the Executive Engineer. He opined that the entire affected hill slope towards down hill side of the road stretch was covered with thick overburden material comprising of clayey and silty soil admixed with high percentage of debris of different dimensions. He recommended construction of a retaining wall of RCC structure with 15 to 16 metres height from foundation to the road level at suitable spacing of about 3 to 4 metres apart by providing counter fort of each of these columns. It was also recommended that the back cutting of the trench and the open space above the existing hill slope and the proposed road may be filled with wire crates and horizontal RCC cross beams may be provided to protect the wire crate fillings.

In view of the recommendations of the State Geologist, a special repair estimate amounting to Rs. 11.37 lakhs was technically sanctioned by the Superintending Engineer in April 1993, work against which had not been started as of June 1993.

The Executive Engineer informed (April 1993) the Superintending Engineer, 4th Circle, Shimla that investigations for these damages were being carried out in Chief Engineer's office and the outcome of these investigations was awaited as of April 1993. It was further stated by him to Audit (April 1993) that the retaining wall was periodically inspected by the departmental officers during the course of its construction but no specific inspection note had been issued for this job.

Thus, by not taking advice of the State Geologist with regard to the

stability of the strata and suitable design of the retaining wall in the first instance, an expenditure of Rs. 1.55 lakhs incurred thereon had gone waste.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.21 Primary Health Centre, Jassourgarh

The Primary Health Centre building at Jassourgarh (Chamba district) was constructed by Churah Division, Chamba during December 1978 at a cost of Rs. 5.01 lakhs against the administrative approval and expenditure sanction accorded in November 1967 at an estimated cost of Rs. 0.55 lakh, subsequently revised to Rs. 1.86 lakhs in July 1969. The reasons for cost overrun had not been intimated by the division. The building with an estimated life of 25 years was handed over to Health and Family Welfare Department in December 1978.

Scrutiny of the records of the division revealed that due to earth tremors in 1979, certain cracks developed in the building and the walls left their joints. The front portion of the building also started sinking. An expenditure of Rs. 0.67 lakh was incurred during 1985-87 on the restoration of damages. Again, due to heavy rains in the winter of 1992, huge cracks developed in the building and the front portion started sinking. As the building became unsafe for use, the Primary Health Centre was shifted to another Government building in February 1992. The Superintending Engineer, 7th Circle, Dalhousie, who inspected the building in August 1992, observed that the front portion of the building was resting on a filled up soil. He, therefore, suggested that a special repairs estimate should be prepared and the damages restored. Accordingly, a special repairs estimate for Rs. 2.65 lakhs was submitted by the Divisional Officer to the Superintending Engineer in January 1993 for sanction. Neither had the estimate been sanctioned as of September 1993 nor the damages restored. The building constructed at a cost of Rs. 5.01 lakhs was thus lying in an abandoned state.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.22 Idle investment

The rest house building at Kaffota (Sirmaur district) was damaged during the rainy season of 1988. As the building was very old, it was decided to demolish the damaged structure and construct a new rest house at the same site. Accordingly, construction of the building was technically sanctioned at an estimated cost of Rs. 4.32 lakhs in August 1989 under the head relief on natural calamities.

The work was started by Kaffota Division in January 1990 without obtaining administrative approval and expenditure sanction, which had not been received as of February 1993. After laying the slab of the first floor of the building at an expenditure of Rs. 4.38 lakhs, further work was stopped in April 1992 because of paucity of funds. It was noticed, that contrary to rules, the expenditure on the work was met out of funds allotted for restoration of damages caused by natural calamities between 1989-90 and 1991-92. No regular capital head of account was operated upon.

The expenditure of Rs. 4.38 lakhs incurred on the work, in contravention of the provision of rules, had thus, remained unfruitful and had not yielded the intended benefits.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

4.23 Incomplete road works

According to the Forest (Conservation) Act, 1980, prior approval of the Government of India was necessary for acquiring forest land for non-forest purposes. The Government of India had also clarified in March 1982 that diversion of forest land for non-forestry activities in anticipation of approval was not permissible and that requests for *ex-post facto* approval would not be entertained.

In 8 divisions¹, 12 road works (estimated cost: Rs. 140.93 lakhs) stipulated to be completed within a period of two to five years from the date of commencement of the work as detailed in Appendix-IX were taken up for construction between April 1972 and September 1989 without obtaining the approval of the Government of India for the use of forest land falling along the alignment of these roads. The road works were lying incomplete after incurring an expenditure of Rs. 26.04 lakhs. These included three road works taken up for construction by Karsog and Barsar Divisions prior to the commencement of the Act. The permission of the State Government for the use of forest land for non-forest purposes, as required under the Act, had not been obtained in these cases. The delay involved ranged between 6 to 215 months.

In 4 divisions², four road works (estimated cost: Rs. 41.13 lakhs) stipulated to be completed within a period of 2 to 3 years from the date of the commencement of the works as detailed in Appendix-X were taken up for execution between March 1983 and October 1988 and were lying incomplete after incurring an expenditure of Rs. 9.11 lakhs. These works were held up due to non-acquisition of private land. The delay in

¹ Barsar, Bharwain, Ghumarwin, Haripur Dhar, Karsog, Nahan, Niemand and Nurpur

² Ghumarwin, Karchham, Karsog and Rajgarh

completion of these works ranged between 17 and 84 months.

The expenditure of Rs. 35.15 lakhs incurred on these works had thus, remained unfruitful and the beneficiaries deprived of the intended benefits.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

4.24 Unfruitful expenditure on incomplete buildings

A test-check of the accounts of 5 Buildings and Roads Divisions¹ revealed that 5 buildings and one compound wall as detailed in Appendix-XI, estimated to cost Rs. 40.24 lakhs (estimated cost in one case not known), and taken up for construction between 1983-84 and April 1989, had not been completed after incurring an expenditure of Rs. 17.26 lakhs. This also included Rs. 0.69 lakh spent by Kalpa Division on the construction of Tourist Complex at Kalpa which was abandoned as the site was found water logged and was not considered fit for construction of a building. These works which were stipulated to be completed within periods ranging between three months and two years were lying incomplete for the last four to nine years. The delay in completion of these works was attributed to paucity of funds (four cases), non-accordng of revised sanction (one case) and unsuitable site (one case).

The expenditure of Rs. 17.26 lakhs incurred on these works had thus not yielded the intended benefits and had remained unfruitful.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

¹ Kalpa, Karchham, Nahan, Sarkaghat and Shimla-I

CHAPTER-V

STORES AND STOCK

Public Works Department

5.1 Material management and inventory control

5.1.1 Introduction

The Public Works Department has been divided into two zones. The South Zone headed by Engineer-in-Chief is located at Shimla and the North Zone headed by a Chief Engineer is located at Dharamsala. In August 1982, a store purchase organisation (organisation) was created at Shimla to deal with the cases of purchase of stores of the Department. Subsequently, with the shifting of the office of the Chief Engineer (North Zone) in 1983 from Shimla to Dharamsala, the organisation had been catering to the needs of South Zone only and cases of purchase of stores pertaining to North Zone are looked after by the Chief Engineer's (North Zone) office, Dharamsala. There were 5 circles and 24 divisions under the control of North Zone.

Mention was made in paragraph 6.1 of the Report of the Comptroller and Auditor General of India for the year 1986-87 (Civil) regarding the material management and inventory control in the South Zone of the Department.

5.1.2 Audit coverage

A test-check of records covering the period from 1990-91 to 1992-93 relating to purchase, custody and management of stores in the office of the Chief Engineer (North Zone) and of 8 divisions¹ under the Zone was conducted during April-June 1993. The main points noticed during test-check are mentioned in the succeeding paragraphs.

5.1.3 Synopsis of stores accounts

A synopsis of stores accounts of the various divisions under North Zone at

¹ Baijnath, Dharamsala, Jassur, Kangra, Kullu-II, Nurpur, Palampur and Sundernagar

the end of the last three years ending 1992-93 is given below:

Year	Opening Balance	Receipts	Issues	Closing balance
(Rupees in lakhs)				
1990-91	164.22	1,018.02	1,009.68	172.56
1991-92	172.56	1,496.37	1,480.43	188.50
1992-93	188.50	1,198.10	1,049.71	336.89*

*Provisional

The value of stores held by the various divisions under the Zone had been increasing year after year. The Department had not fixed division-wise reserve stock limits.

5.1.4 Irregularities in purchases of stores, etc.

The Executive Engineers are empowered to make local purchase of stores up to Rs. 5,000 for each item subject to the condition that the total amount of local purchases does not exceed Rs. 50,000 in a year. The Assistant Engineers have also been authorised to make local purchases subject to annual ceiling of Rs. 5,000.

A test-check of the purchases made by the Executive Engineers and Assistant Engineers of 8 divisions test-checked during 1990-91 to 1992-93 revealed that the requirements were split up and purchases aggregating Rs. 106.53 lakhs² (excluding orders below Rs. 1,000 at a time and purchase of machinery and spare parts) had been made piecemeal by them on the basis of quotations from a few firms, far in excess of prescribed limits, as under:-

Year	Number of		Number of cases of local purchases	Amount of local purchases			Percentage of excess
	Divisions	Sub-divisions		Maximum permissible	Actual	Excess	
(Rupees in lakhs)							
1990-91	8	32	677	5.60	31.06	25.46	455
1991-92	8	32	778	5.60	38.85	33.25	594
1992-93	8	32	785	5.60	36.62	31.02	554
			2,240	16.80	106.53	89.73	

Local purchases of stores aggregating to Rs. 59.18 lakhs³ were made during 1990-93 by the Assistant Engineers against delegated power of Rs. 5,000 in a year and *ex-post facto* sanctions had been accorded by the Executive Engineers, who were not competent to accord such sanctions.

This was indicative of the total disregard of the codal provisions and departmental instructions relating to the powers vested in the Executive Engineers/Assistant Engineers for making local purchases.

Other points noticed during scrutiny of records were as under:

(i) Lists of approved suppliers and principal manufacturers for various items of stores were not available in the divisions. In the absence of such lists, purchases were made by inviting quotations from three or more local and outstation firms without ensuring as to whether items were borne on rate contract or being manufactured by the State Government undertakings.

In the divisions test-checked, items borne on rate contract were purchased from suppliers not borne on rate contract without obtaining non-availability certificate. As the rates of these suppliers were higher than those of rate contract, the purchases resulted in an avoidable extra expenditure of Rs. 5.96 lakhs.

(ii) According to the rules and procedures prescribed for the purchase of stores, the first preference should be given to the products of the State Government owned industries carried on in Government workshops or by the statutory bodies set up by Government. A blanket ban was also imposed by the State Government in July 1984 on the purchase of products similar to those being manufactured by Nahan Foundry Limited (now State Workshop since October 1988) from other sources. In spite of this, stores such as wheel barrows, doors and window frames, grills, etc., costing Rs. 8.28 lakhs (which were manufactured at the State Workshop, Nahan) were purchased in 8 divisions from other suppliers between 1990-91 and 1992-93 in contravention of the instructions of Government and without obtaining non-availability certificate from the State Workshop, Nahan.

Similarly, stores such as shovels, pickaxes, hammers, etc., costing Rs. 2.86 lakhs were purchased during 1990-91 to 1992-93 by 7 divisions⁴ from other suppliers although these articles were being manufactured by the Himachal Pradesh Agro-Industries Corporation Limited.

3 1990-91: Rs. 18.35 lakhs; 1991-92: Rs. 20.84 lakhs; and 1992-93: Rs. 19.99 lakhs.

4 Dharamsala, Jassur, Kangra, Kullu-II, Nurpur, Palampur and Sundernagar

(iii) Contrary to the Government rules, open tenders in respect of indents valuing Rs. 10,000 or more were not invited to derive the benefit of competitive rates. In 74 cases in 8 divisions test-checked purchases totalling Rs. 13.53 lakhs had been made during the three years ending 1992-93 merely on the basis of three or more quotations though the value of indents (as per notice inviting quotations) was more than Rs. 10,000 in each case.

(iv) In 111 cases of the local purchases (amount Rs. 6.94 lakhs), materials costing Rs. 1.54 lakhs only (22 per cent) was consumed within three months and the remaining materials remained unutilised for periods ranging between 4 and 21 months. The purchases had thus, not been made after assessing immediate requirement of works.

