

**PUBLIC ACCOUNTS COMMITTEE
(1965-66)**

FORTY-SEVENTH REPORT

(THIRD LOK SABHA)

**(Appropriation Accounts 1962-63, 1963-64, Finance
Accounts 1962-63 and 1963-64 and Audit Reports
1964 and 1965 relating to Government of Kerala)**

VOL. II — APPENDICES



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1966

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PUBLIC ACCOUNTS COMMITTEE

(1965-66)

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4. Shri Gulabrao Keshavrao Jedhe
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SECRETARIAT

Shri H. N. Trivedi—Deputy Secretary.

Shri R. M. Bhargava—Under Secretary.

APPENDIX II

REVENUE DEPARTMENT

Note regarding excess over voted grants under Grant No. I—Agricultural Income Tax and Sales Tax, as reported in the Appropriation Accounts, 1962-63.

The expenditure under the voted grant exceeded the budget provision by Rs. 68,421 which requires to be regularised. The excess occurred under the following group heads:—

| Group head | Total grant | Excess |
|---|-------------|--------|
| | Rs. | Rs. |
| 12 Sales tax (a) Collection Charges. | | |
| (i) Law Officer | 22,100 | 40 |
| (ii) Sales Tax Appellate Tribunal | 86,800 | 826 |
| (iii) District Offices | 33,53,400 | 67,575 |

The excess expenditure occurred mainly under 12(a) (iii) District Offices. The reasons leading to the excess are explained below:—

12(a) (i) *Law Officer* and 12 (a) (ii) *Sales Tax Appellate Tribunal*.

Minor excesses amounting to Rs. 866 occurred under these group heads.

12(a) (iii) *District Offices*.

The excess expenditure is Rs. 67,575. On verification of the expenditure incurred including that of February, 1963, the Board of Revenue felt that the budget provision for the financial year in question would be sufficient and therefore no supplementary grant was sought for. During the year, the office of the Inspecting Assistant Commissioner (Special), Kozhikode and certain additional posts of Sales-tax Officers, Sales-tax Inspectors, Lower Division Clerks, etc., were newly sanctioned. A supplementary grant to meet the additional expenditure in this connection was nevertheless not sought for as it was expected that the expenditure could be met from the savings under other heads of account. But the actuals belied the expect-

tations and hence the excess. The excess is only about 2 per cent. of the final provision.

It is requested that the excess may kindly be recommended for regularisation.

Sd/-.

Joint Secretary to Government.

APPENDIX III

REVENUE DEPARTMENT

Note regarding excess over voted grants and charged appropriations under Grant No. 1—Agricultural Income Tax and Sales Tax as reported in the Appropriation Accounts 1963-64.

The excesses disclosed in the Appropriation Accounts for the above mentioned grant are as under:—

| | Total Grant or Appropriation | Actual penditure | + Excess |
|-------------------|---------------------------------|---------------------|-----------|
| | Rs. | Rs. | Rs. |
| Charged | 20,000 | 21,702 | +1,702 |
| Voted | 36,95,100 | 37,98,965 | +1,03,865 |

2. In the charged appropriation, there was an excess expenditure of Rs. 1,702 under the group head '12 (a) (iii) District Offices'.

A lump sum provision was made in the Budget under charged items as the actual expenditure for decretal charges cannot be foreseen with any degree of accuracy. As soon as a case of the Sales Tax/Agricultural Income Tax Department is decreed, the departmental subordinate office concerned will send up a demand for funds to satisfy the decree and they will be allotted from the funds available. The amount which exceeded the appropriation was only 8.5 per cent. and this may be recommended for regularisation.

3. There was an excess of Rs. 1,03,865 in the voted provision although the original grant was increased by a supplementary grant of Rs. 56,400. The excess over the voted grant occurred mainly under the following group heads:—

| Group head | Total grant | Excess |
|--|-------------|--------|
| | Rs. | Rs. |
| 12 (a) (ii) Sales Tax Appellate Tribunal | 91,600 | 8,578 |
| 12 (a) (iii) District Offices | 35,68,700 | 97,446 |

(The excess was partly counterbalanced by a saving of Rs. 2,744 under 13—Other Taxes and Duties.)

12(a) (iii) *District Offices:*

The final provision was Rs. 91,600. The expenditure exceeded the provision only by Rs. 8,578. The small excess could not be anticipated.

12(a) (iii) *District Offices:*

The excess expenditure under the group head is Rs. 97,446. Government sanctioned additional staff consisting of five Sales-tax Officers, five Assistant Sales-tax Officers and 35 Sales-tax Inspectors and other staff in November, 1963. Consequently, increase under 'Travelling Allowance' and 'Contingencies' became inevitable. Government restored the economy cut under 'Travelling Allowance' and 'Contingencies' so as to meet the entire expenditure on account of the additional staff from the budget provision. As the Board of Revenue was also directed to regulate the expenditure in such a manner as to limit it to the original provision in the budget, it was felt that no supplementary grant would be required and the excess was not anticipated.

Sd/-.

Joint Secretary to Government.

APPENDIX IV

REVENUE DEPARTMENT

Note regarding excess over charged appropriation under Grant No.

III—Excise as reported in the Appropriation Accounts, 1962-63.

Excess Rs. 143 (Charged)

The excess occurred under the head '10(a) Superintendence'.

The provision for 1962-63 was Rs. 36,700. The expenditure incurred was Rs. 36,843. The excess was only 0.4 per cent of the sanctioned appropriation. It is requested that the excess may kindly be recommended for regularisation.

Sd/-.

Additional Secretary to Government.

APPENDIX V

REVENUE DEPARTMENT

Note regarding excess over charged appropriations under Grant No. III—Excise as reported in the Appropriation Accounts, 1963-64.

Excess Rs. 125 (Charged).

The excess occurred under the head '10(a) Superintendence'.

The provision for 1963-64 was 14,600. The expenditure incurred was Rs. 14,725. The excess was only 0.86 per cent. of the sanctioned Appropriation. It is requested that the excess may kindly be recommended for regularisation.

Sd/-

Additional Secretary to Government.

APPENDIX VI

GOVERNMENT OF KERALA FINANCE DEPARTMENT

NOTE

SUBJECT: *Regularised of excess under 'Debt Charges' as disclosed in the Appropriation Accounts, 1962-63.*

The excess disclosed in the Appropriation Accounts 1962-63 under 'Debt Charges' is as under:—

| | Total appro- priation. | Actual ex- penditure. | (+) Excess |
|-------------------|---------------------------|--------------------------|-------------------|
| | Rs. | Rs. | Rs. |
| Charged | 4,86,39,000 | 4,91,66,825 | 5,27,825 |

The amount of excess was comparatively large under the following group head :

| | Original appro- priation | Supple- mentary & reappro- priations. | Total appropria- tion | Actual expenditure | Excess |
|--|--------------------------------|--|-----------------------------|-----------------------|----------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| 16—B. Interest on Inter Govern- ment Debt— Interest on loans taken from the Central Govt. | 2,26,10,900 | 26,86,800 | 2,52,97,700 | 2,61,36,121 | 8,38,421 |

A supplementary appropriation of Rs. 22,00,000 was obtained under this head in the final Supplementary Demands for Grants for 1962-63, presented to the Legislature in February, 1963. An additional provision of Rs. 4,86,800 was also made under this head by reappropriation of savings from other heads.

The excess was as a result of more payments of interest owing to late finalisation (January to March, 1963) of the terms and conditions of a few loans received from the Government of India and availing of more ways and means advances than anticipated.

Other heads under which comparatively small excesses have occurred are the following:—

| Sl. No. | Group head | Total appropriation | Excess | Reasons for excess |
|---------|---|---------------------|--------|---|
| | | Rs. | Rs. | |
| 1. | 16AII (C) (ii) Interest on Contributory Provident Fund. | 1,06,700 | 14,858 | With the introduction of the Kerala Service Rules, option thereto was allowed to subscribers to the Contributory Provident Fund. Those who opted for Kerala Service Rules had necessarily to opt for State Provident Fund Rules. According to a rough and ready assessment that could be made, it was thought that only a provision of Rs. 1,06,700 would be necessary under this head. Accordingly a sum of Rs. 1,23,300/- was re-appropriated from the original provision of Rs. 2,30,000/- under this head. However, the actual expenditure on final adjustment of interest charges exceeded by a small margin of Rs. 14,858 /-. |
| 2. | 16 C-2 Kerala Govt. Ceramics. | 42,000 | 12,811 | In August, 1963, Government issued orders revising the rate of interest on Depreciation Reserve Funds of Govt. Commercial Departments from 4% to 4½% for the year, 1962-63. As the budget provisions under these heads were based on the then existing rate of 4%, excess as mentioned in Column 4 occurred on final adjustment of interest in respect of these commercial concerns. |
| | C-3 Government Ceramic concerns. | 40,800 | 15,112 | |
| | C-7 Government Engineering Workshops. | 40,600 | 11,641 | |
| | C-12 Govt. Hydro-generation Factory. | 12,700 | 18,238 | |

Excess of very small amounts occurred under the following heads also:

| Sl. No. | Group head | Total | Excess |
|---------|---|---------------|--------|
| | | appropriation | |
| | | Rs. | Rs. |
| 1. | 16-A1 (c)3. Interest on overdraft Account with the State Bank of India | 11,900 | 3 |
| 2. | 16-A1 (d) (i)1 Expenditure on Public Debt raised by Travancore-Cochin & Kerala | 43,800 | 2,444 |
| 3. | 16-A1(e)3—Credit institutions from the Agricultural Credit (Long term Operation) Fund | 78,000 | 520 |
| 4. | 16-AII(c) (iii) Interest on Indian Civil Service Provident Funds | 5,300 | 700 |
| 5. | 16-AII (c) (iv) Interest on (Non-European Members)' Provident Fund | 4,800 | 400 |
| 6. | 16-AII(c) (v) Interest on All India Services Provident Fund | 26,000 | 1,000 |
| 7. | 16-AII(c) (vi) Interest on other Miscellaneous Provident Funds | 500 | 200 |
| 8. | 16-CI(i) Road Transport | 8,15,500 | 16,188 |
| 9. | 16-CI(ii) Water Transport | 19,900 | 5,856 |
| 10. | 16-C5 Plywood Industries | 26,900 | 6,107 |
| 11. | 16-C6 Travancore Rubber Works | 14,100 | 2,881 |
| 12. | 16-C8 Sharkliver Oil Factory | 2,900 | 1,202 |
| 13. | 16-C9 Text Book Publications | 3,400 | 1,282 |
| 14. | 16-C10 Kerala Soap Institute | 8,100 | 1,921 |
| 15. | 16-C11 Government Oil Factory | 7,200 | 1,862 |
| 16. | 16-C13 Kerala Government Cycle Rim Factory | 3,000 | 82 |

The excesses under the above heads have been partly set-off by savings under other group heads.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 5,27,825 under "Debt Charges" may be recommended for regularisation under Article 115 of the Constitution.

Sd/-.

Joint Secretary to Government.

APPENDIX VII

GOVERNMENT OF KERALA

FINANCE DEPARTMENT

NOTE

SUBJECT: Regularisation of excess under 'Debt Charges' as disclosed in the Appropriation Accounts, 1963-64.

The excess disclosed in the Appropriation Accounts, 1963-64, under 'Debt Charges' is as under:—

| | Total Appropriation | Actual Expenditure | (+) Excess |
|-------------------|------------------------|-----------------------|--------------|
| | Rs. | Rs. | Rs. |
| Charged | 5,65,80,400 | 5,76,07,982 | (+)10,27,582 |

The reasons for the excesses are given below:—

The heads of account under which the excesses were comparatively large are the following:—

| | Total Appropriation | Actual Expenditure | Excess |
|--|------------------------|-----------------------|----------|
| | Rs. | Rs. | Rs. |
| (i) 16. AI(a) Interest on Permanent loans | 1,11,06,700 | 1,18,94,421 | 7,87,721 |

Taking into account the actual expenditure till the end of February, 1964 and probable expenditure for March, 1964, savings to the tune of Rs. 9,16,400 were anticipated under the heads detailed below:—

| Head of account | Appropriation for 1963-64 | Expenditure till the end of 2/64 | Expenditure anticipated till the end of 3/64. | Savings anticipated. | Actual expenditure till the end of 3/64. |
|--|---------------------------|----------------------------------|---|----------------------|--|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Travancore-Cochin State Development Loan, 1968 | 8,88,300 | 4,60,484 | 8,33,800 | 54,500 | 8,91,516 |
| Kerala State Development Loan, 1970 | 13,91,600 | 11,28,853 | 12,73,100 | 1,18,500 | 13,73,387 |
| Do. 1971 | 17,88,300 | 9,55,788 | 15,00,000 | 2,88,300 | 17,61,250 |
| Do. 1969 | 16,37,600 | 9,25,361 | 14,25,300 | 2,12,300 | 16,55,459 |
| Do. 1972 | 17,42,800 | 9,09,069 | 15,00,000 | 2,42,800 | 16,90,331 |
| | 74,48,600 | 43,79,555 | 65,32,200 | 9,16,400 | 73,71,943 |

While the expenditure till the end of February, 1964, under the above heads was only Rs. 43,79,555, it rose to Rs. 73,71,943, at the end of March, 1964, i.e., in March, 1964 alone the expenditure was Rs. 29,92,388 on account of more claims presented and adjusted. This sudden rise in expenditure was due to an unusual increase in number of claims which could not, by the nature of its depending on the investing public, be estimated with accuracy. Also the supplementary Demands for Grants for the year 1963-64 had been presented to the legislature in February, 1964. In the circumstances, provision for the unanticipated increase in expenditure in March, 1964 could not be made.

| | Total Appropriation | Actual Expenditure | Excess |
|--|---------------------|--------------------|----------|
| | Rs. | Rs. | Rs. |
| (4) 16·A(c) (2) Interest on overdraft account with Reserve Bank of India | 8,39,000 | 10,02,593 | 1,63,593 |

The original provision under this head was Rs. 2 lakhs. Based on the trend of expenditure an amount of Rs. 2.75 lakhs was provided under the head by obtaining a Supplementary Grant on 3rd March, 1964. The actual expenditure as on 24th March, 1964 was only Rs. 8.39 lakhs. A further sum of Rs. 3.64 lakhs was, therefore, provided by reappropriation on 31st March, 1964, fixing the final Grant at Rs. 8.39 lakhs. However, the Reserve Bank of India claimed and debited an additional amount of Rs. 1,63,593 in the March, 1964, accounts being the interest on the overdraft taken in March, 1964. Usually the debits are raised only in the next month. This deviation from the usual practice was not anticipated at the time when the final grant was fixed. This resulted in the excess under this head.

| | Total Appropriation | Actual Expenditure | Excess |
|---|------------------------|-----------------------|----------|
| | Rs. | Rs. | Rs. |
| (iii) 16-C. Interest on Reserve Funds etc.—Interest on deposits of depreciation Reserves of Government Commercial undertakings— | | | |
| (i) Road Transport | 6,92,000 | 8,90,378 | 1,98,378 |

The budget provision under this head was fixed on the basis of the then existing rate of interest, viz., 4 per cent on Depreciation Reserve Fund. In August, 1963, Government issued orders enhancing the rate of interest from 4 to 4½ per cent and the enhancement in the rate was given effect to in the accounts for 1962-63. In respect of the accounts for 1963-64, orders fixing the rate of interest at 4½ per cent were issued in February, 1964. As these orders were issued after the finalisation of the proposals for the final Supplementary Demands for the year, necessary provision could not be made to cover the excess.

In the following group heads comparatively small amounts of excess exceeding Rs. 5,000 have occurred.

| Head of Account | Total Appropriation | Excess | Reasons for excess |
|---|---------------------|--------|---|
| | (Rs.) | (Rs.) | |
| 16-A(d)(i) 2. Kerala State's share of expenditure for the management of Public Debt of Madras raised before 1-11-1956 | 9,500 | 22,502 | There was no expenditure under this head till the end of February, 1964. There was no expenditure during 1962-63 also. As there was no indication as to the amount likely to be claimed by the Government of Madras before the end of March 1964, additional funds could not be provided. |
| 16-A(d) (ii). Expenditure connected with the issue of new loans and sale of securities held in the cash balance investment account. | 40,000 | 20,227 | The actual expenditure up to the end of February, 1964 was only Rs.32,506. It was therefore thought that the original appropriation of Rs.40,000 would be sufficient to meet the requirement for the whole financial year. However, a large number of claims towards the payment of hire charges and petrol charges for the vehicles used in connection with the canvassing of subscriptions to the public loans floated during previous years were preferred towards the end of the year. This resulted in excess expenditure under this head. |
| 16-A(e) 4. Interest on loan from the National co-operative Development Corporation. | 60,600 | 74,956 | Increase in payment of interest on loans for co-operative development schemes and for loans to sugar factories |

| Head of Account | Total Appropriation (Rs.) | Excess (Rs.) | Reasons for excess |
|--|------------------------------|-----------------|---|
| 16-A(c)5. Interest on loans from the Central Warehousing Corporation. | | 7,450 | granted by the corporation for which additional provision could not be anticipated at the time of the final supplementary Demands for Grants 1963-1964. |
| 16-B. Interest on inter Governmental debt-Interest on loans taken from the Central Government. | 3,32,87,000 | 14,469 | |

Small.

These excess have been partly set-off by savings under other heads.

It is requested that the excess expenditure of Rs. 10,27,582 under "Debt Charges" (Charged) may be recommended for regularisation under article 115 of the Constitution.

K. A. SREEDHARA MENON,
Joint Secretary (Finance).

APPENDIX VIII
GOVERNMENT OF KERALA
FINANCE DEPARTMENT

NOTE

SUB: Regularisation of excess under Grant 'No. X District Administration and Miscellaneous' as disclosed in the Appropriation Accounts 1963-64.

The excesses disclosed in the Appropriation Accounts for the above mentioned Grant are as under:—

| | <i>Total Grant</i> | <i>Actual Expenditure</i> | <i>+ Excess</i> |
|-------|--------------------|---------------------------|-----------------|
| Voted | Rs. 91,38,200 | Rs. 91,78,035 | (+)Rs. 39,835 |

The reasons for the excesses are given below:—

(1) "19-E (a) (i). Collectors and Magistrates".—The excess under this head was Rs. 68,546. The original voted provision was Rs. 26,68,500. An amount of Rs. 2,83,600 was re-appropriated from other heads to this head of account. In spite of the re-appropriations increasing the total provision to Rs. 29,52,100 the expenditure had exceeded the provision by Rs. 68,546. The excess was mainly due to the expenditure under 'Contingencies' such as telephone charges, electric charges etc., which could not be postponed and also under 'Pay of Establishment' and 'Allowances' due to the disbursement of Easter Advance by the end of March, 1964.

(2) "E-(a) (ii). District Treasury Establishment".—The excess under this item was Rs. 19,849; Rs. 4,400 under 'Pay of Officers', Rs. 13,400 under 'Pay of Establishment', and Rs. 2,800 under 'Contingencies' partly set off by savings of Rs. 700 under 'Allowances'.

The Department of Treasuries was constituted from 1st August, 1963, by separation from the Land Revenue Department. The original Budget estimates were prepared by the Land Revenue Department. On account of the separation and formation of an independent organisation, additional staff was sanctioned to cope with the work according to certain yard-sticks prescribed by the Special Officer for re-organisation of treasuries. Even by the end of the year 1963-64, the process of re-organisation was not complete and the

period of transition still continued. Options were called for only by March, 1964. The postings of personnel in the Treasuries, though done by the Department of Treasuries were entirely based on the recommendations of the District Collectors and the Board of Revenue. As a result, there were frequent change of personnel manning the several posts in the Treasuries. The details of pay etc., drawn by them could in no way be foreseen. This has resulted in excess expenditure under 'pay of Officers' and 'Pay of Establishment'.

Certain claims relating to purchase and repair of furniture, remittance of Treasure and pay of mineals, which related to previous years and were pending settlement had to be settled forthwith. These unforeseen claims under contingencies, which were passed on to the Treasury Department at the time of its formation could not be either anticipated or provided for in the Budget. This accounted for the excess expenditure under Contingencies.

(3) "E (a) (iv). *Sub-Treasury Establishment.*—The excess of Rs. 9,744 over the Budget provision under this head also occurred mostly on account of unforeseen circumstances, consequent on the re-organisation of treasuries and the period of transition which the department underwent as explained in the foregoing paragraphs. Further, the Sub-Treasury Establishments of the erstwhile Malabar area, were part of the Taluk Offices, and the expenditure was debited to "19 E-b(i) Taluk Offices". Since the formation of the Department, the expenditure in respect of Sub-Treasury Establishments in the Districts of Palghat, Kozhikode and Cannanore was also debited to "19 E(a) (iv) Sub-Treasury Establishments" as in the case of the other Districts. Here also there were frequent change of incumbents in the Sub-Treasuries in the Malabar area and so the details of pay drawn by them could not be forecast. This has contributed to the excess expenditure under this head.

(4) "G (b) (viii) B. *Attappady Colonisation.*—The excess under this head was Rs. 33,422. A provision of Rs. 20,900 was provided in the Budget for 1963-64 under this head of account. The excess occurred due to the expenditure on the special staff for Land Acquisition, Mukkali, Mannarghat for 1963-64 which was authorised during the course of the year (August 1963). The Board of Revenue had examined the possibility of finding savings under other heads within the Grant, but sufficient savings could not be found for re-appropriation.

The excess under the above items were partly counterbalanced by savings under other heads and the net excess was Rs. 39,835 only.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 39,835 in the voted section of Grant No. X District Administration and Miscellaneous may be recommended for regularisation under Article 115 of the Constitution.

V. RAMACHANDRAN,
Additional Secretary,
(Planning and Finance).

APPENDIX IX
GOVERNMENT OF KERALA
HOME DEPARTMENT

NOTE

Sub:—Regularisation of excess under Grant No. XI Administration of Justice as disclosed in the Appropriation Accounts 1963-64.

The excess disclosed in the Appropriation Accounts 1963-64 for the above-mentioned grant is as under:—

| | Total grant or appropriation | Actual expen- diture | + Excess |
|---------------------------------------|------------------------------------|----------------------------|--------------------|
| | Rs. | Rs. | Rs. |
| 21.—Administration of Justice' | | | |
| Charged— | | | |
| Original | 11,80,100 | 12,59,000 | 12,70,714 + 11,714 |
| Supplementary | 78,900 | | |

The reasons for the excess are given below:—

The excess occurred under the head "(a) (i) High Court".

The Government in their circular No. 1017|Loans|3|64|Fin dated 20-3-1964 ordered that the pay for Christian employees for the month of March 1964 may be drawn and disbursed before Easter holidays. Accordingly 4 bills amounting to Rs. 11,946.35 were cashed on 25-3-1964 towards the pay of Christian employees for the month of March 1964. But for the above orders, this amount was ordinarily to be drawn and disbursed only in April 1964. Thus the expenditure had to be incurred during the financial year 1963-64 itself instead of in 1964-65. Accordingly an expenditure of Rs. 11,946.35 was incurred during the year for the purpose. The actual excess under this head was however Rs. 11,714 the balance of Rs. 232.35 being counter-balanced by savings already available. The incurring of excess expenditure was inevitable and unexpected.

In the circumstances explained above, it is requested that the excess expenditure of Rs. 11,714 in the charged section of Grant No. XI Administration of Justice may be recommended for regularisation under Article 115 of the Constitution.

Dated: 3-12-1965.

Sd.|-
Secretary to Government,
Home Department.

APPENDIX X
GOVERNMENT OF KERALA
HOME DEPARTMENT

Note

SUB:—Regularisation of excess under Grant No. XII Jails as disclosed in the Appropriation Accounts 1962-63.

The excesses disclosed in the Appropriation Accounts for the abovementioned grant are as under:—

| | Total grant or appropriation | Actual expenditure | (+) Excess |
|-------------------|------------------------------------|-----------------------|------------|
| | Rs. | Rs. | Rs. |
| Charged | Nil. | Nil. | Nil. |
| Voted | 42,79,200 | 44,18,907 | +1,39,707 |

REASONS: Submitted separately in the notes attached.

In the circumstances stated above it is requested that the excess expenditure of Rs. 1,39,707 in Voted section of the Grant No. XII Jails may be recommended for regulation under Article 115, of the Constitution.

Dated: 11-12-1965.

(Sd.)|-
Secretary,
Home Department.

HOME DEPARTMENT

Note regarding excess over voted grant under Grant No. XII Jails as reported in the Appropriation Accounts 1962-63.

Excess Rs. 1,39,707|- (Voted).

The excess occurred under the following group heads:—

(i) 22 Jails (a) (i) Superintendence.

| | |
|----------------------------|--------------|
| | Rs. |
| Budget Provision | 1,01,700 |
| Expenditure | 1,02,746 |
| Excess | 1,046 |

The excess expenditure under the head occurred mainly under "Pay of Officers", "Pay of Establishment" and "Allowances" and the excess was due to payment of leave salary in addition to pay and allowances to the substitutes posted in the leave vacancies. The expenditure could not be postponed for want of provision as it was an inevitable item of expenditure.

(ii) 22 Jails (a) (ii) Ordinary Sub Jails.

| | Rs. |
|---|---------------|
| Budget Provision | 85,100 |
| Amount reappropriated from the head | 20,000 |
| Total Provision | <u>65,100</u> |
| Expenditure | <u>71,875</u> |
| Excess | 6,775 |

On the basis of the progress of expenditure reviewed in December 1962 a sum of Rs. 20,000 was re-appropriated to 22 (a) (iii) Other Jails to cover the increase in expenditure under the latter head of account. But by the beginning of the last quarter of the financial year 1962-63, the number of prisoners in the Ordinary Sub Jails increased considerably which resulted in steady increase in expenditure. No saving was anticipated under any other head of account to re-appropriate necessary funds to the head of account.

(iii) 22 Jails (a) (iii) Other Jails.

| | Rs. |
|--------------------------------|------------------|
| Original Grant | 20,60,800 |
| Supplementary Grant | 1,87,000 |
| Reappropriation made | 1,39,600 |
| Total provision | <u>23,87,400</u> |
| Expenditure | <u>25,53,980</u> |
| Excess | 1,66,580 |

All possible reappropriations have been effected to this head to balance the expenditure. Unlike in other Departments, the major item of departmental expenditure is that which relates to contingencies for the maintenance charges of prisoners, the payment of which cannot be delayed, without affecting the smooth working of the Institutions. The expenditure under contingencies has considerably increased owing to increase in the number of prisoners involved in Railway cases and detention under the Defence of India Rules 1962. The daily average number of prisoners during 1961-62 was 3,022 whereas the daily average strength of prisoners in the Jails during 1962-63 was 3,555. The additional expenditure by way of adjustment of invoices was necessitated due to increase in number of prisoners. The adjustment of invoices towards the supplies of clothing, etc., and garden produce made to the prisoners was effected by debit to the concerned detailed heads under sub-head. "Contingencies". Therefore, the expenditure mainly depends on the strength of prison population. During the year 1962-63 invoices amounting to Rs. 2,50,779.96 Ps. have been adjusted towards cost of clothing and bedding of prisoners and garden produce supplied. By reviewing the progress of expenditure and the anticipated expenditure, proposal for supplementary grant amounting to Rs. 5,50,500 was submitted to Government in time i.e. on 5th December, 1962. On reviewing the progress of expenditure it was felt by Government that a sum of Rs. 1,87,000 would be sufficient for the rest of the year and so it was sanctioned as supplementary grant under the head in G.O.(MS) No. 32/63/Home dated the 16th January, 1963. The expenditure under contingencies depends on the prison population which cannot be estimated correctly in any year on the basis of the statistics available for the previous years. The adjustment of invoices towards the supplies and services rendered within the department also contributed to the increase in expenditure. While submitting proposal for supplementary grant, the liabilities and the invoices pending settlement were taken into consideration, but Government felt that the supplementary grant of Rs. 1,87,000 would be sufficient for 1962-63. The savings anticipated under other heads of accounts have been reappropriated but there was no time to move for additional supplementary grant. The expenditure on account of maintenance charges of prisoners being an item of inevitable payment could not be postponed on the plea of lack of funds. If the adjustment of invoices was delayed for want of funds, the revenue of the department will show a corresponding decrease.

(iv) 22 Jails (a) Jails (iv) Certified Schools.

| | Rs. |
|-----------------------------------|----------|
| Original Provision | 2,72,200 |
| Supplementary Provision | 65,000 |
| Reappropriation | 18,500 |
| | <hr/> |
| Total provision | 3,55,700 |
| Expenditure | 3,67,483 |
| | <hr/> |
| Excess | 11,783 |

The supplementary grant of Rs. 65,000 obtained under the head was found inadequate to meet the expenditure of the Institution towards the close of the financial year, as the number of inmates in the Certified Schools, Trivandrum and Calicut steadily increased. There was no time to obtain additional funds. The original proposal for supplementary grant for Rs. 26,500 was submitted to Government on 5th December, 1962. Subsequently a proposal for additional grant of Rs. 50,000 was submitted on 18th December, 1962 after reviewing the progress of expenditure achieved during second half of 1962-63. The supplementary grant was sanctioned in G.O.M.S. No. 32/63/Home dated 16th January, 1963, (Rs. 15,000) and in G.O.M.S. No. 56/63/Home dated 29th January, 1963 (Rs. 50,000). The expenditure has exceeded on account of the payment of bills towards maintenance charges of Private Certified School, Kozhikode for the month of February, 1963. Part payment alone has been made in order that the expenditure may not exceed the total grant. The expenditure could not be postponed till the next financial year as it would hinder the smooth working of the Institution.

These excesses were partly offset by savings under other group heads.

It is requested that the excess of Rs. 1,39,707 in the voted section of the grant may kindly be recommended for regularisation.

Sd/-

Secretary to Government.

