



GOVERNMENT OF SIKKIM

REPORT OF THE
COMPTROLLER AND
AUDITOR GENERAL OF
INDIA

FOR THE YEAR 1980-81

FOR THE YEAR 1907

PART IV
AUDITORS GENERAL OF
COMMERCE AND
REVENUE OF THE

GOVERNMENT OF INDIA



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PREFATORY REMARKS

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

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

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

CHAPTER I

GENERAL

1.1 Summary of transactions

The receipts and expenditure of the Government of Sikkim for the year 1980-81 are given below alongside corresponding figures of the preceding year :—

	1979-80	1980-81
	<i>(in lakhs of rupees)</i>	
I. Consolidated Fund		
Revenue		
(i) Revenue Receipts	32,82.75	40,76.90
Revenue Expenditure	29,58.68	30,64.55
Revenue Surplus	(+) 3,24.07	(+) 10,12.35
(ii) Public Debt		
Receipts	2,78.82	2,11.86
Repayments	23.18	75.32
Increase (+)	(+) 2,55.64	(+) 1,36.54
(iii) Loans and Advances		
Recoveries	23.48	12.06
Disbursements	89.14	64.56
Net outgo (—)	(—) 65.66	(—) 52.50

	1979-80	1980-81
	<i>(in lakhs of rupees)</i>	
(iv) Capital expenditure		
Increase	(—) 8,06.29	(—) 11,83.44
II. Contingency Fund		
Increase (+)	(+)	32.21 (—) 11.00
Decrease (—)		
III. Public Account		
Receipts	41,21.61	42,62.04
Disbursements	40,72.82	41,22.01
Increase (+)	(+)	48.79 (+) 1,40.03
Net of I to III		
Surplus (+)		
Deficit (—)	(—) 2,11.24	(+) 41.98
Opening balance	(+)	20.63 (—) 1,90.61
Closing cash balance	(—)	1,90.61 (—) 1,48.63

1.2 Revenue Surplus

The year 1980-81 ended with a revenue surplus of Rs. 10,12.35 lakhs against the estimated surplus of Rs. 4,87.17 lakhs. The receipts in 1980-81 were more than the

estimates by 16 per cent while in 1978-79 and 1979-80 these were less than the estimates by 3 and 2 per cent respectively. The expenditure was more than the budgeted estimates including supplementary grants by 2 per cent, while in 1978-79 and 1979-80 the same was less than the estimates by 12 per cent and 1 per cent respectively. Details are furnished below :—

Year	Receipts		Expenditure		Actual surplus
	Estimates	Actuals	Estimates	Actuals	
	(in lakhs of rupees)				
1978-79	30,30.76	29,27.28	25,98.35	22,79.15	6,48.13
1979-80	33,54.29	32,82.75	29,75.35	29,58.68	3,24.07
1980-81	35,01.43	40,76.90	30,14.26	30,64.55	10,12.35

1.3 Analysis of revenue receipts

Out of the revenue receipts of Rs. 40,76.90 lakhs during the year, Rs. 32,34.99 lakhs (79 per cent) were from the Government of India as grants for State plan schemes, centrally sponsored plan schemes, Statutory Non-Plan grants etc. Details are furnished in Appendix 1.1

Central grants constituted about 80 per cent of State's revenue receipts in 1979-80 also. Revenue raised by State Government was Rs. 8,41.91 lakhs, as against Rs. 6,56.76 lakhs in 1979-80. The increase from the previous year was mainly in non-tax revenue receipts, Rs. 1,78.07 lakhs (1980-81 : Rs. 5,51.21 lakhs, 1979-80 : Rs. 3,73.14 lakhs).

No new taxes were levied during the year nor any changes made in the existing taxes and duties. Information regarding arrears in collection of revenues is awaited from the Government (January 1983).

1.4 Expenditure on revenue account

(i) The expenditure, Plan and non-Plan on revenue account during 1980-81 together with budget estimates under the major sectors, as also the corresponing expenditure in the preceding year are given in Appendix 1.2.

(ii) Taking Plan and Non-Plan together, there was under-utilisation of provision in all sectors excepting Social and Community Services, General Economic Services and Transport and Communications. In the Plan Sector there was under-utilisation in all sectors. The under-utilisation (Plan and Non-Plan taken together) was marked under the following sectors as compared to the provision :—

(in lakhs of Rupees)

(a)	General services	2,62.93	30 per cent
(b)	Water and Power Development	1,32.28	49 per cent

(iii) The Plan expenditure during the year was less than that in 1979-80 in the following sectors :—

	1980-81	1979-80
	(in lakhs of rupees)	
(a)	General Services	1,82.04 2,50.17
(b)	Water and Power Development	2,07.20 1,6.53

The non-Plan expenditure was also less as compared to that in 1979-80 in the case of Water and Power Development (1980-81 : Rs. 30.91 lakhs; 1979-80: 49.81 lakhs).

(iv) Taking Plan and Non-Plan expenditure together, the increase in revenue expenditure in 1980-81 as compared to preceding year is analysed below :—

- (a) **Social and Community Services** :—The increase was mainly under 'Education' (Rs. 55.04 lakhs) owing to more expenditure on primary and secondary education, adult education, university and higher education, sports and youth welfare schemes and scholarships, 'Social Security and Welfare' (Rs. 29.78 lakhs) owing to more expenditure on welfare of scheduled castes, scheduled tribes and other backward classes.
- (b) **Agriculture and Allied Services** :—The increase was mainly under 'Agriculture' (Rs. 20.81 lakhs) owing to more purchases of manures, fertilizers and more expenditure on storage and warehousing, 'Soil and Water Conservation' (Rs. 35.35 lakhs) owing to more expenditure on soil conservation schemes, 'Animal Husbandry' (Rs. 18.66 lakhs) owing mainly to more expenditure on cattle development.
- (c) **Industry and Minerals** :—The increase was mainly under 'Village and Small Industries' (Rs. 15.94 lakhs) owing to more expenditure on management.

1.5 Capital expenditure

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

<i>Year</i>	<i>Budget</i>	<i>Budget plus supplementary</i>	<i>Expenditure</i>	<i>Percentage variation over augmented budget</i>
<i>(in lakhs of rupees)</i>				
(1)	(2)	(3)	(4)	(5)
1978-79	8,73.22	9,14.72	7,19.26	(—) 21
1979-80	8,52.67	9,24.11	8,06.29	(—) 13
1980-81	9,61.10	13,29.88	11,83.44	(—) 11

The expenditure on capital account during 1980-81 together with budgeted estimates under different sectors as also the corresponding expenditure in the preceding year are given in Appendix 1.3.

(ii) The shortfall (Rs. 25.50 lakhs) in utilisation of the Plan provision of Rs. 1026.09 lakhs for 1980-81 was less than three per cent although expenditure (Rs. 10,00 lakhs) was more by Rs. 2.44 lakhs than that in 1979-80.

Under Non-Plan side the shortfall (Rs. 1,20.94 lakhs) in utilisation of provision of Rs. 3,03.79 lakhs was 40 per cent although expenditure (Rs. 1,82.85 lakhs) was more by Rs. 1.33 lakhs than that in 1979-80.

In the Plan side the shortfall was mainly under 'Social and Community Services' (Rs. 22.16 lakhs) due to less expenditure on education, housing, medical etc. In the non-Plan side the shortfall was mainly under 'General Services' (Rs. 1,13.43 lakhs) due to less expenditure on public works and under 'Social and Community Services' (Rs. 6.52 lakhs) due to less expenditure on housing etc.

Plan expenditure during 1980-81 exceeded the Plan provision slightly under 'General Services' (Rs. 2.91 lakhs), Industry and Minerals (Rs. 3.09 lakhs) and 'Transport and Communications' (Rs. 1.38 lakhs).

(iii) On Social and Community Services, compared to the Plan expenditure of Rs. 1,21 lakhs in 1979-80, that in 1980-81 was Rs. 1,72 lakhs owing mainly to construction of residential buildings, hospitals etc.

On Water and Power Development, the Plan expenditure was Rs. 2,31 lakhs as against Rs. 71 lakhs in 1979-80, which was due to more expenditure on hydel schemes.

On Transport and Communications, the expenditure in 1980-81 was Rs. 4,58 lakhs as against Rs. 4,03 lakhs in 1979-80 mainly on account of more expenditure on purchase of machinery and equipments.

1.6 Loans and advances by the Government

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

Year	Budget	Budget plus supplementary provision	Actuals	Percentage variation over augmented budget
	<i>(in lakhs of rupees)</i>			
1978-79	28.50	32.90	19.73	(—) 40
1979-80	44.85	1,01.85	89.14	(—) 12
1980-81	67.70	83.00	64.56	(—) 22

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

<i>Year</i>	<i>Budget</i>	<i>Actuals</i>	<i>Percentage variation over budget estimates</i>
<i>(in lakhs of rupees)</i>			
1978-79	11.20	5.97	(—) 47
1979-80	31.95	23.48	(—) 26
1980-81	32.05	12.06	(—) 62

(iii) The outstanding balances under loans and advances at the end of the last three years as also the disbursements and recoveries during the three years are given in Appendix 1.4.

Under 'General Economic Services' no loans were advanced in the last three years for Co-operatives or to Financial and Trading Institutions.

Under Agriculture and Allied Services, loans were made to cultivators (Rs. 6 lakhs), Sikkim Live Stock Development Corporation (Rs. 8 lakhs), and also for development of Piggery and Poultry.

Under Industry and Minerals, a loan of Rs. 12 lakhs was made to the Sikkim Mining Corporation. Loans were also paid to Small Scale Industries, Handicraft Industries and private entrepreneurs.

Under Transport and Communications, no loans were disbursed during 1980-81.

Outstanding loans to Government servants increased from Rs. 37.17 lakhs at the end of 1978-79 to Rs. 60.77 lakhs at the end of 1979-80 and to Rs. 90.14 lakhs at the end of 1980-81.

Outstanding loans for miscellaneous purposes are mostly on account of dues (Rs. 65.21 lakhs outstanding) from a private firm, who was erstwhile banker to the State Government (see paragraph 23 of Audit Report 1975-76). The case for the recovery of outstanding dues is pending in the High Court. The amount of loans (Rs. 65.25 lakhs) as on 1st April 1980 had increased by Rs. 1.97 lakhs due to reassessment of claims by the Government. The outstanding loans at the end of the year 1979-80 was shown as Rs. 63.28 lakhs.

No interest was received against any of the loans in the last three years; reasons therefore have not been intimated by the State Government. Details of overdue principal and interest are also awaited (January 1983). The balances of outstanding loans as per ledger balances maintained by the Accountant General are communicated every year to the departmental authorities maintaining the detailed accounts for verification and confirmation of balances. Such confirmation has also not been received.

Further details of loans and advances are given in Statements No. 4 and 17 of the Finance Accounts 1980-81.