(v) Scrutiny of the comparative statements in the divisions test-checked revealed that the rates of only one supplier on whom orders were placed by the concerned division, were found to be lowest in respect of all the items even though the number of items ranged between 5 and 64. The quotations received were found to be undated and not in sealed covers in many cases. In most of the cases, references to notices inviting quotations were not found recorded.

(vi) According to procedure and rules laid down by Government for effecting purchases, stores should be indented in accordance with ISI markings. In the absence of these, they should conform to ISI code or specification determined by the State Government. It was, however, noticed that of the 353 cases of purchases costing Rs. 27.47 lakhs, in 293 cases materials costing Rs. 23.14 lakhs were purchased without giving ISI code or specification in the notices inviting quotations. In the absence of these, it was not clear as to how the quality of the product purchased was ensured.

(vii) Purchases costing Rs. 4.17 lakhs⁵ were made by the divisions against 93 supply orders by collecting spot quotations although this was not covered by the prescribed procedure.

(viii) Indents for items required by the Department were to be placed with the Controller of Stores, before 5th February each year to enable the latter to finalise the rate contracts for existing and new items. The Controller of Stores stated (April 1993) that consolidated indents were not received from the Department during the three years ended 1992-93. It was noticed that the rate contracts in respect of commonly used items such as *toot* baskets, tarring buckets, PWD flags and badges, handles for shovels and pick axes, etc., had not been finalised as indents were not placed with the

Controller of Stores. This resulted in purchases of these items valued at Rs. 2.68 lakhs (excluding supply orders up to Rs. 1,000) at varying rates as indicated in Appendix-XII.

5.1.5 Avoidable expenditure

Bitumen required by various divisions under the North Zone was first transported to the Bodh store of Nurpur Division and thereafter carted to different destinations. This process involved unnecessary unloading/loading of bitumen at Bodh store.

Test-check of the records of Nurpur Division revealed that 30,112 drums of bitumen were first transported to Bodh store and then carted to respective divisions during the period from 1990-91 to 1992-93. This resulted in an avoidable extra expenditure of Rs. 1.44 lakhs on unloading and reloading, justification for which had not been furnished as of June 1993.

5.1.6 Purchases without inviting quotations

According to instructions issued by the State Government in August 1979, indenting officers are required to place direct orders with the State Government undertakings only in respect of items being manufactured by them. In 8 divisions test-checked, stores such as tyres and tubes, batteries, AC sheets, CGI sheets, etc., costing Rs. 12.15 lakhs were purchased from Himachal Pradesh Agro-Industries Corporation without inviting quotations from the open market although these items were not manufactured by the Corporation.

5.1.7 Excess purchase of bitumen

Two supply orders for the supply of 3,300 tonnes of packed bitumen were placed by the Chief Engineer in May 1992 (1,500 tonnes) and December 1992 (1,800 tonnes). The bitumen was required for various divisions under Nurpur, Palampur and Dalhausie Circles.

Scrutiny of records of Nurpur Division, which had been made the consignee, revealed the following:

	<u>Drums</u>
Opening balance	572
Received between April 1992 and April 1993	26,011
Transferred from works to stock in May 1992 and June 1992	1,287
Total	27,870
Transferred to various divisions	<u>21,423</u>
Balance in stock	6,447
Unutilised balance in the material at site account of a work	529
Total balance available in May 1993	6,976

Of the 26,011 drums of bitumen received in the division between April 1992 and April 1993, 5,473 drums were received on the basis of supply orders placed between May 1990 and February 1992, which were not kept in view while placing supply orders during 1992-93. This resulted in blocking of funds to the extent of Rs. 55.81 lakhs. The inventory of the division had also abnormally increased to 6,976 drums as of May 1993 compared to the balances of 381 drums and 572 drums at the close of March 1991 and March 1992 respectively.

It was also noticed that 2,900 drums of bitumen costing Rs. 23.19 lakhs (approximately) were lying unused as of March 1993 in the stores of five⁶ of the eight divisions test-checked.

5.1.8 Inventory control

(i) A test-check of records in the Chief Engineer's office revealed that quarterly returns of inventory received from Circle Offices were being posted in a register without giving any directions to the field offices regarding reduction/replenishment of inventory, transfer of material, etc. Item-wise details of all major items had not been indicated in the inventory returns as these were grouped under "Miscellaneous items". The position of opening and closing balances in respect of "Miscellaneous items" *vis-a-vis* total

⁶ Baijnath: 443 drums, Dharamsala: 70 drums, Kangra: 1,435 drums, Palampur: 117 drums and Sundernagar: 835 drums

inventory was as under:

	Position of inventory ending		
	March 1990	March 1991	March 1992
	(Rupees in lakhs)		
Bitumen, Cement and Steel	71.55	66.13	82.73
Other individual items	49.84	56.31	53.40
Miscellaneous	42.83	47.13	42.88
Total inventory	164.22	169.57*	179.01*
Percentage of miscellaneous items to total inventory	26	28	24

Item-wise details in respect of miscellaneous materials, which formed 24 per cent of the total inventory ending March 1992 were not available in the Chief Engineer's office.

(ii) It was also noticed that in order to (a) decrease the the value of inventory held by the divisions and (b) exhaust the budget provisions, materials were shown as issued to works where these remained unutilised as these were either not required for immediate consumption or were not required at all for use on these works. In 6 divisions⁷ materials such as steel, bitumen, wire rope, barbed wire, etc., costing Rs. 61.84 lakhs shown as issued to works between March 1987 and March 1992 remained unutilised in the material-at-site accounts of the concerned works. These materials had not been included in the quarterly returns of inventory sent to the Chief Engineer. A few cases are briefly discussed as under:

(a) In Sundernagar Division, 2,530 drums of bitumen were issued to the work "Strengthening of Chandigarh-Bilaspur-Manidi-Kullu-Manali road from km 156/750 to km 178/500" between December 1991 and February 1992. Of this, 1,775 drums were written back to stock in May 1992 and the balance quantity of 755 drums were transferred to eight other works between April and June 1992. Again, the cost of 5,175 drums was debited to the same work between August 1992 and February 1993. Of this quantity, the cost of 2,000 drums was written back to stock in April 1993 and remaining 3,175 drums valued at Rs. 31.75 lakhs remained unutilised in the material-at-site account of the work as of May 1993.

* Differ from the figures indicated in paragraph 5.1.3; the variations have not been explained by the Chief Engineer (November 1993).

⁷ Baijnath, Dharamsala, Jassur, Kangra, Nurpur and Sundernagar

(b) The Superintending Engineer, 5th Circle, Palampur placed an order on a Bombay based firm in March 1989 for supply of steel wire ropes (38 mm). 1,860 running metres of steel wire ropes valued at Rs. 4.58 lakhs were received in July 1989. The ropes were booked to the work "Construction of 55-metres effective span aerial rope way bridge over Churan Khad" in April 1991 and were lying unutilised since then as the construction of bridge could not be taken up as of May 1993 due to dispute with land owners.

(c) Five hundred and forty running metres of wire rope (56 mm) valued at Rs. 1.08 lakhs was received in Sundernagar Division from Karsog Division in July 1986. In January 1991, the ropes were declared surplus to requirements and the other divisions were asked to send their requirement for the ropes. However, in March 1991, the material was debited to the work "Construction of 14-metres span foot bridge over Satohli Khad". The administrative approval and expenditure sanction for this work was for the construction of RCC T-beam foot bridge for which wire ropes were not required. The material was lying unutilised in the material-at-site account of the work as of May 1993.

(d) In Jassore Division, 530 litres of paint was shown as issued to the work "Additions and alterations to Government High School, Kuthar" in March 1988. The paint was, however, not lifted from store as it was physically verified at store at the time of physical verification conducted from time to time. As per entries recorded in the MAS register (on the basis of issue from store), 100 litres of paint was issued to five other works and 40 litres was transferred to Kotla Sub-Division between February 1990 and May 1992. The balance quantity of 390 litres valued at Rs. 0.31 lakh was lying unutilised as of May 1993. The possibility of deterioration in the quality of the paint due to prolonged storage could not be ruled out.

The practice of reducing the level of inventory by issuing material from stock to the works without the materials being actually utilised on them led to an incorrect picture of the physical level/financial magnitude of inventory holdings of the Department.

5.1.9 Surplus stores

In 5 divisions⁸, stores costing Rs. 7.39 lakhs were lying surplus for periods ranging from 2 to 26 years. In addition, stores costing Rs. 2.41 lakhs were also lying surplus in 3 divisions⁹ in respect of which there had been no transaction for periods

8 Dharamsala, Kangra, Nurpur, Palampur and Sundernagar

9 Bajjnath, Dharamsala and Jassur

ranging from 6 to 15 years. Necessary action for disposal/utilisation of surplus and unutilised stores had not been taken as of May 1993.

5.1.10 Unserviceable stores

Tools and plants and other material costing Rs. 9.54 lakhs were declared unserviceable between 1968 and December 1992 and were awaiting disposal at the end of March 1993 in the divisions test-checked. In addition, 4.675 tonnes of steel scrap was awaiting disposal in Nurpur Division since November 1987.

5.1.11 Other points of interest

(a) Fuelwood is being used by the divisions for heating of bitumen as per the norms laid down by the Department although oil fired tar boilers are far more economical for heating of bitumen. The Engineer-in-Chief maintained in August 1987 that the performance report of oil fired tar boilers received from the field offices had revealed that oil consumption of an oil fired tar boiler of 1,000 litres capacity was six litres per hour and the time taken by such a boiler to attain the required temperature for heating five drums of bitumen was about three hours. Thus, the consumption of oil for heating one drum of bitumen on an average works out to 3.6 litres against 6 to 12 quintals of fuelwood.

In 9 divisions¹⁰, 28,587 quintals of fuelwood costing Rs. 25.38 lakhs was consumed during 1990-91 to 1992-93 for heating 3,688 tonnes of bitumen. The heating of this quantity of bitumen could have been done by using 85,732 litres of diesel oil costing Rs. 4.38 lakhs which could have resulted in saving of Rs. 21 lakhs apart from the conservation of dwindling forest resources.

(b) A Junior Engineer working in Baijnath Division was relieved of his existing charge during December 1991 on his transfer to Jubbal Division. The official did not hand over charge of his section. In September 1992, the Superintending Engineer, Palampur directed the Executive Engineer to lodge FIR against the official so that stores could be got opened and handed over immediately. A case was registered with the Police in January 1993 and the official was placed under suspension in April 1993. The Junior Engineer had neither handed over the charge nor any charge-sheet was framed against him as of May 1993. Important records such as measurement books, material-at-site registers, tools and plant registers, etc., had also not been handed over by the official.

It was also observed that physical verification of some of the stores held by the Junior Engineer was conducted a fortnight before his relief from the division.

According to the physical verification report, material costing Rs. 1.50 lakhs besides 246 items pertaining to Rest House at Baijnath were physically verified by the officer deputed for physical verification. Final shortages have, however, not been worked out.

(c) Three thousand seven hundred and eighty drums of bitumen were despatched from Bombay vide 27 RRs all dated 27 April 1987. Of these, 140 drums of bitumen booked through one of the railway receipts were, however, not received and a certificate to the effect that the material booked against this RR has not been received was obtained (June 1987) by the consignee (Assistant Engineer, National Highway Sub-Division, Sundernagar) from the Station Master, Kiratpur Sahib railway station.

A claim for Rs. 0.91 lakh was lodged with the Chief Commercial Superintendent (Claims), Northern Railway, New Delhi in August 1987. As no response was received from the railway authorities, notice under Section 80 CPC was issued in September 1988. The Assistant Public Prosecutor, Sundernagar was asked in April 1991 to file the case in the Court. However, the case had not been filed and the refund was awaited as of May 1993.

These points were referred to Government in August 1993; reply has not been received (November 1993).

5.2 Purchase of a snow cutter

The Mechanical Division, Shimla purchased a Snow cutter-VF-3-HR from a firm of West Germany in August 1975 at a cost of Rs. 12.25 lakhs through their Delhi based agent. The machine worked only for 286 hours between March 1976 and February 1986. It had been lying idle in the workshop of the division since March 1986 for want of repairs. Expenditure of Rs. 1.85 lakhs had also been incurred on repairs and maintenance of the machine and on the operational staff between 1976-77 and 1988-89.