APPENDIX XI

(See Para 106)

GOVERNMENT OF KERALA

HOME DEPARTMENT

NOTE

SUB:—Regularisation of excess under Grant No. XII Jails as disclosed in the Appropriation Accounts 1963-64.

The excess disclosed in the Appropriation Accounts for the above-mentioned grant are as under.

| | Total grant or appropriation | Actual expenditure | (+) Excess |
|-------------------|------------------------------------|-----------------------|-------------|
| Charged | Nil. | Nil. | Nil. |
| Voted | 47,20,000 | 48,56,409 | (+)1,36,409 |

Reasons: Submitted separately in the notes attached.

In the circumstances stated above it is requested that the excess expenditure of Rs. 1,36,409/- in Voted section of Grant No. II Jails may be recommended for regularisation under Article 115 of the Constitution.

Sd/-

Date: 12-11-1965.

Secretary, Home Department.

HOME DEPARTMENT

Note regarding excess over Voted Grant under Grant No. XII Jails as reported in the Appropriation Accounts 1963-64.

| | |
|------------------|--------------------------|
| Excess | Rs. 1,36,409 Voted |
|------------------|--------------------------|

The excess occurred mainly under the following group heads:—

(i) 22 Jails (a) (i) Superintendence.

| | |
|---|-----------------|
| Original provision | Rs. 1,05,200 |
| Reappropriation from the head | 3,400 |
| Total provision | 1,01,800 |
| Expenditure | 1,09,131 |
| Excess | 7,331 |

The excess occurred mainly under the following sub-heads.

| | |
|--------------------------------|---------|
| Pay of Officers | + 2,013 |
| Pay of Establishment | + 2,061 |
| Contingencies | + 3,128 |

The excess under 'Pay of Officers' and 'Pay of Establishment' occurred mainly on account of payment of leave salary to substitutes for which no provision was included in the budget estimates as this expenditure was quite unforeseen. This expenditure is an inevitable item which could not be postponed for want of funds. The excess under 'Contingencies' resulted on account of adjustment of invoices for the purchase of furniture from the Manufactory of Jails Department and on service postage. If the invoices are held up for want of funds for adjustment, the revenue of the department will show a corresponding decrease.

The expenditure under Contingencies was foreseen, but the proposal for supplementary grant was not submitted on the ground that the additional funds required was less than Rs. 5,000. As per para 53 of the Travancore-Cochin Budget Manual no change in the estimates amounting to less than Rs. 10,000 under any sub-head of appropriation or detailed account head is to be proposed. Apart from this, usually explanation for variations for amount less than 10 per cent or Rs. 10,000 whichever is less need not be furnished in the Appropriation Accounts. Further, there was no savings anticipated under other group heads to reappropriate funds to this head of account.

(ii) 22 (a) (ii) Ordinary Sub Jails

| | Rs. |
|---|--------|
| Original provision | 71,700 |
| Amount reappropriated from the head | 600 |
| | <hr/> |
| Total provision | 71,100 |
| Expenditure | 77,467 |
| | <hr/> |
| Excess | 6,367 |
| | <hr/> |

The excess occurred under the following sub-heads:

| | Rs. |
|--|-------|
| Pay of Establishment and allowance | 4,402 |
| Contingencies | 1,965 |
| | <hr/> |
| | 6,367 |
| | <hr/> |

The excess under the sub-head 'Pay of Establishment' and 'Allowance' occurred on account of payment of allowance to substitutes in the leave vacancies and the staff appointed in time of emergency.

owing to increase in the number of prisoners in the Ordinary Sub Jails. The expenditure was an inevitable item, which could not be postponed for want of funds. The requirement could not also be accurately estimated before the end of the financial year. The excess under 'Contingencies' occurred on account of the increase in number of prisoners in the Jails. In the case of this department, the feeding charges of the prisoners constitute an unavoidable item of expenditure and any delay in payment of bills of provision articles will affect the smooth working of the Department.

(iii) 22 (a) (iii) Other Jails

| | Rs. |
|-----------------------------------|------------|
| Original provision | 22,49,000 |
| Supplementary Provision | 4,00,000 |
| Reappropriation | 38,600 |
| | <hr/> |
| Total provision | —26,87,600 |
| | <hr/> |
| Expenditure | 27,95,494 |
| | <hr/> |
| Excess] | —1,07,894 |
| | <hr/> |

The excess occurred mainly under the following sub-heads:

| | |
|--------------------------------|----------|
| Pay of Officers | 1,246 |
| Pay of Establishment | 4,462 |
| | 23,396 |
| Contingencies | 78,790 |
| | <hr/> |
| | 1,07,894 |
| | <hr/> |

The excess under 'Pay of Officers', 'Pay of Establishment' and 'Allowances' occurred on account of the payment of pay and allowances of the substitutes in the leave vacancies for which no provision was included in the budget as it was unforeseen at the time of preparation of the budget. The benefit of House Rent Allowance extended to the Warders of the Central Jails who were not provided with rent free quarters and the Special Pay sanctioned to the staff of the Open Prison, Nottukaltheri have also contributed to the excess expenditure under 'Pay of Establishment' and 'Allowances'. The expenditure being inevitable, could not be postponed for want of provision in the budget. Further, no savings were anticipated under other heads for being reappropriated to this head of account.

The watching of the progress of the expenditure under 'Contingencies' has been vigilantly exercised during the year and the proposal for supplementary grant was submitted on 18-11-63. The excess expenditure under 'Contingencies' was the result of adjustment of invoices amounting to Rs. 71,351/- in March, 1964 Accounts. As the amount of invoices represented the cost of vegetables and other garden produce of the Jails concerned supplied by the Department itself and the cost of clothing and bedding supplied from the manufactories, the adjustment thereof, would correspondingly increase the revenue of the Department. If the invoices were not adjusted in the accounts of the year, the revenue of the department would have exhibited a decrease to the same extent. Taking into consideration all these factors proposal for supplementary grant of Rs. 5 lakhs had been submitted on 18-11-63. But Government obtained the supplementary grant of Rs. 4 lakhs on 10-1-1964 and 31-1-1964. (G.O. R.T. 73/64/Home dt. 10-1-64 Rs. 3 lakhs, G.O. R.T. 166/64/Home dt. 31-1-64 Rs. 1 lakh). On reviewing the expenditure incurred till then the Government decided that a sum of Rs. 4 lakhs would be sufficient for the rest of the year. Had the proposal for supplementary grant of Rs. 5 lakhs been sanctioned the excess under 'Contingencies' could have been avoided, and the net excess would have been only Rs. 7,894/-. The savings amounting to Rs. 38,600/- anticipated under other heads of accounts have also been reappropriated to this head of account to cover the excess under this head of account.

(iv) 22 (a) (viii) Schemes under Five Year Plan—B—Remand Homes with seats for Juvenile Courts.

| | Rs. |
|----------------------------|--------|
| Budget provision | 25,900 |
| Expenditure | 31,413 |
| | <hr/> |
| Excess | 5,513 |
| | <hr/> |

Control over expenditure had been exercised under 22 (a) (viii) schemes under Five Year Plan as a separate unit and the aim was to achieve the target of the financial year. During the last quarter of the financial year 1963-64 there was steady increase in the number of inmates in the Remand Homes at Tellicherry and Palghat. The starting of two Remand Homes at Alleppey and Ernakulam envisaged under the III Plan Scheme was also achieved during the last quarter of 1963-64. No savings were anticipated under 22 (a) (viii) Schemes under Five Year Plan to reappropriate necessary funds to cover the excess.

(v) 22 Jails (b) Jail Manufactures:

| | Rs. |
|-----------------------------------|----------|
| Budget provision | 7,56,300 |
| Supplementary provision | 80,000 |
| | <hr/> |
| | 8,36,300 |
| Expenditure | 8,63,564 |
| | <hr/> |
| Excess | 27,264 |
| | <hr/> |

The excess occurred under 'contingencies' on account of the adjustment of invoices in respect of cost of timber supplied by the Forest Department. The invoices were received in the last quarter of the financial year 1963-64 and there was no time to move for supplementary grant. If the payment was delayed for want of provision it would have involved the payment of penal interest.

These excesses were partly counter-balanced by savings under other group heads.

It is requested that the excess of Rs. 1,36,409 in the voted section of the grant may kindly be recommended for regularisation.

Sd/-

Secretary, Home Department.

APPENDIX XII

NOTE

SUBJECT: Central Public Accounts Committee—Appropriation Accounts 1963-64—Regularisation of excess over grants—Grant No. XVII—General Education.

The Appropriation Accounts under Grant No. XVII—General Education for 1963-64 revealed that against a final appropriation of Rs. 1,25,000 an actual expenditure of Rs. 1,41,884 was incurred under the head 28 Education E General (a) Direction (i) Administration—Charged, resulting in an excess of Rs. 16,884. The excess occurred as indicated below:—

| | |
|---------------------|--------------|
| Final Appropriation | Rs. 1,25,000 |
| Actual Expenditure | Rs. 1,41,884 |
| Excess | Rs. 16,884 |

An advance of Rs. 12,400 was sanctioned from the Contingency Fund as per G.O.Rt. 614/64/Fin. dated 23-3-1964 for payment of additional compensation awarded by Courts in respect of the lands required for the use of the Educational Institutions. The advance from the Contingency Fund was recouped by supplementary demand for grant in 1964-65 only. The amount was placed by the Director of Public Instruction at the disposal of the Deputy Collector (Land Acquisition), Trivandrum on 24-3-1964 for effecting payments. A sum of Rs. 12,429.73 was drawn by the Deputy Collector, Trivandrum, debiting the expenditure under the head '28 Education E General (a) Direction (i) Administration—Charged' under the Consolidated Fund instead of debiting the expenditure to the Contingency Fund, thus resulting in the excess of Rs. 12,429.73 over the charged appropriation under the former head. The balance excess of Rs. 4,454.27 was due to misclassification which was not brought to the notice of audit before the accounts were finalised and closed. The reconciliation of figures was also not effected in time since the

amounts were actually adjusted by the Revenue Offices. The excess works out to Rs. 13.50 per cent of the final provision. In the circumstances stated above, the excess of Rs. 16,884 under 28 Education E—General (a) Direction (i) Administration—Charged may be recommended for regularisation.

Sd/-

*Joint Secretary,
Education Department.*

APPENDIX XIII

(See Para 1.9)

GOVERNMENT OF KERALA

HEALTH AND LABOUR DEPARTMENT

SUBJECT: *Regularisation of excess under Grant No. XXI—Public Health Engineering as disclosed in the Appropriation Accounts, 1962-63*

The excesses disclosed in the Appropriation Accounts for the above mentioned grant are as under:—

| Total Grant or Appropriation | Actual Expenditure | + Excess |
|---------------------------------|--------------------|-----------|
| Rs. | Rs. | Rs. |
| Voted: 94,37,300 | 1,29,43,260 | 35,05,960 |

Reasons for excesses are given below:—

A. The amount of excess was comparatively large under the following group heads:—

(1) 30(b) 8 (ii) *Contributions to Corporations and Municipal Councils for Town Improvement—Excess Rs. 1,13,738.*

The excess occurred mainly due to an adjustment of Rs. 1,37,450 in March, 1963 (final and supplementary accounts) on account of grants paid to Corporations and Municipal Councils in previous years and kept under Objection Book—Suspense charges for want of vouchers. The proposal to effect the adjustment was finalised only in March 1963 and hence adequate provision could not be made.

(2) 30 (e) (ii) C 1—*Maintenance of Willingdon Water Works, Trivandrum—Excess Rs. 1,74,174.*

The excess expenditure was on account of installation of pump-sets of higher capacity to meet the acute scarcity of water in the Trivandrum city. The excess could not be covered as the maintenance grant was not correspondingly increased.

(ii) The maintenance grant has not been raised since 1956. The grant was then Rs. 3.5 lakhs. In view of the increased expenditure the Executive Engineer has since been requested to forward revised maintenance estimate.

(iii) When the Executive Engineer has requested for additional funds on 2-2-1963 under this item supplementary grant proposals had already been forwarded to Government in Chief Engineer's Office letter No. PHF-2185/62 dated 14-1-63. Hence the additional funds could not be proposed in the supplementary grant.

(3) 30 (e) (v) *Suspense—Debit—Excess Rs. 44,19,379.*

Even though the supply orders were placed in time, the supplies were not being received by the dates specified in the supply order, but only at random. Besides, the invoices were to be received from Pay and Accounts Officer, Calcutta. Details of advices received during the year were Rs. 8,00,122 in November, 1962, Rs. 4,95,996 in January, 1963 and Rs. 6,85,854 in March 1963. Some of the advices received could be adjusted in the supplemental accounts only. Hence, the expenditure under this head could not be anticipated with any reasonable accuracy. Therefore, necessary funds could not be moved in the supplementary grant proposals to regularise the expenditure.

B. Excesses of comparatively small amounts have occurred under the heads noted below:—

(1) 30 (a) (XVI)—*Improvements of sanitation in rural areas and environmental hygiene—Excess Rs. 57,941.*

The booked expenditure on works was only Rs. 6,096/- against the provision of Rs. 5,600/-. The expenditure to the extent of Rs. 57,445 on account of establishment expenditure had to be met from the provision under (30)-(a)(XVII) C. Executive. This fact was not pointed out to Audit for rectification.

(2) 30 (a) (XVII)—A. *Direction Excess: Rs. 11,185.*

The arrear squad was formed on 16-6-1962. It was formed only after the budget was passed. This was not anticipated when the budget proposals were framed. But till December 1962 the expenditure had not exceeded the allotment. Hence the supplemental grant proposals were not moved.

(3) 30 (a) (XVII) C. 1—*Public Health Engineering Division Kozhikode—Excess—Rs. 93,079.*

30 (a) (XVII) C.V. *Public Health Engineering Division Trichur—Excess Rs. 71,547.*

30 (a) (XVII) C.VI.—*Water Works & Drainage Division Trivandrum—Excess Rs. 53,329.*

The excesses represent additional expenditure on account of adjustment of invoices relating to stationery articles which was not anticipated while framing proposals for the supplementary grant.

(4) 30 (a) (XVII) C. IV.—*Public Health Engineering Division Kottayam—Excess Rs. 44,929.*

30 (a) (XVII) C. VII.—*Public Health Engineering Division Ernakulam—Excess Rs. 14,815.*

During the time of reconciliation it was not possible to detect the misclassification of the amount as the expenditure was booked Treasury-wise and also due to the non-furnishing of the detailed head of account by the subordinates. Hence the excess expenditure could not be noticed and funds moved for by way of supplementary grant.

(5) 30 (a) (XVIII) Town Planning—*Office of the Chief Town Planner—Excess Rs. 8,032.*

Government had sanctioned the creation of certain temporary additional posts under Department of Town Planning and Architecture as per G.O. Rt. 1733 PW dated 13-8-1962 in connection with preparation of designs for the Kottayam Medical College Buildings. It was also ordered to debit the expenditure relating to the additional staff under the above head. The appointment of the above staff during 1962-63 was not foreseen at the time of framing the budget estimates for 1962-63. Therefore no provision was made for this purpose. The expenditure was inevitable. This had necessitated the excess expenditure mentioned above. To meet the excess expenditure proposal was received from the Chief Town Planner for a supplementary grant. But since the amount involved was small it was considered not necessary to move for supplementary grant. The Chief Town Planner was therefore directed to meet the requirement by re-appropriation. But since no savings were available the re-appropriation could not be made. Hence the variation.

(6) 30 (a) (XIX) III. B.—*Preparation of Master plan for Trivandrum City—Excess Rs. 917.*

The small excess of Rs. 917 was due to the adjustment of certain pending invoices relating to the year 1961-62 for which provision was not made.

(7) 30 (e) (i) 5—*Construction of tube wells—Excess Rs. 1,064.*

There was no provision during the year 1962-63. Usually the expenditure on account of construction of tube wells was debited to 94 Capital Outlay on Public Health (b) Rural water supply scheme. The excess as indicated was due to misclassification.

(8) 30 (e) (ii) B—*Original works—Miscellaneous—Excess Rs. 9,643.*

No expenditure was incurred under this head during 1962-63. The provision has also not been surrendered. This defect was not pointed out to Audit. The head to which the amount was to be correctly debited was 30 Public Health (e) (ii)—A—Original works-Buildings.

(9) 30 (e) (ii) C. 2—*Maintenance of Ramavarnapuram Nemmara Thruvilwamala etc. Water Works (Trichur)—Excess Rs. 20,710.*

The slight excess was due to the increased cost of labour and materials.

(10) 30—(e) (ii) C. 7—*Maintenance of Water Supply Installation of the Panchayats—Excess Rs. 7,633.*

As the maintenance of the water supply installations to Panchayats could not be postponed, Government sanctioned the recurring grant for their maintenance exceeding the provision of Rs. 1 lakh. So all the maintenance works were carried out which resulted in excess within 10 per cent of the original allotment.

(11) 30 (e) (ii) D-I 2—*M.C.H. Centres—Excess Rs. 4,491.*

The excess was very little. The department could not anticipate the exact amount of expenditure on a work in progress and the excess was only within 5 per cent.

(12) 30 (e) (ii) D. II—*Miscellaneous—Construction of swimming pool in the Water Works Compound, Trivandrum—Excess Rs. 33,677.*

The work of construction of swimming pool had to be completed urgently to conduct the 19th National Aquatic Championship 1962 from November 15th to 18th November 1962. The Chief Engineer, Public Health Engineering Department had requested for additional funds to the extent of Rs. 3,00,000 on 7th September 1962 by addressing the Additional Secretary, Public Department and requested him to allot funds from that earmarked for sports and games.

But no funds were placed at the disposal of the Public Health Engineering Department. In view of the urgency and necessity the inevitable items were incurred as the Government approved the proposal to have the National Meet held in the Swimming Pool on the date mentioned. The Additional Secretary, Public Department was also reminded, on 4th January, 1963. But funds could not be allotted. This fact was intimated to the Chief Engineer only in April 1963 by the Government in the Public Department.

C. The excesses were partly counterbalanced by savings under other group heads.

In the circumstances stated above it is requested that the excess expenditure of Rs. 35,05,960 in the voted section of Grant XXI Public Health Engineering may be recommended for regularisation as per article 115 of the Constitution.

Sd/-

Secy. to Govt.,
Health & Labour Department.

APPENDIX XIV

GOVERNMENT OF KERALA HEALTH AND LABOUR DEPARTMENT

SUBJECT:—Regularisation of excesses under Grant No. XXI Public Health Engineering as disclosed in the Appropriation Accounts, 1963-64.

The excesses disclosed in the appropriation accounts for the above mentioned grant are as under:—

| | Total Grant or Appropriation Rs. | Actual Expenditure Rs. | + Excess Rs. |
|---------|--|------------------------------|-----------------|
| Voted : | 99,26,500 | 1,28,01,664 | +28,75,164 |

Reasons for excesses are given below:—

A. The amount of excess was comparatively large under the following group heads:—

1. 30(a) (XVII) C.I. Water Works & Drainage Establishment—Excess Rs. 1,43,636.

The Excess was mainly due to the formation of two Employees' State Insurance Sub Divisions at Quilon and Trichur as per G.O. (Ms) 643/63-HLD, dated 22-8-1963 and the additional staff sanctioned for house connection works for Kottayam as per G.O. (Ms) 604/63/HLD dated 5-8-1963.

During this period the reconciliation was made. But the departmental figures did not agree with the Accountant General's figures and finally the Department had to accept the Accountant General's figures. Hence the excess could not be detected and additional funds were not moved for to regularise the expenditure.

2. (e) (v) Suspense: Excess Rs. 32,50,046

At the first instance the materials were purchased debiting the expenditure to stock. According to necessity the materials were issued to the works thereby reducing the suspense debit. For the speedy execution of works, the necessary materials were purchased in advance. Such materials were issued to the work according to the progress of the work.

The supplementary grant was moved in Chief Engineer's Office letter PH-F. 7493/63 dated 19-2-1964. This proposal could not be acted upon as the Government intimated the Chief Engineer that the date for submitting proposal was over.

B. Excesses of comparatively small amounts have occurred under the heads noted below:—

(1) 30 (a) (XVI)—*Improvements of sanitation in rural areas and environmental hygiene—Excess Rs. 25,473*

The expenditure on works booked was only Rs. 15,556. The balance amount of Rs. 33,917 related to the establishment portion which had to be met from 30 (a) (XVII) C-Executive. The fact was not pointed out to Audit in time.

(2) 30 (a) (XVII)—*A. Direction—Excess Rs. 13,764*

An amount of Rs. 6,000 was proposed in the supplementary grant proposals under contingency as per Government Memo. 35032/F. II/63-1/HLD dated 1-6-1963 to provide funds by reappropriation for cost of furniture purchased. As no savings were available to meet the expenditure, the Supplementary grant was proposed, in PHF-7463/63 dated 20-8-1963. But this was not sanctioned.

The excess also occurred due to adjustment of certain invoices received in January 1964 which could not be postponed for the next year and due to the payment of special pay to the officers possessing Account Test (Higher) Qualification. No proposals for additional funds were moved as the expenditure had not exceeded the grant when the details of supplementary grant were finalised.

The supplementary grant was proposed on 19-2-1964. The excess could not be detected during reconciliation.

(3) 30 (a) (XVIII) *Town Planning—Office of the Chief Town Planner—Excess Rs. 2,206*

(i) A post of Senior Town Planner on Rs. 500—800 was created as per G.O.M.S. 446/63/DD dated 9-5-1963 keeping in abeyance the, then existing post of Town Planner on Rs. 400—700.

(ii) A post of Junior Superintendent on Rs. 150—250 was upgraded into that of a Senior Superintendent on Rs. 200—400 as per G.O.M.S. 642/63/DD. dated 7-8-1963.

The above expenditure was inevitable and it was not anticipated originally. It was thought that the excess expenditure could be re-appropriated from savings under other heads. But since sufficient savings were not available the reappropriation also could not be made.

- (4) 30 (a) (XX)—III—B—Preparation of Master Plan for Trivandrum City. (Excess Rs. 18).

As the expenditure is negligible, no special reasons are given.

- (5) 30 (b) 6 (ii)—Contributions to Corporations and Municipal Councils for Town Improvement—Excess Rs. 49,419/-

As there is a corresponding saving of Rs. 45,000 under "30 (b) 6 (iii) Grants to Alleppey and Quilon Municipalities for installation of Sludge Treatment Plants", under which the amount was correctly debitible, instead of under '30 (b) 6 (ii) the overall excess under the grant would not be affected by the excess under the latter head. As this is a case of misclassification within the grant not contributing to the overall excess, this need not be considered as an excess.

- (6) 30 (e) (i) 1—Improvements to Public Wells and Sinking of new draw wells (Excess Rs. 4,285).

The following works were taken up at the fag end of the financial year as they could not be postponed for the next financial year since the need of good drinking water was keenly felt in this area.

The names of the works were:—

- (i) Sinking of well at Pazhampillathuruthy costing Rs. 2,285;
- (ii) Sinking of well at Ayyathanathu Hills costing Ra. 1,900; and
- (iii) Sinking of well at Kannate reserve and Malayattur Panchayat costing Rs. 100.

Thus the excess cost amounted to Rs. 4,285.

- (7) 30 (e) (i) 3—Construction of latrines (Excess Rs. 1,106).

The slight excess was due to certain urgent works taken up at the fag end of the financial year.

(8) 30 (e) (ii) B.—*Original Works—Miscellaneous (Excess Rs. 8,329).*

The amount had to be accounted under 30 (e) (ii) A—Original works. Due to the delay in reconciling the figure it was not possible to rectify the misclassification during that year.

(9) 30 (e) (ii) C 2—*Maintenance of Ramavarmapuram Nemmara Thiruvilwamala etc. Water Works (Trichur)—Excess Rs. 9,875*

The Executive Engineer reported that funds to the extent of Rs. 25,000 might be diverted as savings were anticipated. This was diverted on 5-3-1964. The wage rates of N.M.R. workers were enhanced with effect from 1-1-1963 but the payment was effected only on 1-1-1964. This was not anticipated when diversion proposals were made. Hence the excess.

(10) 30 (e) (ii) C3—*Maintenance of Ernakulam, Chowwara S.P.B. Alleppey Littoral tracts etc. Water Works (Excess Rs. 66,172).*

The works in question were of the nature of maintenance. The excess was due to increase in labour charges, cost of chemicals and current charges. The supplementary grant was not proposed under this item since the expenditure incurred up to the end of January 1964 was only Rs. 4,12,538·96. Hence the excess expenditure could not be regularised.

(11) 30 (e) (ii) C 5—*Maintenance of Hospitals and other Buildings under Medical and Public Health—Excess Rs. 19,606*

Till December 1963, the expenditure had not exceeded the allotment and hence the supplementary grant was not moved for regularising the excess expenditure. Being medical institutions essential items of maintenance works could not be postponed. Hence the excess.

(12) 30 (e) (ii) C 7—*Maintenance of the Water Supply installations of the Panchayats (Excess Rs. 31,480).*

When the budget proposals for 1963-64 were moved the schemes eligible for recurring grants were few. Only after the budget was passed, the sanctions for recurring grant to water supply schemes were received. But till December 1963 the expenditure had not exceeded the allotment and hence the supplementary grant proposals were not moved to regularise the expenditure. The cost of oil and stores required for the scheme could not be foreseen. In order to maintain water supply in good condition the initial maintenance had to be done. The additional expenditure could not therefore be postponed.

(13) 30 (e) (ii) D 1. 2—M.C.H. Centres—Excess Rs. 25,801

An amount of Rs. 23 000 was to be debited under 30 (e) (ii). A—Original Works—Buildings. The Executive Engineer has wrongly debited the expenditure which could not be traced during reconciliation.

(14) 30 (a) XX—IV—Special Division for the investigation of water supply scheme in difficult and scarcity areas.

| Final Grant Rs. | Actual expenditure Rs. | Excess Rs. |
|--------------------|---------------------------|---------------|
| 28 600/- | 1,29,791/- | 1,01,191 |

The excess expenditure was mainly due to the payment of certain bills and invoices in respect of purchase of furniture and mathematical instruments which were received at the close of the financial year. This was not anticipated and therefore funds could not be provided for before the close of the year.

C. The excesses were partly counterbalanced by savings under other group heads.

In the circumstances stated above it is requested that the excess expenditure of Rs. 28,75,164 in the voted section of Grant No. XXI Public Health Engineering may be recommended for regularisation as per article 115 of the Constitution.

For the

Sd/

Secy. to Govt.

Health & Labour Department.

APPENDIX XV
GOVERNMENT OF KERALA

AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT

Sub:—*Regularisation of excess under Grant XXII—Agriculture as disclosed in the Appropriation Accounts 1963-64.*

The excesses disclosed in the Appropriation Accounts 1963-64 for the above mentioned Grant are as under:—

| | Total Grant or Appropriation Rs. | Actual Expenditure Rs. | + Excess Rs. |
|---------|--|------------------------------|---------------------|
| CHARGED | .. | 6,72,781 | +6,72,781 |
| VOTED | 1,70,92,500 | 1,72,94,344 | +2,01,844 |

The reasons for the excess under charged and voted are given below:—

A. *Charged—Excess Rs. 6,72,781.*

The excess occurred under the following heads:—

1. *31-Agriculture (c) III.—Schemes under the Five Year Plans District Agricultural Farms—Rehabilitation of existing farms.*

Excess (Charged) Rs. 5,43,988.

The Revenue Divisional Officer, Kottayam had drawn an amount of Rs. 5,43,988 in October 1963 for depositing in court to satisfy the decree in Land Acquisition cases 94/60, 138/60, 143/60, 114/61, 115/61, 116/61 and 117/61 relating to the acquisition of lands for the 100 acres farm at Kozha without intimation to the Director of Agriculture. Details regarding this expenditure were made available by the Revenue Divisional Officer to the Director of Agriculture on 29th April 1964. Hence the expenditure could not be covered by provision of funds.

2. 31-Agriculture (e) (vii) 5—B.—*Research on Coconut.*

Excess (charged) Rs. 1,28,793.

In January 1964, an amount of Rs. 1,28,793 was drawn by the Revenue Divisional Officer Kottayam for satisfaction of decree in L.A.R. 39/58 relating to the acquisition of land for the Regional Coconut Research Station, Kumarakom. This drawal was also made without intimation to the Director of Agriculture. The irregularity in drawing the above amount without informing the Agriculture Department was pointed out to Government in July 1965 and Government has issued necessary instructions vide Memorandum No. 38281/Ag. 3/65/Agri, dated 16th August, 1965 (Annexure).

B. Voted—Excess Rs. 2,01,844.

Excesses exceeding Rs. 10,000 occurred under the following heads:—

1. 31-Agriculture (d) (x) -I-A.—*Subsidy on Fertilizer Mixture.*

Excess (Voted) Rs. 1,24,938.

The excess of Rs. 1,24,938 was mainly due to adjustment in March 1964 (Final) Accounts of a loss of Rs. 1,23,946 in the subsidised sale of Phosphatic Fertilizers as shown by the pro forma accounts of the Manure Supply Scheme for 1960-61. Even though the Accountant General requested the Director of Agriculture on 3rd January, 1964 to provide the necessary funds and he promised on 24th January 1964 to provide the necessary funds, this was not done. The excess is therefore due to the failure on the part of the Director of Agriculture to provide the necessary funds.

2. 31-Agriculture (a) I-A—*Directorate.*

Excess (Voted) Rs. 10,452.

The excess expenditure is due to the drawal of pay and allowance of Christian Non Gazetted Officers for March 1964 during the same month. Arrears of pay of Rs. 1,100 have also been drawn during March, 1964. The provision in Article 87(c) (ii) of the Kerala Financial Code regarding payment of festival advances was omitted to be foreseen by the Director of Agriculture and hence funds could not be provided earlier.

3. 31-Agriculture (a) II-C.—Statistical Wing in the Agriculture Department.