1.7 Sources from which capital expenditure and net outgo under loans and advances were met

The net capital expenditure (Rs. 11,83.44 lakhs) and the net outgo under loans and advances by the State Government (Rs. 52.50 lakhs) during 1980-81 were met from the following sources :—

(in lakhs of rupees)

(i)	Revenue Surplus	10,12.35
(ii)	Increase in Public Debt	
	(a) Internal Debt of the State Government	(—) 2.57
	(b) Loans and Advances from the Central Government	1,39.11

(in lakhs of rupees)

(iii)	Increase in Small Savings, Provident Funds, etc. balances	15.29
(iv)	Increase in balances under Reserve Funds	9.11
(v)	Increase in other balances under Public Accounts viz., under Deposits and Advances, Suspense and Remittances	59.59
(vi)	Contingency Fund	(—) 11.00
(vii)	Drawing down of cash balance and overdraft from State Bank of Sikkim and investments	(+) 14.06
	Total	12,35.94

1.3 Debt position

The total debt liability of the Government at the close of 1980-81 was Rs. 12,25.12 lakhs as detailed below alongwith that at the close of the two preceding years.

Nature of debt	Balance on 31st March		
	1979	1980	1981
	<i>(in lakhs of rupees)</i>		
(i) Public Debt-Internal debt of the State Government	65.37	68.73	66.16
Loans and Advances from the Central Government	5,27.76	7,80.04	9,19.15
Total Public debt	5,93.13	8,48.77	9,85.31

		<i>(in lakhs of rupees)</i>		
(ii)	Provident Funds etc.	29.01	54.48	69.77
(iii)	Non-interest bearing Reserve Funds and deposits and liabilities such as civil deposits and other earmarked Funds	94.12	1,20.01	1,70.04
Total Debt		7,16.26	10,23.26	12,25.12

During the year 1980-81, the State Government borrowed Rs. 1 lakh from the Life Insurance Corporation of India for implementing the Social Housing Schemes. (In 1979-80, Rs. 6 lakhs had been similarly borrowed for village housing project schemes for economically weaker sections of the society). The borrowing from the Government of India as on 31st March 1980 and on 31st March 1981 constituted 92 per cent and 93 per cent respectively of the total public debt of the State Government which accounted for the bulk of the total debt liability.

Government paid Rs. 31.40 lakhs as interest to the Government of India on loans for Centrally sponsored Plan schemes and received Rs. 43.65 lakhs on investment of its cash balances with the State Bank of India (Rs. 3.17 lakhs) and with the State Bank of Sikkim (Rs. 4.25.11 lakhs) and Government of India securities (Rs. 6.02 lakhs). The Government also received Rs. 23.62 lakhs as dividend from public undertakings and from other investments as against Rs. 38.75 lakhs for the preceding year 1979-80.

The net addition to Small Savings, Provident Fund etc. during 1980-81 was Rs. 15.29 lakhs.

1.9 Guarantees given by the Government

Guarantees upto a maximum of Rs. 10 lakhs each have been given by the State Government, one in August 1975 and another in July 1976, both to the State Bank of Sikkim in respect of advance (overdraft) made to Sikkim Mining Corporation and to the Sikkim Consumers' Co-operative Society respectively. Though, the overdraft given to the Sikkim Mining Corporation had ended, the guarantee continues to be outstanding; the amount of outstanding overdraft of the Sikkim Consumers Co-operative Society was Rs.4.79 lakhs as on 31st March 1981. The guarantees were not invoked during the year.

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

1.10 Investment in shares

(a) Rupees 30.23 lakhs were invested by the Government during 1980-81 as detailed below alongwith the progressive investment upto the end of the year and dividend received during the year :—

<i>Category of bodies</i>	<i>During 1980-81</i>	<i>To end of 31st March 1981</i>	<i>Dividend received during the year (percentage of return to cumulative investments in brackets)</i>
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Number Amount Number Amount

(in lakhs of rupees)

(i) Statutory Corporations and State Bank of Sikkim	2	12.00	6	1,76.55	Nil	Nil
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(in lakhs of rupees)

(ii)	Companies	2	18.23	5	1,43.02	21.72	(15)
(iii)	State Bank of India and Co- operative Societies	—	—	5	16.48	Nil	Nil
	Total	4	30.23	16	3,36.05	21.72*	(6)

(b) Following points are noteworthy in the accounts in regard to Statutory Corporations, Companies (including non-Government Companies) and Co-operative Societies :—

(i) Dividend of Rs. 3.25 lakhs earned from the State Bank of Sikkim during 1980-81, has been actually credited to Government in 1981-82. Total amount of investment in the State Bank of Sikkim at the end of 1980-81 was Rs. 13 lakhs. No dividend was received from the five Corporations in which Rs. 1,63.55 lakhs stood invested at the end of 1980-81.

(ii) Dividend of Rs. 21.72 lakhs received from Companies was from the Sikkim Distilleries Ltd., (Rs. 20.70 lakhs) and the Sikkim Jewels (Rs. 1.02 lakhs) in which, Rs. 83.42 lakhs and Rs. 4.10 lakhs respectively stood invested at the end of 1980-81. From the other three companies (investment : Rs. 55.50 lakhs) there was no dividend.

(iii) There was no dividend from any of the five Co-operative Societies and a Bank (investment : Rs. 16.48 lakhs).

*Dividend of Rs. 23.62 lakhs was actually received and accounted for. For the breakup of the remaining amount, the matter is under correspondence with the State Finance Department.

CHAPTER II

APPROPRIATION AUDIT CONTROL OVER EXPENDITURE

2.1 Summary

(a) The following table compares the total expenditure during the year with the totals of grants and charged appropriations:—

<i>voted</i>	<i>Grant/ charged appropriation</i>	<i>Expenditure</i>	<i>Excess (+) Savings (—)</i>	<i>Percentage</i>
<i>(in lakhs of rupees)</i>				
Original	40,72.48			
Supplementary	8,65.54			
	49, 38.02	45,63.78	(—) 3,74.24	7.6
Charged				
Original	87.75			
Supplementary	0.60			
	88.35	1,23.57	(+) 35.22	39.9
Total	50,26.37	46,87.35	(—) 3,39.02	6.7

The over all saving of Rs. 3,39.02 lakhs was the net result of savings of Rs. 3,73.50 lakhs in 25 grants and 5 charged appropriations in the Revenue Section and Rs. 61.89 lakhs in 24 grants and 1 charged appropriation in the Capital Section and excess of Rs. 47.66 lakhs in 5 grants in the Revenue

Section and Rs. 48.71 lakhs in 5 grants and 1 charged appropriation in the Capital Section.

(b) Further details are given below :—

*Authorised
to be spent
(Grants and
Charged app-
ropriations)*

*Revenue Capital Loans and Public
advances debt Total*

(in lakhs of rupees)

Original	30,98.83	9,61.10	67.70	32.60	41,60.23
Supplemen- tary	5,91.03	2,59.81	15.30	—	8,66.14
Total	36,89.86	12,20.91	83.00	32.60	50,26.37

**Actual expen-
diture (Grants
and Charged**

appropriations) 33,64.02 11,83.44 64.56 75.33 46,87.35

Shortfall (—) /

Excess (+) — 3,25.84 — 37.47 — 18.44 +42.73 —3,39.02

2.2 Excess over grants/charged appropriations requiring regularisation

(a) Grants

There was an aggregate excess of Rs. 47,66,486 in 5 grants in the Revenue Section and Rs. 5,97,900 in another 5 grants in the Capital Section. The excess, details of which are given

below, requires regularisation under Article 205 of the Constitution :—

Revenue Section

<i>Sl. Number and No. name of grant</i>	<i>Total grant Rs.</i>	<i>Expenditure Rs.</i>	<i>Excess Rs.</i>
1. 1. State Legislature	10,00,000	10,75,504	75,504
2. 8. Education	2,98,67,000	3,19,56,001	20,89,001
3. 16. Forest, Fisheries and Soil Conser- vation	2,81,61,000	3,01,87,431	20,26,431
4. 18. Sikkim Nationa- lised Transport	2,43,40,000	2,45,53,301	2,13,301
5. 24. Medical, Public Health and Social Welfare	1,77,93,000	1,81,55,249	3,62,249

Reasons for the excess in the cases mentioned above have not been intimated (January 1983) by the respective departments.

Capital Section

<i>Sl. Number and No. name of grant</i>	<i>Total grant Rs.</i>	<i>Expenditure Rs.</i>	<i>Excess Rs.</i>
1. 8 Education	38,00,000	41,88,274	3,88,274
2. 13 Income Tax and Sales Tax	6,000	7,020	1,020
3. 25 Panchayat, Rural Works and Social Welfare	48,000	58,422	10,422

	<i>Total grant Rs.</i>	<i>expenditure Rs.</i>	<i>Excess Rs.</i>
4. 26 Planning and Development	9,000	9,395	395
5. 29 Tourism	8,15,000	10,12,789	1,97,789

Reasons for the excess in the cases mentioned above have not been intimated (January 1983) by the respective departments.

(b) Charged appropriation

Excess of Rs. 42,72,836 over one charged appropriation in the capital section as detailed below also requires regularisation :—

Capital Section

1. 14 Other expenditure of the Finance Department	32,60,000	75,32,836	42,72,836
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Excess was due to more repayment of loans to Government of India based on amounts which had fallen due for such repayments.

2.3 Supplementary grants/Charged appropriations.

During the year, supplementary provision of Rs. 8.66 crores (about 21 per cent of the original provision of Rs. 41.60 crores) was obtained. Rupees 5.90 crores were to augment revenue expenditure under 24 grants and Rs. 2.75 crores to augment capital expenditure under 6 grants. Rupees 0.01 lakh to augment revenue expenditure under 2 charged appropriations.

Details of significant cases of unnecessary, excessive and inadequate supplementary grants (exceeding Rs. 1 lakh in each case) are given below :—

(i) Unnecessary supplementary grant

In the following cases supplementary provisions proved to be unnecessary, as the expenditure did not come up even to the original provision.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
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(in lakhs of rupees)

Revenue Section

1.	3 Agriculture	2,25.07	1.00	2,13.82	12.25
2.	22 Land Revenue	53.35	1.24	47.23	7.36
3.	30 Industries and Labour	79.60	1.23	65.36	15.47

Reasons for the savings are awaited (January 1983).

Capital Section

1.	30 Industries and Labour	59.87	4.60	53.49	10.98
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Reasons for the saving are awaited (January 1983).