The Executive Engineer intimated (June 1993) that the spare parts of the machine were not available and it was not possible to put it in working condition. It was intimated (August 1993) by the Executive Engineer that the machine was meant for removal of heavy snow and it skidded on the steep gradients of the roads and accordingly the matter had been taken up with the manufacturer in July 1993 to explore the possibility of modifying the basic design of the machine from the present crawler type design to the tyre-mounted design. Reply of the manufacturer had not been received as of August 1993.

Action of the Department in purchasing the machine without verifying its suitability and inordinate delay in getting it repaired or getting the design modified had,

thus, resulted in the investment of Rs.12.25 lakhs remaining largely unfruitful.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

5.3 Misappropriation of material

The Executive Engineer, Kasauli Division entered into three separate agreements in September 1991 with a Mathura based carriage contractor for carriage of bitumen from Mathura to different stores at Kasauli, Subathu and Nalagarh. The job was to be completed by mid-November 1991.

According to the system prevailing in the Department, authority letter is issued to the carriage contractor against the delivery orders of the Refinery on the basis of which bitumen is lifted by the contractor. The material so lifted from the Refinery remains in the sole custody of the contractor till it is handed over to the consignee at the destination. No provision for securing the Government interest on the material had been made in the contracts except that in the event of loss of material in transit, recovery at double the normal rates was to be made from the carriage contractor.

The carriage contractor lifted 292.968 tonnes (1,878 drums) of bitumen from the Mathura Refinery between September 1991 and January 1992 on the authorisation of the division and handed over 244.296 tonnes (1,566 drums) of bitumen to different stores of the division between October 1991 and August 1992. The balance quantity of 48.672 tonnes (312 drums) of bitumen valued at Rs. 2.43 lakhs, had neither been handed over as of May 1993 nor was it available in the stock-yard of the carriage contractor at Mathura. Payment in respect of the entire quantity had already been made to the refinery by the Pay and Accounts Office of the Ministry of Supply, New Delhi on behalf of the State Government in accordance with the existing procedure.

The Executive Engineer stated (May 1993) that the matter was reported to Police in November 1992 but the FIR was registered only in January 1993; which was still under investigation. It was further stated that officials of the division were also being deputed to contact the contractor for the delivery of the balance quantity of material.

The penal recovery of Rs. 4.86 lakhs had neither been made from the contractor nor Rs. 0.42 lakh available with the division on account of security deposit, earnest money and value of work done adjusted against it. Action to levy compensation in terms of the contracts for not completing the job within the stipulated period had also not been taken by the division as of May 1993.

The matter was referred to Government in August 1993; reply has not been

received (November 1993).

5.4 Excess consumption of materials

According to the Himachal Pradesh Public Works Department specifications and estimates of works sanctioned by the Superintending Engineers, 5 kilograms of bitumen was required to be used for 10 square meters of area of an existing bitumen treated road surface for carrying out the premix carpeting for annual surfacing.

Notwithstanding these provisions and estimates framed on this basis, bitumen at the rate of 10 kilograms per 10 square meters was actually consumed in 3 divisions¹ over an area of 1,17,003 square meters in respect of 16 road works between May 1990 and June 1992. Deviation from the prescribed specifications and the sanctioned estimates resulted in excess consumption of 58,501 kilograms (374 drums) of bitumen costing Rs. 3.24 lakhs. In addition, 469 quintals of fuelwood costing Rs. 0.52 lakh was also consumed in excess of the prescribed norms for heating the excess quantity of bitumen consumed.

On this being pointed out (December 1992 and January-February 1993) in audit, the Executive Engineers attributed (October 1993) the excess consumption of materials to deterioration of road surface, delay in carrying out renewal coat, damage to road surface due to sinking and damages caused during rainy season. The plea of the Executive Engineers was not tenable because due allowance for these factors would have been made in the sanctioned estimates of the works.

The matter was referred to Government in June 1993; reply has not been received (November 1993).

5.5 Unused stores

Financial rules of Government require that stores should be purchased in accordance with definite requirements of public service and these should not be purchased much in excess of actual requirements.

In the following three cases stores valued at Rs. 12.40 lakhs had remained unutilised from 1982-83 onwards resulting in idle investment :

- (i) In Mechanical Division, Dhalli spare parts of various machines and vehicles valued at Rs. 8.24 lakhs were lying unutilised as of March 1993.

The Executive Engineer stated (June 1993) that these spare parts were

purchased by different divisions of the Department, from time to time, and were transferred to Mechanical Division, Dhalli between 1982-83 and 1984-85 on the directions of the Chief Engineer. It was stated that the details of machineriés/vehicles for which these spare parts were purchased were not available with the division. The spare parts were declared surplus during 1985 and lists of these spare parts were circulated amongst various divisions of the Department but no requisition for their supply had been received from any division. It was further stated that action for the auction of these spare parts was yet to be taken.

(ii) The Medical College Division, Shimla purchased 97.473 tonnes of steel of 18 mm diameter between February 1982 and June 1988. Of this, 54.574 tonnes of steel had either been used by the division on various works or transferred to other divisions and the remaining quantity of 42.899 tonnes costing Rs. 3.47 lakhs was lying unused in the stock of the division as of May 1993.

(iii) In Kalpa Division, materials such as bearing plates, saddle plates, roller joints, nuts and bolts, etc., costing Rs. 0.80 lakh were purchased during 1978-79 for the construction of 215-foot span stiffened suspension bridge over river Spiti at Leo (Kinnaur district). These materials were to be used on the superstructure of the bridge. It was, however, noticed that the superstructure work of the bridge was got executed through a contractor between September 1987 and November 1988, who used his own material on the work. Of the total quantity of the materials purchased by the division, materials costing Rs. 0.11 lakh were washed away during heavy flood in August 1991 and the balance materials costing Rs. 0.69 lakh were lying unused as of October 1992.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

Irrigation and Public Health Department

5.6 Unfruitful expenditure owing to purchase of defective pumping machinery

(i) The work of providing and erection of two centrifugal pumps of 50-HP of Kirloskar make to replace the old pumps of Water Supply Scheme, Dehri (Kangra district) was awarded to a firm by Irrigation and Public Health Division, Nurpur for Rs. 0.86 lakh in November 1984. The pumps were received in July 1985 and payment of Rs. 0.68 lakh was made to the firm.

It was noticed (January 1993) in Audit that the pumps were not erected by the firm. However, these were got erected through another agency in January 1989 and were found defective and did not give the required output. No action had been taken to get the pumps replaced or to get the defects rectified. The scheme was being run with the old pumping sets.

(ii) Similarly, the work for providing and erecting one vertical turbine pump of 20-HP for tubewell at Loharli (Una district) was awarded to a firm by IPH Division No.II, Una for Rs. 0.69 lakh in December 1985. The pump was received in the division and erected by the firm in March 1987 and payment of Rs. 0.72 lakh (including Rs. 0.03 lakh on account of sales tax) was released by the division.

It was, however, noticed (December 1992) in Audit that the pump had to be dismantled in May 1988 as it did not run satisfactorily ever since its erection in March 1987. Since then the equipment was lying dismantled and action had not been taken by the division to get the pumps replaced/repared. The tubewell was being run by diverting a stand by pump of another tubewell.

Thus, the expenditure of Rs. 1.40 lakhs on the procurement of machinery which was found defective did not serve the intended purpose and remained unfruitful.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

5.7 Unused stores

Bilaspur Division procured stores such as CI bends, MS flanges and other fittings valued at Rs. 1.81 lakhs between 1972-73 and 1991-92 which were lying unutilised (September 1993) as there was no demand against the works under execution in the division. The stores lying unutilised had been declared surplus to the requirements of the division in August 1992.

The Executive Engineer stated (June 1993) that earlier the jurisdiction of the division was vast and material so procured was of common use but with the creation of new divisions the works were transferred but the material arranged in anticipation of requirements could not be utilised. This plea is not acceptable as the material could have been transferred to other divisions to whom the control of the schemes was transferred.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

5.8 Shortages/non-accounting of stores

Materials costing Rs. 4.14 lakhs had either not been handed over or handed over short by 6 Junior Engineers to their successors at the time of their transfer between September 1988 and November 1991 in 2 Irrigation and Public Health divisions¹.

In addition, materials costing Rs. 0.37 lakh were found short in Anni Division at the time of physical verification of stores conducted in September 1991.

Materials costing Rs. 1.12 lakhs issued from stores against indents or transferred from one work to another work between January 1989 and December 1991 in Sarkaghat Division had not been accounted for in the material-at-site account of the concerned work.

Action had not been taken, as of August 1993, to reconcile/recover the shortages or to investigate the non-accounting of materials.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

Ayurveda Department

5.9 Deficiencies in material management

The stores in Ayurveda Department mainly consist of medicines, raw herbs, etc. At the Directorate level, the cases of purchase of stores are processed by a purchase committee. In the field units, the purchases are made in accordance with the powers delegated to them under the State Financial Rules.

Certain important points noticed in the course of general review of the stores management during the period from 1988-89 to 1992-93 in three Districts², Ayurvedic College, Paprola, Regional Ayurvedic Hospital, Shimla and the Ayurvedic Pharmacies, Joginder Nagar and Majra undertaken by Audit during April-June 1993 are mentioned

¹ Kaza and Palampur

² Kinnaur, Mandi and Shimla

in the following paragraphs.

(1) Diversion of funds

With a view to improve and strengthen the existing under-graduate colleges of Indian system of medicine and homeopathy, the Government of India sanctioned a grant of Rs. 11.36 lakhs in March 1991 to the State Government for the purchase of equipment and for setting up a book bank. A list of equipment which should have been purchased out of these funds was also supplied by the Government of India and the purchase was to be restricted to this list. However, instead of purchasing all the equipment approved by the Government of India, the Principal Ayurvedic College, Paprola purchased equipment costing Rs. 6.44 lakhs other than that approved by the Government of India. The Principal stated (May 1993) that the equipment was purchased according to requirements.

Codal formalities for effecting the purchase were not observed. Instead of inviting open tenders for the purchase of equipment and books, the purchase was made by collecting spot quotations.

(2) Irregular purchases

(i) Contrary to the provisions in the financial rules of the State Government, open tenders for the purchases exceeding Rs. 10,000 were not invited to derive the benefit of competitive rates and purchases of herbs, packing material, etc., totalling Rs. 13.51 lakhs were made during 1988-89 to 1992-93 by Joginder Nagar (Rs. 5.81 lakhs) and Majra (Rs. 7.70 lakhs) pharmacies on the basis of three to six spot quotations though the value of indents was more than Rs. 10,000 in each case.

Besides, purchases costing Rs. 1.22 lakhs were made by Joginder Nagar (Rs. 0.44 lakh) and Majra (Rs. 0.78 lakh) against 30 supply orders by collecting spot quotations although this was not covered by the prescribed rules.

(ii) In Majra Pharmacy, purchases of raw herbs were made at higher rates as tabulated below.

Particulars of item	Quantity purchased (In kilo-grams)	When purchased	Cost (Rupees in lakhs) (Quantity in kilo-grams)	Rate at which purchased (In Rupees per kilo-gram)	Rate at which purchased earlier/Market Rate		Remarks
					Year	Rate (In Rupees per kilo-gram)	
1. Swet Sariva	350	1984-85	0.14 (50 kg)	280	1983-84	4	Ark prepared from this material got infected by fungus and became unfit for use as proper facilities for the manufacture of this Ark were not available with the Pharmacy
		1986-87	0.76 (300 kg)	253	1986-87	6	
2. Swet Chandan	130	----	0.17 (130 kg)	125	1982-83 to 1986-87	39	
3. Mukta Shukti	480	1985-86	0.20 (130 kg)	154	1985-86 and 1987-88	Between 100 and 114	Rates were charged for Moti Sipi but most of the material supplied was for Jal Sipi, the rates of which were between Rs. 6 and Rs. 7.70 during 1985-86 and 1986-87.
		1987-88	0.45 (350 kg)	129			

The Director of Ayurveda stated (July 1993) that the matter was under investigation by the Vigilance Department since February 1989.