Excess (Voted) Rs. 10,820/-

The variation statements for 1963-64 showed that several amounts debitable to '31(a) II-B' had been wrongly debited to '31(a)II-C'. Though some of these amounts were later transferred to the correct head on the basis of the statements furnished by the Director of Agriculture, some other remained unreconciled because the Director of Agriculture did not point out to audit correct head in respect of these amounts at the proper time. This accounts for the excess mentioned above.

4. 31-Agriculture (b)-III.—Schemes under the Five Year Plan—Rubber Plantations—Administrative expenses.

Excess (voted) Rs.10,208/-

Till August 1963, the Scheme of Rubber Plantations was under the Administrative Control of the Director of Rubber Plantations. The Directorate of Rubber Plantations and the office of the Superintendent of Survey were abolished with effect from 15-8-1963 and the records and accounts transferred to the Director of Agriculture with a skeleton staff. Some of the records were transferred to the Director of Survey & Land Records. Hence complete details of the expenditure incurred by the defunct offices could be collected only late. Owing to this delay the excess expenditure incurred could not be regularised.

5. 31-Agriculture (C)-III.—Schemes under the Five Year Plan—District Agricultural Farms—Rehabilitation of Existing Farms.

Excess (Voted) Rs. 19,725/-

A part of the expenditure under this head was incurred by the P.W.D. for works which were taken up and left incomplete during the year 1962-63 in the District Agricultural Farms at Kozha and Ollukara. The actual excess in the expenditure during 1963-64 could be detected only towards the end of the year and could not therefore be regularised in time. The excess should have been detected during reconciliation, but this was not done.

6. 31-Agriculture(d) (ii) A.—*Establishment of Seed Farms.*

Excess (Voted) Rs. 66,897/-

The excess is due to misclassification of expenditure which should have been debited to "31(d) (x) (ii) A—Establishment of Seed Farms and Seed Stores." The expenditure on account of three Seed Farms—at Pazhayannur, Edathuruthy, and Thavanur—remained unreconciled until orders in this regard were issued by Government on 18-4-1964. But it was too late to effect the necessary transfer of debit during the year itself.

7. 31-Agriculture (d) (ix) A.—*Plant Protection.*

Excess (Voted) Rs. 17,422/-

The District Agricultural Officer, Trichur had requested for additional amounts at the fog end of March 1964 for effecting payment of the value of pesticides and chemicals received by him. In anticipation of sanction the required amount was drawn by him and payment effected to the firms. As the requisition for additional funds was received late by the Director of Agriculture, the additional amount could not be provide and the expenditure could not be regularised.

8. 31-Agriculture (d) (x) 3.—*Spraying for control of coconut leaf-diseases.*

Excess (Voted) Rs. 37,416/-

During the previous years, there were considerable lapses under this head of account due to the difficulty in achieving the target. Unlike the previous years, whether conditions during the year were favourable and spraying scheme was successful. Additional expenditure had to be incurred for labour charges also. The excess expenditure occurred under the above circumstances.

A total amount of Rs. 5,86,200/- which comes to nearly 30 per cent of the total budget grant was incurred during March, 1964. As the excess expenditure under this item was incurred during the last month of the financial year, there was no time to obtain a supplementary grant to regularise the excess.

9. 31-Agriculture (d) (x) 5-A.—*General.*

Excess (Voted) Rs. 78,213/-

In G.O.Ms. 62/64/Agri dated 20-1-64 Government sanctioned a special pay at the rate of 10 percent of the basic pay to the field staff

employed in the Package Districts of Alleppey and Palghat from the care of District Collector down to the Block staff by way of incentive, with retrospective effect from 1-4-1961. This has led to the excess expenditure. The Director of Agriculture could have moved for additional funds required through a supplementary grant soon after the above order was issued in January 1964. However this was not done and hence the excess.

10. 31-Agriculture (d) (x) 5-B.—*Transport.*

Excess (Voted) Rs. 75,508/-

During 1962-63 seven blocks were brought under the scheme. Though steps were taken for the purchase of 7 jeeps and 7 tractors for these blocks, supply was not effected during the year. This has resulted in a lapse of Rs. 4.49 lakhs during 1962-63 under "31 (d) (xv) schemes under the Five Year Plan (12) Package Programme 6. Transport". For 1963-64 only a provision of Rs. 4 lakhs was made under "Transport". The requirement including the commitments already made in 1962-63 was Rs. 8.49 lakhs. All the vehicles ordered for during 1962-63 were received in 1963-64. Only an amount of Rs. 3.74 lakhs could be provided by reappropriation. The excess expenditure of Rs. 75,508/- which was incurred at the close of the year, therefore, could not be regularised. Obviously, the Director of Agriculture could have anticipated the excess required and moved for additional funds before the end of the year.

11. 31-Agriculture (d) (x) 5-H.—*Equipments.*

Excess (Voted) Rs. 11,070/-

The Joint Director of Agriculture, Alleppey has incurred excess expenditure under this head after sending a proposal for diversion of savings under 31 (d) (x) 5.D Agricultural Workshop to this head of Account. As the proposal was not received in time by the Director of Agriculture, the reappropriation could not be sanctioned.

12. 31-Agriculture (d) (x) 6.—*Plant Protection—Control of Pests and Diseases.*

Excess (Voted) Rs. 84,807/-

As there was very great demand for copper sulphate, 75 tons of copper sulphate was purchased additionally for Kottayam District during the later half of February 1964. The savings estimated under this head of account were reappropriated during February 1964 to other heads of accounts. After this some more pesticides for which

orders placed were received and payments effected. The Director of Agriculture could have, however, ascertained from the concerned officers the increased requirements before re-appropriating the savings from this head but this was not done.

13. 31-Agriculture (d) (x) 8-A.—*Scheme for the multiplication and distribution of improved varieties of tapioca and sweet potato.*

Excess (voted) Rs. 18,093/-

During the year two separate heads were opened as '31(d) (x) 8.A' and '31(d) (x) 8.B'. As the transfer of expenditure to these two heads of accounts was done only by the end of the year an excess of Rs. 18,093 under '31(d) (x) 8.A' and a short fall of Rs. 13,480/- under '31(d) (x) 8.B' occurred in the accounts.

14. 31-Agriculture (d) (x) 10-A.—*Publications.*

Excess (voted) Rs. 43,557|-

Two bills for Rs. 29,902. and Rs. 11,040. for value of paper supplied by the Controller of Stationery, and for printing charges billed by the Superintendent of Government Presses, Trivandrum respectively were adjusted by the Agricultural Information Officer, Trivandrum towards the fag end of March 1964 without sufficient funds. There was no time to obtain a supplementary grant to regularise the excess amount of expenditure incurred. However, the Director of Agriculture could have anticipated the expenditure and obtained additional funds before the end of the year, but this was not done.

15. 31-Agriculture (d) (x) 11-B—*Seed Development Officer and Staff.*

Excess (voted) Rs. 66,439|-

During 1962-63 the targeted quantity of seeds could not be procured as there were floods and crop failures during the year. In order to compensate the shortfall the Joint Director of Agriculture, Alleppey made an earnest attempt during 1963-64 for the procurement of seeds to the maximum extent possible. A considerable quantity of seeds could be procured in March 1964. For payment of costs of seeds, he had drawn amounts in anticipation of sanction from the Director of Agriculture. The excess could not be regularised for want of savings in the overall grant.

16. 31-Agriculture (d) (x) 14—*Raw Materials for Phyto-Chemical Factory.*

Excess (voted) Rs. 18,538/-

The excess was mainly due to an unanticipated adjustment of Rs. 14,717/- towards the cost of fertilizers during the year. The fertilisers were supplied by the District Agricultural Officer, Ernakulam to the Assistant Director of Agriculture, Phyto-chemical Scheme, Kalady on 16-9-1963 and 17-9-1963. These were free fertilizers supplied under the T. C. M. Programme. The rate at which the supply had to be billed could not be arrived at immediately. The actual adjustment was therefore made only after March 1964 and hence the excess could not be regularised.

17. 31-Agriculture (e) (v) B—*Model Agronomic Experiments at Karmana.*

Excess (voted) Rs. 22,646/-

A sum of Rs. 24,590/- was debited to this head of account as a result of the adjustment made during September 1963. By an omission, the subordinate office (the Agricultural College Vellayini) which attended to the reconciliation of accounts under this head of account did not point out the debit to the Director of Agriculture in time and ask for additional funds to meet the expenditure. Hence the excess could not be regularised.

18. 31-Agriculture (e) (vii) 5-A—*Research on Rice.*

Excess (voted) Rs. 39,394/-

An expenditure of Rs. 15,449/- was incurred by the P.W.D. during 1963-64. The amount was correctly debitable to '31 (1) Works'.

On detailed verification it is also seen that Government have directed on 6th February 1964, to debit the expenditure on the staff for Kottarakara and Vyttila Rice Research Stations to this head of account. Accordingly the expenditure on this staff initially debited to '31 (e) (i)-B' was transferred to this head in 1964 March final and supplementary accounts, which resulted in the excess.

19. 31-Agriculture (j) (vi) I.B.—*Production and distribution of quality Coconut Seedlings.*

Excess (voted) Rs. 58,122/-

The quality seed coconuts for the Departmental and Block nurseries were being collected from Badagara and other important coco-

nut growing centres in Calicut District. During the period there was a rise in the cost of coconuts. Hence for procurements of seeds and for other incidental expenses such as harvesting, packing, and transporting additional expenditure had to be incurred. As the major portion of the seednuts were procured in March 1964 the excess could not be regularised.

20. 31-Agriculture (j) (vi) (9)-E.—*State owned nurseries, certified nurseries, organisations etc.*

Excess (voted) Rs. 11,471|-

It is seen that out of the budget provision of Rs. 1,66,000/- a sum of Rs. 39,500/- was re-appropriated being the anticipated savings on 31st March 1964. In the meantime, the Joint Director of Agriculture, Palghat incurred additional expenditure in anticipation of sanction and his request for additional funds was received by the Director of Agriculture after the re-appropriation was sanctioned. The Director of Agriculture could not therefore take action for obtaining additional funds in time. The additional requirement was over and above the normal requirements of the Department and hence this was not anticipated and included in the Budget for 1963-64. However, before sanctioning re-appropriation of savings, he could have ascertained from his subordinate officers of their needs for funds, but this was not done.

21. 31-Agriculture (j) (vi) 14—*Horticultural Development including Progeny Orchards*

Excess (voted) Rs. 25,527|-

The cultivation expenses in all the stations exceeded the allotments during the year as the targets were enhanced. The land development and other works in Pattambi and in Malampuzha Stations had been taken up. The pay and allowances of staff under the scheme "Applied Nutrition Programme" were also charged to this scheme. A total amount of Rs. 25,145|- was incurred during March 1964 and Rs. 15,650|- was adjusted during 1964 March final accounts. As the major portion of the expenditure was incurred towards the end of the year the excess could not be regularised. In the circumstances, the excess requirements could not also be foreseen for inclusion in Budget Estimate for 1963-64.

The excesses were partly counter-balanced by savings under other group heads resulting in a net excess of Rs. 2,01,844|-

In the circumstances stated above, it is requested that excess expenditure of Rs. 6,72,781 in the Charged Section and Rs. 2,01,844 in the Voted Section of Grant No. XXII Agriculture may be recommended to Parliament for regularisation.

A. K. K. NAMBIAR,
Additional Secretary to Government,
Agriculture & Rural Development
Department (Agriculture).

ANNEXURE
GOVERNMENT OF KERALA
AGRICULTURE & RURAL DEVELOPMENT DEPARTMENT
(Agriculture—Agri.)

No. 38281/Ag. 3/65/Agri.

Dated, Trivandrum, 16-8-1965.

Memorandum

Sub: Decree in L.A.R. 16/62 and 19/58 of Sub Court, Kottayam—
Advance from Contingency fund.

Ref: (1) Memorandum No. 14682/Ag. 3/65/Agri., dated 22-4-65.

(2) Memorandum No. 7467/Ag. 3/65/Agri., dated 15-3-65.

(3) Letter No. Fin. (2) 15930/65 dated 24-7-65 from the Director of Agriculture.

Copies of above references are forwarded to the Secretary, Board of Revenue for necessary action.

J. J. PRASEEDOM,
Deputy Secretary.

To

The Secretary, Board of Revenue,

Copy to: The Director of Agriculture.

Copy of Memo. No. 7467/Ag. 3/65/Agri., dated 15-3-1965, to the Director of Agriculture.

Sub: Agriculture—Acquisition of land for the State Seed Farm, Kozha—Satisfaction of Decree in L.A.R. No. 1/62, 2/62, 3/62, 22/62 and 23/62 of the Sub Court, Meenachil.

Ref: Letter No. Fin (2) 9056/65 dated 9-2-65 from the Director of Agriculture.

The Director of Agriculture is informed that the expenditure may be correctly debited to "95 (d) Establishment of Seed Farms—L.A. Charges (charged)". Since funds are not available under '95

Capital' to book the expenditure, the same will have to be left as an excess expenditure to be got regulated later on by the Legislature in this manner prescribed in Article 205 of the Constitution on the recommendation of the Public Accounts Committee.

J. J. PRASEEDOM,
Deputy Secretary.

Copy of Memorandum No. 14682/Ag. 3/65/Agri, dated 22-4-1965 to the Director of Agriculture.

Sub: Advance—Contingency Fund—Advance L.A.R. 16/62 and 39/58 of Sub Court, Kottayam—Satisfaction of.

Ref: Letter No. Fin (2) 15930/65 dated 22-3-65 from the Director of Agriculture.

The Director of Agriculture is informed that the action of the Department in having incurred the expenditure without provision of funds was irregular. An advance from the Contingency Fund at this stage would not set right the position. The excess has to be regularised in the manner prescribed in Article 205 of the Constitution on the recommendation of the Public Accounts Committee.

JOSEPH THADICARAN,
Deputy Secretary.

To

The Director of Agriculture.

Copy of letter No. Fin. 2-15930/65 dated 24-7-65 from the Director of Agriculture, to the Secretary to Government, Agriculture Department.

Sub: Advance—contingency fund—Decree in L.A.R. 16/62 and 19/58 of Sub Court, Kottayam—satisfaction of.

Ref: 1. Memo No. 14682/Ag. 3/65/Agri., dated 22-4-65.

2. Memo No. 7467/Ag. 3/65/Agri., dated 15-3-65.

Referring to the above, I may inform Government that the expenditure in question was incurred by the Sub-Collector, Kottayam and not by this Department. The Sub-Collector has neither

requested this office for funds nor informed this office of the expenditure incurred by him. This debit was brought to the notice of this office by the Accountant General early in March 1965. Proposals for sanctioning an advance from the contingency Fund were sent up to Government based on the details furnished by the Accountant General. There are also similar instances of unauthorised debits made by the Sub Collector, Kottayam. (vide Government Memorandum 7467/Ag. 3/65/Agri., dated 15-3-1965). No other officer of the Revenue Department has raised debits against this Department without obtaining the required funds at his disposal from this office. During the year 1963-64 also the Sub Collector had drawn huge amounts for the satisfaction of the decrees without intimating this office.

The irregularity committed by the Sub Collector was brought to the notice of the District Collector, Kottayam. The Collector in letter L. Dis. 17344/65/G4 dated 3-6-1965 has issued necessary instructions to the Sub Collector for obtaining the required funds from this office before the drawal of the amount from the Treasury. It may kindly be seen that the irregularity is committed by the Sub Collector, Kottayam and not by this office. Hence I request that necessary instructions may kindly be issued to the officers of the Revenue Department in the matter.

Sd/-

Director of Agriculture.

APPENDIX XVI

GOVERNMENT OF KERALA

ANIMAL HUSBANDRY DEPARTMENT

Sub: Regularisation of excesses under Grant No. XXV Animal Husbandry as disclosed in the Appropriation Accounts 1963-64.

The excess disclosed in the appropriation accounts of the above mentioned grant are as under:—

| | Total grant or appropriation Rs. | Actual expenditure. Rs. | +Excess. Rs. |
|-------------------|--|-------------------------------|-----------------|
| Charged | 4,000 | 5,257 | +1,257 |
| Voted | 56,38,500 | 57,39,002 | +1,00,502 |

Reasons for the excesses are given below:

I. Charged: + 1,257.

The excess occurred under the grouphead 33 Animal Husbandry (a) (i) non-Plan and represents decretal charges relating to the acquisition of land for the Artificial Insemination Centre, Alleppey. An order issued by the Finance Department in March, 1964 reappropriating an amount of Rs. 1,000/- to this group head from the voted portion of the Grant was not valid according to the rules of the Government.

II. Voted: + Rs. 1,00,502/-.

Excesses have occurred under the following heads.

(i) Excess Rs. 1,16,158/- under 33 Animal Husbandry (c) Hospitals and Dispensaries (i) non-Plan.

The break up is as follows :

| | |
|--------------------------------|----------|
| Pay of officers | 758 |
| Pay of Establishment | 5,216 |
| Allowances | 12,806 |
| Contingencies | 97,378 |
| | 1,16,158 |

The excess mainly occurred under contingencies owing to the adjustment of debits in respect of cost of articles during the period from June 1963 to March 1964 for which provision turned out to be insufficient. The funds under this head are operated by about 132 officers and the expenditure in March, 1964 was somewhat more than that anticipated. As the excess expenditure was incurred at the fag end of the year steps could not be taken to provide additional funds.

(ii) Excess Rs. 14,711/- under 33 Animal Husbandry (d) (i) Veterinary College.

Excess Rs. 25,152 under 33 Animal Husbandry (g) X I Key Farm and Artificial Insemination Centres.

Under (d) (i) Veterinary College, it was felt that certain purchases would not materialise before the close of the year, but actual payment had to be made during the year resulting in excess. Under (g) X I, this may not be deemed appreciable when compared with the final grant which is Rs. 4,65,100/- (5.4 per cent of the final provision). This head is operated by a large number of subordinate controlling officers and as such the excess of small sums occurred with all the controlling officers.

(iii) Minor cases of excesses exceeding Rs. 5,000/-.

| Head of Account | Amount of excess. | Reasons. |
|--|-------------------|---|
| | Rs. | |
| Direction (i) non-Plan | 8,101 | Small. |
| (b) (i) non-Plan | 7,418 | small. |
| (c) (iii) (A) Poultry Farms | 8,109 | Mainly due to increased expenditure under feeding charges, pay of menials and purchase of equipments which could not be foreseen. |
| (e) (vii) IV F. Cattle Development in High Ranges. | 5,211 | Small. |

| Head of Account | Amount of excess | Reasons |
|--|------------------|---|
| | Rs. | |
| (g) (X) VI A—Training of subordinates | 14,616 | Mainly due to belated claim on account of Pay and allowances including T. A. of the trainees which could not be foreseen. |
| (g) (X) VI B—Ready to feed balanced feeds and supply of Mineral Mixture. | Rs. 5,383 | Small. |

The excesses were partly counter-balanced by savings under other heads resulting in a net excess of Rs. 1,00,502/-.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 1,257/- in the charged section and Rs. 1,00,502/- in the voted section of the grant No. XXV may be recommended for regularisation under Art. 115 of the Constitution.

Sd/-

Joint Secretary to Government
Agriculture Department.

APPENDIX XVII
GOVERNMENT OF KERALA

NOTE

PUBLIC WORKS DEPARTMENT

Sub: Regularisation of excess under Grant No. XXXII—Irrigation as disclosed in the Appropriation Accounts 1962-63.

The excesses disclosed in the Appropriation Accounts for the above mentioned grant are as under:

| | Total Grant or Appropria- tion | Actual expendi- ture | +Excess |
|-----------------|--------------------------------------|----------------------------|---------|
| | Rs. | Rs. | Rs. |
| Voted | 15731000 | 16295780 | 564780 |

The reasons for the excess are given below:—

(i) 43 A. II Unproductive (b) Maintenance and Repairs.

| | Rs. |
|------------------------|--------|
| Budget Grant | 534300 |
| Expenditure | 642844 |
| Excess | 108544 |

The grant was included in the Budget for the maintenance of completed portions of Mangalam, Meenkara, Malampuzha and Walayar Projects. Out of the total of Rs. 1,08,544 an expenditure of Rs. 39,500 and Rs. 6,400 had to be incurred towards inevitable payment of arrears of Project allowance from 1-6-1959 to the Work Establishment staff under Malampuzha and Walayar Project respectively which were not anticipated at the time of preparation of budget. The balance excess amount of Rs. 62,644 was mainly due to large tender variations in the maintenance works awarded to the contractors in respect of Malampuzha Project and due to the execution of certain special repair works in respect of Walayar Project.

(ii) 44 A (i) (b) Maintenance and Repairs

| | Rs. |
|---------------------------------------|-----------|
| Budget Grant | 15,00,000 |
| Reappropriation to the head | 93,400 |
| Expenditure | 19,80,557 |
| Excess | 3,87,176 |

The grant of Rs. 15.00 lakhs was provided for the annual maintenance and special repairs of all completed medium and Lift Irrigation works as well as for the maintenance of completed portions of Non-commercial Major Projects. Every year more and more Irrigation works are to be taken up and completed which require annual maintenance and special repairs. The excess expenditure was necessitated on account of the maintenance works done for a large number of completed schemes which could not be postponed to next year for the proper upkeep of the works.

(iii) 43 AI (i) Interest.

| Scheme | Total Grant | Actual Expenditure. | s |
|--|-------------|---------------------|--------|
| | Rs. | Rs. | Rs. |
| 1. Pochi Reservoir Scheme. | 10,49,900 | 10,61,715 | 41,815 |
| 2. Chalakudy River Diversion Scheme. | 8,17,800 | 8,57,058 | 39,258 |
| 3. Bhoothathan kettu Scheme. | 9,85,000 | 10,57,147 | 72,147 |

(iv) 43 A II (ii) Interest.

| | | | |
|---------------------------------|-----------|-----------|----------|
| 1. Malampuzha Project | 24,67,900 | 25,82,232 | 1,14,332 |
| 2. Walayar Do. | 5,52,400 | 5,74,195 | 21,795 |
| 3. Mangalam Do. | 4,61,600 | 4,99,037 | 37,437 |
| 4. Meenkara Do. | 4,27,000 | 4,41,882 | 14,882 |

The excesses under these units of appropriation were due to the post-budget decision of Government in August 1963 to revise with retrospective effect from 1-4-1962, the rate of interest on capital outlay on Irrigation works, from 4 per cent to 4½ per cent.

(v) 44 A (ii) (c) *Other charges Plan.*

| | Rs. |
|---------------------------|----------|
| Budget Grant | 2,46,700 |
| Reappropriation | —57,500 |
| Expenditure | 2,21,265 |
| Excess | 32,065 |

The major portion of the excess (Rs. 29342) related to the expenditure incurred on research works on Problems IX, XXI, and XIV conducted in the Research Station, Poochi (Financed by Central Government) which was not anticipated.

In addition, there were minor excesses amounting to Rs. 10,596 under 6 group heads.

These excesses were partly offset by savings under other group heads.

In the circumstances stated above it is requested that the excess expenditure of Rs. 564780/- in the Voted Section of the grant No. XXXII may be recommended for regularisation under Article 115 of the Constitution.

Dated 14-12-1965.

Sd/-

*Joint Secretary,
For Secretary to Government
Public Works Department.*

APPENDIX XVIII
GOVERNMENT OF KERALA
PUBLIC WORKS DEPARTMENT

Note regarding excesses over voted grant under grant No. XXXIII Public Works as reported in the Appropriation Accounts for 1962-63.

The Excesses disclosed in the Appropriation Accounts for the above mentioned grant are as under:—

| | Total grant | Actual expenditure | Excess |
|-------|--------------|--------------------|-------------|
| | Rs. | Rs. | Rs. |
| Voted | 11,12,86,800 | 11,28,40,263 | (+)8,53,463 |

The excess occurred mainly under the following heads:—

(1) 50(a) (xii) *Medical A Schemes outside the five year plans.*

| | Total grant | Actual expenditure | Excess |
|--|-------------|--------------------|----------|
| | 37,63,900 | 51,69,218 | 14,05,31 |

(2) (a) (xvi) *Animal Husbandry H Schemes outside the five year plans.*

| | Total grant | Actual expenditure | Excess |
|--|-------------|--------------------|----------|
| | 3,20,200 | 4,77,165 | 1,56,965 |

In the budget for 1962-63 provision was available under the above two units of Appropriation for the transfer debit of expenditure from 103 Capital Outlay on Public Works in respect of Capital schemes partly financed by grants from the Government of India. The expenditure equivalent to the grants in aid will have to be transfer debited from the capital head of account to the corresponding Revenue head of account, during the close of the financial year. At the time of preparation of the budget estimate for 1962-63 it could not be foreseen that larger amounts of expenditure would be required under the schemes during that year. The quantum of grant in aid anticipated to be received from the Government of India is reckoned on the anticipated expenditure on the various schemes. As the actual

expenditure was more than what was expected necessary amounts could not be provided to cover the transfer of expenditure on capital works.

(3) (b)B(iv) C.R.F. (ordinary Allocation) Roads.

| Total grant | Actual expenditure | Excess |
|-------------|--------------------|----------|
| 18,44,800 | 21,35,034 | 2,90,234 |

The excess under this head is mainly due to the misclassification of expenditure to the extent of Rs. 3,07,742 debit-able to other heads of accounts off-set by the savings within the same minor heads. Out of the amount misclassified, a sum of Rs. 1,51,435 is correctly debit-able to 50(b)B. (vi) Roads and Bridges C.R.F. (Ordinary Reserve) and the balance under 50(b)B(v) C.R.F. (Ordinary Allocation) Bridges. A statement showing the work-war expenditure during 1962-63 under 50(b)B(iv) C.R.F. (Ordinary allocation) Roads is enclosed. It may be seen that the total expenditure works out to Rs. 18,27,292 against Rs. 21,35,034 noted in the Appropriation accounts. The difference represents the amount of misclassification.

Reconciliation is being effected on the basis of the classified abstracts incorporated in the monthly accounts received from the Divisions. Even if there is misclassification in the classified abstracts, the same cannot be detected at the time of reconciliation for want of sufficient details. The misclassification in question could not therefore be detected in time.

Every effort will be made in future to avoid such misclassification.

(4) 50 (b)B(v)C.R.F. (ordinary Allocation) Bridges.

| Total grant | Actual expenditure | Excess |
|-------------|--------------------|----------|
| 20,36,100 | 22,34,845 | 1,98,745 |

The excess occurred owing to the additional expenditure on the works construction of an overbridge at Ernakulam North (Rs. 3,85,725) and constructing a bridge across Mannanthody river (Rs. 2,54,422) which were in good progress. Additional funds could not be provided by suppl. grant as the expectation was that the expenditure could be accommodated within the over all savings under the demand.

5(i) *Transfer of grants for Road Development to the Deposit head "Subventions from the Central Road Fund".*

| | Total grant | Actual expenditure | Excess |
|--|-------------|--------------------|----------|
| | 24,50,000 | 32,99,849 | 8,49,849 |

The provision made in the budget under this head was based on the provision for works under C.R.F. Ordinary allocation. During 1962-63 the works under C.R.F. Ordinary Allocation were generally in good progress and additional expenditure became necessary. In view of this the subvention from the C.R.F. was also in excess of the original expectation. In the circumstances the excess was unavoidable. As the adjustment was effected after the close of the financial year, provision of funds could not be made to cover the excess.

In addition, there were minor excesses amounting to Rs. 18.24 lakhs under the following group heads:—

| Sl. No. | Group head | Total grant | Excess | reasons for the excess. |
|---------|--|-------------|----------|--|
| | | Rs. | Rs. | |
| 1. | 50(a) (i) A. Schemes outside the five year plans | 10,100 | 382 | Small |
| 2. | (a) (ix) A. do. | 64,800 | 4450 | do. |
| 3. | (a) (Xvii) A. do | .. | 55000 | do. |
| 4. | (a) (xix) B. Schemes under the Five Year Plans | 16,000 | 2076 | do. |
| 5. | (a) (xx) A. Schemes outside the Five year Plans | 8,400 | 7031 | do. |
| 6. | (b) (vii) Investigation | 20,000 | 11,987 | do. |
| 7. | (c) A. Schemes outside the five year plans | .. | 1092 | Do. |
| 8. | (d) Repairs | 2,38,50,000 | 16,20,30 | The excess is due to the fact that in the B&R Dn. Cannanore a lot of flood damages rectification works had to be |

| 1 | 2 | 3 | 4 | 5 |
|--|-------------|-----------|---|--|
| | | | | carried out in Kesara god area. Special repairs to certain bridges were also necessary to maintain through traffic and the expenditure was inevitable. |
| 9. (e) A (i) 1 Chief Engineer (Buildings and Roads). | 5,79,400 | 28,390 | Small. | |
| 10. (e) (i) Executive Estt. | 63,88,200 | 1,08,742 | Excess due to change of personnel having different rates of pay. | |
| 11 (g) Grants-in-aid | 2,00,000 | 15,852 | The excess is due to the adjustment of grants-in-aid payable to the Calicut Municipality. The works were carried out by the Engg. Wing of the Municipality and the details of expenditure were not intimated to the Dept. in time for making provision. | |
| 12 (h) Suspenses | 5,16,50,000 | 14,27,422 | The excess is small when compare to the budget grant. The excess is due to the fact that in the supplementary accounts certain adjustments | |

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|--|
| | | | | became necessary in the Govt. Engineering Workshop. As this was not foreseen, provision could not be made to regularise the excess |

The excesses were partly counterbalanced by the savings under some other heads resulting in a net excess of Rs. 8,53,463/-.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 8,53,463/- in the voted section of grant No. XXXIII Public Works may be recommended for regularisation under article 115 of the Constitution.

Sd/-

Joint Secretary to Government.