(ii) Excessive supplementary grants

In the following cases, supplementary provision proved to be excessive :

Revenue Section

1.	9 Power and Irrigation	2,02.28	1,45.30	2,77.83	69.75
2.	14 Other expenditure of the Finance Department	20.71	12.34	23.76	9.29

Sl. Number and No. name of grant	Original grant	Supplemen- tary grant	Expendi- ture	Saving
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(in lakhs of rupees)

3. 19 Home Department	40.76	31.25	67.97	4.04
4. 21 Police	1,47.19	12.50	1,50.36	9.33
5. 25 Panchayat, Rural Works and Social welfare	2,99.70	42.60	3,26.95	15.35
6. 27 Press, publicity and Cultural Affairs	36.63	8.96	43.36	2.23
7. 28 Public Works, Roads, Bridges and Water Supply	7,41.85	2,24.82	7,80.79	1,85.88

Capital Section

1. 3 Agriculture	26.40	6.00	29.38	3.02
2. 9 Power and Irrigation	2,12.90	2,17.40	4,26.79	3.51
3. 18 Sikkim Nationalised Transport	59.15	4.81	62.84	1.12
4. 28 Public Works, Roads, Bridges and Water Supply	4,83.80	33.00	5,10.33	6.47

(iii) Inadequate supplementary grants

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Excess
(in lakhs of rupees)					
1.	8 Education	259.81	38.86	3,19.56	20.89
2.	16. Forest, Fisheries and Soil Conservation	2,66.33	15.28	3,01.87	20.26
3.	18. Sikkim Nationalised Transport	2,11.08	32.32	2,45.53	2.13

2.4 Advances from the Contingency Fund

A Contingency Fund of Rs. 50 lakhs has been placed at the disposal of the Government to enable them to make advances to meet unforeseen expenditure, pending authorisation by the Legislature. The advances from the Fund are to be made only to meet expenditure which is of such an emergent character that the postponement of it, till its authorisation by the Legislature would be undesirable.

Three sanctions were issued during 1980-81, advancing Rs. 13 lakhs, which was actually drawn (Rs. 2 lakhs for fair-price shops, under Grant No. 15, Rs. 10 lakhs for Welfare of Scheduled Castes, Scheduled Tribes under Grant No. 19 and Rs. 1 lakh for Law College under Grant No. 8). Recoupment of the advance for Rs. 2 lakhs only had been made during the year.

2.5 Shortfall in recoveries

Under the system of gross budgeting, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately below the budget estimates. During 1980-81 such recoveries were anticipated at Rs. 6,75.60 lakhs under the Revenue Section. Actual recoveries during the year were, however, only Rs. 2,99.48 lakhs. The short recoveries occurred mainly under the following grants :—

<i>Sl. No</i>	<i>Number and name of grant</i>	<i>Estimated recoveries</i>	<i>Actual recoveries</i>	<i>Shortfall</i>
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(in lakhs of rupees)

Revenue Section

(i)	9 Power and Irrigation	2,15.30	79.97	1,35.33
(ii)	25 Panchayat, Rural Works and Social Welfare	1,00.00	26.97	73.03
(iii)	28 Public Works, Roads, Bridges and Water Supply	3,60.00	1,92.41	1,67.59

Basis of the original estimation and reasons for the shortfall have not been furnished (January 1983).

2.6 Non-receipt of explanations for savings/excess

After the close of financial year, the detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and the resultant variation are sent to the Controlling Officers to obtain reasons for the variations for being incorporated in the Appropriation Accounts. As in the previous years, in most of the cases, the reasons for variations were not furnished to Audit by the Controlling Officers. In the Appropriation Accounts for 1980-81, explanations for variations under 128 out of 289 heads under the Revenue/Capital Section of grants/charged appropriations have not been received (January-1983).

CHAPTER III

RESULTS OF AUDIT

Section I — Civil Departments

DEPARTMENT OF HEALTH AND FAMILY WELFARE

3.1.1 APPLIED NUTRITION PROGRAMME

Introduction

The Government of India sponsored the Applied Nutrition Programme during the Third Five Year Plan in 1963 in collaboration with three international agencies, viz. the United Nations International Children's Emergency Fund (UNICEF), the World Health Organisation (WHO) and the Food and Agriculture Organisation (FAO). The object of the scheme was (i) to raise the nutritional standard of the rural community through education and training of officials and non-officials in the improved methods of production, preservation and conservation of balanced food, (ii) to increase the production of food rich in proteins, vitamins and minerals by mobilising individuals (women and youth) and institutions in villages, and (iii) to develop the village resources through community efforts to implement the supplementary feeding programme covering the children, pregnant women and nursing mothers. The programme also aimed at the concept and practice of block planning in order to ensure that the programme activities in each block were related to the needs, resources and aspirations of the inhabitants. The programme was implemented as a Centrally Sponsored Scheme upto 1978-79 and thereafter as a State Plan Scheme. Each block had operational period of 5 years followed by a post-operational period of one year.

The Central assistance for each block for the first year was available at the rate of Rs. 0.34 lakh, if started in 1977-78 and Rs. 0.64 lakh in 1978-79. Rupees 0.34 lakh per annum were

available for the remaining operational period of four years. In the post-operational period of one year the assistance was Rs. 0.20 lakh per block. The State Government was to contribute during the operational period Rs. 0.51 lakh per block per year, for the five years to be spent on Horticulture (Rs.0.11 lakh), Fisheries (Rs. 0.14 lakh), Poultry (Rs. 0.14 lakh) and Minor Irrigation (Rs. 0.12 lakh).

Cash grant of Rs. 0.20 lakh per annum per block was sanctioned by Government of India in lieu of UNICEF assistance available in other states.

The scheme was slated for implementation from 1976-77 but was actually inaugurated in one district (a district was treated as a block) in 1977-78 and in another district in the subsequent year (1978-79).

Financial achievement : Details of the Central assistance received, contribution made by State Government during the operational period and actual expenditure incurred on the scheme (1977-78 to 1980-81) are given below:—

Year	No. of blocks in operation	Central Assistance			State's Contribution		
		Amount due	Amount received	Expenditure	Amount due	Amount received	Expenditure
(in lakhs of rupees)							
1977-78	1	0.54	0.54	Nil	0.51	0.50	0.50
1978-79	2	1.18	0.79	0.45	1.02	1.68	1.02
1979-80	2	Nil	Nil	Nil	1.70	2.18	0.25
1980-81	2	Nil	Nil	Nil	1.70	0.70	0.08

*Provision made in the budget which includes Central assistance and State's contribution.

The Central assistance during the period fell short by 23 per cent. Expenditure incurred on the scheme from Central assistance and State Government contribution for the periods upto 1979-80 was 41 per cent of the amount available. No reason for the short-fall in expenditure was furnished by the Department (January 1983).

Performance : The Fifth Plan target was to cover 20 villages in each block per year. However, only 9 villages were covered as against 40 villages contemplated in the two districts resulting in a shortfall of 77.5 per cent for which no reasons had been furnished by the Department (January 1983). No new blocks were taken up during 1979-80 when the scheme was switched over to the State sector. In both the blocks the scheme was terminated prematurely (April 1979) due to its transfer from centrally sponsored sector to State sector.

As against the Central assistance of Rs. 1.33 lakhs received, an expenditure of Rs. 0.45 lakh was incurred, the unspent balance of Rs. 0.88 lakh has not been refunded to the Central Government (January 1983).

State Government prepared a model plan for implementation in these blocks, without requisite survey being conducted, which differed from the master plan suggested by the Government of India and forwarded it to Government of India for approval (June 1977 for South District and September 1978 for East District) which was approved by the Government of India (July 1977 for South District and October 1978 for East District). The scheme has been executed as per this model plan, the salient features of which are given in Appendices 3.1 and 3.2.

The block plan prepared by the State Government was not realistic inasmuch as the plan contemplated raising of 505 school gardens (335 upto 1980-81) in both the districts during the operational period of 5 years, whereas the total number of schools in the entire State was only 275 at the end of 1980-81.

It envisaged raising of fishery units in 265 village tanks of both the districts though there were not as many number of village tanks in this hilly State.

Fisheries : The scheme contemplated the establishment of fishery rearing units in the village tanks in 20 villages covering a water area of approximately 2 acres in each village. The block plan required development of fisheries in the blocks as detailed below :—

<i>Name of the District</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>
	(number of units)		
South District	Nil	20	40
East District	Nil	Nil	5

No expenditure was incurred on the development of fisheries during the period of operation of the scheme. No reasons were furnished by the Department (January 1983) for this failure. As the objective of the development of fisheries was to make the villages self-sufficient in regard to supply of nutritious food and the community self-supporting, the non-implementation of the scheme failed to fulfil it.

Poultry : Under the Master plan every block taken up under the programme was required to establish through private breeders 20 village poultry units each having 50 layers. The block plan for these two blocks envisaged the following units:—

<i>Name of the District</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>
South District	20	80	100
East District	Nil	5	10

The Department advanced Rs. 0.15 lakh during 1977-78 to the Sikkim Livestock Development Corporation for distribution of poultry birds and chicks to selected poor farmers. No account was rendered by the Corporation (January 1983). It has, however,

been reported by the Department that ten birds each were distributed (February 1978) to 25 selected farmers in 5 villages of the South District. No follow-up action was taken to ascertain whether the birds were reared properly and were laying eggs.

The Department also took up construction of six poultry sheds in six selected schools for establishment of poultry units though not contemplated in the model plan. An advance of Rs. 0.48 lakh was made (March 1979) to the Sikkim Livestock Development Corporation for the purpose. Six sheds at a cost of Rs. 0.30 lakh were constructed in schools in six villages (one in South and 5 in East District). One hundred birds were supplied to only one unit at a cost of Rs. 0.03 lakh and a sum of Rs. 0.11 lakh was spent upto December 1980 on the supply of feed to them. The other five sheds had not been put to the intended use. The Department stated (September 1981) that the unit was left under the responsibility of the Headmaster of the school and the products were being distributed among the children of the school. There was, however, nothing on record to show that follow-up action was taken to verify whether the birds were being reared and that account was being kept of the number of eggs laid, etc.

Horticulture : School gardens :

According to the programme, 20 school gardens each with an area of one quarter of an acre in each block were to be established during the operational period. The block plan however contemplated the establishment of the following school gardens :—

<i>Name of the Block</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>
South District	20	80	100
East District	Nil	5	10

The Department established only four school gardens in each of the two districts in 1979-80, which fell short of the number contemplated in the block plan by 96 percent. Another five gardens were reportedly established in 1980-81 in South

District. Even taking this into account the percentage of short-fall remained the same.

No accounts were maintained of the vegetables produced in the school gardens and its distribution to the children as mid-day meals. The Department stated (September 1981) that the products were distributed among the children who worked for the implementation of the scheme.

Community gardens : The block plan also contemplated the establishment of community gardens as detailed below :—

<i>Name of the District</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>
South District	20	80	100
East District	Nil	2	5

Four community gardens were established at a cost of Rs. 0.12 lakh in South District (1977-78) and none in East District. No account was maintained of the production and its distribution.

Kitchen Gardens : Under the scheme emphasis was laid on kitchen garden because of its potential in promoting self-reliance and such garden was to be promoted as widely as possible. The block plan contemplated the establishment of the following kitchen gardens :—

<i>Name of the District</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>
South District	20	80	100
East District	Nil	5	10

No kitchen gardens were established during the operation of the scheme in any of the blocks.