(iii) The local purchase of allopathic medicines by the District Ayurvedic Officers was banned by the Director of Ayurveda in September 1992. In disregard of these orders the District Ayurvedic Officer, Shimla purchased allopathic medicines costing Rs. 0.52 lakh in March 1993. The reasons for purchasing the medicines were not intimated.

(3) Non-maintenance of consumption register

Medicines are supplied by the District Ayurvedic Officers to the Ayurvedic dispensaries for further issue to the patients. Medicines valued at Rs. 129.69 lakhs¹ were issued by three District Ayurvedic Officers to the dispensaries under their control during 1988-89 to 1992-93. However, no consumption register of medicines issued to the patients by dispensaries had been maintained. In the absence of such records it

was not possible to verify the actual consumption of medicines in the field.

(4) Idle equipment

Equipments valued at Rs. 1.79 lakhs acquired by the Department between March 1981 and October 1991 had not been gainfully utilised. The non-utilisation of the equipments resulted not only in idle investment but also in non-realisation of the objectives for which these were procured. Relevant details in this regard have been given below:

Serial number	Name of Units	Particular of equipment	Date of Purchase/ receipt	Cost (Rupees in lakhs)	Since when idle	Remarks
1.	Government Ayurvedic College, Paprola	(i) Karloskar Generator set	October 1991	0.61	October 1991	The matter to instal the generator for operation theatre and emergency unit was under correspondence with the State PWD.
		(ii) Colour TV/VCR with accessories	September 1991	0.39	September 1991	This could not be utilised for want of recorded video cassettes required for teaching purpose
2.	Ayurvedic Pharmacy, Majra	Bottle washing machine	March 1981	0.79	April 1988	The machine was transferred to Ayurvedic Pharmacy, Majra from the Ayurvedic Pharmacy, Joginer Nagar in May 1991. It was also not utilised there as of March 1993 as the machine was not required.
Total:				1.79		

(5) Other points of interest

(i) Manufacturing cost of medicines

An amount of Rs. 88.13 lakhs was spent during 1988-89 to 1992-93 for production of various Ayurvedic medicines in Ayurvedic Pharmacy, Majra. The cost of each product had not been worked out. It was, therefore, not possible to verify how the cost of medicines manufactured in the Pharmacy compared with the rates of such medicines in the market.

A comparison of the cost of medicines produced in Ayurvedic Pharmacy, Joginder Nagar and the rates of the Indian Medicines Pharmaceutical Corporation Limited (A Government of India Undertaking) during the period from 1988-89 to 1992-93 revealed that the cost of production of medicines in the Pharmacy was very high.

Manufacturing of 22 medicines during this period at higher rates in the Pharmacy resulted in extra expenditure of Rs. 11.21 lakhs.

The Director, Ayurveda stated (July 1993) that action to equip the Pharmacies with modern and sophisticated equipment was being taken so that cost of production of medicines could be brought down in near future.

(ii) Loss of Heeng in purification

Heeng is used for medicines after purification. Norms for the loss in weight of *Heeng* in course of purification had not been fixed by the Department. It was, however, noticed that at Joginder Nagar Pharmacy there was huge variation of loss of weight of *Heeng* during purification as indicated below:-

Year	Weight of <i>Heeng</i> before purification (In kilogram)	Weight of <i>Heeng</i> after purification (In kilogram)	Percentage loss of weight	Value of loss (Rupees in lakhs)
1988-89	280.00	260.25	7	0.08
1992-93	173.00	129.35	25	0.40
Total:	453.00	389.60	14	0.48

The variation of loss in *Heeng* was attributed (May 1993) by the Manager of Pharmacy to difference in variety of *Heeng* as superior quality *Heeng* was stated to be subject to more loss in purification. However, both the varieties of the *Heeng* were used for the same purpose. The reasons for purchase and use of superior quality *Heeng* during 1992-93 were not intimated.

The matters mentioned above were referred to Government in August 1991; reply has not been received (November 1993).

Agriculture Department

5.10 Non-accounting of stores

Scrutiny of stock registers of seeds, agricultural implements and inputs in the office of the Deputy Director of Agriculture, Una in audit during February and March 1993 revealed non-accounting of stores as under:

- (i) Materials valued at Rs. 0.91 lakh were shown to have been issued by the Assistant Development Officer of Amb Block to the Village Extension Centres between 1990-91 and 1992-93. Neither any indent nor the acknowledgements against such issues were available on record.
- (ii) Materials costing Rs. 0.76 lakh were not carried forward to the new stock

registers from the old stock registers during 1990-91 and 1991-92. The materials were also not handed over by the Assistant Development Officer incharge of the materials to his successor at the time of his transfer in November 1991 to Banikhet.

On being pointed out (February-March 1993) in audit, the Director of Agriculture stated (September 1993) that detailed internal audit of accounts was being conducted by their Internal Audit Party and the results thereof would be intimated. Further developments were awaited (November 1993).

The matter was referred to Government in July 1993; reply has not been received (November 1993).

Forest Farming and Environmental Conservation Department

5.11 Shortages of stores

Materials costing Rs. 1.48 lakhs were handed over short by four Forest Guards¹ and the Forest Ranger, Habban at the time of their transfer between December 1990 and July 1992 in Forest Divisions, Nahan and Rajgarh.

In addition, materials costing Rs. 0.92 lakh were found short in Nahan and Shimla Forest Divisions at the time of physical verification of stores conducted during April-May 1992 and March 1989 respectively.

Action had not been taken to reconcile/recover the shortages or to investigate the non-accounting of materials.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

¹ Forest Guards, Trilokpur, Rajpur and Paonta Social Forestry Range (Nahan Forest Division) and Jonaji (Rajgarh Division)

CHAPTER-VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 General

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. Section 15 of the Act prescribes that where any grant or loan is given for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General shall scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfillment of the conditions subject to which such grants and loans were given.

During 1992-93, Government disbursed Rs. 3678.06 lakhs as grants to panchayats, municipalities, co-operative societies, educational institutions, etc., for the following broad purposes:

Social Services		Amount
		(Rupees in lakhs)
(a)	General Education	873.92
(b)	Health Services	105.51
(c)	Technical Education	56.04
(d)	Urban Development	45.00
(e)	Art and Culture	32.82
(f)	Water Supply and Sanitation	26.38
(g)	Sports and Youth Services	16.10
(h)	Social and Community Services	0.39
Economic Services		
(a)	Agriculture Research and Education	1226.55
(b)	Special Programme for Rural Development	497.55
(c)	Compensation and Assignment	359.98
(d)	Industries	114.72
(e)	Dairy Development	90.00
(f)	Rural Development	71.42
(g)	Roads and Bridges	55.31
(h)	Other Scientific Research	31.29
(i)	Animal Husbandary	20.01
(j)	Tourism	18.00
(k)	Fisheries	11.57
(l)	Co-operation	10.50
(m)	Other Agricultural Programme	8.50
(n)	Science and Technology	3.50
(o)	Administration of Justice	3.00
		<u>3678.06</u>

Under the Financial Rules, in all cases in which conditions are attached to grants, certificates to the effect that the grants had been utilised for purposes for which they were paid, are required to be furnished by the departmental officers to the Audit Office within one year of the disbursement of the grants, unless specified otherwise.

The Public Accounts Committee had repeatedly expressed dissatisfaction with the slow progress of submission of utilisation certificates and had recommended that cases of unusual delays on the part of field officers should be duly investigated.

Of the 1,641 utilisation certificates due in respect of grants aggregating to Rs. 4602.04 lakhs paid from 1973-74 to 1991-92, only 211 certificates for a sum of Rs. 1494.55 lakhs had been furnished by 30th September 1993 and 1,430 certificates for an aggregate amount of Rs. 3107.49 lakhs were in arrears. Department-wise break-up of the outstanding utilisation certificates was as follows:-

Serial number	Department	Number of Certificates	Amount (Rupees in lakhs)
1.	Education	638	942.09
2.	Local Self Government	557	493.73
3.	Rural Development	118	1159.43
4.	Industries	35	147.18
5.	Social and Women's Welfare	28	22.96
6.	Sports and Youth Services	16	15.08
7.	Co-operation	14	12.01
8.	Agriculture	11	266.22
9.	Animal Husbandary	4	31.34
10.	General Administration (Social and Community Services)	4	0.82
11.	Tourism	3	16.50
12.	Secretariat General Services	2	0.13
	Total	1,430	3107.49

The following table contains an analysis of the extent of delay in furnishing the utilisation certificates.

Extent of delay	Number of certificates	Amount (Rupees in lakhs)
Up to three years	779	1676.70
More than three years, but up to five years	220	236.02
More than five years, but less than ten years	368	784.48
More than ten years	63	410.29
Total	1,430	3107.49

In the absence of these certificates, it was not possible to ascertain whether the recipients had utilised the grants for the purpose(s) for which they were intended.

6.2 Audit Under Section 14

6.2.1 General

To enable the Comptroller and Auditor General of India to undertake the audit of a body or authority under Section 14(1) of the Act, all bodies and authorities in receipt of financial assistance, including the unutilised balances if any, of grants and loans of the previous year(s), of not less than Rs. 25 lakhs in a year (Rs. 5 lakhs prior to 1983-84) from Government were required to submit their accounts to the Audit Office within six months of the close of the financial year. In cases where the audit of a body/authority becomes due under Section 14(1) of the Act in a particular year, the audit of the body/authority in the next two years is also conducted under Section 14(3) *ibid* notwithstanding that the prescribed conditions are not fulfilled during any of the two subsequent years.

There were, however, substantial delays, ranging between 2 and 62 months, in receipt of accounts as indicated below:

Year of accounts	Number of bodies/ authorities	Number of accounts received					Number of accounts awaited as on 31st March 1993
		Between April 1987 and September 1990	Between October 1990 and September 1991	Between October 1991 and September 1992	Between October 1992 and March 1993	Total	
1986-87	38	35	1	--	1	37	1
1987-88	38	25	3	--	3	31	7*
1988-89	38	2	18	7	3	30	8*
1989-90	34	--	5	10	8	23	11*
1990-91	34	--	--	11	6	17	17*
1991-92	34	--	--	2	6	8	26*

Of the 34 bodies/authorities, accounts of 8 were received for 1991-92 and all attracted the provision of Section 14 of the Act and were accordingly selected for audit during 1992-93. Of the remaining 26 bodies/authorities, whose accounts were not received, 14 were also selected for audit in terms of Section 14(3) of the Act. The application of the provisions of Section 14 of the Act in the case of the remaining 12 bodies/authorities could not be determined due to non-receipt of their accounts.

Certain points of interest arising out of audit under Section 14 of the Act are mentioned in the succeeding paragraphs.

* Number of accounts received between April and August 1993 were for the years: 1987-88: 2; 1988-89: 3; 1989-90: 6; 1990-91: 8 and 1991-92: 7

Rural Development Department

6.2.2 Embezzlement of Government money

The cash book of Desert Development Project, Spiti at Kaza, maintained by the Office Superintendent, showed a payment of Rs. 1 lakh to the Assistant Engineer, Public Works Department (PWD), Trandi Sub-Division, Kaza in June 1987 for construction of Project buildings by the Public Works Department (PWD), through bank draft. The entries in the cash book were authenticated by the Project Director (drawing and disbursing officer). When enquired by the Project authorities at the time of closing of the accounts for the year 1987-88 and finalising balance sheet in June 1988, the PWD denied that it had received the bank draft and the Bank authorities denied issue of any such draft.

Thus the amount of Rs. 1 lakh appeared to have been misappropriated by making debit entry in the cash book which reduced the closing balance to that extent. The embezzlement was facilitated/remained undetected because the entries in the cash book were authenticated by the Project Director without proper verification.

In addition, other amounts aggregating Rs. 0.34 lakh, as detailed below, were also embezzled:

(i) Contrary to rules, an amount of Rs. 0.25 lakh, out of the sale proceeds of petrol oil and lubricants (POL), was paid on the instructions of the Project Director by the store keeper in June 1986 to four officials for meeting office expenditure. On submission of adjustment accounts during October 1986 and December 1986, the amount was entered in the payment side of the cash book by the Office Superintendent. However, corresponding entry was not made on credit side of the cash book treating the payments as made out of cash chest.