C.R.F. ROADS, ORDINARY ALLOCATION

| | Expenditure in Rs. |
|---|-----------------------|
| Easing curves in M. C. road 4/5 to 5/3 near Mar Invenios College | 10,552 |
| Easing curves in M. C. roads—Semigrouting Warkala Vilabhagon road | 24,704 |
| Warkala Vilabhagon road | 10,346 |
| Metalling Nedumangad Shorlacode road | 31,377 |
| Improving M. C. road miles 11 and 12 | 16,404 |
| Widening M. C. road miles 23 to 26/5 | 1,23,857 |
| Trivandrum Pommudi road | .. |
| Widening and easing curves from M14/0 to 15/9 of Q. S. Road | .. |
| Widening and improving M. C. road miles 52 to 55/7 | 55 |
| Widening and improving miles 37 to 44 | 74,988 |
| Widening and improving M. C. road miles 57/0 to 58/0 | 24,250 |
| Shelering Q. S. road 0/0 to 4/5 mile | 70,535 |
| Widening and improving Q. S. road 4th mile | 55,558 |
| Semigrouting Kottarakara Velianolloor road | 1,16,557 |
| Widening and improving Q. S. road 2nd mile | 5,059 |

| | Rs. |
|---|----------|
| Semigrouting Kottarakara Kunaathoor & Kottarakara Sasthamcottah road 0/2 to 7/0 | 1,22,688 |
| Shelcreting M. C. road 46/0.48/0 and 51/6 to 52/4 | 41,829 |
| Paripally Madathara road | 19,951 |
| Ayoor Ithikkara road | .. |
| Widening and improving K. P. road miles 12/0 to 15/4 | .. |
| Widening Adoor Sasthamcottah road 1/0 to 3/0 | .. |
| Widening Adoor Sasthamcottah road 3/0 to 11/0 | .. |
| Extension of Thiruvallah Edathua road | 15,382 |
| Raising low portion of M. C. road 81/4 to 22/0 | 41,766 |
| Widening and Special surfacing Thiruvella Pulikeezhu road portion from M. G. M. H. S. to Kavumbhagon | .. |
| Improving and resurfacing Kayamkulam Punaloor road 4/0 to 10/2 | 2,00,001 |
| Semigrouting Kottayam Karugachal road 1/0 to 3/4 Kottayam Pathupally road | .. |
| Vaikom Vechoor road <i>via</i> Kumarkom | .. |
| Raising low portions of M. C. road 93/6 to 94/3 | 1,32,869 |
| Widening and improving Kottayam Kumali road and ex- tending culverts in Miles 35/0 to 67/0 | 4,587 |
| Easing curves in K. K. road miles 14 to 17 | .. |
| Improving and Special surfacing Manimala Ranni road miles 0/0 to 8/0 | 1,55,590 |
| Road from Vandiporiya to Mount Estate | .. |
| Vaikom Vochoor road 2nd Section | 11,826 |
| Widening improving and semigrouting M. C. road Than- nipuzha to Ankamaly | .. |
| Piravom Ernakulam road—Portion from Piravom to Chottani- kara | .. |
| Semigrouting Peppattupara road | 765 |

| | Rs. |
|--|------------|
| Constructing Poothotta Piravom road | .. |
| Improvements to balance portion of Ankamaly Manjally road | (—)8 |
| Improvements to Alapara Thottumgal road | .. |
| Widening and improving road from Mamala to Piravom | .. |
| Improvements to W. F. road to Tharumanimattom | .. |
| Widening and improving the road from Mulamthuruthy to Neerpara | .. |
| Improvements to the road from Katcherypady Cheramallor Bridge | .. |
| Approach road to Enamavu regulator | .. |
| Improvements to Alur Mala road | 62,115 |
| Improvements to Parayankadavu road | 14,015 |
| Improvements to Ambaloor Palappilly road | 76,504 |
| Extending the road from Eriyad to Fishing centre | .. |
| Semigrouting Chalakudy Mala road | 80,527 |
| Semigrouting 2" finished thickness 6/5 to 11/1 of Palaya- nnur road | 87,317 |
| Improving and semigrouting Erumapetty road—reconstruction of weak bridges | .. |
| Improvements to Calicut Balussery road M12/0 to 15/0 | } 1,76,196 |
| Providing blacktopping Hosdurg Fandhady road M 0/0 to 20/0 | |
| Widening and improving K. P. road at Parakode Market | .. |
| Constructing drain for Parakode Market to 18th mile of K. P. road | 299 |
| Special improvements to Chakkara Kadavu road including metalling | .. |
| Metalling Puthenkulamgara road | 18,187 |
| Improving and metalling Thannikudam Thrikkapuram road 0/5 to 2/4 | 56 |

| | |
|--|------------------|
| Improvements Blangad Beach road | .. |
| Easing curves in M 24/6 & 7 Q. S. road | 242 |
| Improvements Q. S. road 14/0 to 15/0 | (—)154 |
| TOTAL | <u>18,27,292</u> |
| A.G.'s figure | <u>21,35,034</u> |
| Difference | <u>3,07,742</u> |

C. R. P. ROADS AND BRIDGES (ORDINARY RESERVES)

| | |
|---|-----------------|
| Improvements to Poormedu Devikulam Road | 1,50,200 |
| Construction of a Bridge at Kanayamgode | 4,18,119 |
| TOTAL | <u>5,68,319</u> |
| A.G.'s figures | <u>4,16,884</u> |
| Difference | <u>1,51,435</u> |

Sd/-
Assistant Secretary to Govt.

APPENDIX XIX
GOVERNMENT OF KERALA
PUBLIC WORKS DEPARTMENT

NOTE

SUBJECT:—Regularisation of excess under Grant No. XLV Capital Outlay on Irrigation as disclosed in the Appropriation Accounts 1962-63.

The excesses disclosed in the Appropriation Accounts for the above-mentioned grant are as under:

| | Total Grant | Actual Expenditure | + Excess |
|-----------------|-------------|--------------------|----------|
| | Rs. | Rs. | Rs. |
| Voted | 2,91,57,800 | 3,59,31,371 | 67,73,57 |

The reasons for the excess are given below:

| | Rs. |
|--|---------------------|
| (i) 99 A I. (iii) Boothathankettu Scheme (d) Suspense | Excess 4,52,025 |
| (ii) 99 A II (i) Malampuzha Project (d) Suspense | Excess 11,16,381 |
| (iii) 99 A II (iii) Mangalam Project (d) Suspense | Excess 4,27,913 |

Even though such classification as (d) suspense was shown subordinate to each Project head no separate provision was included in the budget. The suspense transactions of each commercial project was also to be accounted within the provision for the respective projects under (a) works. But the required funds to accommodate the gross expenditure on suspense accounts was not proposed under (a) works while sending budget proposals relating to the capital head '99' during the year 1962-63.

(iv) 99 A II (ii) *Walayar Project*

| | Rs. |
|----------------------------|----------|
| (a) <i>Works</i> | |
| Budget Grant | 83,300 |
| Expenditure | 2,69,766 |
| Excess | 1,86,466 |

Even though the grant of Rs. 83,300 was provided in the Budget for gross debit, the Executive Engineer credited an amount of Rs. 1,21,254 correctly creditable to Part III Reduction and Recoveries on Capital Account to the work account and utilised so much amounts for expenditure. This was a mistake.

The balance excess of Rs. 65,212 was due to the fact that the anticipated credit to the work (Rs. 39,000) due from the District Treasury at Trichur could not be adjusted as the credit schedules were not received from the Treasury. Another credit of Rs. 25,000 anticipated from Malampuzha Project could not be adjusted in the supplemental accounts as the old invoices for raising the debit against that Project were not forthcoming.

(v) 100—A (d) *Suspense.*

| | Rs. |
|------------------------|-----------|
| Budget Grant | 3,00,000 |
| Expenditure | 63,02,001 |
| Excess | 60,02,001 |

The provision of Rs. 3 lakhs made under this head of account was only to watch the net debit under suspense. But the expenditure of Rs. 63,02,001 is the gross expenditure. There is a credit of Rs. 71,73,934 under this head of account. However, provision to cover the gross debit on suspense accounts had been made in the budget from 1964-65 onwards.

(vi) 100 B *Navigation (b) Establishment.*

| | Rs. |
|-----------------------|----------|
| Total Grant | 2,48,900 |
| Expenditure | 3,79,360 |
| Excess | 1,30,460 |

The expenditure under this head could not be estimated correctly at the time of sending proposals for supplemental grants.

❶

In addition, there were minor excesses amounting to Rs. 1,31,800 under 7 group heads.

These excesses were partly offset by savings under other group heads.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 67,73,571 in the Voted Section of the Grant No. XLV may be recommended for regularisation under Article 115 of the Constitution.

Dated 14th December, 1965.

Sd/-
Joint Secretary,
For Secretary to Government.
Public Works Department.

APPENDIX XX

GOVERNMENT OF KERALA PUBLIC WORKS DEPARTMENT

NOTE

SUBJECT:—Regularisation of excess under Grant No. XLVI Capital Outlay on Irrigation as disclosed in the Appropriation Accounts 1963-64.

The excesses disclosed in the Appropriation Accounts for the above-mentioned grant are as under:

| | Total grant | Actual Expenditure | +Excess |
|-----------------|-------------|--------------------|-------------|
| | Rs. | Rs. | Rs. |
| Voted | 2,86,26,900 | 3,93,86,577 | 1,07,59,677 |

The reasons for the excess are given below:

| | | |
|--|--------|-----------|
| (i) 99 A. I. (iii) Boothathanketty Scheme. (d) Suspense | Excess | 4,73,687 |
| (ii) 99 A. II (i) Malampuzha Project (d) Suspense. | Excess | 11,41,676 |
| (iii) 99 A. II (iii) Mangalam Project (d) Suspense. | Excess | 9,57,521 |

It was already admitted that required funds to cover the gross expenditure on suspense transactions on commercial projects were not included under the Minor Head (d) Suspense subordinate to each Project head, even though the head (d) Suspense is shown in the budget.

(iv) 100 A (d) Suspense.

| | Rs. |
|------------------------|-----------|
| Budget Grant | 3,00,000 |
| Expenditure | 77,78,629 |
| Excess | 74,78,629 |

The provision of Rs. 3 lakhs made in the budget was only to watch the net debit on suspense accounts, but the expenditure noted in the Appropriation Accounts is the gross debit. The net expenditure as per Finance Schedule is only Rs. 14.31,307 (Credit Rs. 63,47,322, debit Rs. 77,78,629). However sufficient provision has been included from 1964-65 onwards to cover the gross debit.

(v) 99 A. I (iv) *Cheerakuzhi Scheme (b) Establishment.*

| | Rs. |
|------------------------|-----------|
| Budget Grant | 1,79,400 |
| Expenditure | 13,48,606 |
| Excess | 11,69,206 |

Out of the grant of Rs. 179400 the amount provided for pay of officers and establishment, allowances and contingencies was only Rs. 76,400 and the balance amount was shown as share debits from other heads. Only an expenditure of Rs. 40,853 was incurred against the provision of Rs. 76,400 for direct charges. The savings of Rs. 35,547 resulted due to the abolition of the Cheerakuzhi Sub. Division No. II. The total excess under this unit of appropriation was due to the increase in share debit adjusted in proportion to the increase in works outlay, which was not anticipated at budget stage.

(vi) 99 AII (iv) *Meenkara Project.*

(a) *Works.*

| | Rs. |
|-------------------------------|-----------|
| Budget Grant | 10,00,000 |
| Supplementary Grant | 6,00,000 |
| Expenditure | 21,55,429 |
| Excess | 5,55,429 |

In view of the heavy commitments entered into by arranging several contracts, as well as to avoid considerable loss to Government by way of idling the heavy machinery at site with its operation staff an expenditure of Rs. 21.5 lakhs which could not be postponed had to be incurred. The expenditure to that extent was not anticipated.

The project work was pushed through anticipating the full additional grant moved for. The information of the reduction in additional grant to the extent of Rs. 6 lakhs was received only very late by which time the expenditure had already been incurred.

(vii) 100 B.—Navigation etc. (a) Works.

| | Rs. |
|-----------------------|-----------|
| Total Grant | 10,00,500 |
| Expenditure | 11,74,749 |
| Excess | 1,74,249 |

In order to keep up the tempo of works, an expenditure of Rs. 11,74,749 had to be incurred. Expenditure to that extent was not anticipated.

(viii) 100 A (a).—Works—Voted.

| | Rs. |
|------------------------|-------------|
| Budget grant | 1,15,19,400 |
| Final grant | 1,39,69,800 |
| Expenditure | 1,43,33,180 |
| Excess. | 3,63,380 |

Out of the total excess expenditure of Rs. 3,63,380 an amount of Rs. 1,36,730 represented the amount deposited with the Kerala State Electricity Board for extending electric lines to Head Works in connection with the work relating to Pamba Project, but which was not refunded in that financial year as anticipated. The balance excess expenditure occurred due to inevitable payment such as freight charges of shutters etc. in respect of Thanneermukkom Project which were not anticipated.

(ix) 100 A (c).—Tools and Plant.

| | Rs. |
|------------------------|----------|
| Budget grant | 4,02,000 |
| Expenditure | 4,91,722 |
| Excess | 89,722 |

The major portion of the excess expenditure (Rs. 51,612) was due to not accounting the expenditure on tools and plant for major Projects (i.e., Rs. 6,006 for Pothundy Project, Rs. 7,576 for Kanjirapuzha Project, and Rs. 38,030 for Pamba Project) under the works proper. The balance excess of Rs. 38,110 was the cumulative result of small variations under almost all the Divisions which is negligible when compared to the grant allotted to each Division.

In addition there were minor excesses amounting to Rs. 1,14,275 under 10 group heads.

These excesses were partly counterbalanced by savings under other group heads.

In the circumstances, stated above, it is requested that the excess expenditure of Rs. 1,07,59,677 in the Voted Section of the Grant No. XLVI may be recommended for regularisation under Article 115 of the Constitution.

Dated the 14th December, 1965.

Sd/-
*Joint Secretary,
For Secretary to Government
Public Works Department.*

APPENDIX XXI

GOVERNMENT OF KERALA PUBLIC WORKS (TRANSPORT-A) DEPARTMENT

NOTE—I

SUBJECT:—*Regularisation of Excess under Grant No. XXXV Transport schemes as disclosed in the Appropriation Accounts 1962-63.*

The excess disclosed in the Appropriation Accounts for the above mentioned grant are as under:

Grant No. XXXV Transport Schemes

| | Total grant or Appropriation | Actual Expenditure | Excess |
|---|------------------------------------|-----------------------|-----------------|
| | Rs. | Rs. | Rs. |
| 57 Road and Water Transport schemes—Voted | 4,24,65,800 | 4,25,93,568 | (+) 1,27,768 |

The reasons for the excess under Voted are given below:

| Group head | Total Grant | Actual Expenditure | Excess(+) Saving(-) |
|--|-------------|-----------------------|------------------------|
| | Rs. | Rs. | Rs. |
| (1) A (i) (b) C. Maintenance and Repairs | 1,15,32,900 | 1,26,09,550 | (+) 10,76,650 |

In order to meet the anticipated expenditure on the basis of purchase orders placed with the suppliers and for maintaining a buffer stock of types, a supplementary grant of Rs. 30 lakhs was sanctioned. However, for obtaining materials for the construction of bodies on jeeps and new chassis for the Police and Civil Defence Departments on account of the National Emergency, the Department had to incur expenditure to a considerable extent which could not be postponed. This accounted for the increase in the expenditure.

| | | | |
|----------------------|-----------|-----------|-----------------|
| (2) A (ii) Interests | 14,57,700 | 19,42,681 | (+) 4,84,981 |
|----------------------|-----------|-----------|-----------------|

The excess expenditure was caused due to the following reasons to the extent mentioned under each item:

(i) A sum of Rs. 1,43,275 represented arrears relating to the year 1961-62. The practice was to adjust the interest charges of a year in the March Final Accounts on the basis of provisional figures of mean capital. The actual would be known only at the time of preparation of proforma accounts and the difference, if any, would be adjusted in the Finance accounts of the subsequent year. Thus the arrears of Rs. 1,43,275 had to be adjusted in the accounts of 1962-63.

(ii) The expenditure for the year 1962-63 on a provisional basis was as shown below:

| | Rs. |
|---|-------------|
| Opening capital | 3,73,67,076 |
| Capital expenditure during 1962-63 | 46,67,939 |
| | 4,20,35,015 |
| 4% (i.e.) the interest rate on mean capital | 4 |
| | 100 |
| | 15,88,042 |

Thus an amount of Rs. 1,30,042 was additionally required. But additional funds were not provided under this head.

(iii) Government enhanced the rate of interest from 4 per cent to 4½ per cent with effect from 1st April, 1962. The order was issued only in August, 1963 (G.O.M.S. 499/63 Fin., dated, 26th August, 1963). The interest charges for the year 1962-63 were recalculated at the revised rates (4½ per cent on the final mean capital of Rs. 3,78,89,730). In the result an additional amount of Rs. 2,11,364 had also to be adjusted and this was done by the Accountant General by a journal entry in the finance accounts of 1962-63.

Thus there was an overall excess of Rs. 4,84,981 under the unit of appropriation.

(3) Comparatively small Excess.

| Sl. No. | Group Head | Total Grant | Excess | Reasons |
|---------|-----------------------------|-------------|--------|---|
| 1 | 2 | 3 | 4 | 5 |
| | | Rs. | Rs | |
| 1. | A(i)(b)A. Traffic Operation | 79,22,300 | 66,737 | Provision retained for annual adjustment in March Final Accounts of mileage |

| 1 | 2 | 3 | 4 | 5 |
|---|----------|-------|---|--|
| | | Rs. | Rs. | |
| | | | | batta paid from collections was less than the actuals. This accounts for the excess. |
| 2. B(i) (b) B. Servicing Vehicles and Routes. | 1,26,900 | 9,322 | Two boats of the Kerala Water Transport Corporation were engaged by the Department. Fuel for operation of the services was issued by the Department. Cost of fuel deducted from "hire charges" was not adjusted by debit to "hire charges" per contra credit to "Fuel". This accounts for the excess. | |
| 3. B(ii) Interest | 36,800 | 5,788 | The interest rates were enhanced from 4% to 4 3/4% in August, 1963 with retrospective effect from 1-4-1962. This accounts for the excess. | |
| 4. B(iii) Other Revenue Expenditure—Renewals and Replacement financed from Depreciation Reserve Fund. | 30,000 | 939 | The actual expenditure on major repairs, chargeable to Depreciation Reserve Fund will be known only after the end of the year at the time of preparing March Final Accounts. The actuals were little higher than the estimate. | |

The total excess of Rs. 1,27,768 under the Grant No. XXXV—Transport Schemes was the net result of the excesses amounting to Rs. 29·85

lakhs under eight group heads offset by saving of Rs. 28.57 lakhs under six group heads. The excess over the sanctioned grant was the offset of adjustment by Journal Entries for additional interest charges for the year 1962-63 on the basis of orders issued in August 1963 revising the interest rates from 4 per cent to 4½ per cent with retrospective effect from 1st April, 1962.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 1,27,768 in the Voted Section of the Grant No. XXXV Transport Schemes may be recommended for regularisation under Article 115 of the Constitution.

Dated -12-1965

Sd./-

Joint Secretary to Govt.

APPENDIX XXII

NOTE

GOVERNMENT OF KERALA FINANCE DEPARTMENT

NOTE

SUBJECT:—Regularisation of excess under Grant No. XXXVII Pensions, as disclosed in the Appropriation Accounts, 1962-63.

The excesses disclosed in the Appropriation Accounts for the above mentioned grant are as under:—

| | Total Grant or Appropriation. | Actual Expenditure | Excess+ |
|-------------------|----------------------------------|-----------------------|-----------|
| | Rs. | Rs. | Rs. |
| Charged | 2,04,200 | 2,47,241 | + 43,041 |
| Voted | 2,04,82,400 | 2,10,80,591 | +5,98,191 |

The reasons for the excess under "charged" and "voted" are given below separately.

Charged: The excess of Rs. 43,041 in the charged appropriation was the cumulative effect of excesses of comparatively small amounts under four group/sub. heads amounting to Rs. 44,198 offset by saving of Rs. 1,157 under two other group/sub. heads. The reasons for excess under each group/sub. head are explained below:

(1)65(a) 1. *Pension to Kerala Government Pensioners (Rs. 7,753).*

The amount required during a year depends upon the presentation of valid claims for which no reliable estimate can be made in advance. More pension cases were finalised, than anticipated as a result of the special drive in the matter during the year. Expenditure was of such a nature that it could not be postponed to the next year.

(2)65(a) 3. *Pensionary Charges Transferred from Madras State on account of allocation of pensions as per the States Reorganisation Act, 1956 (Rs. 33,495).*

There was no separate head of account till the year 1962-63 for making provision under this item. By the time the accounting procedure was finalised and the sub-heads of account were opened the

financial year was over. Hence necessary provision could not be made although adjustments were made in the accounts of the same year.

3.65 (b) Compassionate Allowances: (Rs. 11).

No provision was made for this item in the Budget Estimate as in previous years. A sum of Rs. 11/- actually disbursed during the year could not be anticipated based on past actuals.

4.65 (c) Gratuities. 4. Pensionary charges transferred from the Madras State on account of Allocation of Pension as per the State Reorganisation Act, 1956 (Rs. 2,939).

There was no separate head of account till the year 1962-63 for making provision under this item. By the time, the accounting procedure was finalised and the sub-heads of account were opened, the financial year was over. Hence necessary provision could not be made although adjustments were made in the accounts of the same year.

Voted:—The excess of Rs. 5.98 lakhs in the voted provision was the net result of excesses amounting to Rs. 13.90 lakhs (under 8 group heads) partly counter balanced by savings amounting to Rs. 7.92 lakhs (under II group heads). The reasons for excess under each group/sub-head are explained below:

The two group heads under which the amount of excess was comparatively large are the following.

| Group/Sub-head | Total Grant | Actual Expenditure | Excess |
|--|-------------|--------------------|------------|
| | | Rs. | Rs. |
| 1. 65(a)3. Pensionary charges transferred from Madras State on account of allocation of pensions as per the States Reorganisation Act, 1956. | | 1,76,080 | --1,76,080 |
| 2. 65(c)4. Pensionary charges transferred from the Madras State on account of Allocation of pensions as per the States Reorganisation Act, 1956. | | 2,00,396 | --2,00,396 |

The reasons for the excess in these group heads are the same. There was no separate head of account till the year 1962-63 for making provision under these items. By the time, the accounting

procedure was finalised and the sub-heads of account were opened the financial year was over. Hence necessary provision could not be made although adjustments were carried out in the accounts of the same year.

Excesses of comparatively small amounts occurred under the following group heads:-

| Sl. No. | Group head | Total Grant | Excess | Reasons |
|---------|---|-------------|----------|---|
| | | Rs. | Rs. | |
| 1. | 65(a)1. Pensions to Kerala Government Pensioners. | 1,21,08,200 | 1,36,845 | The amount required during a year depends upon the presentation of valid claims for which no reliable estimate can be made in advance. More pension cases than anticipated were finalised as a result of the special drive in the matter during the year. Expenditure was of such a nature that it could not be postponed to the next year. |
| 2. | 65 (b) Compassionate allowances. | 50,800 | 3,022 | The amount required during a year depends upon the presentation of claims for which no reliable estimate can be made in advance. Grant was fixed on the basis of the revised estimate for the previous year. The amount drawn during the year was slightly more than what was provided for. |
| 3. | 65(c)1. Gratuities | 38,22,000 | 95,881 | More pension cases than anticipated were settled as a result of the special drive. |
| 4. | 65(e) Contribution for Pensions & Gratuities. | 1,000 | 3,243 | The amount required during a year depends |

| 1 | 2 | 3 | 4 | 5 |
|--------------------------------------|--------|-----|--|--|
| 5. 65(h) Donation to Provident Funds | 700 | 321 | upon the presentation of claims for which no reliable estimate can be made in advance. Expenditure could not be postponed to next year since contributions have to be paid as and when claims are presented. | The original provision under this item was Rs. 1,50,000/-. An amount of Rs. 1,49,300 was diverted from this head on 30-3-63 <i>vide</i> G.O. Rt. 800/63/Fin. BG. dated 30-3-63 on the assessment of the number of persons governed by Contributory Pension- <i>cum</i> -Provident-Fund Rules who opted to Kerala Service Rules in the matter of retirement benefits. Expenditure actually incurred was in excess since the assessment was slightly on the higher side. |
| 5. 65(j) Charges in England | 22,900 | 759 | The amount required during a year depends upon the presentation of valid claims for which no reliable estimate can be made in advance. The amount drawn under this item is only slightly more than the provision made. | |

| 1 | 2 | 3 | 4 | 5 |
|---|-----------|--------|--|---|
| 7. 66(a) 3. Pensionary charges transferred from the Madras State on account of allocation of Pensions as per the States Reorganisation Act, 1956. | .. | 34,929 | There was no separate head of account till the year 1962-63 for making provision under this item. By the time the accounting procedure was finalised and the sub-heads of account were opened the financial year was over. Hence necessary provision could not be made although adjustments were made in the accounts of the same year. | |
| 8. 67(a)(i) Integrated States (i.e. those merged in the States). | 18,52,000 | 27,681 | Provision was made on the basis of the Revised Estimate for 1961-62. The amount required during a year depends on the privy purses and the allowances drawn in the year by the rules for which no reliable estimate can be made in advance. | |
| 9. 72 Commutation of Pensions—Amount transferred from 120 payments of Computed Value of Pensions. | 1,50,000 | 67,307 | The amount required during a year depends upon the number of commutation cases presented for which no reliable estimate can be made in advance. More pension cases were finalised towards the close of the year as a result of the special drive and in turn, the pension commutation cases also increased. The actual expenditure under this item came to more than what was anticipated. | |

In the circumstances stated above, it is requested that the excess expenditure of Rs. 43,041/- in the charged section and Rs. 5,98,191/- in the voted section of the grant No. XXXVII Pensions may be recommended for regularisation under Art. 115 of the Constitution.

Sd./-

Dated 15-12-1965.

*Joint Secretary to Government,
Finance Department.*

APPENDIX XXIII

(See Para 1.10)

GOVERNMENT OF KERALA

FINANCE DEPARTMENT

NOTE

SUB: *Regularisation of excess under Grant No. 'XL. Miscellaneous' as disclosed in the Appropriation Accounts, 1963-64.*

The excesses disclosed in the Appropriation Accounts for the above mentioned Grant are as under:—

| | Total Appropriation | Actual Expenditure | +Excess |
|--------------------|------------------------|-----------------------|---------|
| | Rs. | Rs. | Rs. |
| Charged: | 48,37,200 | 48,87,249 | 50,049 |

The reasons for the excesses are given below :

| | Total Appropriation | Actual Expenditure | +Excess |
|---|------------------------|-----------------------|---------|
| | Rs. | Rs. | Rs. |
| (1) 71. Miscellaneous (f)(i) Contribution to Devaswom Fund and Sreepandaravagai Fund. | 46,50,000 | 46,70,000 | 20,000 |

The Sub-Treasury Officer, Thiruvalla, credited to the Personal Deposit Account of Superintendent of Devaswoms, Thiruvalla Group, an amount of Rs. 20,000 on 30-3-1964 being the contribution due to them for the 1st quarter of 1964-65 against the instructions from the Accountant General to credit the sum only on 1-4-1964. This resulted in the excess of Rs. 20,000 under the head. Suitable action is being taken against the Sub-Treasury Officer for the irregularity.

| | Total Appropriation | Actual Expenditure | Excess |
|---|------------------------|-----------------------|--------|
| | Rs. | Rs. | Rs. |
| (2) 71. Miscellaneous (g)(xviii) A. Settlement Scheme (Housing)— Expenditure on houseless displaced persons—I Works— Land acquisition charges— Charged. | NIL. | 30,183 | 30,183 |

The excess of Rs. 30,183/- (which was partly set off by savings under other heads) was as a result of the following amounts deposited in the Courts during the year in satisfaction of Court Decrees relating to the land acquisition cases in respect of settlement schemes.

| | Amount | Month of drawal. |
|---|------------------|------------------|
| | Rs. | |
| (1) Settlement Scheme at Attipra Village, Trivandrum Taluk. | 16,727.75 | November, 1963. |
| (2) Settlement Scheme for cured lepers at Chevayur, Kozhikode District. | 3,312.00 | October, 1963. |
| (3) Do. Do. | 10,143.00 | October, 1963. |
| | <u>30,182.75</u> | |

As there was no 'Charged' appropriation under the head, and as the expenditure was for satisfaction of Court Decrees, it could not be postponed. Hence the excess.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 50,049 in the Charged section of Grant No. 'XL. Miscellaneous' may be recommended for regularisation under Article 115 of the Constitution.

Sd/-
Joint Secretary.

APPENDIX XXIV
GOVERNMENT OF KERALA
HEALTH & LABOUR DEPARTMENT

NOTE

SUBJECT: *Regularisation of excess under Grant No. XLIII Capital outlay on Public Health as disclosed in the Appropriation Accounts, 1963-64.*

The excesses disclosed in the Appropriation Accounts for the above mentioned Grant are as under:—

| | Total grant or appropriation | Actual expenditure | +Excess |
|-------|---------------------------------|-----------------------|------------|
| | Rs. | Rs. | Rs. |
| Voted | 94,63,300 | 1,14,23,320 | +19,60,020 |

Reasons for excesses are given below:—

A. The amount of excess was comparatively large under the following group heads:

1. 94. (a) II A-Works. Excess Rs. 16,30,784.

An amount of Rs. 8,65,000 only was made available for Trivandrum Augmentation Water Supply Scheme for 1963-64. Out of this an amount of Rs. 2,50,000 was placed at the disposal of Executive Engineer, Public Health Division Trivandrum for attending to the work of interim augmentation. The balance left was only Rs. 6,15,000 against which an expenditure of Rs. 22.48 lakhs was incurred. Excess expenditure was incurred on account of the following reasons:—

- (i) 48" and 40" dia. pipes were ordered for the service main as early as in 1959. A steady flow of supply of pipes was received and payment was made by the Pay and Accounts Officer, Calcutta regardless of the allotment available. As it was a commitment previously made, the Department could not revoke the order.
- (ii) The supply and erection of steel gates was ordered with Messrs. Thungabhadra Steel Products on 7th November.