A total of Rs. 0.82 lakh was advanced to the following departments in connection with the establishment of school gardens and community gardens :—

<i>Name of the Department</i>	<i>Amount</i>	<i>Purpose</i>
	<i>(in lakhs of rupees)</i>	
Agriculture Department	0.35	For supply of agricultural implements, seeds, fertilizer and insecticides.
Rural Development Department	0.47	For fencing of the gardens and supply of water pipes.

No account was rendered by the Agriculture Department of the amount advanced to them. The Rural Development Department rendered an account of Rs. 0.16 lakh only towards fencing of community gardens. It was not available on record (May 1982) as to whether the works had been completed in all respects.

Community Agencies : The block plan contemplated the establishment of 32 Mahila Mandals (South 30, East 2) and 32 Yuvak Mandals (South 30, East 2) till 1979-80. But no Mahila Mandals or Yuvak Mandals were organised in the State.

Monitoring and evaluation : It was expected that after the operation of 5 years, Poultry, Fishery and Horticulture components of the programme would become self-supporting and help villages in meeting requirement of nutritious food. The scheme envisaged, evaluation by Government of the achievements of the scheme. But no evaluation cell was set up under the programme. Neither evaluation was done nor was there any periodical monitoring of the scheme. To continue the scheme during 1980-81, the State Government required the Rural Development Department to submit the evaluation reports to Government. No such report was submitted by the Department (January 1983) as no review was conducted.

Other points of interest : Education and training of officials and non-officials in improved methods of production, preservation and conservation of balanced food as envisaged in the programme, was not taken up in the State.

The programme contemplated that nutrition education was to be provided by mukhya sevikas, gram sevikas, medical and para-medical staff of the primary health centres and sub-centres, school teachers and Balsevikas. The State Government could not utilise their services for providing nutrition education, reasons for which were awaited (January 1983).

A crop demonstration for the production of maize which was not a component of the programme was conducted by the State at a cost of Rs. 0.29 lakh in fields belonging to the Agriculture Department. No records of the produce and its disposal were available.

The Government spent Rs. 0.16 lakh on fencing Panchayat Ghars which was not contemplated in the programme.

A personal deposit account was opened in the State Bank of Sikkim in favour of the Director of Health Services with a sum of Rs. 0.87 lakh (March 1979) to avoid lapse of grant in contravention of the Financial Rules. The amount was spent during the subsequent year only i.e. 1979-80 although the scheme was not eligible for Central assistance from 1979-80.

Summing up : In the three years ending 1979-80, 9 villages in two blocks in the two districts were brought under the programme as against 100 villages required to be covered. Funds provided were not fully utilised (short-fall: 41 per cent upto 1979-80). The programme was prematurely terminated in both the blocks due to transfer of the scheme to the State sector.

Against the target of 40 village poultry units with 50 layers each, no poultry units were established. Under a scheme of chick rearing and distribution, 25 selected farmers in 5 villages were supplied with 10 birds each. No follow-up action was taken to ascertain whether birds were being reared properly.

Further, six sheds were constructed in six schools for establishment of poultry units. Of these only one shed had been supplied with birds. The other five sheds remained idle.

Under the programme of Horticulture, 8 school gardens were opened as against the target of 40 and five more were opened after the closer of the scheme. Four community gardens were also established in one district and no kitchen gardens on which emphasis was to be laid, were established in any of the blocks.

In respect of community/school gardens no details of production of vegetables and their disposal were maintained.

No monitoring or evaluation of the programme was done by the Government.

DEPARTMENT OF FOREST

3.1.2. Construction of Tourist Hut

Tourism Department placed at the disposal of Forest Department in March 1980, Rs. 1.15 lakhs for the construction of a Sikkimese style Tourist Hut at Kachepari in West Sikkim. The Divisional Forest Officer (West) drew an amount of Rs. 1.05 lakhs in March 1980 from the Chief Conservator of Forests through bills supported by sub-vouchers, muster rolls etc. and by certifying that the construction of the hut had been completed. However, during audit (July 1980) the acquittances in support of the payments purported to have been made on muster rolls and other documents could not be produced. It was observed that the particulars of payments were also not entered in the cash book of either of the concerned Divisional Forest Officer or of the Range Officer. It was further observed that the hut was not handed over to the Tourism Department till then. On enquiry by Audit, the Tourism Department stated (August 1981) that the work was not completed and that the Forest Department could not undertake construction work immediately as extra land for greater frontage for the hut was required. They further stated that construction works commenced in August 1980. The hut had not been handed over so far

(September 1982). Obviously, the sub-vouchers, muster rolls etc. submitted by the Divisional Forest Officer (West) were not genuine and the certificate that the hut had been completed was incorrect. This was irregular and in contravention of Financial Rules of Government. The matter was also investigated by the Vigilance Department who have registered a case (June 1981). Further information is awaited (January 1983).

The matter was referred to Government in September 1981; their reply is awaited (January 1983).

3.1.3 Construction of Tourist Centre and Tourist accommodation in West Sikkim.

For construction of Tourist centre and Tourist accommodation in West Sikkim for Tourism Department, the Chief Conservator of Forests drew an amount of Rs. 2.16 lakhs in March, 1979 by cheques based on claims presented by Divisional Forest Officer (West). The cheques were issued to the Conservator of Forests (Territorial) who after encashment handed over the amount to Divisional Forest Officer (West) and the latter reportedly handed over the same to the concerned Range Officer. The transactions were not properly documented in the Cash Book of the Divisional Forest Officer.

Out of Rs. 2.16 lakhs, Rs. 2.02 lakhs were spent but supporting vouchers/documents were not available either with the Conservator of Forests or Divisional Forest Officer or Range Officer. These were lying with the Divisional Forest Officer (Working Plan) who was in no way connected with the work. A scrutiny of the vouchers (August 1980) revealed the following facts :—

(i) Vouchers/sub-vouchers for Rs. 2.02 lakhs only were available. No documents about the refund of balance amount (Rs. 0.14 lakh) were available.

(ii) Sub-vouchers for Rs. 0.14 lakh were in mutilated condition and overwritings were noticed in the amount of sub-vouchers in many cases.

(iii) Camping sheds though stated to have been completed in three places in March 1979, they were handed over to Tourism Department in March 1980 only.

The case was reported to the Department in July 1981, their reply is awaited (January 1983). The case is also under investigation of the Vigilance Department of the State Government.

3.1.4. Cardamom Cultivation

Cultivation of cardamom, one of the main cash crops in the State, is done by (i) leased plantation and (ii) Departmental plantation. A scrutiny (July 1981) of the transactions relating to cultivation and auction of cardamom revealed the following:—

Leased Plantation

Under this system Government land was leased out to various lessees for cardamom cultivation. The Government decided (March 1978) that each such lessee should deposit annually 15 Kgs. of processed cardamom per acre for Darap-Changey area and 20 Kgs. per acre for other areas as Government share. In November 1979 the Government revised the above rates and decided to collect 25 per cent of the annual produce harvested as Government share and made it uniformly applicable to all areas in the State. During the three years 1977-78, 1978-79 and 1979-80, the Government share of processed cardamom was being collected, contrary to the above decisions, through contractors engaged on highest offer basis, as was the practice in vogue prior to March 1978. A total area of 1281 acres of Government land was leased out to cultivators by Government during these three years. Government share of processed cardamom realised during 1977-78 and 1978-79 was 7181 Kgs. as against 48020 Kgs. realisable in terms of the Government order

of March, 1978. During the year 1979-80, 3203 Kgs. were realised as Government share from the lessees but the quantity realisable could not be assessed as the Department could not produce documents to show the quantity harvested and consequently the shortfall in realisation could not be ascertained. The decision of the Government (November 1979) implied maintenance of records regarding area cultivated, quantity of Cardamom produced as well as processed, as the Government share was related to that. However, no such records available.

The shortfall in realisation of Government share in 1977-78 and 1978-79 amounted to 40,839 Kgs. and was worth Rs.10.31 lakhs at the Government rate of sale price prevailing during these years.

Departmental Plantation

In December 1977 the Conservator of Forests fixed 120 Kgs. of dry processed cardamom as the average minimum yield per acre per annum. During 1978-79 and 1979-80 harvesting of 383.42 acres and 633.42 acres respectively was done but the total yield during these two years was only 3786 Kgs. as against 1,22,020 Kgs. on the basis of norm of 120 Kgs. per acre per annum. The Department could not explain reasons for such a drastic shortfall of 1,18,234 Kgs. of processed cardamom, valuing Rs. 19.69 lakhs based on Government rate of sale price for 1978-79 and 1979-80.

Auction of Cardamom

In June 1978 a total quantity of 4,059 Kgs. of cardamom was auctioned by the Department. The highest offer of a firm (Rs. 1,257 per 40 Kgs.) was accepted (June 1978) subject, inter-alia, to the condition that the bidder should deposit 25 per cent of the total value at time of lifting and the balance amount within 10 days from the date of delivery. The bidder was also required to produce two sureties acceptable to the Government. A total quantity of 4,059 Kgs. of cardamom was handed over to a bidder who while taking delivery complained about the

quality of cardamom and prayed for some rebate. The Chief Conservator of Forests allowed a rebate of 2 Kgs. for every 40 Kgs. in contravention of the terms of agreement, subject to the condition that the bidder should deposit in advance the amount due on the entire quantity. However, he was allowed to lift the entire quantity without depositing the amount due, and an amount of Rs. 0.76 lakh is still (September 1982) recoverable from him. The rebate of 203 Kgs. resulted in a loss of revenue of Rs. 6,713 to the State excluding the recoverable amount of Rs. 0.76 lakh. No action has been taken to recover the amount either from the bidder or the sureties. Government stated (April 1982) that in respect of leased plantation, the Government share was collected on the basis of highest offer of bids as was the practice prevalent prior to the decision of March 1978. In respect of departmental plantation it was stated that the yield was extremely unstable and varied from place to place. Regarding non-recovery of the amount of cardamom auctioned the Government further stated that the realisation of revenue was under active pursuance and the two sureties produced by the bidder had also been informed. Failure to change the system of collection with reference to the Government decision of March 1978, later on revised in November 1979, and the non-maintenance of suitable records, have resulted in loss of revenue of Rs. 10.31 lakhs to the State in two years alone. Further developments about recovery of Rs. 0.76 lakh are awaited (January 1983).

DEPARTMENT OF CO-OPERATION

3.1.5 Cardamom Marketing Programme

In August 1977 Government approved the operation of a scheme for procurement and marketing of cardamom by the Department. The scheme was initially approved for operation in 1977-78 and is continuing since then (April 1982). Proforma accounts of the scheme were required to be prepared for each financial year. For operation of the scheme the Department

draw a total amount of Rs.5.27 lakhs from September 1977 to April 1979. It was observed during audit that,

- (i) Rs. 5.27 lakhs were credited to the current account of Secretary to the Department in contravention of the Financial Rules of Government;
- (ii) no documents were available (January 1981) to show the actual quantity of cardamom procured and sale proceeds thereof for these two years, nor
- (iii) the basic accounting records like, Cash Book, Vouchers, Ledgers, Bank Pass Book etc. were maintained,
- (iv) the department did not prepare proforma accounts as required.