(ii) A sum of Rs. 0.06 lakh (Rs. 0.04 lakh in June 1986 being unspent amount of advance and Rs. 0.02 lakh in December 1986 on account of sale proceeds of POL) deposited with the Superintendent was not accounted in the cash book.

(iii) An advance of Rs. 0.03 lakh towards medical treatment was paid in February 1987 to an official, who died during the same month. The entry regarding payment of this advance was made in the cash book in April 1987 at the time of its recovery from the dues of the deceased. The Office Superintendent obtained another receipt from the wife of the deceased official and again entered the amount on payment side of the cash book in September 1987 after obtaining the orders of the Project Director on the plea that entry to this effect had not been made earlier.

The Office Superintendent was placed under suspension in December 1988

and a charge-sheet was served upon him. The case had also been referred to the Vigilance Department for investigation. Further developments were awaited as of September 1992. No action had, however, been taken against the Project Director.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

Town and Country Planning Department

6.2.3 Shortages/non-accounting of stores

Rules provide that all materials received should be examined and counted or measured, as the case may be, when delivery is taken and accounted for in the Bin Card of the store accounts.

A test-check of the store accounts of the Shimla Development Authority (SDA), however, revealed that of the total quantity of 19.510 tonnes of tor steel of 10 mm diameter received from a firm in September 1990, only a quantity of 10.575 tonnes was entered by a Junior Engineer in the Bin Card. This resulted in short accounting of 8.935 tonnes steel valued at Rs. 0.91 lakh.

In addition, material such as tor steel, iron handles, kail wood, etc. valued at Rs. 0.57 lakh had either not been handed over or handed over short by the same Junior Engineer to his successor on his relief on reversion to parent Department in June 1992.

The Executive Engineer, Construction Division No.I of SDA stated (August 1993) that the concerned Junior Engineer has been asked to reconcile the shortages or make good the loss.

The matter was referred to Government in September 1993; reply has not been received (November 1993).

Education Department

6.2.4 Himachal Pradesh University, Shimla

Himachal Pradesh University (HPU) was established under an Act of State Legislature on 22 July 1970 with the object of disseminating and advancing knowledge, wisdom and understanding by teaching and research and by the example and influence of its corporate life.

The overall working of HPU is managed by the Court, the Executive Council, the Academic Council, the Finance Committee, the Faculties and such other Boards and Committees as may be declared by the Statutes to be the authorities of the University. The Vice Chancellor is the principal executive and academic officer of the University and *Ex officio* Chairman of Executive Council, Academic Council and Finance Committee.

The following table shows the grants received by HPU from various sources including domestic income and expenditure incurred thereagainst during the period from 1986-87 to 1991-92.

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92*
	(Rupees in lakhs)					
Opening balance	24.57	76.90	68.06	568.78	461.39	410.35
Grants received						
State Government	362.93	365.83	900.56	471.45	578.41	614.56
Central Government	17.37	18.51	32.70	37.10	41.63	30.22
University Grants Commission	27.85	40.05	97.43	69.76	23.68	52.55
Other sources	6.73	9.70	10.46	8.15	12.98	37.21
Receipts						
Fees and other receipts	91.61	127.25	122.74	181.74	175.95	240.00
Total	531.06	638.24	1231.95	1336.98	1294.04	1384.89
Expenditure	454.79	574.72	687.86	814.37	860.56	986.45
Debt, Deposit and advances (net)	0.63	4.54	24.69	(-)61.22	(-)23.13	1.78
Closing balance	76.90	68.06	568.78	461.39	410.35	400.22

* Provisional figures

Some of the interesting points noticed in audit of receipts and payments of the University under Section 14(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are mentioned in the following paragraphs.

(a) Avoidable expenditure on Correspondence Courses

With a view to provide alternative mode of education to those students, who could not attend regular classes but have necessary aptitude to acquire further knowledge and for improvement of their professional competence, the HPU started correspondence courses in 1971 for under-graduate and post-graduate studies. For conducting these courses, a Directorate of Correspondence Courses (DCC) has been established in the University.

The DCC had a strength of 40 teachers during 1989-90 to 1991-92 for various subjects. The duties of teachers as prescribed by University Grants Commission (UGC), *inter alia*, include teaching work under the personal contact programmes; editing, writing, revising and translating of lessons; correction of students' response sheets and such other teaching work as might be assigned by the University. It was observed that-

- (i) of the 20,880 teaching mandays available during 1989-90 to 1991-92, only 9,669 teaching mandays were utilised, the shortfall was to the extent of 54 *per cent*,
- (ii) the response sheets of students were required to be checked by the teachers of the correspondence courses and no additional remuneration was to be paid to them, however, response sheets, except in respect of M.Ed classes, were got checked from the teachers other than those of Correspondence Courses, on payment of honorarium aggregating to Rs. 1.95 lakhs, and
- (iii) some of the lessons which were to be written by the teachers of the Correspondence Course were got written from the teachers other than those of Correspondence Courses and remuneration amounting to Rs. 0.95 lakh was paid to them.

The University stated in August 1993 that DCC teachers remain busy in organising Personal Contact Programmes (PCPs) in the month of October each year and as such correction of response sheet entirely by DCC teachers was not possible. Similarly, services of teachers of reputed fame were hired for writing/revising some of the lessons. The reply of the University is not tenable in view of the shortfall of 54 *per cent* in utilisation of teaching mandays and since organising of PCPs is one of the normal duties of the DCC teachers and University is expected to employ the best available teachers.

(b) Issue of excess learning material

The DCC provide subject-wise lessons to students at different intervals in each academic session.

Between 1989-90 and 1991-92, 0.45 lakh students were on roll. Against the requirement of 2.14 lakh copies of lessons, the total number of copies of lessons issued was 2.53 lakh. This had resulted in excess issue of 0.39 lakh copies printed at a cost of Rs. 1.95 lakhs. The University admitted the excess issue of copies of lessons in August 1993 and stated that excess copies had been issued to teachers, PCP Co-ordinators and to other Universities as complementary copies. The plea of the University is not correct as the excess was worked out after taking into account all these factors.

(c) Infructuous expenditure

Consequent upon the setting up of the State Administrative Tribunal in 1986, the State Government extended (August 1986) the provisions of the Administrative Tribunal Act, 1985 (Central Act) to local authorities, Corporations and Societies controlled or owned by the State Government. On a writ petition filed by an employee of the University, the Hon'ble High Court of Himachal Pradesh held in March 1987 that the Act did not apply to the University.

Against this decision, the University filed a special leave petition in Hon'ble Supreme Court in May 1988 by engaging two lawyers, who were paid fee of Rs. 1.68 lakhs between May 1988 and September 1989. Neither the final hearing of arguments fixed for October 1989 could take place nor the case could be listed for subsequent hearing due to disbanding of the bench. The Vice-Chancellor stated (October 1991) that there was a change of Government in the State, which was for the scrapping of the Administrative Tribunal and as such the appeal was finally withdrawn in July 1991 from the Supreme Court.

Thus, the expenditure of Rs. 1.68 lakhs incurred on filing and pursuance of the special leave petition had been rendered infructuous.

(d) Fictitious stock adjustment

Fictitious stock adjustment such as debiting to a work the cost of materials not required or in excess of requirements, the debiting to a particular work for which funds are available of the value of material intended to be utilised on another work for which no allotment has been sanctioned or the writing back of the value of materials used on a work to avoid excess expenditure over appropriations is prohibited.

Test-check of records revealed that cement and steel costing Rs. 15.19 lakhs was issued to two works¹ at the end of the financial years 1984-85 (Rs. 7.22 lakhs), 1985-86 (Rs. 5.35 lakhs) and 1990-91 (Rs. 2.62 lakhs). Although the works were being executed by the contractors, this material was irregularly issued direct to the works. Of this, material valued at Rs. 11.53 lakhs² was written back to stock (Rs. 9.15 lakhs) and transferred to other works (Rs. 2.38 lakhs). The remaining material valued at Rs. 3.66 lakhs was issued to the contractors who utilised it on these works during the subsequent years. Apparently the material was not required for immediate

¹ Construction of Arts Block-Phase I (Building portion) and Construction of 10 non-teaching employee's quarters (Building portion)

² 1985-86: Rs. 5.50 lakhs; 1986-87: Rs. 3.04 lakhs; 1987-88: Rs. 0.37 lakh and 1991-92: Rs. 2.62 lakhs

consumption and it was issued to the works merely to utilise the available funds, which was irregular.

(e) Idle equipment

(i) One super micro computer was purchased in February 1987 by the Department of Computer Science for Rs. 6.12 lakhs from a Chandigarh based firm. The annual maintenance charges aggregating Rs. 3.04 lakhs were also paid to the firm on contract basis for the period December 1987 and December 1991. The computer went out of order in October 1991 and the matter was taken up with the firm in the same month but the firm did not carry out the repairs. The computer was lying out of order as of August 1993. In the meantime, to cope with the work, a new computer was purchased in March 1991 for Rs. 11.90 lakhs from another Chandigarh based firm. The Chairman, Department of Computer Science stated (August 1993) that no legal action had been taken against the firm for not repairing the computer.

(ii) One plain paper photo copier was purchased in January 1990 by the Department of Bio-Sciences for Rs. 0.43 lakh from a rate contract firm. This equipment went out of order during December 1991 and had not been repaired as of August 1993.

The Professor and Chairman, Department of Bio-Sciences stated (August 1993) that the machine could not be got repaired as the annual maintenance charges of Rs. 6,500 demanded by the firm were on the higher side.

(f) Overpayment of Municipal taxes

According to the records of the Municipal Corporation, the new boy's hostel building of the University is situated outside the municipal limits. As such municipal taxes for this building were not payable. The University had, however, paid Rs. 3.68 lakhs as municipal taxes of this building for 1975-76 to 1991-92. This had resulted in irregular and inadmissible payment to the Corporation which had not been recovered/adjusted as of August 1993.

(g) Acquisition of land

Land Acquisition Officer, Shimla (LAO) announced in June 1981 an award of Rs. 14.44 lakhs for acquisition of 8 *bighas* land for the University. Through the award, the Tehsildar, Shimla was directed to take over the possession of land from the interest holders and pass it on to the HPU. However, the possession of only 6 *bighas* and 19 *biswas* land was given to the University between 1984 and 1990 and the possession of

remaining one *bigha* and one *biswa* land costing Rs. 4 lakhs had not been handed over as of August 1993.

Of Rs. 14.44 lakhs deposited with the LAO in May 1984, only Rs. 5.63 lakhs had been disbursed and the remaining amount of Rs. 8.81 lakhs was kept by him in saving bank as of August 1993.

(h) Non-adjustment of contingent advance

(i) Temporary advances totalling Rs. 12.48 lakhs granted between 1978-79 and 1991-92 to various officials/Departments for meeting emergent expenses to conduct Adult Education Centres had not been adjusted as of August 1993 due to non-submission of accounts by the concerned officials/Departments.

(ii) Advances amounting to Rs. 3.85 lakhs³ exceeding Rs. 5,000 in each case, paid to 12 suppliers (Rs. 2.80 lakhs) by the Construction Department for the purchase of material and 6 authorities/bodies (Rs. 1.05 lakhs) for miscellaneous purposes were outstanding as of March 1993.

These points were referred to Government in September 1993; reply has not been received (November 1993).