1960. This commitment had also to be honoured. Considering the scarcity of water in Trivandrum, the work could not be put off.

The supplementary grant proposals were not received by Government in time. The excess expenditure could not be regularised.

2. 94. (a) II. B.—Establishment—Excess Rs. 2,76,512.

The Accountant General had already been informed on 26th March, 1965 that the savings were only resulted under the head and not excess as pointed out by Accountant General in letter No. AAI—43/63-64/474 dated 5th November, 1964. A copy of the Chief Engineer's office letter PHF-21428/64 dated 26th March, 1965 is enclosed (Annexure).

3. 94 (b) A-Works.—(Excess Rs. 1,61,885).

The original grant for the scheme was Rs. 5,97,000. As this provision was quite inadequate, the department had requested Government to provide additional funds to meet the increased expenditure which did not materialise due to enforcement of economy. To regularise the excess expenditure a sum of Rs. 2,69,000 was additionally provided by reappropriation. The final excess of Rs. 1,61,885 was due to payment of certain long pending bills.

4. (i) 94 (c) II. C. Tool and plant.—Excess Rs. 2,01,222.

(ii) 94 (a) I.C. Tools and plant.—(Excess Rs. 7,292).

(iii) 94 (c) I-C Tools and plant.—(Excess Rs. 27,752).

The excess amounts ought to have been debited under 94. Capital (a) II. C. Tools and plant.

The expenditure on account of Plan schemes had to be debited under 94 (a) II-C-Tools and plant. But the Executive Engineer wrongly booked the expenditure which could not be pointed out to Audit in time.

B. Excesses of comparatively small amounts have come under the following heads:

1. 94. (a) I. A-Works (Excess Rs. 37,878).

The name of the scheme was Trivandrum drainage scheme including storm water disposal and the funds provided in the Budget

was subsequently withdrawn by re-appropriation on the following dates:

| | | |
|-------------|-----------------|---------------|
| PHF-1125/63 | dated 31-3-1964 | .. Rs. 14,000 |
| PHF-1125/63 | dated 31-3-1964 | .. Rs. 12,000 |
| PHF-1125/63 | dated 31-3-1964 | .. Rs. 7000 |

Government Order Rt. 679/Fin. E&H dt. 30-3-1964 Rs. 20,00.00

The payment for the purchase of pumpset was made after the Re-appropriation statement was forwarded to Government as the supply could not be anticipated during that year.

2. 94-(C)1 B-1 *Sharer Debit of Establishment charges from 30 public Health (a) (xvii) Water Supply and Drainage in respect of Non-Plan works.—(Excess Rs. 19,278).*

The share debit of establishment charges were not furnished by the Department. Hence no note was given for the excess*.

3.94 (C)II A. *Works.—(Excess Rs. 86,929).*

The excess expenditure was incurred due to the following reasons.

The expenditure on permanent water supply to Medical College, Kottayam was inevitable and hence the excess expenditure of Rs. 6,040 was unavoidable. An amount of Rs. 7,000 was spent in excess on account of the inside installation of water supply and sanitary installation to Medical College, Kottayam, which was inevitable and which could not be postponed. The balance in excess of the amount was due to the similar inevitable works in the Medical College campus, Trivandrum. The amounts proposed in the supplementary grant proposals were rejected by Government as the last date for the receipt of proposals had already been over.

C. The excesses were partly counter balanced by savings under other group heads.

In the circumstances stated above it is requested that the excess expenditure of Rs. 19,60,020 in the voted section of Grant No. XLIII—Capital Outlay on Public Health may be recommended for regularisation as per article 115 of the Constitution.

Sd/-

*Secretary to Government,
Health and Labour Department.*

*According to Audit (Note dt. 20-12-65) the share debit from 30 Public Health was adjusted in March 1964 (Supplementary accounts).

ANNEXURE

Office of the Chief Engineer,
Public Health Engg. Deptt.
Trivandrum, 26th March 1965.

No. PHF. 21428/64.

From

P. S. Rajagopalan, B.E.,
Chief Engineer.

To

The Accountant General,
Kerala, Trivandrum.

Sub: Appropriation Accounts 1963-64—Grant No. XLIII Capital out-
lay on Public Health.

Ref.: No. AAI|43|63-64|694|2-3-65.

Sir,

The proposal for an amount of Rs. 30 lakhs on this scheme was submitted to Government in this office No. PHF. 2186/62/25-10-62 in the annual plan proposals for 63-64. But the provision was pruned to Rs. 8.65 lakhs for the scheme during 63-64. The excess has resulted in view of the paucity of funds.

In the Appropriation Accounts for 63-64 forwarded to this office vide No. AAI|43|63-64|299|14-9-64 it is seen that there is a savings under 94 2-B Establishment in pay of officers and establishment for 63-64 and this office had furnished remarks regarding the savings as per No. dated 12-10-64. But in Accountant General's letter No. AAI|43|63-64|474|5-11-64 it is seen that there is an excess of Rs. 276512 in the same head. From the above details, there is no excess for the year 63-64.

Yours faithfully,
Sd./-
for Chief Engineer.

APPENDIX XXV
GOVERNMENT OF KERALA
INDUSTRIES DEPARTMENT

NOTE

Sub:—Regularisation of excess under Grant No. XLV—Capital Outlay on Industrial Development—as disclosed in the Appropriation Accounts for 1963-64.

The excess disclosed in the Appropriation Accounts 1963-64 under Grant No. XLV—Capital Outlay on Industrial Development is as under:—

| | Total appropriation | Actual expenditure | Excess |
|----------|------------------------|-----------------------|--------|
| | Rs. | Rs. | Rs. |
| Charged. | 77,000 | 86,153 | +8,253 |

The excess occurred under the head 96(c) (ii)—An Industrial Estates—Charged. This was mainly due to the drawal of land acquisition charges in March 1964 debiting the expenditure to the Consolidated Fund, by the Revenue Divisional Officer. Chengannur even though an amount of Rs. 8100 was sanctioned to be met out of the Contingency Fund as per G.O. Rt. No. 493/Fin. dated 9-3-1964. This advance was recouped only during 1964-65 as per G.O. Rt. 937/65/ Fin. dated 31-3-1965. The figures of expenditure under this head were however not reconciled by the Director of Industries and Commerce before the Accounts for 1963-64 were finalised and hence the excess could not be located and action taken to ractify the misclassification.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 8253 in the charged section of grant No. XLV Capital Outlay on Industrial Development may be recommended for regularisation under Article 115 of the Constitution.

Sd./-
 Joint Secretary,
 Industries Department.

APPENDIX XXVI

GOVERNMENT OF KERALA PUBLIC WORKS (TRANSPORT-A) DEPARTMENT

NOTE-II

Sub:—Regularisation of Excess under Grant No. XLIX—Capital Outlay on Transport Schemes as disclosed in the Appropriation Accounts 1962-63.

The excess disclosed in the Appropriation Accounts for the above mentioned grant is as under:

GRANT NO. XLIX—CAPITAL OUTLAY ON TRANSPORT SCHEMES

| | Total Grant or Appropriation | Actual Expenditure | Excess + Savings— |
|---------|------------------------------------|-----------------------|----------------------|
| | Rs. | Rs. | Rs. |
| Charged | 1,10,000 | 1,41,412 | +31,412 |

The reasons for the excess under "Charged" are given below:

| Group head | Total Appropriation | Actual Expenditure | Excess + Savings— |
|--|------------------------|-----------------------|----------------------|
| | Rs. | Rs. | Rs. |
| A(a)(ii) Cost of Land and Buildings A—Land—Charged. | 1,10,000 | 1,41,412 | +31,412 |

A sum of Rs. 1,15,063.73 was urgently required for satisfaction of a decree debt pertaining to the land acquired for the Body Building Section, Pappanamcode and this amount was drawn by the Special Land Acquisition Officer, P.W.D. South Circle, Trivandrum with the concurrence of the State Transport Department in March 1963 as the expenditure could not be postponed without incurring loss on account of additional interest. This has resulted in an excess amount of Rs. 31,412 over the appropriation. The expenditure could not be regularised before the close of the financial year.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 31,412 in the Charged Section of the Grant XLIX Transport Schemes may be recommended for regularisation under Article 115 of the Constitution.

Dated: 15-12-1965.

Sd./-
*Joint Secretary to Government,
Finance Department.*

APPENDIX XXVII
GOVERNMENT OF KERALA
FINANCE DEPARTMENT

NOTE

Sub: Regularisation of excess under Grant No. LI—Commutated value of Pensions (All voted) as disclosed in the Appropriation Accounts 1962-63.

The excess disclosed in the Appropriation Accounts for the above mentioned grant is an under:

| | Total grant or Appropriation | Actual Expenditure | Excess |
|----------------|------------------------------------|-----------------------|---------|
| | Rs. | Rs. | Rs. |
| Voted. | 1,50,000 | 2,26,183 | +76,183 |

The reason for the excess is given below:

The excess occurred under 120(a) Payments in India and was caused due to (i) increase in the number of commutation cases and (ii) adjustment of share due to allocation of expenditure, to Madras Government. Details are briefly the following:

- (i) The amount required during a year depends upon the number of Pension Commutation cases arising. During the year the number of such cases increased corresponding to the increase in the number of pension cases finalised as a result of the special drive. The actual expenditure came to be more than what was anticipated.
- (ii) There was no separate head of account for the transfer of a sum of Rs. 8876 to Madras Government on account of share due to allocation of expenditure and no provision was made therefor. However, adjustment was carried out in the accounts of the same year.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 76,183 in the voted section of the Grant No. LI—commuted value of pensions may be recommended for regularisation under Article 115 of the Constitution.

Sd./-

*Joint Secretary to Government,
 Finance Department.*

Dated 15-12-1965.

APPENDIX XXVIII

(See para 2.27 & 2.37)

Note on para 32—Audit Report, 1965.

AGRICULTURE DEPARTMENT

Out of the figure of Rs. 2.84 lakhs what was the amount spent on planting mango, sapota etc. upto May, 1959.

Statement showing figures of expenditure on planting is given below:

| Year of Planting. | Crop | Area in acres. | Expenditure incurred up to 31-5-1959 |
|-------------------|-----------------------------|----------------|--------------------------------------|
| | | | Rs. |
| 1958-59 | Mango | 5 | 840.00 |
| | Pepper | 7 | 2,642.00 |
| | Sapota | 1.5 | 334.00 |
| | Coconut | 1 | 272.00 |
| | Other fruit trees | 4 | 2,930.00 |
| | TOTAL | 18.50 | 7,008.00 |

In addition Annual crops as follows were also cultivated:

| | |
|----------------------------|------------|
| Vegetables | 2 acres. |
| Paddy | 7 acres. |
| Medicinal plants | 0.5 acres. |
| Garden | 1 acre. |

Was any planting done before May, 1959.

Yes.—Vide details above.

(iii) Were any perennial Crops planted before May 1959?

Yes—Vide Answer to part (1) Question 3.

The total expenditure incurred before the decision to abandon site was Rs. 1.44 lakhs which includes pay and allowances, land development charges, (cost of fencing and hire charges of Bull-

dozer), cultivation expenses such as wages of labourers, etc. The details of this expenditure will be seen in Part—A of the Table-I attached. Part-B of the statement at Table-I gives full break up of expenditure after decision to abandon the site till 31-3-1963.

Why was the expenditure of Rs. 1.45 lakhs incurred after the decision was taken to abandon the site.

Having undertaken certain land development works it was considered advisable to utilise the land profitably for raising vegetables and annuals, rather than abandon the site abruptly. It may be mentioned that since the orders regarding the transfer of the site were issued, no fresh planting of perennial plants was undertaken and no further expenditure incurred on this account. No land development work was also taken up during this period. Only certain vegetable crops and other annuals were raised and maintenance of arecanut nursery attended to.

From Part B of Table I, it will be seen that out of Rs. 1.45 lakhs only Rs. 61,684 was spent for cultivation purpose for the period of 1-6-1959 to March, 1963. Amount spent on implements, etc., cannot be considered as expenditure on old farm as all these materials were transferred to the new farm. It has also to be stated that no expenditure was incurred in the old farm after 31-3-1963 as the new site was taken possession of on 26-3-1963 and work commenced from April 1963 onwards.

(ii) *Give a break up of this figure.*

A break up of the figure of Rs. 1.45 lakhs is given under Part B of Table I. Detailed break up of "Working Expenses" from 1-6-59 to 31-3-64 is given under Table II attached.

Para 32 (b):

Copy of D.O. No. 1457 dated 15-2-60 from the Agriculture Secretary.

A copy of D.O. No. 1457/60/AD (Ag. P4) dated 15-2-60 is attached. (Annexure).

What is the amount spent on planting each type of Plant up to May, 1964.

A total expenditure of Rs. 59,913.83 was incurred for the period from 1958-59 to 1963-64, vide Statement under Table IV attached.

A. K. K. NAMBIAR,
Additional Secretary to Govt.
Agriculture Department.

TABLE—I
PART—A

| Year | Pay & allowances | Implements & Live-stock | Land Development | Furniture | Pay of menials | Office expenses & Miscellaneous | Working expenses including wages of coolies | Maintenance of Live stock | Maintenance of Oil engine | Total | Remarks |
|--------------------------------|------------------|-------------------------|------------------|--------------|----------------|---------------------------------|---|---------------------------|---------------------------|-----------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| 1957-58 (30-1-58 to 31-3-58) | 1,497 | 3,958 | 13,257 | 2,109 | .. | 969 | 19,634 | .. | .. | 41,134 | Land Development includes only the cost of fencing and hire charges of Bulldozer. |
| 1958-59 | 11,698 | 1,011 | 11,848 | .. | .. | 3,177 | 65,934 | 569 | .. | 94,237 | |
| 1959-60 (1-4-59 to 31-5-1959) | 1,629 | .. | .. | .. | .. | 208 | 5,930 | 253 | .. | 8,020 | |
| TOTAL : | 14,824 | 4,969 | 25,105 | 2,109 | .. | 4,354 | 91,498 | 822 | .. | 1,43,371 | |
| PART—B | | | | | | | | | | | |
| 1959-60 (1-6-59 to 31-3-1960) | 11,896 | 667 | .. | .. | 3,236 | 2,210 | 28,758 | 1,158 | .. | 47,925 | |
| 1960-61 | 12,637 | 7,858 | .. | .. | 2,880 | 786 | 16,751 | 1,712 | .. | 48,624 | |
| 1961-62 | 13,218 | 893 | .. | .. | 1,206 | 325 | 9,059 | 1,313 | 490 | 26,504 | |
| 1962-63 | 14,022 | 275 | .. | .. | .. | 547 | 7,116 | .. | 91 | 22,051 | |
| TOTAL : | 57,773 | 9,693 | .. | .. | 7,322 | 3,868 | 61,684 | 4,163 | 581 | 1,45,104 | |
| GRAND TOTAL (A & B) | 72,597 | 14,662 | 21,106 | 2,109 | 7,322 | 8,222 | 1,53,182 | 4,985 | 981 | 2,88,475 | |

A.K.K. NAMBIAR
Additional Secretary (Agriculture).

TABLE—II

Details of Working Expenses from 1-6-1959 to 31-3-1963

| Year | Cost of cultivation of crops** | Cost of Fertiliser | Repairs to dead stock | Construction of temporary sheds | Holiday wages to labourers | Rent on land* | Oil for Tractor | Other Items*** | Total |
|-------------------------|--------------------------------|--------------------|-----------------------|---------------------------------|----------------------------|---------------|-----------------|----------------|-----------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1-6-1959 to 31-3-1960 . | 13,142·00 | 214·00 | 835·00 | 3,607·00 | 843·00 | 1,570 | .. | 8,547 | 28,758 |
| 1960-61 | 14,493·00 | .. | 153·00 | 780·00 | .. | 224 | 695 | 406 | 16,751 |
| 1961-62 | 8,737·00 | .. | 324·00 | .. | .. | .. | .. | .. | 9,061 |
| 1962-63 | 7,116·00 | .. | .. | .. | .. | .. | .. | .. | 7,116 |
| | <u>43,488·00</u> | | | | | | | | <u>61,686</u> or <u>61,684</u> |

NOTE :**For detailed break up please see Table—III.

*The rent represents the lease amount paid to Revenue Department. The Farm site was escheat land (Koothali Escheat—Perambra)

***Other items include maintenance of road, strengthening field bunds etc. which had to be done even for the cultivation of annual crops.

A. K. K. NAMBIAR,
Additional Secretary to Government (Agriculture).

TABLE III

Statement showing the Area under each crop for the period from 1-6-1959 to 31-3-1963 of the old Agricultural Research Station, Koothali.

| Period | Tapioca | Paddy | Banana | Ginger | Minor Millets | Turmeric | Colacasia | Yam | Ground-nut | Vegetable | Total area Acre |
|-----------------------|---------|-------|--------|--------|---------------|----------|-----------|-----|------------|-----------|-----------------|
| 1-6-1959 to 31-3-1960 | 45 | 8 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 62 |
| 1-4-1960 to 31-3-1961 | 47 | 8 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 64 |
| 1-4-1961 to 31-3-1962 | 25 | 8 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 42 |
| 1-4-1962 to 31-3-1963 | 10 | 8 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 27 |

Statement showing the details of expenditure for each crop from 1-6-1959 to 31-3-1963 of the old Agricultural Research Station, Koothali.

| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
|-----------------------|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| 1-6-1959 to 31-3-1960 | 8,716 | 1,018 | 238 | 378 | 87 | 391 | 202 | 187 | 588 | 437 | 13,142.00 |
| 1-4-1960 to 31-3-1961 | 9,918 | 2,010 | 944 | 392 | 91 | 387 | 198 | 183 | 592 | 478 | 14,493.00 |
| 1-4-1961 to 31-3-1962 | 4,000 | 2,106 | 246 | 405 | 97 | 384 | 205 | 191 | 605 | 499 | 8,737.00 |
| 1-4-1962 to 31-3-1963 | 2,201 | 2,218 | 257 | 411 | 98 | 398 | 211 | 197 | 613 | 503 | 7,107.00 |
| | | | | | | | | | | | 43,479.00 |

Sd/
Addl. Secy. to Govt. (Agriculture).

TABLE—IV
AGRICULTURAL RESEARCH STATION, KOZHA
Crop-wise distribution of expenditure under cultivation expenses upto May, 1964
[Vide Para 32(b) Audit Report, 1965]

| Sl. No. | Crop | 1958-59 | 1959-60 | 1960-61 | 1961-62 | 1962-63 | 1963-64 | Total | Remarks |
|---------------------------|--------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|------------------|---------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | |
| I. Perennial Crops | | | | | | | | | |
| 1 | Cocon | 93·44 | 161·22 | 230·26 | 257·99 | 254·86 | .. | 997·57 | |
| 2 | Lemon | 58·75 | 106·25 | 100·00 | .. | 66·25 | .. | 331·25 | |
| 3 | Coconut | .. | 386·00 | 287·98 | 132·99 | 190·60 | 144·35 | 1,141·92 | |
| 4 | Sapota | .. | .. | 272·00 | 675·92 | 365·81 | 139·77 | 1,453·50 | |
| 5 | Guava | .. | .. | 384·50 | 176·02 | 228·20 | 240·20 | 1,008·92 | |
| 6 | Pomegranate | .. | .. | 70·00 | 61·03 | 41·75 | 20·00 | 192·78 | |
| 7 | Pineapple | .. | .. | 147·00 | 621·46 | 649·00 | 47·00 | 1,464·46 | |
| 8 | Mango | .. | .. | 2,883·50 | 1,029·07 | 2,222·50 | 1,338·12 | 7,474·19 | |
| 9 | Eutmeg | .. | .. | 276·00 | 304·21 | 278·50 | 138·25 | 1,046·96 | |
| 10 | Clove | .. | .. | 160·00 | 244·65 | 165·25 | 158·00 | 727·90 | |
| 11 | Cinnamon | .. | .. | 476·00 | 307·92 | 253·87 | 134·85 | 1,172·64 | |
| 12 | Mangosteen | .. | .. | .. | .. | .. | 116·25 | 116·25 | |
| 13 | Cashew | .. | .. | .. | .. | .. | 2,400·00 | 2,400·00 | |
| | TOTAL | 152·19 | 653·47 | 5,267·24 | 3,811·26 | 4,717·39 | 4,926·79 | 19,528·34 | |

| Sl. No. | Crop | 1958-59 | 1959-60 | 1960-61 | 1961-62 | 1962-63 | 1963-64 | Total | Remarks |
|-------------------------|----------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|---------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | |
| II. Annual Crops | | | | | | | | | |
| 1 | Maise | 125·75 | 130·75 | .. | .. | .. | 174·75 | 431·25 | |
| 2 | Vegetables | 593·44 | 550·00 | 350·00 | 910·00 | 425·00 | 740·63 | 3,369·07 | |
| 3 | Tapioca | 54·36 | 525·00 | .. | 941·50 | 440·00 | 639·38 | 2,600·24 | |
| 4 | Banana | 64·71 | 100·25 | .. | 1,640·00 | 868·75 | 64·00 | 2,437·71 | |
| 5 | Paddy | .. | 500·00 | 1,000·00 | 1,93·48 | 495·78 | 1,114·00 | 4,303·26 | |
| 6 | Oil Seeds | .. | 315·25 | 140·00 | 295·37 | .. | .. | 750·62 | |
| 7 | Root crops | .. | 75·00 | 500·00 | 507·50 | .. | .. | 1,082·50 | |
| 8 | Cotton | .. | 130·00 | 318·00 | 309·74 | .. | .. | 347·74 | |
| | TOTAL | 638·36 | 2,325·25 | 2,308·00 | 5,887·59 | 1,929·53 | 2,732·75 | 15,822·39 | |

III. Other Items

| | | | | | | | | | |
|---|---|----------|----------|----------|----------|----------|----------|-----------|--|
| 1 | Maintenance of crops available at the time of acquisition, collection of usufructs and processing | 2,473·22 | 3,628·62 | 3,850·00 | 4,199·95 | 1,848·09 | 3,683·51 | 19,683·39 | |
|---|---|----------|----------|----------|----------|----------|----------|-----------|--|

| | | | | | | | | |
|---|--|-----------------|-----------------|------------------|------------------|-----------------|------------------|------------------|
| 2 | Museum of plants and Glyricidia plantation . . . | 146·62 | 150·00 | 389·50 | 846·32 | 305·62 | .. | 1,838·06 |
| 3 | Office garden . . . | .. | .. | 1,500·00 | 649·50 | 242·15 | 650·00 | 3,041·65 |
| | TOTAL . . . | 2,619·84 | 3,778·62 | 5,739·50 | 5,695·77 | 2,395·86 | 4,333·51 | 24,563·10 |
| | GRAND TOTAL . . . | 3,410·29 | 6,758·34 | 13,314·74 | 15,394·62 | 9,042·78 | 11,993·06 | 59,913·83 |

Sd/-
A. K. K. NMMBIAR,
Addl. Secy. to Govt.,
Agriculture Department.

ANNEXURE

Copy of D.O. letter No. 1457/60/AD(Ag. P4) dated 15-2-1960 from the Secretary to Government, Agriculture Department, to Shri P. M. Mathew, I.A.S., Director of Agriculture, Trivandrum.

My dear Mathew,

Sub: Hundred Acre Farm—Acquisition of land—Enquiry regarding.

Please refer to your D.O. P(A)5. 11198/59, dated 4th January, 1960 addressed to Adviser regarding the newspaper report about the acquisition of land for the Hundred-Acre farm at Kozha. It has to be pointed out that the inspection of the site by the then Director of Agriculture was not exhaustive. The report of the experts dated 17th March, 1958 clearly shows that the land is unfit for the purpose of starting the Research farm. On receipt of this report, the Director of Agriculture addressed the Secretary to Government suggesting that the idea of establishing a Farm at the site may be dropped and the initial proposal to establish the farm in the Forest Reserve near Thodupuzha may be revived. The important point of this letter is that the Director of Agriculture has stated therein that the lands that were being acquired were not exactly the lands that he had seen before and that some of the good lands which had been shown to him and which would have been very useful for the Research Station, were not included in the acquisition. Knowing that the site was obviously unfit, the Department should not have insisted on taking possession of the land.

The position now is that 91 acres of land have been acquired and are in possession of Government. The land is not suitable for the purpose of establishing a Research Station as originally contemplated, because the irrigation facilities and the soil are poor. Now that the land is with Government, it has to be examined how best it can be used. It is understood that the Department is investigating this point and the use will have to be decided in the light of your final report, which may please be expedited.

Yours sincerely,

Sd/-

APPENDIX XXIX

(See para 2.47)

Note on para 32—Audit Report, 1965.

32. Establishment of one hundred acre farms at Koothali and Kozha.

32. (b) Kozha Farm

(Kottayam District)

Expenditure incurred:

Rs. 5.18 lakhs

(up to March, 1964)

Farm Operation started in August 1958.

- (iii) The work of providing wire fencing to the farm at Kozha was entrusted to a labour contract society in March 1959 at an estimated cost of Rs. 16,538. As this society abandoned the work after executing a small portion of it, the remaining part of the work was entrusted to another contractor at higher rates in December 1959 after inviting fresh tenders; the extra expenditure amounted to Rs. 14,978. Government stated (October 1964) that the Registrar of Cooperative Societies had been asked to recover the amount from the society by withholding payments due to it.

The details about memberships etc. of the Co-operative Society involved in the case referred to in the Audit para.

Was the first Board of Directors of the society elected or nominated.

Membership.—The membership of the society was open to those labourers residing within the area of operation of the society and only those who attained the age of 18 as in the case of other societies. The value of share was Rs. 10 and the authorised share capital Rs. 1.00 lakh (Rupees 1x10,000 shares). As per the bye-laws a member could pay the whole value of a share or pay Re. 1 at the

time of taking a share and the balance paid before the 10th of the succeeding 9 months. Most of the members were admitted after paying Re. 1 being the first instalment allowing them to remit the balance amount later as permitted in the bye-laws. As on 30th June, 1959 there were 729 members with a paid up share capital of Rs. 780. The financial position of the society immediately after the work was entrusted (as on 30th June, 1959) was as follows:—

| Assets. | Rs. | Liabilities | Rs. |
|------------------------|-----------|----------------------------|-----------|
| Cash assets | 124·65 | Share Capital | 780·00 |
| Furniture | 671·82 | Deposits | 970·00 |
| Work Advance | 15,102·78 | Borrowing | 7,145·00 |
| Loss | 1,584·93 | Adjustment Heads | 8,589·18 |
| | 17,484·18 | | 17,484·18 |

Management.—The first Board of Management (except the Block Development Officer, who was the Ex-officio President and the Supervisor, P.W.D., who was the Ex-officio Member) was elected by the Organisation Meeting. The total number of Members in the Board of Management was seven as per clause 18 of the Bye-laws. Five out of them, (i.e. all except the two Ex-officio members mentioned above) were elected. The Kuravilangad Cooperative Society was functioning in the Uzhavoor C.D. Block and so the Block Development Officer, Uzhavoor was the Ex-officio President and the Junior Engineer, Kuravilangad was the Ex-officio Member.

Sd./-

*Additional Secretary to Government,
Agriculture Department.*

APPENDIX XXX

(See para 2.58)

Audit Report 1965. Note on Para 36—Audit Report, 1965.

A note showing the date of allotment of land and the date when the allottees took actual possession, the amount of loan given to each person, the dates when the loans were issued etc.

In 1961, the Forest Department handed over to the Rubber Plantation Department, an area of about 415.00 acres of clear felled Forest land in the Mukkunnimala Reserve Forest for allotment under the Rubber Plantation Scheme. In June, 1961, this area was subdivided into 3½ acre plots and allotted to 'Landless poor and Educated unemployed people' for rubber cultivation. According to the rules, the land allotted will have to be put under rubber cultivation immediately in the planting season following the allotment. *Vide* Rule 9 of the Special Rules for the assignment of Government land for Rubber Cultivation, 1960, "Land will be allotted in three and a half acre plots, three acres of which will have to be put under rubber cultivation immediately in the planting season following the grant of licence. The remaining area (of half an acre) may be used for the construction of a dwelling house, for a domestic garden and for communal purposes". The planting season is from June—August every year. Details regarding the date of allotment, the date of actual taking possession by the allottees, loans disbursed with dates of disbursement etc., are given in the statement* attached.

The date of communication from the Defence Department intimating about the firing range, in the area.

On 26th September, 1961, the Commander, No. 11 Circle Cadet Corps, Trivandrum brought to the notice of Government regarding the existence of the Mukkunnimala Firing range.

On 28th July, 1961, there was a Firing Practice by the N.C.C. cadets in the Military Firing Practice Ranges situated on the South—Western side of Mukkunnimala hill. These N.C.C. Cadets prevented some of the allottees from doing planting and other cultural operations when firing practice was going on. The Agricultural Assistant in charge of the Rubber Plantation Scheme reported the matter to the Director of Rubber Plantation on 17th August, 1961. The

*Not printed.

Director of Rubber Plantations was not aware of the fact that the area was within the danger zone till that date. Immediately, as per his letter No. C. 1602/61, dated 4th September, 1961 (Annexure A) he brought the matter to the notice of the Government. Government referred the matter to the Military authorities who in their reply stated that adequate provision of area behind the rifle butt range of Mukkunnimala which falls in the danger zone should be made while allotting adjacent land for rubber cultivation to avoid any untoward incident during the firing practice. A copy of Government memorandum No. 72049/P&M/B3/PD dated 18th November, 1961 from the Political and Military (B) Department (Annexure B) together with copy of letter No. 200/4/G dated 26th October, 1961 from the Station Staff Officer, Trivandrum-6 addressed to the Additional Secretary to Government, Political and Military Department (Annexure C) in the matter is enclosed for reference.