Thus due to non-maintenance of proper accounts it could not be verified in audit whether amount of Rs. 5.27 lakhs was spent for the purpose for which it was drawn.

The case was reported to Government in May 1981; their reply is awaited (January 1983).

3.1.6 Orange Marketing Programme

To canalise marketing of oranges through Co-operative Societies, a decision was taken in 1977 to create a fund of Rs. 1 lakh. It was proposed to pay loans out of that fund to the Multipurpose Co-operative Societies (MPCS), who would in turn, pay loans to their grower members for growing oranges. The grower members were required to hand over their produce to the concerned Societies as repayment of loan and the latter were to deliver the same to the Government Fruit Preservation Factory (GFPF), Singtam.

To implement the scheme, the Department drew a total amount of Rs. 3.50 lakhs between March 1977 and October 1979, and deposited the same in the Current Account of the Registrar of the Department with the State Bank of Sikkim without the approval of the competent authority and

in contravention of the Financial Rules of the Government. The Department could not produce to audit (January 1981) terms and conditions of such loans, actual amount of loans granted to the MPCPS, amount of loans granted by them to their grower members, actual quantities of oranges (with value) handed over by the grower members to the MPCPS, and the actual quantity of oranges delivered to GFPP, Singtam. In May 1979 Government ordered the opening of Personal Deposit Account for this scheme which was not complied with. In its absence, it could not be ascertained how far the fund was utilised to achieve the desired objectives. In November 1980 an additional amount of Rs. 2 lakhs was sanctioned for the scheme, which was drawn and credited to the Current Account in March 1981.

The matter was reported to the Department in October 1981; their reply is awaited (January 1983).

DEPARTMENT OF PUBLIC WORKS

3.1.7 Construction of new Secretariat Building

In March 1975 an agreement was concluded between the Department and a contractor for the construction of new Secretariat Building at Gangtok at an estimated cost of Rs. 34.16 lakhs. The work was commenced in November 1975 and was completed in October 1978 without sanction of any estimate. Following points were also noticed :—

(i) as per agreement the work was to be completed within 18 months, by May 1977, but neither extension of time was granted nor any penalty was imposed on the contractor for delay in completion of work, although final payment was made to him in March 1979;

(ii) steel shuttering materials worth Rs. 0.58 lakh supplied to the contractor were neither returned nor cost thereof recovered from his final bill. Similarly hire charges of steel shuttering materials (Rs. 0.09 lakh) used by the contractor

and cost of 120 'Wall Form Pannel' (under valuation) not returned by him were not deducted from the final bill;

(iii) rate for carriage of clean coarse sand from Rangpo was agreed at Rs. 3 per cubic foot but on request from the contractor (December 1975) Department allowed carriage of sand from Tumlang Kholā at an enhanced rate of Rs. 3.68 per cubic foot. 65,095 cft. of sand were actually carried from Rangpo but were paid at Rs. 3.68 per cubic foot which resulted in an overpayment of Rs. 0.55 lakh to the contractor.

The irregularities were reported to the Department in September 1980; their reply is awaited (January 1983).

DEPARTMENT OF EDUCATION

3.1.8 Loss of cash due to theft

According to the orders issued by Government (September 1975), every official transacting Government money is required to maintain a Cash Book and every official entrusted with the custody of Government money to furnish a security of an appropriate amount. Rupees 0.31 lakh representing undisbursed salaries of Inspector non-formal/adult education were kept by the Deputy Director, Adult Education from January 1980 onwards. No cash book was being maintained and the money was kept in an attache case. A lower division clerk was allowed to handle cash without any specific authority and without furnishing any security. On 14 April 1980, the attache case containing Government money was handed over to the clerk for disbursements. At the close of the day, the clerk left office with the key of the locked attache case which was handed over to another assistant. Next day on opening the attache case with a duplicate key an amount of Rs. 0.29 lakh was found missing and the clerk was not traceable. The case was reported to the police on 16 April 1980; its final outcome is awaited (January 1983).

The loss was not reported to the Accountant General as required under the Financial Rules of Government. The Department constituted a Committee to investigate the loss. The Committee in its findings (July 1980) observed, interalia, that (i) no staff was available who could be entrusted with Government money, (ii) Government money was kept in the attache case as no cash box was being kept. No responsibility was fixed on any official for the loss. The loss is yet to be regularised (January 1983). Thus non-observance of Government orders on handling of Government money, resulted in a loss of Rs. 0.29 lakh.

DEPARTMENT OF FOOD AND CIVIL SUPPLIES

3.1.9. Purchase of Truck

The Department purchased through State Trading Corporation of Sikkim, a Premier Road Master 3 tonner Truck fitted with Perkins Diesel engine in December 1976 for the first time at a cost of Rs. 0.72 lakh for transporting foodgrains to various depots in West Sikkim. From the beginning the performance of the truck was not a satisfactory and during the first seventeen months of its procurement the Department spent Rs. 0.23 lakh for repair of engine and on spare parts etc. When the Department referred the matter to the supplier, the latter stated (June 1978), interalia, that during 1 1/2 years of operation of the truck free service which was absolutely essential was not availed of from the authorised dealer at Gangtok and necessary adjustments required in the initial period were also not got done. They also stated that no defect was reported to them during the warranty period. Subsequently, on a reference from the Department (July 1978), the Sikkim Nationalised Transport authorities intimated (September, 1978) that the Perkins Diesel Engine fitted on the truck was not reliable and

suggested its replacement by a Tata Diesel Engine. Accordingly, the Finance Department sanctioned (February 1979) Rs. 0.47 lakh for replacement of the engine. The Department drew Rs. 0.45 lakh in March 1979 and deposited Rs. 0.43 lakh with the State Trading Corporation of Sikkim for the purpose. The balance amount of Rs. 0.02 lakh retained by the Department was finally refunded in October 1980. The Department, however, purchased a new jeep instead, through State Trading Corporation of Sikkim and adjusted the amount of Rs. 0.43 lakh deposited by them for replacement of engine. The Department stated (November 1981) that the idea to purchase the replacement engine was dropped as the supplier was unable to supply the same. Meanwhile the truck went off-road and was garaged from February 1978 to November 1978 in a private Auto Works at Siliguri by paying Rs. 1,715 as garage rent and dismantling charges of the engine and thereafter in a compound of a private flour mill at Siliguri free of cost. The Chief Secretary of the State advised (August 1979) disposal of the truck through auction and the same was auctioned in July 1981 at Rs. 0.29 lakh. Thus as a result of procuring the truck without ascertaining its suitability for use in a region it was expected to serve, the Department incurred a loss of Rs. 0.77 lakh apart from its remaining off-road for most of the time.

Matter was reported to Government in January 1982 ; reply is awaited (January 1983).

3.1.10 Storing and Distribution of Food Grains

Food grains allotted by Government of India to maintain the public distribution system and lifted by the Department from the Food Corporation of India were being stored in godowns set up at various places in the State for eventual distribution to the dealers/retailers. The dealers were required to deposit the full cost of required quantity of food grains in the State Bank of Sikkim in advance and on production of bank receipts were given delivery of food

grains. Scrutiny of records (June-July 1980) of some of the godowns revealed that three godowns incharge had been accepting cash direct from dealers and releasing foodgrains in contravention of the prescribed procedure. Although Government Orders (September 1975) enjoined, interalia, that every official handling Government money should maintain a Cash Book in prescribed form and furnish security deposit of appropriate amount, no proper records were maintained. In one godown, there was a difference of Rs. 4.51 lakhs between the amount actually received from the dealers and amount deposited in the Bank during April 1978 and May 1979. However, after reconciliation, a difference of Rs. 1.14 lakhs remained unaccounted for. The Department referred the case (August 1979) to Police for initiating action against the godown in-charge for embezzlement of Rs. 0.96 lakh only. The final outcome is awaited (January 1983).

A general scrutiny of Stock Registers in some of the godowns revealed that no records of issues, closing balances were available even though following quantities were received in the godown.

Godown	Period of receipt	Rice		Sugar		Rapeseed oil	
		Quantity in quintals)	Value in Rs. lakhs)	Quantity in quintals)	Value in Rs. lakhs)	Quantity in litres	Value in Rs. lakhs)
1. Jorethang	1977-78 to 1979-80 (December, 1979)	71,309	106.75	2,680	7.35	1,000	0.16
2. Gyalsing	1977-78 to 1979-80	34,250	51.37	1,210	3.39	250	0.26
3. Mangan	1977-78 to 1979-80 (September 1979)	26,650	38.48	360	2.24	—	—

4. Melli 1977-78 to
1979-80 — No records available for receipt,
(May 1979) issues and closing balances.
5. Namchi — No records No records No records
from April from April from April
1977 to 1977 to 1979 to
May 1979. January 1979. December 1979.

No regular stock verification in the godowns was being conducted. Verification of stock conducted during October 1976 to May 1981 revealed shortage of food grains valuing Rs. 4.50 lakhs in nine out of seventeen godowns. The Department stated (May 1982) that the same practice of receiving cash where banking facilities do not exist, is still continuing. However, the Inspectors and Sub-Inspectors have been instructed to maintain Cash Books and also issue cash receipts to the retailers in token of cash deposited by them. The Department further stated that the case of embezzlement (Rs. 0.96 lakh) is still under investigation by Crime Branch of Police, and in Namchi godown all records were seized by Vigilance Department for investigation.

SECTION II

RECEIPTS

3.2.1 Trend of major revenue receipts

The major revenue receipts during the last three years were as follows :—

	1978-79	1979-80	1980-81
	<i>(In lakhs of rupees)</i>		
Taxes on Income other than			
Corporation Tax	12.11	30.74	28.39
Land Revenue	4.87	11.39	17.10
State Excise	1,45.13	1,62.61	1,58.08
Sales Tax	43.69	54.06	64.79
Taxes on vehicles	5.63	5.99	6.61
Entertainment Tax	9.10	3.50	3.14

3.2.2 Cost of collection of Revenue receipts

The expenditure incurred* on collection of revenue, under the receipt heads mentioned above, during the last three years was as follows :—

(Figures in brackets indicate the percentage of cost of collection to revenue realised)

	1978-79	1979-80	1980-81
	(in lakhs of rupees)		
Taxes on Income other than Corporation Tax	0.77 (6.4)	1.25 (4)	1.40 (4.9)
Land Revenue	4.74£	4.10£	4.58£
State Excise	3.48 (2.4)	3.78 (2.3)	3.70 (2.3)
Sales Tax	1.11 (2.5)	2.53 (4.7)	1.43 (2.2)
Taxes on vehicles	1.01 (17.9)	1.25 (20.9)£@	2.08 (31.5)
Entertainment Tax	0.13 (1.4)	0.20 (5.7)@	0.18 (5.7)@

* Figures were furnished by the department.