6.3 Audit Under Section 15

Language, Art and Culture Department

Grants

The Language, Art and Culture Department sanctioned grants totalling Rs. 207.57 lakhs between 1988-89 and 1992-93 to the Himachal Academy of Language, Art and Culture, Deputy Commissioners and Sub-Divisional Magistrates for specified

purposes as per details given below:

Serial number	Particulars of recipients	Year of sanction	Amount Total		Purpose	
			Recurring	Non-recurring		
[Rupees in lakhs]						
1	Secretary, Himachal Academy of Language, Art and Culture	1988-89	26.97	--	26.97	For promotion of art and culture
		1989-90	30.14	--	30.14	
		1990-91	27.73	--	27.73	
		1991-92	26.73	--	26.73	
		1992-93	<u>29.38</u>	--	<u>29.38</u>	
		Total:	<u>140.95</u>	--	<u>140.95</u>	
2.	Deputy Commissioners/ Sub-Divisional Magistrates	1988-89	--	12.87	12.87	For repairs and maintenance of temples
		1989-90	--	9.66	9.66	
		1990-91	--	10.04	10.04	
		1991-92	--	6.78	6.78	
		1992-93	--	<u>5.10</u>	<u>5.10</u>	
		Total:	--	<u>44.45</u>	<u>44.45</u>	
3.	Deputy Commissioners/ Sub-Divisional Magistrates	1988-89	3.20	--	3.20	For holding State/ District Block level fairs
		1989-90	3.95	--	3.95	
		1990-91	5.05	--	5.05	
		1991-92	5.03	--	5.03	
		1992-93	<u>4.94</u>	--	<u>4.94</u>	
		Total:	<u>22.17</u>	--	<u>22.17</u>	
Grand Total:			163.12	44.45	207.57	

Test-check of the records of the sanctioning authority conducted during April-May 1993 revealed the following:

(a) Rules regulating the payment of grants to religious institutions/trusts and far holding fairs at State/District levels and ensuring the proper utilisation of such grants had not been framed as of May 1993. Consequently, grants totalling Rs. 66.62 lakhs were released to these institutions between 1988-89 to 1992-93 on *ad hoc* basis.

(b) Financial rules of Government require that there should be no rush of expenditure in the month of March. It was, however, noticed that of the grants totalling Rs. 207.57 lakhs Rs. 46.49 lakhs (22 per cent) were sanctioned and drawn only in the month of March during 1988-93.

(c) The Department had not maintained any register to watch the receipt of utilisation certificates. Scrutiny of records, however, revealed that utilisation certificates in 100 cases in respect of grants totalling Rs. 10.60 lakhs released to the Deputy Commissioners/Sub-Divisional Magistrates between 1988-89 to 1992-93 were awaited as of May 1993.

(d) Unspent balances lying with the Himachal Academy of Language, Art and Culture were not adjusted against the grants due for subsequent years as prescribed in the rules. The position of the unspent balances for the four years ending March 1992

which were not refunded/adjusted in the grants for subsequent years was as indicated below:-

Year	Opening balance	Amount of grant	Expenditure	Unspent balance
		(Rupees in lakhs)		
1988-89	--	26.97	23.27	3.70
1989-90	3.70	30.14	31.86	1.98
1990-91	1.98	27.73	27.62	2.09
1991-92	2.09	26.73	28.08	0.74

The matter was referred to Government in June 1993; reply has not been received (November 1993).

Shimla
The

19 JUN 1994

(SHANKAR NARAYAN)
Accountant General (Audit)
Himachal Pradesh

Countersigned

New Delhi
The

20 JUN 1994

(C.G.SOMIAH)
Comptroller and Auditor General of India

APPENDICES

APPENDIX-I

(Refer paragraph 2.2.1; page 26)

Cases of unnecessary supplementary grants/ appropriations

Serial number	Grant/ Appropriation	Amount of Grant/ Appropriation			Saving
		Original	Supple- mentary	Actual expen- diture	
1	2	3	4	5	6
(Rupees in lakhs)					
Revenue Voted					
1.	4-General Administration	4374.22	3.50	4169.03	208.69
2.	5-Land Revenue	3614.47	100.00	2293.61	1420.86
3.	9-Health and Family Welfare	8634.01	163.61	8371.86	425.76
4.	11-Agriculture	4781.60	173.61	4378.08	577.13
5.	14-Animal Husbandry and Dairy Development	1741.40	20.00	1725.91	35.49
6.	16-Forest and Wild Life	5993.71	174.32	5939.84	228.19
7.	21-Co-operation	651.65	51.85	609.61	93.89
8.	31-Tribal Development	6524.49	110.40	6261.60	373.29
Capital Voted					
9.	11-Agriculture	1506.90	120.38	1309.72	317.56
10.	17-Roads and Bridges	5612.15	29.88	4666.42	975.61
11.	21-Co-operation	516.23	14.54	438.47	92.30
12.	23-Water and Power Development	7108.01	201.70	5146.42	2163.29
13.	30-Loans to Government Servants	366.00	22.87	362.68	26.19
14.	31-Tribal Development	2097.09	92.84	2059.55	130.38

APPENDIX-II

(Refer paragraph 2.2.3; page 29)

Surrender of funds

Details of major variations where savings were more than 20 per cent and also more than Rs. 1.00 crore but were not surrendered

Serial number	Grant	Total savings	Amount surrendered	Amount not surrendered	Percentage
(Rupees in crores)					
Revenue-Voted					
1.	9-Health and Family Welfare	4.26	2.65	1.61	38
2.	11-Agriculture	5.77	2.73	3.04	53
Capital-Voted					
3.	11-Agriculture	3.18	1.81	1.37	43
4.	17-Roads and Bridges	9.76	-	9.76	100
5.	22-Food and Warehousing	1.59	-	1.59	100
6.	23-Water and Power Development	21.63	16.93	4.70	22

APPENDIX-III

(Refer paragraph 2.2.6; page 34)

Major variations in recoveries**Details of major variations between budgeted recoveries and actuals adjusted in reduction of expenditure**

Serial number	Grant	Budget Estimates	Actual recoveries	Variation	
				Amount	Percentage
(Rupees in crores)					
Excess recoveries against budget estimates					
Revenue					
1.	10-Public Works	41.22	60.55	19.33	47
2.	12-Irrigation and Flood Control	10.19	14.87	4.68	46
3.	28-Water Supply, Sanitation, Housing and Urban Development	12.83	20.55	7.72	60
4.	31-Tribal Development	5.57	7.65	2.08	37
Capital					
5.	25-Road, Water Transport and Civil Aviation		3.24	3.24	100
Short recoveries against budget estimates					
Capital					
6.	11-Agriculture	10.00	7.54	2.46	25
7.	14-Animal Husbandry and Dairy Development	1.60	0.39	1.21	76
8.	17-Roads and Bridges	9.41	5.52	3.89	41

APPENDIX-IV

(Refer paragraph 2.2.7; page 34)

Cases of injudicious reappropriation**I. Cases of major reappropriation which turned out injudicious on account of non-utilisation**

Serial number	Grant	Major/minor/ sub-head of account, etc.	Amount of reappropriation to the sub-head	Amount of final saving under the sub-head after reappropriation
1	2	3	4	5
(Rupees in lakhs)				
1.	8-Education, Sports, Arts and Culture	2205-105-01	3.00	3.74
2.	9-Health and Family Welfare	2211-003-01 2211-105-02	5.99 5.80	7.09 8.29
3.	11-Agriculture	2401-108-03	2.99	3.05
4.	18-Supplies, Industries and Minerals	2853-102-01	2.06	2.56
5.	23-Water and Power Development	6801-800-01	3.00	470.00
6.	31-Tribal Development	2029-796-06 2202-01-796-03 2204-796-02 2210-03-796-03 2401-796-09 2403-796-02 4059-01-796-01(iii)	23.10 4.00 1.99 11.15 2.81 4.90 22.29	24.14 4.23 2.03 15.81 7.00 6.13 22.81

II. Cases of major reappropriation to other heads which turned out finally excess under the following sub-heads

Serial number	Grant	Major/minor/sub-head of account, etc.	Amount of reappropriation	Amount of excess after reappropriation
1	2	3	4	5
(Rupees in lakhs)				
1.	5-Land Revenue	2029-103-03	1.15	49.91
2.	7-Police and Allied Organisations	2055-108-01	46.82	112.20
3.	8-Education, Sports, Arts and Culture	2202-01-053-04	25.00	42.73
		2202-01-101-01	145.89	200.19
		2202-01-101-03	13.75	54.07
4.	9-Health and Family Welfare	2211-101-03	27.08	30.14
		2211-103-01	4.00	7.12
		2211-105-01	1.80	8.57
5.	11-Agriculture	2810-01-103-01	12.00	18.15
6.	12-Irrigation and Flood Control	2702-01-102-01	8.95	12.81
7.	17-Roads and Bridges	5054-80-001-01	1.53	50.19
		5054-80-001-05	3.65	13.24
8.	18-Supplies, Industries, and Minerals	4851-102-02	1.46	3.40
9.	19-Social Security and Welfare (including nutrition)	2235-02-102-01	3.30	6.60
		2235-02-103-01	1.06	1.09
		2235-60-102-01	65.28	65.28
10.	20-Rural Development	2501-01-800-05	84.09	84.09
11.	28-Water Supply, Sanitation, Housing and Urban Development	2215-01-102-01	6.45	28.02
12.	31-Tribal Development	2235-02-796-01	1.40	1.52
		2408-01-796-03	1.75	3.95
		4425-796-01	2.85	3.76

APPENDIX-V

(Refer paragraph 2.4; page 36)

Drawal of funds in advance of requirements

Sl. No.	Department/office	Month of drawal/receipt	Amount (Rupees in lakhs)	Remarks
1.	2.	3.	4.	5.
	<u>REVENUE</u>			
1.	Deputy Commissioner, Chamba	March 1991	2.00	Of the total amount of Rs. 2 lakhs; Rs. 0.90 lakh were paid (July 1991) to Sub-divisional officers and Tehsildar for construction of counters, etc. under Ahmednagar experiment scheme and the remaining amount of Rs. 1.10 lakhs remained unutilised in the bank as of March 1992.
		Between 1987-88 and 1990-91	5.62	Of Rs. 5.62 lakhs drawn for disbursement of subsidy for development of sites (Rs. 2.60 lakhs) and loan for construction of house (Rs. 3.02 lakhs); Rs. 2.30 lakhs being subsidy were remitted to two Municipal Committees between February 1991 and August 1991 and the balance amount of Rs. 3.32 lakhs was deposited (March 1992) in the bank.
		March 1988	0.40	The amount was remitted by the Deputy Commissioner, Chamba to Tehsildar, Saloomi for construction of <i>Patwar khanna</i> under Drought Relief funds but remained unutilised in the bank as of March 1992.
2.	Deputy Commissioner, Mandi	Between March 1990 and March 1992	6.96	An amount of Rs. 6.96 lakhs was drawn for implementing the "Ahmadnagar experiment" scheme of which Rs. 2.97 lakhs (Musavi: Rs. 1.47 lakhs and Computer centre: Rs. 1.50 lakhs) remained unspent as of March 1992.
		Between 1986-87 and 1989-90	6.54	Out of Rs. 6.54 lakhs paid to various Government executing agencies for the construction and repair of 38 works under "Local District Planning", Rs. 6.33 lakhs remained unutilised mainly due to shortage of funds and dispute of land, of which Rs. 3.84 lakhs were diverted to 27 other new works by the Deputy Commissioner, Mandi between March 1991 and September 1991 and Rs. 2.49 lakhs remained unspent and were kept in bank accounts.
3.	Deputy Commissioner, Sirmour	March 1992	18.07	An amount of Rs. 18.07 lakhs was drawn in anticipation of collecting required public share of Rs. 7.75 lakhs under the Scheme "Gaon Bhi Apna Kam Bhi Apna". Of this, Rs. 8.34 lakhs were lying in the Bank as of November 1992.