Subsequently on 16th December, 1961, a joint inspection of the site was made by the Director of Rubber Plantations and the Station Staff Officer to demarcate the area and to prepare a map. A copy of the Director of Rubber Plantation's letter to the Station Staff Officer is attached (Annexure D). The Station Staff Officer had to get certain details from higher authorities. (Vide his letter dated 26th February, 1962—Annexure E). Government in the meanwhile arranged a conference of the Officers concerned and a conference was held on 3rd July, 1962 in the Chief Secretary's room to discuss the problem arising out of the allotment of land near the Mukkunnimala Firing Practice Range. A copy of the minutes of the conference is enclosed for reference. (Annexure F). It was in pursuance of the decision arrived at in this conference that Government decided to resume the plots allotted within the Danger Zone marked by the Military authorities. 20 plots were resumed on 3-8-1962 and the remaining two plots on 23-11-1962 and 10-12-63 respectively. As per the joint inspection and the map of the danger zone furnished by the Military authorities thereafter portions of five more plots also fell within the danger zone. These portions were resumed on 6-12-1962.

Accordingly a total area of 81.04 acres of land given to the allottees for rubber cultivation was resumed. The details of the land resumed and compensation paid for improvements effected by the allottees thereon may be seen in the statement attached.

The basis on which compensation towards the value of improvements made in the land was arrived at.

There were about 8,000 thriving rubber plants at the time of valuation of improvements effected by the allottees in the plots resumed. Compensation for these thriving plants was estimated broadly based on the following principles.

1. Cost of plants Rs. 0.50 ps. per plant.
2. Cost of digging pits. Rs. 0.40 " " pit.
3. Cost of filling pits. Rs. 0.20 " " "
4. Weeding charges 40 men per acre @Rs. 1.50 ps.
5. Tilling 60 men per acre @Rs. 2.25 ps. per head
6. Cutting terraces At the rate of one man for 6 plants at the rate of Rs. 2.25 per head.
7. Manuring @450 grams of Rubber mixture perplant (cost of one metric tonne of manure Rs. 360/-)
8. Supervision charges @Rs. 30/- per mensem for each plot.

In addition to the above items, compensation was given to other improvements effected in the plots, such as coconut plants, arecanut plants, tapioca etc; on the basis of market rates. Permanent constructions such as buildings, wells, Rubble bunds etc. made by the allottees in the plots resumed were taken into account for the payment of compensation to the allottees from whom the lands were resumed. The valuation of the improvements was made by the Special Tahsildar, Rubber Plantation Scheme, Quilon. The permanent building in plot No. 4 was valued by the Public Works Department. A sum of Rs. 42,875.16 has been paid as compensation to 22 allottees whose plots were completely resumed and a sum of Rs. 992.20 has been paid to 4 allottees from whose plots portions were resumed. The fifth allottee whose plot has been partially resumed was not given any compensation as there was no improvements there.

The following records are also forwarded for reference and return:

1. Lodged 72049/PMB3/61/PD dated the 21st November, 1961.
2. G.O.MS. 816/Agri., dated 9th September, 1963.
3. G.O.MS. 345/Agri., dated 25th May, 1964.
4. G.O.MS. 815/Agri., dated 28th November, 1964.

Sd./-

Additional Secretary to Government,
Agriculture.

ANNEXURE A

Copy of letter No. C. 1602/61, dated 4th September, 1961, from Dr. M. S. Nair, Director of Rubber Plantations, Trivandrum, to the Secretary to Government, Agriculture (Planning) Department, Trivandrum.

Sub:—Firing practice in Mookkunnimala safety of allottees and plantation—regarding.

Mookkunnimala area of about 415 acres has been sub-divided into 3½ acre plots and allotted to individuals for cultivation of rubber under the scheme of Government. The planting of rubber in the area has been completed, and several allottees are residing in the plot allotted to them.

The N.C.C. Cadets are using this former forest area for firing practices. Recently when the cadets had their firing practice, the allottees were prevented from going to their plots and were asked not to do any work in the area, on the ground that this reserve is within the firing range. The Agricultural Assistant, Rubber Plantation scheme who was at the spot contacted the Commanding Officer of the N.C.C. at the spot and it was informed by the Officer that they cannot stop the firing practice on the ground that Mookkunnimala reserve has been included in the firing range allotted to them for practice by competent authority.

Firing practice if continued by N.C.C. Cadets at Mookkunnimala is liable to result in grave consequences and may even result in the accidental death of the allottees or their children residing in the area allotted to them. I therefore request that immediate orders may please be issued, excluding Mookkunnimala area which has been allotted for rubber plantation from the practice firing range of the N.C.C. Cadets. The Officer-Commanding of the N.C.C. may also be informed that they should stop firing practice at Mookkunnimala forthwith.

ANNEXURE B

Copy of Government Memorandum No. 72049/P&M(B3)/61/PD dated 18th November, 1961, from Political & Military 'B' Department, Trivandrum, to the Director of Rubber Plantations, Trivandrum.

Sub:—Military—firing practice in Mookkunnimala.

Ref:—Letter No. C-1602/61 dated 4th September, 1961 from the Director of Rubber Plantations.

With reference to the above, a copy of letter No. 200/4/G, dated 26th October, 1961 from the Station Staff Officer, Trivandrum is forwarded to the Director of Rubber Plantations. In the circumstances stated by the Station Staff Officer, the Director of Rubber Plantations is requested to exclude the area set apart for firing practice at Mookkunnimala from the Rubber Plantation Scheme.

ANNEXURE C

Copy of letter No. 200/4/G., dated 26th October, 1961 from the Station Staff Officer, Trivandrum-6 to the Additional Secretary, Political & Military 'B' Department, Trivandrum.

Sub:—Firing practice in Mookkunnimala—Hindrance to Rubber cultivation.

Ref:—Your letter No. 72049/PMB3 '61 PD, dated 13/14th October, 1961.

With reference to your above cited communication, I am directed to inform you the following facts:—

2. Mookkuni long range is the only one of its kind existing in the southern region of this State. Although the same is a Defence Department property, the range is being utilized not only by Army personnel and NCC Cadets but also by the State Police Forces. Importance of firing practice by the above mentioned personnel need not be emphasised as it is well known that it is one of the prime aspects of the training. Moreover, training in rifle shooting is being imparted even to civilians also in Government level through various schemes and organisations which obviously testifies the importance of firing practices. Hence it is felt that abandoning of the existing facilities for firing practice for the implementation of some other scheme which is of a quite different nature does not bear justification.

3. Another long range available in the State is at TRICHUR which is under the control of the State Government. To make use of this range by the personnel stationed at TRIVANDRUM is not feasible in view of the long distance.

4. The third and last long rifle range in this State situates in Cannannore which has no bearing to the problem in question.

5. I, therefore, request you to kindly make adequate provision of area behind the rifle butt range at Mookkunnimala which falls in the danger zone, while allotting the adjacent land for rubber cultivation to avoid any untoward incident during firing practice.

6. I am to add that no alternate arrangement is found feasible in this regard and I regret to express my inability to consider the question of stopping the firing practices at Mukkunni rifle range in view of the facts mentioned above.

ANNEXURE D

Copy of letter No. B3. 1602/61, dated 24th January, 1962 of Dr. M. S. Nair, Director of Rubber Plantations, Trivandrum to the Station Staff Officer, Trivandrum-6.

Sub:—Military area—Mookkunnimala—Firing practice—
Danger Zone—marking of—regarding.

Ref:—Your letter No. 00/4-G, dated 18th December, 1961 and
Joint Inspections on 16th December, 1961.

As suggested in your letter cited and consequent on the Joint inspections of the site made by us on 16th December, 1961, a map of the area pointing out the danger zone was arranged to be prepared by the Superintendent of Survey attached to this Department. The 250 yards on either side from the centre of the stop butt has been surveyed and demarcated in the map, copy of which is enclosed herewith. The danger zone is shaded with red in the map.

I regret to inform you that some of the plots which are actually affected by the falling of shells during actual firing practice, namely plot No. 76 and portions of plot No. 75 do not come within the danger zone so marked. Again plots Nos. 7, 8, 11, 16, 17, 18 etc. which are in no way affected by the firing practice come within the danger zone demarcated in the plan enclosed. I am afraid that the danger zone, demarcated as per the instructions given in the field on 16th December, 1961 and indicated in your letter cited as reference above, do not seem to be correct.

Yesterday you had informed me over the telephone that a Board of Officers has been constituted to study in detail the question of

marking out the danger zone at Mookkunnimala Reserve and the matter is under consideration. I, therefore, request you to please finalise the matter as early as possible and kindly arrange to mark out the danger zone after an actual field survey by your staff, in the copy of the map enclosed herewith. I further request that this reference may please be treated as exceptionally urgent in order that this office may be enabled to resume the affected plots and make necessary arrangements for the grant of alternate land, etc. to the allottees of the plots so affected.

ANNEXURE E

Copy of letter No. 200/4/G, dated 26th February, 1962 from the Station Staff Officer, Trivandrum-6 to the Director of Rubber Plantations.

Sub:—Danger Zone—marking of.

Reference your letter No. B3. 1602/61, dated 20th February, 1962.

I am to inform you that the matter has been referred to higher authorities for certain details and a reply to your letter number B3. 1602/61 dated 24th January, 1962 can be emanated only on receipt of the same.

The delay is regretted.

ANNEXURE F

Minutes of the meeting held at 2.30 P.M. on 3rd July, 1962 in the Chief Secretary's Room regarding the effect of the Mookkunnimala Rubber Plantation Scheme on the Military firing range adjacent to it.

PRESENT:—

1. Shri K. P. K. Menon, Chief Secretary to Government.
2. Shri T. K. Bhaskara Marar, D.I.G. (Southern Range).
3. Lt. Col. Yadava, Station Commander, Trivandrum.
4. Shri K. C. Sankaranarayanan, Secretary, Agriculture.
5. Shri G. K. Menon, Commandant, Spl. Armed Police.
6. Shri M. P. George, Chief Conservator of Forests.
7. Shri M. S. Nair, Director of Rubber Plantations.
8. Shri K. Madhavan Nair, District Collector, Trivandrum.

The Conference started with the background information that the military range has been in existence as such from 1965 onwards and was being used by the Military and the State Police Department. However, there has been no Gazette notification informing the public of the existence of the range of the danger zone behind it. No one was also able to point out whether specific information was given to the Forest Department that the forest lands lying to the north came within the danger zone of the range. The procedure in those days was to inform the D.S.P. Trivandrum and the Nemom Police Station and to make necessary arrangements to inform people in that area that firing will be done at the range. No police sentry as such used to be stationed, but one constable remained with the party until the target practice was over. Two copies of a blue print of the area was presented at the Conference by the Director of Rubber Plantations. One copy was given to the Director of Rubber Plantations for custody. Both the copies have been signed by all the participants of the Conference for the purpose of identification. The sketch indicates two zones, one of immediate danger about 1,000 yards long and the other of less but possible danger, another 1,000 yards in length. The Director of Rubber Plantations stated that 27 allottees will be affected. 17 of the plots fully and the rest partially.

The Conference felt that the reason why no specific clearance was made in the past was that the area was completely forest and since it was only necessary to inform the casual strayers into the area that target practice was about to commence. As far as the outer zone was concerned in spite of a remote possibility of a stray bullet reaching it, no action at all was taken in the past even though the area was under occupation much before the range came into being. The Station Commander stated that he has requested the G.O.C., M. M & K Area to approve of the outer zone not being cleared at the time of target practice and that his concurrence has not yet been received. The Conference however felt that it was too late for the army authorities to take up this question now and that any plantations in the outer zone cannot be the subject matter of this discussion, since as mentioned before, there have been occupations there all along. The clearance of the forest area was taken up in 1960 by the Director of Rubber Plantations. It was stated that there were some complaints even then that the firing prevented the contractors from utilising all the time available for clearing the forest growth. The only action taken at that time was to come to an understanding with the army authorities to clearly specify the periods during which the target practice took place in order to facilitate the clearing of the forest growth during the clear period.

The first allotment of plots for rubber plantation took place in July, 1961 and ever-since then there has been the feeling that the existence and utilisation of the firing range affected the work of rubber planting in these plots.

The matter was brought to the notice of the Chief Secretary in the second half of June, 1962 by the military authorities as they could not postpone their target practice any longer. The Conference came to the opinion that the 1,000 yards zone (inner) is unsafe for rubber plantation and that it is not possible to contemplate the planting and working of rubber in that area, if the range is also to continue where it is. The Conference then considered whether it is possible to find out an alternate site for the range but was unable to find any suitable land situated near enough to the Cantonment as to make it of practical use to the units of the armed forces stationed there as well as to the Police Department. It was decided that for the present the danger area should be cleared of all persons whenever target practice took place and that there should be no further settlement or construction of buildings in that area until a final decision is taken in the matter.

APPENDIX XXXI

(See para 4.12)

Note on para 19—Audit Report, 1964.

The amount spent by the State Government out of the amount received from the Central Government both by way of loan and subsidy so far.

The expenditure incurred under the Subsidised Industrial Housing Scheme till 1958-59 was exclusively for the tenements constructed by the State Government direct. The State Government have constructed 250 tenements under 3 Projects as shown below. (Financial Assistance received from the Government of India, in respect of the project constructed in Quilon, was repaid to the Government of India and therefore not included).

| | |
|--|---------------|
| Sitaram Mills, Trichur | 150 tenements |
| Travancore Rayons, Perumbavoor | 50 tenements. |
| Asoka Textiles, Alwaye | 50 tenements. |
| | <hr/> |
| TOTAL | 250 |

The rate of financial assistances from the Government of India, permissible in respect of the projects undertaken by State Governments is 50 per cent loan and 50 per cent subsidy. The tenements mentioned above were constructed through the Public Works Department of State Government. The total expenditure incurred in respect of these tenements has not been finalised. All the expenditure connected with these projects was being met from the provisions under the Subsidised Industrial Housing Scheme, (under the particular head of account i.e. 82 Capital outlay in the State budget) eventhough the assistance from the Government of India might have been received by way of loan and subsidy. As the final figures are yet to be arrived at, it is not possible now to know the exact amounts spent out of the subsidy portion as well as loan portion of the assistance from the Government of India. It may be possible to compartmentalise the expenditure under loan and subsidy permissible under the rules prescribed by the Government of India in rea-

pect of these projects, after the accounts are finalised. The details are being called for from the departmental officers and the matter will be taken up with the Government of India, Ministry of works and Housing for making necessary adjustments in this regard.

In regard to the projects sanctioned to the private employers, the loan and subsidy are sanctioned as per the ceiling costs prescribed by the Government of India from time to time and debited to separate heads of accounts in the state budget. The details of expenditure incurred in respect of the projects sanctioned to private employers are given below:—

| | | (Rupees in Lakhs) | |
|---------|-----------|-------------------|----------|
| | | Loan | Subsidy. |
| 1959-60 | | 0.48 | .. |
| 1960-61 | | 0.48 | 0.48 |
| 1961-62 | | 1.93 | .. |
| 1962-63 | | 0.77 | 0.67 |
| 1963-64 | | .. | 0.48 |
| 1964-65 | | 1.06 | 0.19 |

APPENDIX XXXII

(See para 4.13)

No. 4557-JS(D)/65

MINISTRY OF FINANCE

(Department of Coordination)

New Delhi, the 16th December, 1965.

A note on the points arising from the observations in para 19(i) of the Audit Report (1964)—Kerala and the discussions thereon is enclosed.

S. DUTT,

Joint Secretary to the Govt. of India.

The Lok Sabha Sectt.

(PAC Branch) (Shri H. N. Trivedi, Dy. Secy.),

New Delhi.

Note on para 19—Audit Report, 1964.

The two points that arise for examination are (i) How the amount of subsidy is so high as compared to the loan, in the light of the pattern of assistance, which provides for 50 per cent grant and 50 per cent loan for houses constructed by the State Government (ii) How in spite of the unutilised assistance of previous years, further assistance has been given in the later years.

2. The Subsidised Industrial Housing Scheme is a State Plan Scheme, included in the Head of Development "Housing". Within this Head of Development are included other housing schemes like the Low-Income Group Housing Scheme, Plantation Labour Housing Scheme, Village Housing Projects, Town Planning Schemes and the State's share of the Slum Clearance Scheme. The patterns of assistance that have been laid down are to be applied only for arriving at the initial allocation of loan and grant assistance within a total assistance agreed to for the State Plan as a whole. The Central assistance is then intimated to the State, along with the approved plan outlay, under the Heads of Development and not by individual schemes. The actual payments to be made to the State Governments are worked out, not on the basis of patterns of assistance for indivi-

dual schemes, but on the basis of the proportion of the actual expenditure to the approved outlay under the Heads of Development. It is not, therefore, necessary that the assistance finally paid under different housing schemes should be in accordance with the patterns of assistance for the individual schemes.

3. The second point regarding "unutilised assistance" is explained as follows. As indicated in the preceding paragraph, the amount of assistance shown against individual housing schemes is only a notional amount based on the entitlement of assistance worked out with reference to the overall plan outlay and expenditure under the Head of Development "Housing". As the assistance to States for Plan schemes is in the nature of reimbursement of the actual expenditure incurred in a financial year, the question of unutilised assistance will not arise except to the extent that the 'provisional' payments made on the basis of the anticipated expenditure are to be finalised on the basis of actual expenditure at some points of time. In the present case the Central assistance indicated is assistance utilised on housing schemes, as a whole.

4. It should also be mentioned that in the present case, there is an anomaly that the assistance is larger than the expenditure. This position seems to have arisen due to the fact that the total assistance for Housing worked out on the basis of the formula referred in para 1 is distributed among the different schemes on an *ad hoc* basis. Steps are being taken to correct this, by suitable readjustments of assistance among the various Housing Schemes or by recovering the excess, if necessary.

APPENDIX XXXIII

(See para 4.20)

Note on para 19—Audit Report, 1964

When was the land acquired? Was the land acquired by Government on their own or at the instance of various Industries? What was the arrangement, if any, between Government and Industries in this matter?

What are the reasons for not taking any action from 1954 till date for utilising the land?

1. Vijaya Mohini Mills:

Government issued orders sanctioning the acquisition of 3.51 acres of land for implementing a subsidised Industrial Housing Scheme for the workers of the Vijaya Mohini Mills, in G.P.D. Dis. 12569/54/DD, dated 15th September, 1954 (copy enclosed *vide* p. 48). Though the acquisition was sanctioned in September, 1954 (15th September, 1954), the land was actually taken possession of only on 5th September, 1955. The total cost of acquisition of the land was Rs. 33,857 (i.e. Rs. 28,688 and Rs. 5,169). A further amount of Rs. 207.43 was also paid towards decree satisfaction on 4th August, 1964. Copies of the relevant reports from the District Collector, Trivandrum who acquired the land are enclosed.

The land was acquired by Government based on the recommendation made by the then Joint Registrar of Co-operative Societies for Housing and Colonisation. This recommendation was made by the Joint Registrar on the basis of the discussions he had with the then Housing Adviser, Ministry of Works, Housing and Supply, Government of India. A copy of the Joint Registrar's letter No. H2-332/53/CSH, dated 14th June, 1954 addressed to the Government in the matter is enclosed.

There was no written agreement between the management of the Mills and the Government. Government sanctioned the construction of 25 single storeyed tenements at an estimated cost of Rs. 2,11,050 in October, 1955. It was contemplated that all the workers of the Mills who were in need of houses could be brought under the scheme, batch by batch. The Mill authorities undertook to collect and remit the rent of the houses promptly on the due dates.

At this stage, the Secretary to Government, Local Government Department arranged a discussion on 8th November, 1956 with the Manager of the Mills and other officers concerned on the implementation of the subsidised Industrial Housing Scheme for the benefit of the workers of the Mills. As the Mill authorities were of opinion that the cost is high and that the workers could not afford

to meet the high rent, a recast estimate amounting to Rs. 1,36,600 was prepared and sent to Government in February 1957 for approval. According to the estimate and plan, 2.50 acres were sufficient. Therefore, Government in their memorandum No. HS4-323/56/Fd.D, dated the 22nd December, 1956, requested the District Collector, Trivandrum to state whether a settlement scheme could be implemented on the remaining area of 71 cents (after setting apart 30 cents for Kudikidappukars), and if so to forward proposals.

In the meanwhile, Government corresponded with the Mill authorities direct to get preliminary agreement executed by them. Finally, Government in their letter No. MS4-1973/57/L & LAD dated 24th May, 1957) the proposal for the construction of the tenements under the scheme was dropped as the management had not agreed to take up the scheme.

Government in their order D.Dis.9610/57/L & LAD dated 1st July, 1957 sanctioned the allotment of 30 cents to the Kudikidappukars in the acquired plot. The balance area of 3.21 acres was lying vacant till 1961. In the intervening period, i.e. between 1957 to 1961, the possibility of utilising the land for Settlement Scheme was being examined by the District Collector Trivandrum. An extent of 10 cents of land was allotted to one of the Kudikidappukars as per G.O. Rt.2464/58/PW, dated 25th September, 1958; on the recommendation of the District Collector Trivandrum. Another proposal requesting sanction for utilising 61 cents of land for implementing a Settlement Scheme was forwarded by the District Collector Trivandrum to Government, in his letter No. D6-15292/66, dated 19th January, 1961, on which Government issued orders in G.O. MS.186/61/HLD, dated 16th February, 1961.

The General Manager of the Mills was addressed by the District Collector Trivandrum on 9th January, 1961 informing him that the land was proposed to be utilised for Settlement Scheme, if the Mill had discarded the scheme. The Manager of the Mills intimated on 15th January, 1962 that the area allotted to the Scheme was a small one and would not meet the requirements of the workers. They, therefore, requested to acquire more land contiguous to the land already acquired and to allot the area to them. But the District Collector Trivandrum decided not to take any further action in that direction as the Scheme had already been dropped by Government.

Out of the remaining area of 2.50 acres, 1 acre was allotted subsequently for settlement scheme as per G.O. MS. 90/64/HLD, dated 4th February, 1964. A proposal to implement a Scheme for the economically weaker sections of the community in the balance area

of 1.50 acres is under the consideration of the Government (*Vide file 76427/G2/HLD/65*).

(ii) Lekshmi Textiles, Karamana.

Government issued orders in G.O. II.2153/54 sanctioning the acquisition of 75 cents of land in S. No. 2976 of Iranimuttom Village, Trivandrum Taluk for putting up houses under the Subsidised Industrial Housing Scheme for the labourers of Lekshmi Textiles Karamana. An extent of 73.442 acres of land was actually acquired and a compensation of Rs. 25,960-4-10 was awarded by the District Collector, Trivandrum in award No. 248 of 1954, dated 14th December, 1954. The amount was paid to the party in 12/54 and the land was taken possession of on 17th December, 1954.

The Scheme was implemented and the land acquired on the recommendation of the then Joint Registrar of Co-operative Societies for Colonisation, Settlement and Housing. This recommendation was in pursuance of a discussion the Joint Registrar had with the Secretary to Government, Development Department and the Housing Advisor to the Government of India. There was no written agreement. The General Manager of the Firm requested the Joint Registrar for the speedy implementation of the Scheme and had agreed to abide by the terms and conditions of the scheme, orally.

The construction of houses, for which administrative sanction was accorded by Government on 7th December, 1955 could not be taken up as the Firm closed down subsequently, i.e., in June 1956. The District Collector, Trivandrum reported to Government in 1/57 that the land could be utilised for the construction of tenements for the benefit of the labourers when it was known that steps were being taken by Government to resume work in the factory. The District Collector, Trivandrum, at the instance of the Board of Revenue called for a report in the matter from the Inspector of Colonisation on 26th February, 1958. His report was received on 7th March, 1958. The District Collector's proposal was forwarded to Government on 26th December, 1958. But the Board of Directors of the Firm who at first agreed to come under the Scheme did not take a final decision on the question of implementing the scheme. As the firm had backed out, it was considered by the District Collector, Trivandrum whether the land acquired for the Subsidised Industrial Housing Scheme could be put to any other useful purposes without loss to Government. A proposal to utilise the land for implementing Settlement Scheme was examined and recommended by the District Collector to Government on 3rd July, 1962. But the Scheme was not sanctioned. Even though there was a proposal from the City Improvement Trust, Trivandrum to take over the land in question, it was not pursued as the Trust was willing to pay only a nominal

compensation of Rs. 35 per cent. As it was felt that the above proposal would cause heavy loss to Government, the District Collector was directed on 31st July, 1964 to examine and report whether the land could be used for any other Government purpose. A proposal has now been received from the District Collector, Trivandrum in his letter No. D6-2794/62, dated 9th November, 1965, that more than 50 cents of land would be required for allotment to persons repatriated from Burma at 5 cents each, to implement the orders contained in G.O. MS.625/Ind/64, dated 6th October, 1964, that special consideration is to be given to the repatriates from Burma in the allotment of land for housing. The balance area of 23 cents has been recommended by the District Collector, Trivandrum to be either reserved for allotment to those who may be evicted from any project or for allotment to fresh repatriates from Burma or for allotment to deserving persons. The proposal is under the consideration of the Board of Revenue.

(iii) *Kundara:*

An extent of 22 acres and 20 cents of land in S. Nos. 2347, 2363/2 and 2362/1 of Kottamkara village in Quilon Taluk was acquired as per G.P. No. I.1.1237/54/DD, dated 1st November, 1954 for putting up 100 houses for the benefit of the workers of Cashewnut factories under the Subsidised Industrial Housing Scheme. The total cost of acquisition was Rs. 26,148.75 (i.e., Rs. 25,530 towards cost + Rs. 618.75 towards expenditure for planting of survey stones). The land was taken possession of by the Colonisation Inspector on 24th June, 1955.

The land was acquired at the instance of the then Joint Registrar of Co-operative Societies for Colonisation, Settlement and Housing. The Joint Registrar had a discussion with the then Housing Adviser to the Government of India, Ministry of Works, Housing and Supply regarding the implementation of the scheme. Consequent on this, the Joint Registrar in his letter No. H2-535/53/CSH, dated 25th February, 1954 addressed to the Secretary to Government, Industries Department, Government Secretariat, submitted proposals for the acquisition of land for putting up houses under the scheme and the Government sanctioned the acquisition as per G.P., dated 1st November, 1954. The Government of India then wanted to know on 3rd December, 1955 whether the State Government have accepted the terms and conditions so far as the scheme is concerned. The Government in their letter No. H4-188/56/Fd.D. dated 22nd March, 1956, reported to the Government of India that the question of construction of tenements for the workers of cashewnut factories is under correspondence with the Management and that their final reply in the matter had not been received. It was also reported that the question of acceptance

of the terms and conditions laid down in the Government of India's letter dated 16th August, 1955 would be communicated after hearing from them. The Director of Colonisation who was in charge of the scheme reported on 30th August, 1956 that there was no request from any party to take up the scheme. The report was sent after making necessary enquiries in the matter through the Inspector of Colonisation. The date of discussion the Joint Registrar had with the Housing Adviser to the Government of India and the Secretary to Government, Development Department is not available in the relevant file though in letter No. H2-535/53/CSH, dated 14th June, 1954 (copy enclosed on p. 54) from the Joint Registrar of Co-operative Societies addressed to the Secretary to Government, Development Department, Industries Section, Trivandrum, it was pointed out that the proposal was sent in the light of the discussions.

The Department of Colonisation was abolished with effect from 1st November, 1956 and the Schemes under Housing and Colonisation were transferred to the administrative control of the concerned District Collectors. So the connected file relating to this particular scheme was got transferred to the District Collector, Quilon only during November, 1956. After making necessary enquiries and finding that the Subsidised Industrial Housing Scheme would not succeed in a less industrial place like Kundara, the District Collector, Quilon in his letter No. D8-16327/56, dated 3rd December, 1956 addressed to the Secretary to Government, Local Government Department (Housing) suggested that it would be advisable to abandon the Subsidised Industrial Housing Scheme and to allot the land to the landless people as provided for in Rule 2(b) of the Poor Housing Scheme. The Government in their memorandum No. HS4-188/56/Fd.D., dated 14th December, 1956 requested the District Collector to enquire into the possibility of disposing of land under the State Housing Scheme without any loss to Government and to send a further report to Government. The District Collector in his letter No. D8-16327/56, dated 5th January, 1957 reported that the land could be distributed to suitable people under Rule 2(b) of the State Poor Housing Scheme and that there was no alternative method for the disposal of the land without loss to Government. In Government Memorandum No. HS4-1967/57/L&LAD dated 20th February, 1957 (copy enclosed, vide page 59) orders were issued to dispose of the land as per Rule 2(b) of the Poor Housing Scheme. It was also ordered that 10 cents of land might be given to each landless person who would be selected by the Committee to be constituted for the purpose. The Revenue Divisional Officer, Quilon was directed to constitute a committee on 23rd March, 1957. The names of the personnel of the Committee for selection of applicants under the Poor Housing Scheme were reported to Government in District Collector's

letter No. D8-16327/56, dated 25th July, 1957 after the receipt of the report No. D4-7613/57, dated 13th July, 1957 from the Revenue Divisional Officer, Quilon. The District Collector, Quilon reported to Government in his letter No. D8-16327/56, dated 20th October, 1960 suggesting that the directions of Government to distribute the land under Poor Housing Scheme was not possible under the Rules. Subsequent to that, the District Collector, Quilon gave instructions to the Revenue Divisional Officer, Quilon to take necessary action to demarcate the land into blocks of 10 cents each after leaving sufficient land for roads and other common amenities. The demarcation work was completed only by the end of 9/60. During the intervening period the matter was under correspondence with the Revenue Divisional Officer, Quilon and Tehsildar, regarding the work of Sub-division and demarcation. As regards the reasons for the delay occurred during the period from 1957 to 1960, it is pointed out that sufficient stock of survey stones etc. were not available in the village depots and therefore, tenders for supplying the stones had to be obtained which could be made available at the spot only in 1960. This work had to be attended to by the regular village staff in addition to their normal work.