£ Land revenue department is engaged in discharging several functions and responsibilities and the expenditure relatable to land revenue collection only is not ascertainable.

@ Reasons for increase in cost of collection are awaited from Government (January 1983).

DEPARTMENT OF LOCAL SELF GOVERNMENT

3.2.3 Non-realisation of contract fee

In March 1976 the right to collect toll taxes was let out to a private contractor after public auction and a Bazar Contract Licence Agreement for the period from 1st April 1976 to 31st March 1978 was concluded between the Local Self Government Department and the Contractor. As per

agreement, the contractor was authorised to collect taxes at scheduled rates for sites occupied by shops, houses, godowns, stables etc. in the specified areas of Gangtok, Deorali and Tadong Bazar and the licensee was required to pay a fixed sum of Rs. 2.04 lakhs to the State Government during the currency of the contract in monthly instalments, irrespective of actual amount of taxes collected.

With effect from 1st April 1976, however, the management and control of bazars were transferred to newly formed Gangtok Municipal Corporation and the licensee was directed to deposit licence fee to the Corporation. Till the termination of the contract in March 1978 the party had deposited only Rs. 1.01 lakhs and the balance of Rs. 1.03 lakhs remained unpaid. As per clause 16 of the agreement the licensee was liable to pay penal interest at 15 per cent on unpaid instalments falling due.

The Municipal Corporation stated in November 1981 that no further remittance had been made by the party for the balance amount. They also stated that they had no authority to enforce recovery of the balance amount as the contract was executed between the State Government and the contractor. They, however, reported the matter to the Local Self Government Department (February 1978) who in turn moved the District Collector in February 1978 for appropriate action but thereafter till October 1981 no action had been taken. Thus an amount of Rs. 1.03 lakhs and Rs. 0.60 lakh as penal interest thereon upto February 1982 are still outstanding against the contractor due to lack of proper co-ordination, faulty devolution of responsibility and want of vigorous pursuance towards realisation of Government dues.

DEPARTMENT OF INCOME AND SALES TAX

3.2.4 Assessment of incomes of contractors

As per Sikkim Income and Sales Tax Department Notification of April 1970, the taxable income of contractors should be arrived at by deducting only the cost of cement, iron rods, G.C.I. sheets and coal tar supplied to them from gross amount due.

The following defects/irregularities were noticed during a test check (September 1980) of the assessment of taxable incomes of contractors :—

(i) The taxable incomes of contractors were being assessed by adding the totals of various deductions to the net amounts due, and not by deducting the cost of stock materials only supplied to them from the gross amounts due as required. Errors committed in this reverse process resulted in an aggregate under-assessment of income of Rs. 3.19 lakhs in five cases.

(ii) In respect of six contractors, while assessing taxable incomes for the assessment year 1979-80, some of the items included in the 'Tax Deducted at Source Register' were not taken into account resulting in an under-assessment of their taxable incomes by Rs. 5.71 lakhs.

(iii) During the assessment year 1979-80 in respect of two contractors, the entire income of Rs. 5.30 lakhs had escaped assessment. Short levy of tax in these cases amounted to Rs. 0.34 lakh.

On these being pointed out in audit (September 1980), the Department stated (September 1980) that in respect of the cases at (i) and (ii) above, fresh demand notices would be served and in respect of (iii) above the correct party would have to be sorted out. Further developments are awaited (January 1983).

The matter was brought to the notice of Government in October 1981; reply is awaited (January 1983).

3.2.5 Irregular allowance of tax rebates

It was noticed in audit (August 1978 to September 1980) that during the assessment years 1977-78 to 1979-80, the State Income Tax Officer had allowed 50 per cent rebate in tax on income from business of cardamom, though the existing State Income Tax rules, notification and circulars do not provide for any such

rebate. This irregular allowance of rebate resulted in under-charge of tax of Rs. 3.10 lakhs (Rs. 0.80 lakh in 1977-78, Rs. 1.70 lakhs in 1978-79 and Rs. 0.60 lakh in 1979-80) in 82 cases.

It was further seen (September 1980) in audit that the State Income Tax Officer had also allowed 25 per cent rebate in tax on income from the business of petrol, oil and lubricants in the State, though no such rebate was provided for in the Income Tax rules of the State. The resultant short-levy of tax amounted to Rs. 0.12 lakh in three cases in respect of the assessment years 1978-79 and 1979-80.

On these being pointed out in audit, the department stated (September 1980) that while rebate in tax on income from the business of cardamom was allowed as per prevailing practice, the rebate in tax on income from business on petrol, oil and lubricants in the State was being allowed since 1962-63 as a marginal commission to the dealers by the oil supplying companies. It was, however, pointed out by the Ministry of Law that in the absence of any provision in the Income Tax Rules of the State, such past practices did not acquire legislative character and could not be continued beyond 26th April 1975.

The cases were reported to Government in October 1981; their final reply is awaited (January 1983).

SECTION III**GOVERNMENT COMMERCIAL AND TRADING
ACTIVITIES****3.3.1 General**

This section deals with the Statutory Corporations/Companies in which Government has invested funds and departmently-managed commercial undertakings.

3.3.2 Statutory Corporations/Companies

As on 31st March 1981, there were 6 Statutory Corporations/Companies and a Bank as mentioned below :—

	<i>Incorporated in</i>
1. Sikkim Mining Corporation	February 1960
2. State Bank of Sikkim	June 1968
3. State Trading Corporation of Sikkim	March 1972
4. Sikkim Jewels Limited	June 1972
5. Sikkim Time Corporation Limited	October 1976
6. Sikkim Livestock Development Corporation Limited	November 1976
7. Sikkim Industrial Development and Investment Corporation Limited	March 1977

The accounts of the Sikkim Livestock Development Corporation Limited for the years 1979-80 and 1980-81 and of the State Trading Corporation of Sikkim for the year 1980-81 have not been finalised so far (January 1983).

The particulars of capital structure, Government investment Companies and the Bank as at the end of 1980-81

<i>Particulars</i>	<i>Sikkim Mining Corporation</i>	<i>State Bank of Sikkim</i>	<i>State Trading Corporation of Sikkim (1979-80)</i>
--------------------	----------------------------------	-----------------------------	--

(in lakhs)

Capital Structure

Authorised Share Capital	1,00.00	1,00.00	4,00.00
Paid-up-Capital	57.35	20.38	19.00
Investment in share capital			
(a) by Government	29.*	13.00	19.*
(b) by Central Government	28.10	**	—
(c) by others	—	**	—

Working results

Profit (+)/			
Loss (—)	(—) 5.04	(+)73.20	(+)10.26
Accumulated Profit (+)/			
Loss (—)	(—)47.44	(+)16.55	(+) 2.26

* Figures as per Finance Accounts were Rs. 49.25 lakhs, Rs. 11

** Information is awaited.

@ Accounts for 1979-80 and 1980-81 are in arrears.

in the share capital and accumulated profit/loss of Corporations/and the working results for the year are given below

<i>Sikkim Jewels Limited</i>	<i>Sikkim Time Corporation Limited</i>	<i>Sikkim Livestock Development Corporation Limited</i>	<i>Sikkim Industrial Development and Investment Corporation Limited</i>
------------------------------	--	---	---

of rupees)

50.00	50.00	1,00.00	1,00.00
7.79	38.00	22.00	41.30
4.10	38.*	22.00	41.30
—	—	—	—
3.69	—	—	—
(+)6.97	.	@	(+)2.37
(+)0.35	.	@	NIL

lakhs and Rs. 40 lakhs respectively. The differences are under reconciliation.

3.3.3 Departmentally-managed commercial undertakings

As on 31st March 1981, there were three departmentally-managed commercial undertakings in the State as under :—

1. Sikkim Nationalised Transport,
2. Wood Working Centre and
3. Government Fruit Preservation Factory.

The particulars of capital financed by the Government, the fixed assets and the profits as per the proforma accounts for 1980-81 of Sikkim Nationalised Transport and Government Fruit Preservation Factory are given below :—

	<i>Sikkim Nationalised Transport</i>	<i>Government Fruit Preservation Factory</i>
	<i>(in lakhs of rupees)</i>	
Capital financed by the Government	3,92.08	77.45
Fixed assets	3,28.96	41.30
Reserve and Surplus	1,92.19	—
Profit(+)/Loss(—)	(—) 74.46	(—) 18.20

The figures of Wood Working Centre are not available (May 1982) as pro-forma accounts have not so far been maintained (January 1983).

STATE TRADING CORPORATION OF SIKKIM**3.3.4 Short supply and supply of sub-standard material**

The Calcutta office of the State Trading Corporation of Sikkim invited tenders in June 1979 for supply of 1000 tonnes of galvanised iron (G.I.) wire conforming to I.S.I. specifications to meet the requirements of the Sikkim Public Works Department. An order was placed on the firm 'A' (lowest tenderer) in June 1979 for supply of 300 tonnes of G.I. Wire conforming to I.S.I. specifications. As per terms and conditions of the order 90 per cent payment was to be made to the supplier on proof of despatch and balance 10 per cent on receipt of materials at destination. During June-July 1979, firm 'A' preferred bills for Rs. 8.95 lakhs (including packing charges), supported by challans of a private transport firm for having despatched 199.540 tonnes of the material and a sum of Rs. 7.97 lakhs being 90 per cent of the amount was paid in July 1979. Subsequent enquiries by the Corporation revealed that the carrier lifted and despatched only 149.500 tonnes of material from June 1979 to May 1980 against 199.540 tonnes as billed and paid for. It further revealed that the stores supplied did not conform to ISI specifications as stipulated in the order. The case was then referred to the State Vigilance Department in February 1981 when further investigations disclosed Feb.-April 1982 that the firm 'A' was a fictitious and nonexistent one. Thus, as a result of placing order on a firm without verifying its antecedents, the Corporation incurred a loss of

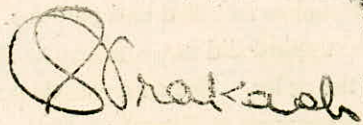
Rs. 2.20 lakhs being the value of the quantity of stores received short. Besides, the stores received and paid for were also of sub-standard quality. The matter was reported to Government in September 1981; reply was awaited (January 1983).