Sl. No.	Department/office	Month of drawal/receipt	Amount (Rupees in lakhs)	Remarks
1.	2.	3.	4.	5.
		March 1992	8.00	Despite an unspent balance of Rs. 2.27 lakhs at the end of March 1992, Rs. 8 lakhs were drawn on 31st March 1992 under "Drought relief repair/restoration of damaged works of school buildings". Of Rs. 10.27 lakhs, Rs. 4.69 lakhs were paid to the District Revenue Officers/Block Development Officers during April 1992 to November 1992 for executing the works and the balance amount of this, Rs. 5.58 lakhs were lying unutilised in saving bank accounts as of November 1992.
		July 1991	0.50	Of Rs. 0.50 lakh drawn under "Prime Minister Relief Fund", Rs. 0.02 lakh were spent on the purchase of white cotton clothes and the balance amount of Rs. 0.48 lakh was lying unutilised in the bank as of November 1992.
		Between December 1991 and March 1992	37.73	Of Rs. 37.73 lakhs drawn under 'Local District Planning', Rs. 6.07 lakhs were remitted to various executing agencies and the remaining amount of Rs. 31.66 lakhs was lying unutilised in bank as of December 1992.
4.	Deputy Commissioner, Kullu	March 1992	26.23	Out of an allotment of Rs. 58.06 lakhs (Local District Planning: Rs. 46.90 lakhs and Gaon Bhi Apna Kam Bhi Apna: Rs. 11.16 lakhs), Rs. 26.23 lakhs (Rs. 17.96 lakhs for Local District Planning and Rs. 8.27 lakhs for Gaon Bhi Apna Kam Bhi Apna) were drawn. Of Rs. 26.23 lakhs, Rs. 10.54 lakhs were lying unspent with the office in the shape of Bankers cheques. Keeping the funds out of the Government accounts had also deprived the Department of simple interest of Rs. 0.35 lakh at 6 per cent.
		Between April 1991 and March 1992	5.44	Of Rs. 5.44 lakhs drawn for providing relief to the sufferers of natural calamities, Rs. 4.86 lakhs were disbursed during 1991-92 to the sufferers leaving a balance amount of Rs. 0.58 lakh undisbursed with the Sub-Divisional Officer (Civil), Kullu as of August 1992.
<u>AGRICULTURE</u>				
5.	Deputy Director, Bilaspur	March 1992	1.50	The amount was drawn for the purchase of sprayers, etc.; of which Rs. 0.10 lakh were paid to the Plant Protection Officer in November 1992 and the remaining amount of Rs. 1.40 lakhs was lying in the cash chest as of February 1993.

Sl. No.	Department/office	Month of drawal/receipt	Amount (Rupees in lakhs)	Remarks
1.	2.	3.	4.	5.
<u>INDUSTRIES</u>				
6.	General Manager District Industries Centre, Kangra	Between December 1991 and March 1992	9.29	The amount was received from the Director of Industries in the shape of bank drafts for execution of water supply scheme on its transfer from Bhakra Beas Management Board to Industries Department which remained unexecuted due to non-receipt of technical report from Himachal Pradesh State Industrial Corporation/Irrigation-cum-Public Health Department. The entire amount was invested in fixed deposits and was lying unutilised as of April 1993.
<u>HORTICULTURE</u>				
7.	District Horticulture Officer, Nahan	March 1992	1.00	Bank draft for Rs. 1 lakh was received in May 1992 from the Director of Horticulture for payment of subsidy for the purchase of popular and eucalyptus logs/boxes for the year 1991-92. Of this, Rs. 0.53 lakh were spent on transportation of subsidy of logs and the remaining amount of Rs. 0.47 lakh was lying unutilised as of December 1992.
<u>RURAL DEVELOPMENT</u>				
8.	Block Development Officer, Keylong	Between January 1991 and March 1992	1.69	Of the total amount of Rs. 1.69 lakhs drawn (Rs. 0.61 lakh: January 1991 and Rs. 1.08 lakhs: March 1992), for the purchase of toilet materials under "Rural Sanitary Programme", Rs. 1.21 lakhs were lying unutilised as of July 1992.
9.	Block Development Officer, Chhoharra at Chirgaon	March 1992	0.90	The amount was drawn for execution of minor irrigation schemes. Of this, Rs. 0.49 lakh remained unutilised as of December 1992.
<u>TOWN AND COUNTRY PLANNING</u>				
10.	Director of Town and Country Planning, Shimla	Between 1989-90 and 1991-92	24.82	The amount was drawn (1989-90: Rs. 0.92 lakh; 1990-91: Rs. 7.28 lakhs and 1991-92: Rs. 16.62 lakhs) for executing 73 works under the scheme "Environmental improvement of urban schemes" but none of these works had been started by March 1993. This resulted into blocking the entire amount of Rs. 24.82 lakhs.
<u>SOCIAL AND WOMEN'S WELFARE</u>				
11.	Director of Social and Women's Welfare, Himachal Pradesh, Shimla	During March 1988 and March 1989	1.74	Department stated in October 1993 that of Rs. 1.74 lakhs drawn in March 1988 (Rs. 0.45 lakh) and March 1989 (Rs. 1.29 lakh), Rs. 0.88 lakh had been spent through Public Works Department on the addition and alteration of Bal Ashram Tuti Kandi, construction of entrance gate, etc., and for the utilisation of remaining amount of Rs. 0.86 lakh, revised estimates were under preparation.

APPENDIX-VI

(Refer paragraph: 3.7.(d)(i); page 78)

Details of incomplete buildings

Serial number	Name of the building	Month of administrative approval and expenditure sanction	Amount (Rupees in lakhs)	Date of commencement	Present position of work	Up to date expenditure (Rupees in lakhs)	Delay as of March 1993 (In months)
Kinnaur district							
1.	Primary Health Centre, Spillo	September 1992	6.50	July 1988	The work of stone masonry walls of 2nd story building completed up to plinth level	2.48	44
2.	District Hospital, Rekong Peo	August 1988	142.85	August 1988	Work in progress	25.00	.
3.	Sub-Centre, Shalkhar	January 1989	1.91	February 1989	Building raised up to plinth level	2.58	37
4.	Sub-Centre, Karla	September 1990	1.50	December 1990	Finishing work in progress	2.22	15
5.	Sub-Centre, Lalurang	September 1990	1.50	June 1991	Finishing work in progress	1.96	9
6.	Sub-Centre, Akpa	September 1990	1.50	June 1991	Masonry work completed up to roof level	1.15	9
7.	Sub-Centre, Mallang	September 1990	1.50	July 1991	Outer portion wall completed up to door and window level	2.89	8
Lahaul and Spiti district							
8.	Sub-Centre, Lalring	July 1991	1.50	July 1991	Site development done	1.35	8
9.	Sub-Centre, Rape	July 1991	1.50	July 1991	Masonry work raised up to roof level	2.47	8
10.	Sub-Centre, Katrang	July 1991	1.50	November 1991	Finishing work to be done	2.15	4
11.	Sub-Centre, Talling	July 1991	1.50	1991	RCC slab laid	0.99	3
12.	Sub-Centre, Rasik	July 1991	1.50	1991	Roofing work in progress	2.12	3

Serial number	Name of the building	Month of administrative approval and expenditure sanction	Amount (Rupees in lakhs)	Date of commencement	Present position of work	Up to date expenditure (Rupees in lakhs)	Delay as of March 1993 (In months)
13.	Primary Health Centre, Shansha	September 1990	6.51	October 1991	Ground floor laid	10.31	5
14.	Rural Hospital, Kaza	February 1978	22.43	December 1977	Finishing work and stair raising work to be done	48.95	--
15.	Sub-Centre, Hull	March 1983	1.32	March 1983	Work completed up to window level	0.45	108
16.	Doctor residence, Tabo	September 1987	2.35	September 1987	Water supply and sanitary fittings to be done	3.16	54
17.	Sub-Centre, Sumling	September 1991	1.50	October 1991	Water supply and sanitary fittings to be done	1.92	5
18.	Sub-Centre, Hikkanu	September 1991	1.50	October 1991	Water supply and sanitary fittings to be done	3.00	5
19.	3 Type-III quarters for doctors, Kaza	August 1978	8.50	March 1991	Building raised up to plinth level	1.02	12
20.	Primary Health Centre, Dharwas	March 1991	11.09	December 1990	Finishing work in progress	25.62	15
21.	Sub-Centre, Udeen	March 1991	3.14	June 1991	Building work raised up to roof level	2.61	9
22.	Sub-Centre, Karyas	March 1991	3.14	November 1991	Masonry raised up to plinth level	0.62	4
23.	Winter Health Post, Killar	March 1991	1.49	June 1991	Building raised up to roof level	2.77	9
			----- 227.73			----- 147.79	

APPENDIX-VII

(Refer paragraph: 3.7.(d)(iv); page 78)

Details of unoccupied buildings

Serial number	Name of the building	Year in which constructed	Cost of building	Since when lying vacant	Reasons for non-occupation
(Rupees in lakhs)					
1.	Medical officer residence, Shansha (Lahaul)	October 1991	3.86	April 1992	Due to leakage of water
2.	Medical officer residence, Kilihar (Spiti)	March 1981	4.32	September 1982	Medical Officer was posted in the institution from February 1991 to July 1992 but did not occupy the residence
3.	Medical officer residence (Double storey) at Killar (Pangi)	December 1992	12.71	January 1993	Due to non-posting of doctor
4.	Medical officer residence, Purthi (Pangi)	April 1990	3.24	December 1992	Due to non-posting of Medical Officer
5.	Residential building for Female health workers at Rangrik (Spiti)	1980	0.69	July 1988	Health workers are local and did not occupy the Government building
6.	Residential building for Female health workers at Dhankar (Spiti)	July 1986	0.69	July 1986	Residential building is at a far off village and no worker stayed there
		Total	25.51		

APPENDIX-VIII

(Refer paragraph 3.20; page 102)

Details of idle equipment

Serial number	Name of Department/ Office	Particulars of equipment	Date of purchase/ receipt	Cost (Rupees in lakhs)	Since when idle	Remarks
1	<u>Horticulture</u> Project Co-ordinator, Indo-Italian Olive and other temperate fruit project, Bajaura	Cold chamber	October 1991	6.95	October 1991	The equipment could not be put to use as of February 1993 for want of three phase electric connection.
2	<u>Revenue</u> Sub-Divisional Officer (Civil), Badsar	Bradma Embossing License Machine along with vating machine	March 1989	0.20	March 1989	After its purchase, the machine was transferred by the Deputy Commissioner, Hamirpur to the Sub-Divisional Officer (Civil), Badsar in March 1989. One part of the machine was found missing which was installed during 1991. The machine was not being operated as no person had been trained to operate it as of January 1993.
3	Deputy Commissioner, Sirmaur	(i) Microfilm machine (ii) Embossing machine	December 1987 September 1987	3.10 0.44	January 1990 July 1988	The machine was lying idle for want of repairs. The machine was lying idle in the office of the Sub-Divisional Officer (Civil), Nahan for want of repairs.
4	<u>Technical Education</u> Principal, Industrial Training Institute, Nahan	(i) Computers (ii) Typewriters	April 1991 March 1992	1.38 0.85	April 1991 March 1992	The equipments were purchased to start new trades. The new trades were yet to be started as of March 1993.

Serial number	Name of Department/ Office	Particulars of equipment	Date of purchase/ receipt	Cost (Rupees in lakhs)	Since when idle	Remarks
Health and Family Welfare						
5.	Chief Medical Officer, Una	(i) X-ray plant	March 1988	0.43	February 1992	X-ray plant was lying idle for want of repairs.
		(ii) Water testing kits 11 Nos.	February 1992	0.59	February 1992	The water testing kits were to be provided to Irrigation and Public Health Sub-Divisions under "United Nations Project for Family Welfare Activities". For 8 Sub-Divisions, 15 kits were purchased for Rs. 0.80 lakh. Of which, only 4 kits had been issued to Sub-Divisions and the balance 11 kits valuing Rs. 0.59 lakh were lying unutilised with the Chief Medical Officer as of October 1992.
Animal Husbandary						
6.	Laboratory Manager, Intensive Live Stock Improvement Programme, Palampur	3 Nos. Chillers	1977-78 (two) November 1991 (one)	5.16	1st since 1986-87 2nd since 1989-90 3rd since 1991	These chillers were not required by the Department now as sufficient cold water was available from the local <i>kuhl</i> .
7.	District Animal Husbandary Officer, Solan	2 Nos. Hay bailing machines	1977-78	0.97	One from 1977-78 and the other from August 1989	The machine could not be utilised due to lack of demand of bailed hey.
			Total:	20.07		

APPENDIX-IX

(Refer paragraph 4.23; page 150)