At the time of sending the District Collector's report No. D8-16327/56, dated 20th October, 1960 to Government, the Survey and demarcation of the land had already been completed. It was finally ordered in G.O. (MS) 103/62 HLD., dated 23rd January, 1962 that the land may be utilised for implementing a Settlement Scheme.

The above land was subdivided into 196 blocks of 10 cents each after leaving the remaining portion for the pathway. The 196 blocks consisted of 19 acres and 60 cents and the pathway, sanitary latrines and site for wells consisted of 2 acres and 60 cents. Out of the 196 blocks, settlers were selected for 192 blocks on 16th February, 1963. 4 blocks were kept as reserve. Out of 192 settlers, 176 persons had executed agreement and occupied the blocks before 6th April, 1963. The remaining persons failed to execute the agreements and to take over the blocks within the specified time limit. 23 settlers who had occupied the blocks had forsaken the blocks. Consequently 39 blocks were vacant in the colony as on 24th June, 1964. A fresh list of settlers was selected for the vacant blocks during July, 1964. 189 persons have occupied the blocks before 31st March, 1965. One block was allotted to the Kottamkara Panchayat for starting a pre-primary school in the colony on 26th November, 1964. Now six blocks in the colony are remaining vacant. The Kottamkara Panchayat has applied for 5 blocks comprising 50 cents for a primary school in the colony. The District Collector is taking action in the matter. The six vacant blocks are kept as reserve for the above purpose as it is beneficial to the colonists.

APPENDIX XXXIV

(See para 4.32)

Note on para 19—Audit Report, 1964.

What is the total loss of rent after March, 1963 to date on this case?

The following houses constructed under the State Sector were vacant for the periods specified below after 1st April, 1963. The total loss sustained due to non-occupation of the houses since 1st April, 1963 is also furnished below:—

| Name of Project | No. of houses vacant | Period | Rate of rent | Loss |
|----------------------|-------------------------------------|-----------------------------------|--------------|----------------|
| | | | Rs. | Rs. |
| 1. Travancore Rayons | 50 | 1-4-63 to 31-7-63 | 8 00 | 1600 |
| 2. Asoka Textiles. | 50 | 1-4-63 to 30-11-63 | 10 00 | 4000 |
| 3. Sitaram Mills | 5 (vacant as on 1-4-63—3 houses) | 1-4-63 to 31-10-65 (2 houses) | 12 50 | 775 |
| | | 1-4-63 to 31-10-65 (1 house) | 14 50 | 449 50 |
| | | 10-11-63 to 31-10-65 (1 house) | 14 50 | 343 65 |
| | | 1-12-63 to 31-10-65 (1 house) | 14 50 | 333 50 |
| TOTAL | | | | 7501 65 |

The delay in allotment in respect of Projects 1 and 2 was due to delay in providing common amenities. As regards item 3, the houses

remained unoccupied for want of eligible persons. In this connection it may be noted that the Mills had to be closed down due to a fire accident, from 8th December, 1959.

In audit para details amount 100 houses have been given. What is the position about the remaining 3 houses. What is the loss involved?

The information regarding loss of rent due to the non-occupation of 3 houses of the Sitaram Mills, remaining vacant, till 31st March, 1963 is given below:

| Period | No. of houses | Rate of rent | Loss |
|---------------------|---------------|--------------|--------|
| 1-12-62 to 31-3-63. | 1 | 12.50 | 50.00 |
| 1-12-62 to 31-3-63 | 1 | 13.00 | 52.00 |
| | | TOTAL | 102.00 |

The remaining one house was occupied till 9th November, 1963 by ineligible person (From 9th October, 1962 to 9th November, 1963).

For the period subsequent to 31st March, 1963, the loss of rent has been given in the notes relating to Question No. 16.

APPENDIX XXXV

(See para 4.39)

Note on para 21—Audit Report, 1964.

A note detailing the action taken by the Collector and other Departments, the action taken against the Tehsildar involved in this case. On what date the Tehsildar retired.

Note detailing the action taken in this case in the office of the Board of Revenue.

The report of the District Collector, Quilon, pointing out the deficiency of about an area of one acre in the land acquired for housing purposes in Thrikkaruva Village (this one acre was found to be under water) was received by the Board of Revenue on 7th June, 1961. The Board of Revenue intimated the position to Government on 27th June, 1961. The Board on 27th June, 1961 requested the District Collector, Quilon to take disciplinary action against those who were responsible for the irregularity. Government, on 23rd September, 1961 requested the Board to take disciplinary action against all persons responsible and to examine the possibility of recovering the amount from the persons concerned. The Board of Revenue, in its memorandum No. H23-7593/61 dated 29th September, 1961, in turn directed the District Collector, Quilon to take disciplinary action as ordered by Government against all persons responsible and also to examine the question of recovering the amount involved from the persons responsible.

The original records of the Land Acquisition case in question were forwarded to the District Court, Quilon in connection with the petition filed by the owner of the land for additional compensation. At the time of detection of the deficiency of area in this case, the records were with the District Court. The District Judge was addressed several times by the District Collector, Quilon. But the District Judge informed the District Collector that it would not be possible to send out the records for perusal till the disposal of the reference case. The District Collector, Quilon on 29th September, 1961 had reported that the disciplinary proceedings could not be taken

up as the records were with the District Judge, Quilon, who had intimated the Collector that the file could not be given to him. During the period between 1st December, 1961 and 17th May, 1963 the Board had been reminding the District Collector, Quilon for the report and the District Collector, Quilon had been sending interim replies that the records had not been received from the court. In the circumstances the Government on 1st June, 1965, directed the District Collector, Quilon that if the record were with the Government Pleader, the same may be temporarily obtained from him for pursuing disciplinary action. It was also directed that the non-liability certificates should not be issued to the officers who were responsible for the acquisition.

The land was taken possession of on 5th July, 1959. On 19th January, 1960 the District Collector, Quilon directed the Tehsildar, Quilon to survey and demarcate the land into 100 blocks of 5 cents each. The Tehsildar on 24th June, 1960 reported to District Collector that nearly one acre of land was under water. The District Collector again asked the Tehsildar to report whether the fact was not noticed at the time of preparation of the Land Acquisition records and if not the circumstances under which the portion of the area became water logged. In the meanwhile the Assistant Collector, inspected the site on 2nd November, 1960 and the land was measured and a sketch prepared. According to this sketch, an extent of 94 cents of land was under water and that too for a long time. The Tehsildar had also reported that the fact that a portion of the land is under water had not been brought to the notice at the time of preparation of the records. Since the Village Officer who had prepared the same did not bring it to the notice of the Tehsildar, his explanation was called for. According to the Village Officer, the shortage of area noticed might be due to the subsequent events occasioned by the unforeseen encroachment of the lake with its stormy waves and tides. The District Collector, Quilon himself inspected the site on 22nd February, 1961 and he was convinced that the explanation of the Village Officer could not be accepted. Later its walls which have been built to protect the land from the attack of waves of the lake long ago show that the position of the land had not been altered for the last so many years.

The District Collector, Quilon, forwarded a detailed report on 5th June 1961 regarding the deficiency of the area acquired, to the Board. The Board in its Memo dated 26th June, 1961 directed the District Collector, Quilon to take disciplinary action against those responsible in the matter. But this could not be done since the records were with the District Court, Quilon till 31st May, 1963.

The records were received in the Collectorate on 31st May, 1963 and the District Collector, Quilon submitted a detailed report to the Board of Revenue on 12th June, 1963. On the basis of the Collector's report the Board directed the District Collector, Alleppey not to issue the non-liability certificate to Shri Govinda Pillai, the Tehsildar involved in this case who was working as Block Development Officer in Alleppey District.

The Board of Revenue on 6th August, 1963 pointed out to the Government that since the award was passed under a mistake of fact, Government may in consultation with the Law Department consider the fact (1) Whether Government can file a Civil Suit against the party on the ground of voidability of the award and get a decree in their favour and thus get back the total excess payment of Rs. 22,000 or (2) to withdraw the acquisition of the 92 cents of land under water under the Land Acquisition Act particularly on the ground that the land under water cannot be physically taken possession of. Government have also been requested to make suitable provisions in the Kerala Land Acquisition Act so as to have a clear remedy in cases of this kind. In the meanwhile the Board pursued action against the officers responsible for the loss to Government through the District Collector, Quilon.

The District Collector, Quilon had on 12th June, 1963 submitted a report to the Board stating the role of each of the Officers involved in this case. On 4th September, 1963 Government called for the connected records in the Collectorate, Quilon and the records were sent to Government by the District Collector on 9th October, 1963. On 14th October, 1963 the Board of Revenue submitted a detailed report to Government on the basis of the report of the District Collector. The connected records of the Collectorate which were with the Government were returned to the District Collector only on 13-7-1964. By this time the Tahsildar had retired from service. Government have also in their Memorandum No. 65864/C2/64/RD dated 7th November, 1964 informed the Board that disciplinary action against the Tahsildar, Village Officer and the Village Assistant who were responsible for irregularities should be completed and no action against other officers involved in this case is necessary.

On 14th October, 1963 the Board of Revenue submitted a detailed report to Government in which it was specifically mentioned that Shri. . . . the Tahsildar involved in the case was due to retire in March, 1964. On 7th November, 1964 Government directed the Board of Revenue to finalise the disciplinary action against the

Tahsildar, Village Officer and Village Assistant who were responsible for the irregularity and the Board in turn asked the District Collector, Quilon to finalise action. The report of the District Collector, Quilon regarding the framing of charges against the Officers was received by the Board on 28th January, 1965. As Shri the then Tahsildar had already retired from service in March 1964, arrangements were made to serve the charge memo on him through the Tahsildar, Ambalapuzha.

The Government in their Memorandum dated 12th January, 1965 asked the Board of Revenue to finalise the disciplinary proceedings before 1st February, 1965. The Board of Revenue has not yet forwarded to Government the final report. The final report from the District Collector, Quilon in the matter was received by the Board of Revenue only on 15th October, 1965. Memo of charges were served on the Village Officer and the Village Assistant involved in this case and their written statements obtained by the District Collector. But the District Collector, Quilon considered that the proceedings initiated against the Village Officer and the Village Assistant can be finalised only after a decision is arrived at in the case of Shriretired Tahsildar. For taking a final decision in the case of Shri the District Collector, Quilon has forwarded the entire records to the Board of Revenue. Suitable instructions to the District Collector, Quilon regarding the nature of disciplinary action to be taken against the Village Officer and the Village Assistant are being issued by the Board. In the case of Shri the Board is taking action to adjust the entire amount of death-cum-retirement Gratuity due to him (Rs. 4890) towards the loss sustained by the Government in this case. The Board is also proposing to Government separately to effect a cut of Rs. 5 from pension due to Shrifor unsatisfactory service as Tehsildar. The District Collector is also being directed to recover the entire balance amount of loss i.e., the total amount of loss less the amount adjusted from the death-cum-retirement gratuity of Shri from the Village Officer responsible by proceeding against his properties under the Travancore-Cochin Revenue Recovery Act.

Note detailing the action taken in the Collectorate, Quilon:

The instructions from the Board of Revenue to take action against the persons involved was received in the Collectorate, Quilon on 30th June, 1961. Accordingly, the District Judge, Quilon was addressed by the District Collector, Quilon on 19th July, 1961 for the return of the land acquisition records for reference. The District Judge, Quilon, on 26th July, 1961, informed the District Collector, Quilon

that the land acquisition records could not be sent to him and this fact was intimated to the Board of Revenue on 9th July, 1961. Steps for taking disciplinary action against the Village Officer and the Tahsildar were initiated in the Collectorate, Quilon on 7th September, 1961. The District Collector, Quilon on 30th November, 1961 informed the Board of Revenue about his inability to take action in the absence of the records of the case which were in the district Court. During the period from 6th March, 1962 to 31st May, 1963, the District Collector had been reminding the District Judge to make available the land acquisition records. The connected records were received by the District Collector on 31st May, 1963. As the Officers involved in this case belonged to State and Subordinate Services, the District Collector requested instructions to conduct a detailed enquiry in the case.

The District Collector, Quilon submitted a detailed report to the Board on 11th June, 1963. Forwarding a copy of the report dated 11th June, 1963 of the District Collector, Quilon the Board had sent a detailed report to Government on 14th October, 1963. In this letter, the role of each officer involved has been explained. It was also pointed out therein that the District Collector Quilon was asked to submit proposals for apportioning the loss sustained by Government among the officers responsible and also directed the District Collector to take suitable disciplinary action against the responsible. In the meanwhile Government have directed the District Collector, Quilon to send up a report on certain points with the connected Collectorate files. In reply to this, the District Collector, Quilon in his letter dated 9th October, 1963 had sent a detailed report to Government with the connected Collectorate files. Government have returned the Collectorate files on 13th July, 1964 without giving any orders regarding the responsibility and the extent to which each officer was responsible in this case.

The records returned with the Government Memorandum dated 13th July, 1964 were received in the Collectorate, Quilon on 16th July, 1964. On 21st July, 1964 the District Collector, Quilon sent a report to Government stating that no orders regarding the responsibility and the extent to which each officer was involved have been received. In reply to this, Government in their Memorandum dated 3rd August, 1964 have informed the District Collector that the matter was under the consideration of the Government and that orders when passed, would be communicated to him. Government in their

Memorandum No. 65864/C2/64/RD dated 7th November, 1964 asked the Board to finalise disciplinary action against the Tahsildar, Village Officer and the Village Assistant who are responsible for the irregularities within a period of six weeks. Copy of this Government Memo. forwarded with the Board's Memorandum dated 19th November, 1964 was received in the Collectorate, Quilon on 24th November, 1964. The District Collector in his letter dated 5th December, 1964 requested the Board to move Government for extending the time limit by two months more.

On 5th December, 1964 the District Collector, Quilon issued charge memo to the retired Tahsildar through the District Collector, Alleppey and the Village Officer and the Village Assistant. The Village Assistant and the Village Officer submitted their explanation in December, 1964. But the charge memo issued to Shri., retired Tahsildar was returned by the District Collector, Alleppey on 27th January, 1965. being unserved. On 9th March, 1965 the District Collector, Alleppey intimated to the District Collector, Quilon that Shri. had refused to accept the charge memo on the ground that he is a retired Block Development Officer and not a retired Tahsildar. The charge memo was returned to the District Collector, Alleppey on 18th March, 1965 by the District Collector, Quilon after correcting the address. Intimation from the District Collector, Alleppey regarding the service of the charge memo to Shri..... was received by the District Collector, Quilon on 10th April, 1965. Shri..... submitted his explanation on 12th April, 1965. A detailed report with the Collectorate file was sent by the District Collector, Quilon to the Board of Revenue on 15th October, 1965.

General

In the Board's letter dated 14th October, 1963 it was reported to Government that Shri..... retired District Collector and Shri..... then Agricultural Secretary to Government were also involved in this case. But Government in their Memorandum No. 65864/C2/64/RD dated 7th November, 1964 have informed the Board that no action against these Officers was necessary.

On 27th March, 1965 Government in the Revenue Department have called for only the relevant Land Acquisition records of the case. After a series of correspondence the records in question have been received from the District Collector, Quilon on 15th October,

1965. The correspondence file of the Collectorate, Quilon relating to the land Acquisition is being sent to the Government in the Revenue Department separately.

Question No. 19.—Reasons for delay in this case. Who is responsible for this delay and what action has been taken by Government for preventing recurrence of such cases.

The circumstances have already been explained in answer to Question No. 18 above. Necessary action for finding out officers responsible for the delay in this case is being pursued by Government in the Revenue Department. The question of issuing suitable orders and instructions for preventing the recurrence of such cases is being considered by the Government (Revenue Department).

APPENDIX XXXVI

(See Para 4.63)

Note on para 22—Audit Report, 1964.

The date when the work was started.

The work was awarded in the year 1956 and was started physically during 1957 only. The following details will clarify the position:—

| | | |
|--|----|------------|
| Date of receipt of tender | .. | 15-10-1956 |
| Date of awarding of work by Chief Engineer | .. | 5-11-1956 |
| Date of execution of agreements. | .. | 16-2-1957 |
| Date of actual starting of works. | .. | 17-2-1957. |

The date when the contractor pointed out the increase in expenditure.

Answer: The contractor made representation for enhanced rate on 24th March 1960.

The date when the Executive Engineer approved it.

The Executive Engineer, Public Health Division Quilon in his letter dated 30th May 1960 recommended to the Chief Engineer that a suitable enhanced rate may be fixed for the quantity of earth work done in excess of the agreement quantity. On the basis of the further recommendation of the Executive Engineer in September, 1960 that the excess quantity may be paid at Rs. 89 per 1,000 c.ft., the Chief Engineer, Public Health Engineering Department approved the above rate on 31st October 1960.

A detailed Note on item (iii) indicating the date when the tender was accepted, the distance to which the materials were transported on the first day.

The following particulars will give the details required in the question:—

No. of tenders received.—In response to tender notification for transport of materials for 1962-63, five tenders were received.

The date when the tender was accepted.—The tender was accepted by the Chief Engineer on 28th June 1962 and orders issued to the

Executive Engineer on 30th June 1962. The Executive Engineer issued the selection notice to the contractor on 4th July 1962.

The reason for giving the contract to the person who was selected to do the work: Based on the estimated quantities, tenders were invited and the work was awarded to the lowest tenderer without considering any other aspect.

Actual execution of contract: During actual execution practically the whole conveyance was for long distance.

The first work under this contract was transportation of cement from the Public Health Stores, Alleppey to Public Health Stores, Trivandrum on 4th July 1962, a distance of 194 miles, via Ernakulam and Kottayam.

The selection notice for the work was issued by the Executive Engineer only on 4th July 1962. The letter PHT. 1021/61, dated 30th June 1962 referred to by the Audit is a memo to the Executive Engineer awarding the work to the lowest tenderer Sri.

The tender schedule, the tabulation statement conditions of contract etc. are enclosed.

The practice followed with regard to such contracts for the last several years and the cases in which contracts went in favour of Government and the cases in which they went against the Government.

On verification of the records of previous years it is seen that it was not the practice to invite consolidated tenders for the conveyance of materials for the division prior to 1959-60, but only for specific conveyances. From 1959-60 onwards upto now, the practice is that tenders are invited for the consolidated requirements of the division. In all these cases, tenders were invited and settled for one ton/mile. On actual execution the conveyance over one mile has far exceeded the conveyance within one mile, every year.

In 1960-61, the arrangement has been advantageous to Government as the quoted rate of the selected contractor was the lowest for long distance.

For how many hours the crane was actually used by the contractor during the whole period

Answer:—As per the log sheet of the crane, the crane was used for 766 hours in 238 days.

Sd/-

*Secretary to Government,
Health and Labour Department.*

GENERAL CONDITIONS

1. The Tender should be submitted in sealed covers bearing super-scription "Tender for the Transportation of Materials for 1962-63 and addressed to the Executive Engineer, Public Health, Trivandrum.
2. The rates quoted should be firm for three months from the last date of tenders and that tenderers will not be free to withdraw their tenders within this period.
3. The accepted tenderer is bound to carry out the work at the accepted rates for one year from the date of award of contract or upto 31st March 1963 as may be decided by the undersigned.
4. An amount of Rs. 1,125 should be deposited towards earnest money in the form of chalan receipt.
5. The Tender should be offered in the prescribed form obtained from this office on payment of Rs. 3.06.
6. The materials to be transported are divided into 3 categories. Specific rates should be quoted for each appendix and for each sub item in the appendices.
7. The lowest tender will ordinarily be accepted. But the under signed reserves the right to accept or reject any tender or part, of the tender without assigning any reason whatsoever.
8. The successful tenderer will have to deposit an amount equal to 5 per cent of the P.A.C. and execute an agreement in the proper form as will be prescribed.
9. The successful contractor should enquire at the office of the undersigned regarding the works to be carried out on all days including public holidiays so that there may not be any delay in carrying out the work in time and consequent loss to the department by way of demurrage etc.
10. The contractor will be responsible for the safe transport of the materials and if any loss or damage occur during transportation, the contractor is bound to make good the losses to the Department.
11. The Clearing Agents will normally receive complete disposal instructions from the undersigned. It is essential that the contractor should maintain close liaison with the

offices directing clearance work and carry out promptly the works entrusted to him with full sense of responsibility and to the best interest of the department.

12. No insurance of any nature will be effected on consignments entrusted to the clearing agent for handling. The clearing agent will take adequate steps to prevent loss or damages to Stores entrusted to him for handling.
13. The clearing agent will have to make good to the department any losses due to negligence on the part of the agents for their failure to exercise diligence and economy in handling the Stores.
14. The work shall be commenced immediately on receipt of order from the officer concerned and the materials delivered at the destination in the minimum time possible. If the clearance or delivery of the materials is delayed beyond reasonable limits in the opinion of the undersigned the contractor will be liable to make good the loss any incurred by or the inconveniences caused to the department.

GOVERNMENT OF KERALA

Conditions of Contract

1. L.S. itmes will be paid for only as per actuals based on detailed measurements when they are measurable or on details of labour and materials at current schedule rates with 10 per cent profit plus or minus the proportionate difference between the probable amount of contract as per accepted tender and estimate amount excluding the lost of department materials to be supplied; limited to the L.S. quoted by the Contractor.
2. All items not included in the tender and agreement schedule will be classed as extra itmes only.
3. The Contractor shall be bound to carry out all extra items not provided for in the agreement schedule, but found necessary during execution of work. Those extra items will be paid for at Departmental data rates for rates for such items plus or minus the proportionate difference between the probable amount of contract as per accepted tender and the estimate amount excluding the cost of Departmental materials to be supplied.

4. Value of quantities of Departmental materials issued for the work and unaccounted for by the Contractor will be recovered from him at book value plus 20 per Storage value together with penalty of Rs. 200 per Tonne in the case of cement and Rs. 500 per Tonne in the case of M. S. Rods.
5. In the case of materials supplied Departmentally which have to be accounted for by the Contractor, besides the penalty and other recoveries specified above, sales tax as per rules will also be recovered and credited to Government.
6. The Contractor should produce a certificate of clearance of Agricultural Income Tax and Sales Tax along with the tenders as far as possible.
7. Deductions of Sales Tax or Agricultural Income Tax payable by the contractor will be effected from the bills of the Contractor if so required by the respective departmental authorities.
8. On no account final payment will be made to the contractor before production of the clearance certificate of Sales Tax or Agricultural Income Tax.
9. The rate quoted by the contractors should be inclusive of Sales Tax.
10. All sums found due to Government under or by virtue of the present shall be recoverable first from the security furnished by the contractor and if the same found insufficient such deficit amount shall be recoverable under the provision of the Revenue Recovery Act for the time being in force as though the same were for arrears of land revenue or in any other manner the Government may deem fit.
11. All other conditions are the same as those current in the Department as specified in G.W.D. 132 (Schedule Agreement Form).
12. Contractors who are related to any Government Officer who is in charge or having control over the work are strictly prohibited to tender for the work. Relationship in this is restricted to father, mother, son, daughter, brother, sister, direct uncle, nephew, father-in-law, brother-in-law, sister-in-law, mother-in-law and first cousin of the officer concerned.

13. The total tendered amount against each item must be noted as well as the total under each Appendix and the grant total. Tenders that are received without those informations are likely to be rejected.
14. The contractor shall invariably be responsible to pay compensation to the workers employed by him for any injury sustained by them during the course of the employment. In case of fatal injuries the contractor shall be responsible to pay the Compensation to the legal heirs of the injured. The compensation shall be fixed by the Workmen's Compensation Act 1923 (VIII of 1923) and the Rules framed thereunder.

Signature of Contractor.

Sd/-
*Executive Engineer,
Public Health, Trivandrum.*

SCHEDULE

Name of Works Transporting materials, 1962-63

| Sl. No. | Qty. | Particulars | Unit | Rate | In words |
|---------|-----------|--|------|------|----------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| I | 1000 Tons | <i>Light materials & machines etc.</i> Unloading materials such as light materials, pumps, meters, liquid chlorine cylinder, strainer, paint drums and all other materials packed in wooden or card board cases and these received loose unpacked less than one wagon load from railway wagons, transport buses, lorries or boat conveying and loading the materials in lorries/carts etc. after due verification by the departmental officer transporting to Public Health or Drainage Stores at Trivandrum or to any other place within the city limit, unloading at destination conveying stacking the materials as directed by the officer in charge. | | | |
| a. | | Case weighing upto 5 cwt. | Cwt. | | |
| b. | | Case weighing 5 cwt and upto 10 cwt. | Cwt. | | |
| c. | | Case weighing above 10 cwt and upto 1 ton. | Cwt. | | |
| d. | | Case weighing above 1 ton and upto 3 tons. | Ton | | |
| e. | | Case weighing above 3 tons and upto 5 tons. | Ton | | |

| 1 | 2 | 3 | 4 | 5 | 6 |
|------|---|---|---|---|-------------------|
| II | 3000 Tons/ Mile. | <i>Cement, alum, M. S. rods, and C.I. pipes etc.</i> | | | |
| | | Unloading materials from Railway wagons transport buses, lorries boats etc. conveying to yard assisting departmental officers in checking and verifying the goods stacking at conven- ient places to be pointed out by the officer in charge etc. complete | | | Ton |
| | b. | Conveying and loading the above materials in depart- mental or contractor's con- veyance. | | | Ton |
| | c. | Transporting the above ma- terials to the Stores or any other places as directed in contractors own convey- ance by road. | | | per ton/ mile. |
| | d. | Alternatively rate for trans- port charges in water by boat or vallam. | | | per ton/ mile. |
| | e. | Unloading the materials from the departmental or con- tractor's conveyance at des- tination conveying and stacking as directed by de- partmental authorities | | | Ton |
| III. | <i>S. W. pipes, specials, sanitary wares, A.C. Pipes and all other materials.</i> | | | | |
| | a. 1000 tons/ mile | Unloading materials from Railway wagons/transport buses, lorries boats etc. conveying to yard assisting the departmental officers in checking and verifying the goods and stacking at convenient places as direc- ted etc. complete. | | | Ton |
| | b. | Loading the materials in con- tractors and departmental conveyance including con- veying etc. complete. | | | Ton |

| 1 | 2 | 3 | 4 | 5 | 6 |
|----|---|-------------------|---|---|---|
| c. | Transporting the above materials to the stores or any other places as directed by the department by road. | per ton/ mile. | | | |
| d. | Alternatively by boat or vallam. | Do. | | | |
| e. | Unloading the materials from departmental or contractor's conveyance conveying and stacking at convenient places to be pointed out by the departmental authorities. | Ton | | | |

Probable amount of contract Rs. 46,600/-.