GANGTOK,
The

(R.P. PAL)
Accountant General, Sikkim

Countersigned



NEW DELHI,
The

(GIAN PRAKASH)
Comptroller and Auditor General of India

APPENDIX 1.1

Analysis of Revenue Receipts
(Reference : Paragraph 1.3 page 3)

	<i>Receipts</i>		<i>Increase (+)</i>	
	<i>1979-80</i>	<i>1980-81</i>	<i>Decrease (-)</i>	
	<i>(in lakhs of rupees)</i>			
(a) Receipts from the Government of India—				
(i) Statutory grants (Non-Plan) under proviso to Article 275 (1) of the Constitution	6,33.51	9,54.95	(+)	3,21.44
(ii) Block grants for State Plan Schemes	16,34.10	18,54.82	(+)	2,20.72
(iii) Grants for Centrally Sponsored Plan schemes	3,47.29	4,17.32	(+)	70.03
(iv) Other non-plan grants	3.09	—	(-)	3.09
(v) Contribution on account of State's share of Union Excise Duties	8.00	7.90	(-)	0.10
Total (a)	26,25.99	32,34.99	(+)	6,09.00
(b) Revenue raised by the State Government—				
(i) State's tax revenue	2,83.62	2,90.70	(+)	7.08
(ii) Other non-tax revenue	3,73.14	5,51.21	(+)	1,78.07
Total (b)	6,56.76	8,41.91	(+)	1,85.15
Grand Total (a) + (b)	32,82.75	40,76.90	(+)	7,94.15

APPENDIX

EXPENDITURE ON

(Reference : Paragraph

A. Plan expenditure (including centrally sponsored and other Schemes)

<i>Sector of expenditure</i>	<i>Budget estimates</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>	<i>Variation</i>
	<i>(in lakhs of rupees)</i>			
A. General Services	3,04.30	4,14.30	1,82.04 (2,50.17)	(—) 2,32.26
B. Social and Community Services	1,60.75	2,03.76	1,89.20 (1,11.25)	(—) 14.56
C. Economic Services				
(i) General Economic Services	18.20	19.80	16.91 (11.52)	(—) 2.89
(ii) Agriculture and Allied Services	6,35.45	6,57.03	6,41.87 (5,52.63)	(—) 15.16
(iii) Industry and minerals	81.30	82.53	60.52 (51.70)	(—) 22.01
(iv) Water and Power Development	98.00	2,29.72	1,06.53 (2,07.20)	(—) 1,23.19
(v) Transport and Communications	1,85.60	1,85.60	1,35.21 (91.82)	(—) 50.35
Total C—Economic Services	10,18.55	11,74.68	9,61.04 (9,14.87)	(—) 2,23.64
Total	14,83.60	17,92.74	13,32.28 (12,76.29)	(—) 4,60.46

*The figures within brackets indicate the expenditure during

1.2

REVENUE ACCOUNT

1.4 Page 4)

B. Non-Plan expenditure

<i>Sector of expenditure</i>	<i>Budget Estimates</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>	<i>Variations</i>	
	<i>(in lakhs of rupees)</i>				
A. General Services	3,90.69	4,50.69	4,20.02 (3,74.17)	(—)	30.67
B. Social and Community Services	3,90.17	4,16.70	4,37.75 (4,20.05)	(+)	21.05
C. Economic Services					
(i) General Economic Services	10.09	10.89	12.13 (8.22)	(+)	1.24
(ii) Agriculture and Allied Services	1,82.12	2,28.56	2,28.30 (1,93.49)	(—)	0.26
(iii) Industry and minerals	19.16	19.16	18.56 (15.39)	(—)	0.60
(iv) Water and Power Development	33.72	40.00	30.91 (49.81)	(—)	9.09
(v) Transport and Communications	3,80.80	5,22.64	5,84.60 (6,21.26)	(+)	61.96
Total C-Economic Services	6,25.89	8,21.25	8,74.50 (8,88.17)	(+)	53.25
Total	14,06.75	16,88.64	17,32.27 (16,82.39)	(+)	43.63

1979-80.

APPENDIX
EXPENDITURE ON

(Reference : Paragaph

A Plan expenditure (including centrally sponsored

<i>Sector of expenditure</i>	<i>Budget estimates</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>
(1)	(2)	(3)	(4)

(in lakhs of rupees)

A. General Services	54.20	62.70	65.61 (67.51)
B. Social and Community Services	1,94.30	1,94.30	1,72.14 (1,20.80)
C. Economic Services			
(i) General Economic Services	10.50	10.50	5.50 (11.34)
(ii) Agriculture and Allied Services	34.30	34.30	30.84 (22.74)
(iii) Industry and Minerals	30.70	35.30	88.39 (59.99)
(iv) Water and Power Development	1,90.00	2,32.78	2,30.52 (71.07)
(v) Transport and Communications	4,18.40	4,56.21	4,57.59 (4,03.09)
Total	9,40.40	10,26.09	10,00.59 (7,56.54)

*The figures within brackets indicate the

1.3

CAPITAL ACCOUNT

1.5 (i) Page (6)

and other
schemes)

Non-plan expenditure

<i>Variation Excess (+) Less (-)</i>	<i>Budget estimates</i>	<i>Budget plus supple- mentary</i>	<i>Actuals*</i>	<i>Variation Excess (+) Less (-)</i>
(5)	(6)	(7)	(8)	(9)
<i>(in lakhs of rupees)</i>				
(+) 2.91	9.70	1,18.67	5.24 (7.07)	(-) 1,13.43
(-) 22.16	10.00	10.00	3.48 (12.68)	(-) 6.52
(-) 5.00	—	—	—	—
(-) 3.46	1.00	1.00	— (30.00)	(-) 1.00
(+) 3.09	—	—	—	—
(-) 2.26	—	1,74.12	1,74.13	(+) 0.01
(+) 1.38	—	—	—	—
(-) 25.50	20.70	3,03.79	1,82.85 (49.75)	(-) 1,20.94

expenditure during 1979-80.

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

1870-1871

APPENDIX 1.4

LOANS AND ADVANCES

(Reference : Paragraph 1.6 page 8)

	1978-79			1979-80			1980-81			
	<i>Outstanding balance on 1st April 1978</i>	<i>Loans disbursed</i>	<i>Loans recovered</i>	<i>Outstanding balance on 1st April 1979</i>	<i>Loans disbursed</i>	<i>Loans recovered</i>	<i>Outstanding balance 1st April 1980</i>	<i>Loans disbursed</i>	<i>Loans recovered</i>	<i>Outstanding balance on 31st March 1981</i>
	<i>(in lakhs of Rupees)</i>			<i>(In lakhs of rupees)</i>			<i>(in lakhs of rupees)</i>			
(i) Loans for Social and Community Services	Nil	Nil	Nil	Nil	50.00	Nil	50.00	Nil	Nil	50.00
(ii) Loans for Economic Services										
(a) General Economic Services	19.25	Nil	Nil	19.25	Nil	0.02	19.23	Nil	0.05	19.18
(b) Agriculture and Allied Services	40.32	1.35	0.71	40.96	1.61	5.85	36.73	15.39	0.27	51.84
(c) Industry and Minerals	66.70	2.25	2.84	66.11	2.80	3.19	65.72	12.92	3.47	75.17
(d) Transport and Communications	18.70	6.00	0.03	24.67	Nil	3.54	21.13	Nil	1.70	19.44
Total (ii)	1,44.97	9.60	3.58	1,50.99	4.41	12.59	1,42.81	28.31	5.49	1,65.63
(iii) Loans to Government Servants	29.18	10.13	2.14	37.17	34.49	10.89	60.77	35.75	6.38	90.14
(iv) Loans for Miscellaneous Purposes	63.54	Nil	0.25	63.29	0.24	Nil	65.50£	0.50	0.19	65.81
Total	2,37.69	19.73	5.97	2,51.45	89.14	23.48	3,19.08£	64.56	12.06	3,71.58

£ Differs from the balance of Rs. 63.52 lakhs shown in the previous Report due to reassessment of claim of the Government, recovery of which is pending in the High Court.

ACCOUNT REPORT

STATE OF

LOANS AND ADVANCES

FOR THE YEAR

1900

Item	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910
1. Loans to individuals	1000	1200	1500	1800	2000	2200	2500	2800	3000	3200	3500
2. Loans to corporations	500	600	700	800	900	1000	1100	1200	1300	1400	1500
3. Advances to municipalities	200	250	300	350	400	450	500	550	600	650	700
4. Advances to educational institutions	100	120	140	160	180	200	220	240	260	280	300
5. Advances to agricultural societies	50	60	70	80	90	100	110	120	130	140	150
6. Advances to other organizations	30	35	40	45	50	55	60	65	70	75	80
7. Total	1850	2270	2810	3380	3670	3950	4300	4670	4980	5270	5550

Figures from the Bureau of the Census show that the total amount of loans and advances made by the State of New York in 1910 was \$5,550,000, an increase of 10% over the total amount of \$5,050,000 made in 1909.

APPENDIX 3.1
BLOCK PLAN FOR EAST DISTRICT

References Paragraph 3.1.1 Page 25

Programme	Operational year					Total
	I 1978-79	II 1979-80	III 1980-81	IV 1981-82	V 1982-83	
(Number of units)						
Part I Horticulture						
1. School garden	5	10	20	30	40	105
2. Community garden	2	5	10	20	40	77
3. Kitchen garden	5	10	20	30	40	105
Part II Poultry						
1. Village poultry unit	5	10	20	25	35	95
2. Chicken rearing & distribution	2	5	10	10	15	42
Part III Piggery						
1. School hostel	1	4	4	4	4	17
Part IV Fisheries						
1. Village Tank	—	5	10	20	30	65
Part V						
1. Mahila Mandal	—	2	5	10	10	27
2. Yuvak Mandal	—	2	5	10	10	27

APPENDIX 3.2

BLOCK PLAN FOR NAMCHI (SOUTH DISTRICT)

(Reference Paragraph 3.1.1,8 Page 25)

Programme	Operational year					Total
	1977-78	1978-79	1979-80	1980-81	1981-82	
	(i)	(ii)	(iii)	(iv)	(v)	
<i>(Number of units)</i>						
Part I Horticulture						
1. School garden	20	80	100	100	100	400
2. Community garden	20	80	100	100	100	400
3. Kitchen garden	20	80	100	100	100	400
Part II Poultry						
1. Village Poultry unit	20	80	100	100	100	400
2. Chicken rearing and distribution	2	18	15	20	30	85
Part III Piggery						
1. School hostel	1	4	4	4	4	17
Part IV Fisheries						
1. Village tank	—	20	40	60	80	200
Part V						
1. Mahila Mandal	—	10	20	30	40	100
2. Yuvak Mandal	—	10	20	30	40	100