Road works lying incomplete due to involvement of forest land

Sr. No.	Name of the Division	Name of the road	Particulars of A/A & E/S		Stipulated period of completion	Month of commencement	Present position of the work	Up to date expenditure (Rupees in lakhs)	Delay involved up to March 1993 (In months)	Remarks						
			Date	Amount (Rupees in lakhs)												
1.	Karsog	(i) Construction of Bhakrot Janjehli road (km 0/0 to 24/0)	December 1971	6.87	3 years	April 1972	1 metre trace cutting done up to km 24 and road in a length of 400 metres completed.	1.51	215	The work was held up since November 1989 due to involvement of forest land. The case was sent to Divisional Forest Officer (DFO), Karsog in May 1989.						
			August 1979	4.34							2 years	August 1979	Road in a length of 1.150 km completed	1.28	139	The work has been held up since March 1991 due to involvement of forest land. The case was sent to DFO, Karsog in December 1989.
			September 1983	9.65												
2.	Nirmand	Construction of Bagipul Jaon road (km 0/0 to 8/0)	May 1988	20.73	3 years	March 1989	1 metre trace cutting and construction of road completed in a length of 3.970 km and 1.030 km respectively	1.25	12	The work was held up from May 1991 due to involvement of forest land. The case was submitted to DFO, Rampur in January 1993.						
			August 1988	20.01							3 years	October 1988	Road constructed from RD 2/0 to 5/100	1.51	17	The work was held up in April 1991 due to involvement of Reserve Forest
3.	Bharwain	(i) Construction of link road from Tarkarla Harijan Basti-Ambotu DharGuzeran via Badoh Basuni (km 0/0 to 7/720)	August 1988	20.01	3 years	October 1988	Road constructed from RD 2/0 to 5/100	1.51	17	The work was held up in April 1991 due to involvement of Reserve Forest						
			July 1988	8.52							3 years	September 1989	Road completed up to km 2.050	2.81	6	The work was held up in January 1992 due to involvement of Reserve Forest
		(ii) Construction of link road from Fatehpur to Jawal via Behumba (km 0/0 to 7/0)	July 1988	8.52	3 years	September 1989	Road completed up to km 2.050	2.81	6	The work was held up in January 1992 due to involvement of Reserve Forest						

Sr. No.	Name of the Division	Name of the road	Particulars of A/A & E/S		Stipulated period of completion	Month of commencement	Present position of the work	Up to date expenditure (Rupees in lakhs)	Delay involved up to March 1993 (In months)	Remarks
			Date	Amount (Rupees in lakhs)						
4.	Nahan	Construction of 5/7 metres wide Sainwala Trilokpur (km 0/0 to 6/0)	October 1980	11.60	2 years	January 1981	Road completed in patches in a length of 3.259 km	2.48	122	The work was held up in March 1990 due to involvement of forest land
5.	Barsar	Construction of road from Bhatwar to Gawal Pathar (km 0/o to 6/0)	March 1974	6.28	3 years	March 1974	Motorable road completed in a length of 3.880 km from Bhatwar side and 0.330 km from Gawal Pathar side.	2.77	192	The work of the road has been held up since February 1990 due to involvement of forest land.
6.	Ghumarwin	(i) Construction of Kathiun Gajrehra Deot Sidh road (km 0/0 to 5/0)	March 1986	13.85	3 years	March 1986	Motorable road in a length of 3.400 km completed along with Drainage work in a length of 1.750 km	5.44	48	The work was stopped during September 1989 by the Forest Department due to involvement of forest land. Case was sent to DFO, Bilaspur in July 1992.
		(ii) Construction of Chaunta Dhani Pukhar road (km 3/0 to 8/0)	March 1986	12.14	3 years	March 1986	Road constructed in RDs. 3/0 to 3/400	0.55	48	The work was held up during March 1992 due to involvement of forest land.
7.	Nurpur	Construction of Nanakhas to Ghatnaloo road (km 14/100 to 27/100)	November 1984	22.00	5 years	January 1985	Road completed from km 14/100 to 15/0 and 24/0 to 27/100 along with Drainage works from km 24/200 to 24/600	3.77	38	The work was held up during August 1988 due to involvement of forest land. The case was sent to DFO, Nurpur in April 1988.
8.	Haripur Dhar	Construction of Nohra Churdhar road (km 0/0 to 28/0)	December 1981	4.94	3 years	1985-86	1 metre wide track constructed in a length of 9.635 km	0.78	48	The work was held up during March 1988 due to involvement of forest land.
Total:				140.93				26.04		

APPENDIX-X

(Refer paragraph 4.23; page 150)

Roads works lying incomplete due to involvement of private land

Sr. No.	Name of the Division (Buildings and Roads)	Name of the road	Particulars of A/A & E/S		Stipulated period of completion	Month of commencement	Present position of the work	Up to date expenditure (Rupees in lakhs)	Delay involved up to March 1993 (In months)	Remarks
			Date	Amount (Rupees in lakhs)						
1.	Ghumarwin	Construction of Jhandutta Nand Nagraon road (km 0/0 to 5/0)	March 1983	8.10	3 years	March 1983	Road constructed in a length of 1.925 kms in patches between km. 0/0 and 3/0 and trace cutting done in km. 4.45	1.71	84	The work was held up in June 1992 due to involvement of private land and also forest land
2.	Karsog	Construction of Chindi Shalag road (km 0/0 to 3/0)	September 1983	5.46	3 years	September 1983	Road and trace cutting completed in a length of 0.900 km and 3 kms respectively	1.41	78	Due to involvement of private land in the alignment of road the work was held up from September 1990
3.	Karchham	Construction of Moorang Graemngog Jhowaring road (km 8/0 to 6/500)	October 1988	22.74	3 years	October 1988	Road constructed in a length of 0.730 in patches	3.22	17	Due to the involvement of private land the work was held up from March 1991
4.	Rajgarh	Construction of Sultanpur Mari-Ka-Ghat road (km 29/500 to 31/500)	March 1986	4.83	2 years	April 1986	Road constructed in a length of 1.5 kms.	2.77	59	Due to involvement of private/forest land the work stopped in September 1991
Total:				41.13				9.11		

APPENDIX-XI

(Refer paragraph 4.24; page 151)

Statement showing building works lying incomplete

Sr. No.	Name of Division	Name of work	Particulars of A/A & E/S		Particulars of technical sanction		Stipulated period of completion	Date of commencement of work	Present position of work	Up to date expenditure (Rupees in lakhs)	Remarks
			Date	Amount (Rupees in lakhs)	Date	Amount (Rupees) in lakhs					
1.	Kalpa	Construction of Tourist accommodation at Kalpa	Not obtained	--	Not obtained	--	Not given	October 1988	Land purchased in October 1988 and site development work done up to March 1989	0.69	The work was abandoned in March 1989 as the site being water logged was not found fit for the construction of the building (July 1993)
2.	Nahan	Construction of compound wall in Model Central Jail, Nahan	March 1989	8.88	Not obtained	--	One year	March 1989	106 metres out of 206 metres long wall up to plinth level constructed up to September 1989	7.95	Further work had been stopped in September 1989 due to non-approval of revised estimate for Rs. 20.50 lakhs submitted by the Divisional Officer in November 1989 and July 1993
3.	Sarkaghat	Construction of Ayurvedic dispensary with staff quarters at Seoh	April 1981	4.41	Not obtained	--	Not intimated	1983-84	Slab on the dispensary portion of the work laid in May 1988	1.25	Further work not done after May 1988 for want of funds. Construction of staff quarters also not taken up in hand (May 1993)
4.	Shimla-I	(i) Construction of additional accommodation for High School, Koti	May 1988	14.95	January 1989	11.55	2 years	April 1989	Masonry work up to plinth level done up to March 1990	1.87	No work was done after March 1990 because of non-availability of funds (June 1993)
		(ii) Construction of Middle School Building at Beolla	June 1988	2.13	1988-89	0.80	3 months 1988	October 1988	Work completed up to window cill level by August 1989	1.61	Paucity of funds
5.	Karchham	(i) High School, Rupl	August 1988	9.87	October 1988	8.56	2 years	1988	Building raised up to plinth level by June 1990	3.89	No work was done after June 1990 for want of funds (July 1993)
Total:				40.24						17.26	

APPENDIX-XII

(Refer paragraph: 5.1.4(viii); page: 156)

Statement showing various items purchased at varying rates

Serial number	Item	1990-91		1991-92		1992-93	
		Minimum rate	Maximum rate	Minimum rate	Maximum rate	Minimum rate	Maximum rate
		(In rupees)					
1.	Toot basket (rate per basket)	8.00 (Nurpur)	15.75 (Sundernagar)	7.90 (Jassur)	15.75 (Sundernagar)	7.90 (Jassur)	15.75 (Sundernagar)
2.	PWD badges (rate per bedge)	1.50 (Bajjnath)	2.50 (Jassur)	1.80 (Sundernagar)	2.40 (Dharamsala)	1.50 (Bajjnath)	3.50 (Sundernagar)
3.	PWD flags (rate per flag)	6.90 (Palampur)	6.90 (Palampur)	5.50 (Kangra)	8.00 (Kangra)	4.50 (Bajjnath)	11.50 (Kullu-II)
4.	Pick axes handles (rate per item)	6.00 (Nurpur)	7.00 (Kangra)	8.00 (Dharamsala)	8.00 (Dharamsala)	8.00 (Dharamsala)	18.00 (Jassur)
5.	Showel handles (rate per item)	6.50 (Nurpur)	7.50 (Kangra)	8.00 (Dharamsala)	8.00 (Dharamsala)	8.00 (Dharamsala)	20.00 (Jassur)
6.	Tarfelt (rate per roll)	390 (Dharamsala)	460 (Palampur)	400 (Dharamsala)	400 (Dharamsala)	410 (Dharamsala)	450 (Dharamsala)

Names of divisions where these items have been purchased are indicated in brackets.

APPENDIX-XIII**GLOSSARY OF ABBREVIATIONS**

<u>Abbreviation</u>	<u>Expanded form</u>
ADO	Assistant Development Officer
APO	Assistant Project Officer
A/A & E/S	Administrative approval and expenditure sanction
AC pressure pipes	Asbestos cement pressure pipes
AC Sheets	Asbestos cement sheets
ARWSP	Accelerated Rural Water Supply Programme
BDO	Block Development Officer
CHC	Community Health Centre
Cum	Cubic metres
CGI sheets	Corrugated galvanised iron sheets
CPC	Civil Procedure Code
CI bends	Cast Iron Bends
CMO	Chief Medical Officer
CRSP	Central Rural Sanitation Programme
DC	Deputy Commissioner
DCC	Directorate of Correspondence Courses
DAO	District Ayurvedic Officer
DWCRA	Development of Women and Children in Rural areas
DRDA	District Rural Development Agencies
DNES	Department of Non-Conventional Energy Services
DFSC	District Food and Supplies Controller
DI	District Inspector
FIR	First information report
GI	Galvanised iron
HPSEB	Himachal Pradesh State Electricity Board
HP	Horse Power
HRTC	Himachal Road Transport Corporation
HPU	Himachal Pradesh University
IRDP	Integrated Rural Development Programme
ISI	Indian Standards Institute
JRY	Jawahar Rozgar Yojna
KVIC	Khadi and Village Industries Commission
Km	Kilometre
kg	Kilogram
LTC	Leave travel concession
LAO	Land Acquisition Officer
MPW	Multi-Purpose Worker
MNP	Minimum Needs Programme
M.Ed	Master of Education
MS Flanges	Mild steel flanges
mg	Miligram

<u>Abbreviation</u>	<u>Expanded form</u>
ml	Mililitre
MAS	Material-at-Site
MWA	Miscellaneous Works Advances
MSERW	Mild Steel Electrically Resistance Welded
NREP	National Rural Employment Programme
NCERT	National Council of Educational Research and Training
NPBD	National Project on Biogas Development
PWD	Public Works Department
PDS	Public distribution system
POL	Petrol oil and lubricants
PCPs	Personal Contact Programmes
PHC	Primary Health Centre
RD	Reduced distance
RDD	Rural Development Department
RWSS	Rural Water Supply Schemes
RMT	Running metres
RCC	Reinforced cement concrete
RRs	Rai.way receipts
RLEGP	Rural Landless Employment Guarantee Programme
SC	Scheduled Castes
ST	Scheduled Tribes
SDM	Sub-Divisional Magistrate
SFDA	Small Farmers Development Agency
SCERT	State Council of Educational Research & Training
SCVE	State Council for Vocational Education
SDO	Sub-Divisional Officer
SIVE	State Institute of Vocational Education
SDA	Shimla Development Authority
TB	Tuberculosis
TRYSEM	Training of Rural Youth for self employment
TV	Television
UGC	University Grants Commission
VDC	Village Development Coordinators
VCR	Video cassette recorder
WHP	Winter Health Post

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