BLOCK PLAN FOR MANCHU ISLAND DISTRICT

Division of the District

Area of the District

No.	Name of the Block	Area of the Block				Total Area
		Acres	Sq. Meters	Sq. Kilometers	Sq. Miles	
1	Block 1	100	40000	0.04	100	
2	Block 2	150	60000	0.06	150	
3	Block 3	200	80000	0.08	200	
4	Block 4	250	100000	0.10	250	
5	Block 5	300	120000	0.12	300	
6	Block 6	350	140000	0.14	350	
7	Block 7	400	160000	0.16	400	
8	Block 8	450	180000	0.18	450	
9	Block 9	500	200000	0.20	500	
10	Block 10	550	220000	0.22	550	
11	Block 11	600	240000	0.24	600	
12	Block 12	650	260000	0.26	650	
13	Block 13	700	280000	0.28	700	
14	Block 14	750	300000	0.30	750	
15	Block 15	800	320000	0.32	800	
16	Block 16	850	340000	0.34	850	
17	Block 17	900	360000	0.36	900	
18	Block 18	950	380000	0.38	950	
19	Block 19	1000	400000	0.40	1000	
20	Block 20	1050	420000	0.42	1050	
21	Block 21	1100	440000	0.44	1100	
22	Block 22	1150	460000	0.46	1150	
23	Block 23	1200	480000	0.48	1200	
24	Block 24	1250	500000	0.50	1250	
25	Block 25	1300	520000	0.52	1300	
26	Block 26	1350	540000	0.54	1350	
27	Block 27	1400	560000	0.56	1400	
28	Block 28	1450	580000	0.58	1450	
29	Block 29	1500	600000	0.60	1500	
30	Block 30	1550	620000	0.62	1550	
31	Block 31	1600	640000	0.64	1600	
32	Block 32	1650	660000	0.66	1650	
33	Block 33	1700	680000	0.68	1700	
34	Block 34	1750	700000	0.70	1750	
35	Block 35	1800	720000	0.72	1800	
36	Block 36	1850	740000	0.74	1850	
37	Block 37	1900	760000	0.76	1900	
38	Block 38	1950	780000	0.78	1950	
39	Block 39	2000	800000	0.80	2000	
40	Block 40	2050	820000	0.82	2050	
41	Block 41	2100	840000	0.84	2100	
42	Block 42	2150	860000	0.86	2150	
43	Block 43	2200	880000	0.88	2200	
44	Block 44	2250	900000	0.90	2250	
45	Block 45	2300	920000	0.92	2300	
46	Block 46	2350	940000	0.94	2350	
47	Block 47	2400	960000	0.96	2400	
48	Block 48	2450	980000	0.98	2450	
49	Block 49	2500	1000000	1.00	2500	
50	Block 50	2550	1020000	1.02	2550	
51	Block 51	2600	1040000	1.04	2600	
52	Block 52	2650	1060000	1.06	2650	
53	Block 53	2700	1080000	1.08	2700	
54	Block 54	2750	1100000	1.10	2750	
55	Block 55	2800	1120000	1.12	2800	
56	Block 56	2850	1140000	1.14	2850	
57	Block 57	2900	1160000	1.16	2900	
58	Block 58	2950	1180000	1.18	2950	
59	Block 59	3000	1200000	1.20	3000	
60	Block 60	3050	1220000	1.22	3050	
61	Block 61	3100	1240000	1.24	3100	
62	Block 62	3150	1260000	1.26	3150	
63	Block 63	3200	1280000	1.28	3200	
64	Block 64	3250	1300000	1.30	3250	
65	Block 65	3300	1320000	1.32	3300	
66	Block 66	3350	1340000	1.34	3350	
67	Block 67	3400	1360000	1.36	3400	
68	Block 68	3450	1380000	1.38	3450	
69	Block 69	3500	1400000	1.40	3500	
70	Block 70	3550	1420000	1.42	3550	
71	Block 71	3600	1440000	1.44	3600	
72	Block 72	3650	1460000	1.46	3650	
73	Block 73	3700	1480000	1.48	3700	
74	Block 74	3750	1500000	1.50	3750	
75	Block 75	3800	1520000	1.52	3800	
76	Block 76	3850	1540000	1.54	3850	
77	Block 77	3900	1560000	1.56	3900	
78	Block 78	3950	1580000	1.58	3950	
79	Block 79	4000	1600000	1.60	4000	
80	Block 80	4050	1620000	1.62	4050	
81	Block 81	4100	1640000	1.64	4100	
82	Block 82	4150	1660000	1.66	4150	
83	Block 83	4200	1680000	1.68	4200	
84	Block 84	4250	1700000	1.70	4250	
85	Block 85	4300	1720000	1.72	4300	
86	Block 86	4350	1740000	1.74	4350	
87	Block 87	4400	1760000	1.76	4400	
88	Block 88	4450	1780000	1.78	4450	
89	Block 89	4500	1800000	1.80	4500	
90	Block 90	4550	1820000	1.82	4550	
91	Block 91	4600	1840000	1.84	4600	
92	Block 92	4650	1860000	1.86	4650	
93	Block 93	4700	1880000	1.88	4700	
94	Block 94	4750	1900000	1.90	4750	
95	Block 95	4800	1920000	1.92	4800	
96	Block 96	4850	1940000	1.94	4850	
97	Block 97	4900	1960000	1.96	4900	
98	Block 98	4950	1980000	1.98	4950	
99	Block 99	5000	2000000	2.00	5000	
100	Block 100	5050	2020000	2.02	5050	

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<i>Page no.</i>	<i>Particulars</i>	<i>For</i>	<i>Read</i>
i	Sixth line	surplus	surplus
i	Last line	excess	excesses
iii	Fourth line, last column	46	47
iii	Fifth line, last column	47	47—49
iii	6th line	Departmentally managed	Departmentally- managed
iii	Seventh line, last column	47—50	50
iii	Eleventh line, last column	50—51	51—52
iii	Sixteenth line, last column	50—61	60—61
3	Para 1.3, third line	plan	Plan
3	Para 1.3, fourth line	plan	Plan
4	Para 1.4 (i), third line	corresponening	corresponding
4	Para 1.4 (i), third line	expediture	expenditure
4	Para 1.4 (ii), eighth line	Rupees	rupees
4	Fourth line from bottom	2,07.20	1,06.53
4	Fourth line from bottom	1,6.53	2,07.20
8	Seventh line from bottom	enterpenuers	entrepreneurs
9	Twelfth line	therefore	therefor
10	Para 1, 7; item (v) 2nd line	Accounts	Account
11	Seventh line from bottom	(Rs. 42. 11 lakhs)	(Rs. 426. 11 lakhs)
12	Thirteenth line	constitntion	Constitution
13	Sixteenth line	consolidated fund	Consolidated Fund
14	2nd line	AUDIT CON- TROL	AUDIT AND CONTROL
14	In the table below— para 2. 1 (a)	The word 'voted' to be inserted below the table under column 1	
14	Para 2.1 (a) Proforma column 1 & 3	Grant/savings	Grants/saving

<i>Page</i>	<i>Particulars</i>	<i>For</i>	<i>Read</i>
16	Last three lines, third column	Panchayat Rural Works and Social Welfare	Panchayat and Rural Works
16	First and second line	cons:it on	Constitution
17	First and second line	Total grant	Total grant/ appropriation
17	Second line	expenditure	Expenditure
17	Eighth line	(Janury 1983)	(January 1983)
17	Fifteenth line	expeiditure	expenditure
17	Ninth line from bottom	Rupees 0.01 lakh	Rupees 0.01 crore
17	Seventh line from bottm	Singificant	significant
17	Seventh line from bottom	unnecessary	unnecess ry
17	Sixth line from bottom	exceeding	of
17	Sixth line from bottom	Insert the words 'and above' after the word 'lakh'	
17	Third line from bottom	cases supplemen- tary	cases, supple- mentary
17	Last line	provision	provision:—
18	Fourteenth line	supplmentary	supplementary
18	Fifteenth line	cases	cases,
19	Sixth, Seventh and Eighth lines third column	Panchayat, Rural Works Social Welfare	Panchayat and Rural Works
19	Ninth line	publicity	Publicity
20	Sixth line from bottom	was actually	were also
20	Fourth line from bottom	castes,	castes and
21	In the table, against sl. (ii)	Panchayat, Rural Works and Social Welfare	Panchayat and Rural Works
21	Last line	(Janury 1983)	(January 1983)
22	First line	excess	excesses
22	Fourth fine	variation	variations
22	Eighth line	Insert the words 'respect of' in between 'in' and 'the'	
23	Twelfth line	object	objects
23	Twelfth line	was	were

<i>Page</i>	<i>Particulars</i>	<i>For</i>	<i>Read</i>
23	Sixth line from bottom	Sponsored	Sponsored
25	Fourth line from bottom	inasmuch as	inasmuch as
28	Sixth line	distributed	distributed
29	Fifth line from bottom	monitoring	monitoring
33	Para 3.1.4, third line	scrutiny	scrutiny
33	Twenty second line	Government	Government
34	Ninth line	records available	records were available
34	Fifth line from bottom	at time	at the time
35	Tenth line	amount	amount
36	Third line	current account	Current Account
36	Sixth line	available	available
36	Fourteenth line	whether amount	whether the amount
38	First line	Panel	Panel
38	Para 3.1.8, Sixth line	Inspector	Inspectors
38	last line	January	January
39	Eighth line	responsibility	responsibility
39	Para 3.1.9, Sixth line	satisfactory	satisfactory
40	Twenty fifth line	time	time
41	Second line	godowns incharge	godown incharges
41	Eighteenth line	issues, closing	issues and closing
41	Fifth line	Orders	order
41	Nineteenth line	Police	Police
47	Tenth line	below :—	below :
48-49	In the heading, second line	Insert the word 'and' between 1980-81' and 'the'	
48-49	In the heading, second line	Insert colon (:) after the word 'below'	
48-49	In the note below the Statement against*	Rs. 11 lakhs	Rs. 11 lakhs
48	Second line from bottom	Information	Information
49	First line	Corporations/and	Corporation/
49	Third line	Industrial	Industrial
50	Sixth line	Fruit	Fruit
50	Third line	as under :—	as under :
50	Tenth line	below :—	below :

<i>Page</i>	<i>Particulars</i>	<i>For</i>	<i>Read</i>
50	Fifth line from bottom	Reserve	Reserves
51	Sixth line from bottom	pecifications	specifications
51	Third line from bottom	Feb.-April	February-April
52	Heading	1983-81	1980-81
53	Thirteenth line	Costitution	Constitution
54	Against item C (v), last column	(—) 50.35	(—) 50.39
54	Against item Total C—, last column	(—) 2,23.64	(—) 2,13.64
56	Third line	Paragaph	Paragraph
56	Fourth line	A Plan	Plan
56	Against item C (iii), under colum (4)	88.39	38.39
56	Against item C (v) under column (1)	Transprort	Transport
56-57	Headings	References in two pages to para are to be read correctly.	
56-57	Heading	words 'and other' to be brought before the word 'schemes' page 57.	
57	Third line	Page (6)	Page 6)
57	Fifth line	sahemes)	schemes)
58-59	Ninth line	Rupees)	rupees)
60-61	Third line	References'	Reference:
62-63	Third line	3.1.1,8	3.1.1

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<i>Page</i>	<i>Particulars</i>	<i>For</i>	<i>Read</i>
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17	Sixth line from bottom	Insert the words 'and above' after the word 'lakh'	
17	Third line from bottom	cases supplementary	cases, supplementary
17	Last line	provision	provision:—
18	Fourteenth line	supplementary	supplementary
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