Sd/-

*Executive Engineer,
Public Health,
Trivandrum.*

SCHEDULE

Name of work : Transporting of materials for 1964-65

| Sl. No. | Quantity | Particulars | Unit | Estimate | | Trivandrum Road Cooperative Society | | T. Ramaiah Pillai | | S. Hartharan | | V. Mathavan | | K. Padmanabhan | | Remarks |
|---------|-----------|---|--------------|----------|--------|-------------------------------------|--------|-------------------|---------|--------------|--------|-------------|--------|----------------|--------|---|
| | | | | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| I | 1000 Tons | <i>Light Materials and Machines etc.</i> | | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | |
| | | Unloading materials such as light materials, pumps, motors, liquid chlorine cylinder, strainer, paint drums and all other materials packed in wooden or card board cases and those received loose unpacked less than one wagon load from Railway wagons, transport buses, lorries or boat conveying and loading the materials in lorries/carts etc. after due verification by the Departmental officer transporting to Public Health or Drainage Stores at Trivandrum or to any other place within the City limit unloading at destination conveying stacking the materials as directed by the officer in charge. | | | | | | | | | | | | | | |
| | | (a) Case weighing upto 5 Cwt. | Cwt. | 0-90 | 18,000 | 0-72 | 14,400 | 1-31 | 26,200 | 0-75 | 15,000 | 0-70 | 14,000 | 0-50 | 10,000 | Total amount worked out for each item with quantity as 1000 tons and finally divided by five to arrive at the average amount. |
| | | (b) Case above 5 Cwt. and upto 10 Cwt. | Cwt. | 0-90 | 18,000 | 0-50 | 10,000 | 1-25 | 25,000 | 0-50 | 10,000 | 0-45 | 9,400 | 0-50 | 10,000 | |
| | | (c) Case above 10 Cwt. and upto 1 ton | Cwt. | 0-90 | 18,000 | 0-50 | 10,000 | 1-75 | 35,000 | 0-50 | 10,000 | 0-45 | 9,400 | 0-50 | 10,000 | |
| | | (d) Case above 1 ton and upto 3 tons | Ton | 18-00 | 18,000 | 8-00 | 8,000 | 17-50 | 17,500 | 10-00 | 10,000 | 8-50 | 8,000 | 7-00 | 7,000 | |
| | | (e) Case above 3 tons and upto 5 tons | Ton | 18-00 | 18,000 | 10-00 | 10,000 | 15-00 | 15,000 | 10-00 | 10,000 | 9-00 | 9,000 | 8-00 | 8,000 | |
| | | | | Av. | 18,000 | | 31,400 | | 118,700 | | 55,000 | | 49,800 | | 45,000 | |
| | | | | | | | 104,80 | | 23,740 | | 11,000 | | 9,680 | | 9,000 | |
| II | 3000 Tons | <i>Mix Cement, Alum, M. S. Rods and C. I. pipes etc.</i> | | | | | | | | | | | | | | |
| | | Unloading materials from Railway wagons Transport buses, lorries, boats etc. conveying to yard assisting departmental officers in checking and verifying the goods stacking at convenient places to be pointed by the officer in charge etc. complete | Ton | 2-20 | 6,600 | 1-00 | 3,000 | 1-40 | 4,200 | 1-50 | 4,500 | 0-97 | 2,910 | 0-35 | 900 | |
| | | (b) Conveying and loading the above materials in Dept. or contractor's conveyance | Ton | 2-20 | 6,600 | 1-00 | 3,000 | 1-40 | 4,200 | 1-50 | 4,500 | 0-97 | 2,910 | 0-25 | 750 | |
| | | (c) Transporting the above materials to the Stores or any other places as directed in contractor's own conveyance by road | Per Ton/Mile | 0-88 | 2,640 | 0-44 | 1,320 | 1-37 | 4,110 | 0-40 | 1,200 | 0-47 | 1,410 | 0-75 | 2,250 | Amount worked out for 3000 tons miles both for road and water transport and divided by two to calculate average amount. |
| | | (d) Alternatively rate for transport charges in water by boat or Vallom | Per Ton/Mile | 0-26 | 780 | 0-17 | 510 | 0-35 | 1,050 | 0-19 | 570 | 0-15 | 450 | 0-20 | 600 | |
| | | | | | 1,710 | | 915 | | 2,580 | | 885 | | 930 | | 1,425 | |
| | | (e) Unloading the materials from the Departmental or contractor's conveyance at destination conveying & stacking as directed by Departmental authorities | Ton | 2-20 | 6,600 | 1-00 | 3,000 | 1-05 | 3,150 | 1-50 | 4,500 | 0-47 | 2,910 | 0-25 | 750 | Estimate Amt. |
| | | | | | 21,510 | | 9,915 | | 14,130 | | 14,385 | | 9,660 | | 3,825 | I |
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Sd.
for Chief Engineer (PH&D)

APPENDIX XXXVII

(See Para 4.69, 4.80, 4.91, 4.99)

Irregularities noticed in the working of Housing Schemes in Kottayam, Trichur, Cannanore and Trivandrum Districts

(Referred to in paragraph 54—Chapter VII—page 76 of the Audit Report 1964)

| Sl. No. Place of Scheme and expenditure incurred by Government | Remarks | |
|---|---------------|--|
| (1) | (2) | (3) |
| KOTTAYAM DISTRICT | | |
| 1. Vazhoor Co-operative Society (Rs. 38,152). | Co-operative | Twenty houses were constructed and handed over to the society in June, 1956. As the society defaulted in repayment of even the first instalment of loan, Rs. 1,534 which fell due in June, 1957, it was ordered by Government that the houses should be taken over and sold by public auction. The possession was taken over in May, 1961. A public auction was conducted in November, 1962, but nobody took part in the auction. The Revenue Divisional Officer reported in November, 1962 that there was no demand for the buildings and that the condition of the buildings was not good. |
| 2. Kidangoor Multi-purpose Co-operative Society (Rs. 44,934). | Multi-purpose | Nine double block houses were got completed by the society in March, 1954, on the land belonging to it. An agreement was executed by the society only in November, 1957. No instalments, except the first one of Rs. 1,797 which fell due in November, 1959 have been repaid by the society. Proceedings under the Revenue Recovery Act were stayed by Government in July, 1960 pending disposal of a petition from the society. |
| Final decision regarding the disposal of the houses and the recovery of the loan amount due to Government had not been taken (May, 1963). | | |

| Sl. No. | Place of Scheme and expenditure incurred by Government | Remarks |
|---------|--|---------|
| (1) | (2) | (3) |

TRICHUR DISTRICT

3. Kunnankulam Municipality (Rs. 33,499) Twentyfour houses were constructed and handed over to the municipality in July, 1957. No amount (out of Rs. 6,700) including the first instalment which fell due in July, 1958 had been repaid (April 1963). The municipality has asked for more time to remit the arrears and the matter is reported to be under correspondence with Government.
4. Trichur Municipality (Rs. 29,232) Twenty houses and a 5 seated latrine were constructed and handed over to the municipality in November, 1960. No agreement was executed. No amount including the first instalment which fell due in November, 1961 has been repaid so far (April, 1963).

CANNANORE DISTRICT

5. Kayyur Co-operative Colony (cost of houses: Rs. 34,522) Twentysix houses were completed and handed over to the society in September, 1958. No repayment has been made so far (November, 1963) although the first instalment of Rs. 1,381 fell due in September, 1959 and a further sum of Rs. 6,421 upto November, 1963, including interest of Rs. 898 at 6 per cent on instalments in default.

Agricultural loans (Rs. 33,490) were also paid to the society during 1957-58 to 1960-61.

The Block Development Officer reported in December, 1962 that all the settlers had left the colony and that the co-operative society was not functioning properly. No new settlers are also stated to be willing to settle in the colony. Steps for liquidation of the society are stated to be under way.

| Sl. No. Place of Scheme and expenditure incurred by Government | Remarks | |
|--|---------|-----|
| (1) | (2) | (3) |

TRIVANDRUM DISTRICT

6. Vizhinjam Co-operative Society. No agreement has been executed so far (August, 1963) for the 15 houses costing Rs. 34,653 completed and handed over to the co-operative society in August, 1954. Out of the instalments aggregating Rs. 20,461 for both the sets of houses which fell due for repayment by March, 1963 a sum of Rs. 4,032 only had been recovered. Recovery proceedings initiated in August, 1960 for the recovery of the overdue instalments were stayed by Government as the society requested for a year's time to clear the dues. Government's final decision on the society's petition is still awaited (August, 1963).
- (i) Rs. 23,430 for a set of 15 houses.
- (ii) Rs. 34,653 for another set of 15 houses.
7. Trivandrum Corporation Workers' Settlement Co-operative Society, Thamalam (Rs. 29,523). No agreement was got executed when 36 houses constructed under the scheme were handed over in May, 1954. The society repaid a sum of Rs. 1,327 only in December 1958 and arrears till March, 1963 amounted to Rs. 8,121. In view of the default in the repayment of the loan amount by the society, Government approved in December, 1958 a proposal to hand over the houses to the Trivandrum Corporation. But the latter's acceptance of the proposal is still awaited (August, 1963). The Tahsildar, Trivandrum reported in April, 1961 that the society had ceased to function.
8. Karamana Colony Co-operative Society, Nedumkad (Rs. 28,572 till August, 1963). Out of 15 houses constructed, 11 houses were handed over in May, 1956 and the remaining 4 in June, 1962. Although an agreement was executed in March, 1959, it was found defective as it covered also the four houses which were then incomplete. A revised agreement has not been executed for want of information

| <i>Sl. Place of Scheme and ex- No. penditure incurred by Government</i> | | <i>Remarks</i> |
|---|---|--|
| (1) | (2) | (3) |
| | | regarding final figure of expenditure on the work from the Public Works Department No amount has also been recovered from the society so far (November, 1963). |
| 9. | Attingal Municipality (Rs. 53,528 till August, 1963). | 28 houses were completed in March, 1961 on 2 acres of land made available by the Government in February, 1959. But the houses have not been allotted to the employees so far (November, 1963) as amenities like well, fencing, electric fittings, etc., are still to be provided. The Municipal Chairman reported in July, 1962 that the buildings were in an abandoned condition. |

APPENDIX XXXVIII

(See para 4.78)

Note on para 54—Audit Report, 1964.

Working of Housing Schemes

A note on the origin of the Scheme, the objects of the scheme, the amount spent and the amount realised under the Scheme.

Poor Housing Scheme

The aim of this scheme is to provide houses and house sites to the poor, houseless and landless people of the State. In cases where house sites are provided, Government will acquire lands whenever necessary and provide house sites alone to the poor. The Scheme is implemented through Co-operative Societies and the value of lands acquired under the Scheme will be treated as interest free loans repayable within 25 years on an instalment basis. The houses are to be constructed according to the approved type designs. The required expenditure under this scheme will be met in the shape of interest free loans repayable within 25 years on instalment basis. The scheme is implemented through Societies, Municipalities and Industrial concerns. The scheme was originally started in 1952. There is no appreciable demand for this Scheme. This is a State Scheme. No provision has been proposed for the Scheme in the 4th Five Year Plan. The procedure for the implementation of the Scheme by the various agencies is furnished below.

By Co-operative Societies.—The Scheme will be sanctioned by the Government on the recommendation of the District Collectors (Formerly this was on the recommendation of the Joint Registrar of Co-operative Societies). Necessary funds required for the work will be placed at the disposal of the Executive Engineer, Public Works Department. The construction work will be entrusted to Co-operative Societies at 25% below the estimate rates or at such rates as would be modified by the Government from time to time. Before entrusting the work to the Society, a preliminary agreement in respect of the work will be got executed by the Society in favour of the Government in the prescribed form. The Society will also execute the usual contract agreement with the Public Works Department but they are exempted from security deposits in respect of the work.

In case the Society is not in a position to take up the work, the same is carried out by the P.W.D. On completion of the construction work, the houses will be handed over to the respective Societies for allotment to their landless and houseless members.

An agreement shall also be got executed from the Societies after ascertaining from the Public Works Department the actual amount spent for construction work, providing common amenities, etc.

The Society will be responsible to Government for the repayment of the amount advanced by the Government for the benefit of its members. The repayment will commence within one year from the date of occupation of the houses or the disbursement of the final payment whichever is earlier, subject to the terms and conditions specified in the agreement. The Society may enter into agreement with individual members of the society to whom the houses are allotted, for recouping the cost of the houses within a maximum period of 25 years free of interest on an instalment basis.

The houses and the sites on which the houses are constructed will remain the property of the Government till the entire amount advanced by the Government for construction of houses and acquisition of land is realised from the Society and the ownership of the houses and lands will be transferred to the Society after the amount is fully repaid. The ultimate ownership of the houses and land will vest in individual members, when the cost of the houses is fully paid to the society by its members. The members will not have alienable right over the land or the houses under the Scheme for 25 years and even after 25 years, the first option to purchase the houses and land will vest in the Society.

In the case of Municipalities.—The Municipality will be responsible for working the scheme for the benefit of its menial employees. The construction work will be carried out under the direct responsibility of the Public Works Department. On completion of the houses, they will be handed over to the Municipality. The Municipality will enter into an agreement with the Government stipulating the terms and conditions of repayment of the amount spent on the scheme. The houses and the site on which they were constructed will remain as the property of the Government and the ownership of the houses will be transferred to the Municipality when the amount advanced

by the Government is fully repaid. The Municipality shall allot the houses only to their menial employees and they will be allowed to realise an annual rent not exceeding 2½% of the actual cost per house from the occupants.

Scheme for Industrial Labour.—Under this scheme the Government will advance 50% of the cost or Rs. 750/- per house whichever is less for the construction of houses and the remaining portion will have to be contributed by the employers. The houses will have to be put up on the basis of the type designs approved and under the general supervision of the P.W.D. Payments will be made on completion of the construction work and after executing the agreement. The assets of the employer will be considered as security for the amount advanced by the Government. The ultimate ownership of the houses will vest with the employer. The employer will be allowed to realise an annual rent not exceeding 2½% of the actual cost of the houses from the occupants of the houses. The houses will be allowed only to the Industrial labourers.

The details of expenditure incurred on Poor Housing Scheme in the Second Five Year Plan and in the Third Five Year Plan upto the end of October 1965 are noted below:

| | | Rupees in Lakhs. | | | |
|-----------------|---|------------------|---|---|-------|
| II Plan Period | . | . | . | . | 5.62 |
| III Plan Period | . | 1961-62 | . | . | 1.98 |
| | | 1962-63 | . | . | 0.34 |
| | | 1963-64 | . | . | 0.835 |
| | | 1964-65 | . | . | 0.14 |
| | | 1965-66 | . | . | nil. |
| (upto 31-10-65) | | TOTAL | . | . | 8.915 |

The details of expenditure incurred during the 1st plan period are not readily available. According to the latest D.C.B. statement (for the quarter ending 30-9-65), a loan amount of Rs. 16,03,578.21 was outstanding at the beginning of the quarter and a sum of Rs. 15,85,227.74 was outstanding recovery at the end of the quarter.

APPENDIX XXXIX

(See para 4.83)

Note on para 54—Audit Report, 1964.

A note furnishing the following:—

- (a) How many Societies were given lease?
- (b) With how many Societies Government entered into agreements? With how many Societies there were no agreements and steps taken to have the agreements completed?
- (c) Action proposed to be taken by Government against persons responsible for failure to take action in time.
- (d) How many houses are at present under occupation? How many are being used actually by the people and how many are dilapidated or abandoned and how many have never been used?
- (e) In how many cases stay orders against recovery of dues been given and on what grounds?
- (f) Indicate in each case the time lag between the date when the loan instalment was due and the date when the recovery action was started, why there was delay?

The required information in respect of the 6 Co-operative Societies mentioned in Appendix XXXVII is furnished below:

- (a) *How many Societies were given lapse of land.*—Lease was granted to only one Society, viz., Kayyur Co-operative Colony in Cannanore District. An extent of 146.45 acres of Government land was assigned in favour of the Colony.
- (b) *With how many Societies Government entered into agreements? With how many Societies there were no agreements and steps taken to have the agreements completed.*

With the undernoted Societies Government entered into agreements.

- | | | |
|--|---|-----------------------|
| 1. Vazhoor Co-operative Society | } | Kottayam District. |
| 2. Kidangoor Multipurpose Co-op. Society | | |
| 3. Kayyur Co-operative Colony. | | —Cannanore District. |

The final agreements have not yet been got executed in respect of the following Societies. The steps taken to have the agreements completed are also furnished against each Society:—

1. *Vizhinjam Co-operative Society, Trivandrum Dist.*—30 houses were constructed in two sets of 15 houses each by the Colonisation Department. Preliminary agreement has been got executed in respect of the first set of 15 houses. All the houses were completed before 1954. The Society is not functioning properly. Final agreement could not, therefore, be got executed. Hence steps were taken for the recovery of the amount. A proposal to enter into direct agreement with the occupants of the houses for repayment of the entire dues to Government is examined by Government. The matter is under correspondence with the District Collector, Trivandrum regarding the execution of the agreement. A copy of the District Collector's Letter No. D3-3798/60 dated 11-8-65 with a copy of the Government Memorandum 79639/G2/63/HLD dated 22-10-1965 are enclosed. Further report from the District Collector is awaited.

2. *The Trivandrum Corporation Workers' Settlement Co-operative Society, Thalamam.*—The houses were constructed and handed over to the President of the Society on 14-5-54 by the defunct Colonisation Department after obtaining an undertaking from the President, to the effect that the Society would execute the necessary agreement as and when required. The execution of the agreement was delayed on the ground that the final bill was not paid. The Society after receiving the final payment raised some objections that the agreement could be executed only after effecting necessary repairs. The District Collector reports that the Society has raised flimsy objections throughout in order to avoid the execution of the agreement and accept responsibility for the payment of dues to Government. Notices were served on all the occupants of the houses directing them to execute the bonds. None of them has responded. Hence a proposal to evict all of them and to put the houses to auction sale is under examination.

3. *Karamana Colony Co-operative Society*.—The final agreement has not been got executed. Preliminary agreement has been got executed before starting the work. The Society has been requested to execute the agreement urgently. Now the Society contends that that agreement would be executed on receipt of retention amount which is pending release for want of authorisation from the Public Works Department. However, the District Collector has reported that the Society is being persuaded to execute the agreement.

(c) *Action proposed to be taken by Government against persons responsible for failure to take action in time.*

In the cases of *Vizhinjam Co-operative Society*, *Trivandrum Corporation Workers' Co-operative Society* and *Karamana Colony Co-operative Society*, nobody except the Societies are responsible for the non-execution of the agreements.

(d) *How many houses are at present under occupation how many are being used actually by the people and how many are dilapidated or abandoned and how many have never been used.*

The required information in respect of each Society mentioned in the Appendix XI is furnished below:

(i) *Vezhoor Co-operative Societies*.—No building is under occupation. There are 20 houses. The buildings are not in dilapidated condition. All the 20 houses require certain minor repairs. There is no building which has never been used.

(ii) *Kidangoor Multi-purpose Co-operative Society*.—Of the 9 double block buildings, 4 buildings are occupied at present. 2 are occupied by families. One is occupied by a Welfare Institution for holding some classes, balavady, etc. and the other is occupied by the Animal Husbandry Department for accommodating the Palai Key Village Sub-Centre. No house is in a dilapidated condition and there is no house which has never been used.

(iii) *Kayyur Co-operative Colony*.—

| | | |
|-----------------------|-------|-----------|
| Under occupation | . . . | 5 Houses |
| Actually used | . . . | 5 Houses |
| Dilapidated condition | . . . | Nil |
| Abandoned | . . . | 21 Houses |
| Never been used | . . . | Nil |

(iv) *Vizhinjam*.—All the 30 houses are under occupation and no house is in a dilapidated condition though some of them require minor repairs.

(v) *Trivandrum Corporation Workers' Society*.—The 30 houses are under occupation and no house is in a dilapidated condition though some of them require minor repairs.

(vi) *Karamana Colony*.—All the 15 houses are under occupation no house is in a dilapidated condition.

(e) *In how many cases stay orders against recovery of dues been given and on what ground?*

(i) *Vazhoor Society*.—An interim stay was ordered by the District Collector, Kottayam in respect of the Housing Scheme at Vazhoor on 9-7-1960 as the then occupants of the buildings at Vazhoor represented that the orders to resume the land and buildings from the control of the Society may be stayed. The stay was vacated on 9-2-1961 and the land and buildings were resumed on 9-5-1961.

(ii) *Kidangoor*.—Action against Kidangoor Society was stayed by Government on 16-7-1960 until disposal of the petition put in by the Society before Government. The stay order was vacated on 30-11-63. Again on 10-3-1964, the Government ordered that steps for recovery may go slow. The stay orders were issued on the representation of the society that the land and the buildings may be taken over by Government for being utilised at a Harijan Colony.

(iii) *Vizhinjan Co-operative Society*.—Government in their order No. 58745/HSI/60/HLD dated 9-8-1960 stayed the steps taken for the recovery on a petition presented by the Society before the Government. The stay order was subsequently vacated on 16-8-1963.

(f) *Indicate in each case the time lag between the date when the loan instalment was due and the date when the recovery action was started, why there was delay.*

(i) & (ii) *Vazhoor Co-operative Society and Kidangoor Multi-purpose Co-operative Society*.—Steps for recovery were taken immediately after the Societies defaulted repayment of the first instalment. There was therefore no time lag between the date when the instalment was due and the date when the recovery action was taken.

(iii) *Kayyur Colony*.—There was no time lag. Steps were taken immediately after the Society defaulted repayment of loans.

(iv) *Vizhinjam Society*.—The due date of repayment could be fixed only after the agreement is got executed.

(v) *The Trivandrum Corporation Workers' Co-operative Society*.—Due date of repayment could not be fixed in the absence of final agreement.

(vi) *Karamana Colony Co-operative Society*.—Final agreement has not been executed and as such due date of repayment could not be fixed.

The number of societies which had been working well before but which went into liquidation after the housing scheme was started. How many Societies have since become defunct.

(i) & (ii) *Vazhoor & Kidangoor*.—The information whether the two Societies were working well before the housing scheme was started is not available with the District Collector, Kottayam. One Society i.e. the Vazhoor Co-operative Society has gone into liquidation after the housing Scheme was started.

(iii) *Kayyur Colony*.—The Society was not working satisfactorily from its inception and proposals for its liquidation have been sent by the District Collector, Cannanore. It is now pending with the Registrar of Co-operative Societies.

(iv) *Vizhinjam Society*.—The Society has not been liquidated.

(v) *The Trivandrum Corporation Workers' Co-operative Society*.—The Society is almost defunct.

(vi) *Karamana Colony Co-operative Society*.—The Scheme was initiated by the defunct Colonisation Department. The Society has not become defunct.

APPENDIX XL

(See para 4.89)

Note on para 54—Audit Report, 1964.

Action taken on para 64 of the Audit Report, 1963 of Government of Kerala discussed in para 179 of the Second Report of the Public Accounts Committee, Kerala, 1963-64.

A copy of the U.O. Note No. 28791/G2/64/HLD dated 16-1-1965 with extract of the reply relating to para 64, working of Housing Schemes (Audit Report, 1963) is enclosed.

Sl. No. 141 of the recommendations—Para 180 of the Second Report of the Public Accounts Committee, 1963-64.

Kadakkad.—Government in G.O. MG. No. 864 HLD dated 2-12-1963 and G.O. MG. No. 456/65/HLD dated 17-5-1965 have finally passed orders for the allotment of 16 houses to the respective occupants at a reduced cost of Rs. 1000/- per house. The amount is repayable in ten equal annual instalments. The District Collector, Alleppey has issued necessary instructions to the Revenue Divisional Officer, Chongannur to direct the beneficiaries to execute the final agreement. Reply from the Revenue Divisional Officer, Chongannur is awaited by the District Collector (as on 24-9-1965). The Board of Revenue has reported on 5-11-1965 that even if the parties are now willing to pay the cost of Rs. 1000/- per house and execute necessary agreement, the loss that will be incurred by the Government on account of the scheme is Rs. 17,298/- excluding interest recoverable from the Society. The only possibility to make good the loan is by proceeding against the society. According to the latest balance sheet of the Society (as on 30-11-1964), received from the Deputy Registrar of Co-operative Societies, Alleppey, the net realisable assets come to Rs. 2798.05. The possibility of recovering the amount from the members of the Society is being ascertained by the District Collector through the Revenue Divisional Officer, Chengannur and the Deputy Registrar of Co-operative Societies, Alleppey. Their replies are awaited by the District Collector (as on 24-9-1965).

(2) *Sl. No. 148 of the recommendations—Para 181 of the Second, Report of the Public Accounts Committee, 1963-64.*

Krishnapuram: (i) The occupants of seven houses at Krishna-puram have executed the necessary agreements.

(ii) Recovery was effected from the Colonists from September, 1964. A total amount of Rs. 265/- has been collected so far from the Colonists. The details of defaulted amount are given below:

| | No. of cases | Amount Rs. |
|--|-----------------|---------------|
| Defaulted cases over 6 months | 2 | 70.00 |
| Defaulted cases over 3 months | 3 | 85.00 |
| Defaulted cases below 3 months | 1 | 5.00 |
| TOTAL: | | <u>160.00</u> |

(iii) Coercive steps were taken by the District Collector, Alleppey on 24-9-1965 to realise the amounts from the Colonists.

(3) *Sl. No. 143 of the recommendations, Para 182 of the Second Report of the Public Accounts Committee, 1963-64.*

Kanjiramchira: (i) It is reported by the District Collector, Alleppey that the Society has not yet executed the final agreement. (Position as on 24-9-1965).

(ii) An amount of Rs. 5000/- has been remitted by the Society in the District Treasury, Alleppey as per chalan No. 2720 dated 18-11-1964.

(iii) Since the Society has not executed the final agreement, instalment of repayment has not been fixed.

The actual date of handing over charge of the houses to the Society was 11-6-1960. The Society objects to execute the final agreement due to the following reasons:—

1. They are not liable to bear the cost of land, as the poramboke land on which the houses are constructed was allotted to them under the Colonisation scheme even before the sanctioning of the housing scheme.

2. It is not possible for them to pay the contage charges.

3. The probable amount of contract stated in the tender notice dated 16-1-1958 published in the Gazette dated 28-1-58 was Rs. 39,340/- only. So they are liable to pay only that amount.

The District Collector has reported that the objections raised by the Society are being examined and that a further report will be forwarded without delay.

- (4) *Sl. No. 144 of the recommendations, Para 183 of the Second Report of the Public Accounts Committee, 1963-64.*

Perumanoor: 30 houses.—The total amount advanced to the Society is Rs. 46,520·92. An amount of Rs. 1281·75 out of the instalment amount of Rs. 1863·60 due on 1-9-1959 and the instalment amounts of Rs. 1863·60 each due on 1-9-1960, 1-9-1961, 1-9-1962, 1-9-1963 and 1-9-1964 are in arrears. Action is in progress under the Revenue Recovery Act to realise the amount due from the Society. The District Collector has reported on 30-11-1965 that he is taking vigorous steps under the Revenue Recovery Act through the additional Personal Assistant (Collections).

- (5) *Sl. No. 145 of the recommendations, Para 184 of the Second Report of the Public Accounts Committee, 1963-64.*

Perumanoor.—14 houses.—An agreement for the above Housing Scheme was got executed on 29-12-64. But as two of the Executive Members had since resigned their posts from the Society, it was not possible to get the agreement registered.

As per sub-rule (j) of Rule 14 of the Housing Scheme (Poor Housing Scheme) "Immediately on completion of the work, the Joint Registrar will ascertain the actual amount spent on the construction of houses and other common amenities, if any, at every centre, from the Public Works Department and the agreement between the Societies and the Government in respect of repayment of amount advanced by the Government will be executed." The powers of the Joint Registrars have since been got delegated to the District Collectors concerned. As the Department of Colonisation was abolished the amount spent on the construction of houses and other common amenities could be ascertained only as on 29-12-1964. As per Rule 14(k) of the Rules relating to Housing Scheme, repayment will commence within one year from the date of occupation of the house or the disbursement of the final payment whichever is earlier. The agreement has since been got executed.

- (6) *Sl. No. 146 of the recommendations, Para 185 of the Second Report of the Public Accounts Committee 1963-64.*

Ananda Co-operative Society.—The first instalment of repayment fell due on 30th June, 1965 as per the terms and conditions of the re-

vised agreement got executed by the Society on 30th June, 1964. The instalments has been remitted by the party on 1st July, 1965.

- (7) *Sl. No. 147 of the recommendations, Para 186 of the Second Report of the Public Accounts Committee 1963-64.*

Shunmughapuram Co-operative Society.—The instalments of loan are being remitted regularly by the Society. There are no arrears.

- (8) *Sl. No. 148 of the recommendations, para 187 of the Second Report of the Public Accounts Committee, 1963-64.*

Neriamangalam Co-operative Colony.—The District Collector, Ernakulam has furnished the following two reasons for the delay to get the agreement executed. They are the delay (1) to get the details of the total figure of expenditure incurred for the scheme and (2) to get the arbitration reference relating to one of the occupants of the houses finalised by the Deputy Registrar of Co-operative Societies, Ernakulam. The District Collector has reported that the total figure of expenditure has since been obtained from the Public Works Department and that arbitration reference has also since been got finalised. Necessary agreement has since been got executed and registered on 7th October, 1965. The instalments will be realised from the Society on the due dates as per the terms and conditions in the agreement.

- (9) *Sl. No. 149. of the recommendations, Para 189 of the Second Report of the Public Accounts Committee, 1963-64.*

West Kallada.—The District Collector, Quilon has reported that the unauthorised occupants of the houses have already been evicted and action taken to allot those houses to eligible persons after getting necessary agreements executed. and that stringent instructions have been given to the Tehsildar to obtain the required agreements executed by all the occupants. If the agreements are not received within a reasonable time, further action has been proposed to be taken by the District Collector. The land on which the houses were constructed is owned by the Co-operative Society which undertook the Housing scheme and the cost of the land is estimated at Rs. 3,450. It has been ordered in G.O. (Rt.) 1176/65/HLD dated 24th March, 1965 to adjust this amount towards the loss of Rs. 17,835-91 Ps. incurred by Government in implementing the scheme. This amount will be adjusted as and when the acquisition proceedings are completed. As regards the recovery of the balance amount, the District Collector is taking further action in the matter. The District Collector is awaiting a further report from the Deputy Registrar of Co-operative Societies regarding the assets and liabilities of the Society.

(10) *Sl. No. 150 of the recommendations, Para 191 of the Second Report of the Public Accounts Committee, 1963-64.*

Vavakkavu.—One of the occupants has executed the agreement on 15th March, 1965. The remaining 4 occupants who have not yet executed agreement have been ordered to be evicted on 23rd March, 1965. The Tehsildar, Karunagapally has already booked cases against them under the Land Conservancy Act and B form notices issued on 8th April, 1965 and 22nd April, 1965 respectively. The District Collector, Quilon has reported on 22nd April, 1965 that the Tehsildar, Karunagapally has been instructed to recover the dues from the occupant who has executed the agreement.

(11) *Sl. No. 151 of the recommendations, Para 192 of the Second Report of the Public Accounts Committee, 1963-64.*

South Paravoor.—In G.O. Ms. No. 939/64|HLD dated the 31st December, 1964 Government have ordered to resume the land handed over to the President, Paravur Multipurpose Co-operative Society Ltd., No. 2472 and to implement a Settlement Scheme. The District Collector, Quilon has reported on 28th April, 1965 that the Tehsildar, Quilon has been directed to resume the land and that the Tehsildar's final report is awaited. As regards the recovery of the dues from the Society, the Deputy Registrar has intimated to the District Collector on 21st November, 1963 that the Society is dormant for a very long time and hence there is no possibility at present for the recovery of the dues. The District Collector has asked the Tehsildar on 16th March, 1965 to recover the defaulted instalments with interest as per the terms of the agreement executed by the Society. The District Collector, Quilon has reported that the land has been resumed on 6th July, 1965 by the Village Officer, Paravoor. For the recovery of dues from the Society instructions have been issued to the Tehsildar, Quilon to realise the amounts immediately. A proposal to utilise the land for implementing the Housing Scheme for weaker Sections of the Community is under consideration. Hence further proceedings for implementing the Settlement scheme have been held in abeyance pending finalisation of the proposal.

The instructions issued by the District Collector to the Tehsildar are to recover the defaulted instalments from the Society due to Government by whatever means.

APPENDIX XLI

(See para 4.99)

Note on para 54—Audit Report, 1964

Sl. No. 1—Appendix XI—Vazhoor Co-operative Society.

When did the society get possession of the buildings? Did the individual members pay an amount to the Society. What is the present membership of the Society?

The District Collector, Kottayam has reported that the Society got possession of the buildings on 18th September, 1957. There is no record to show whether the individual members who occupied the buildings paid any amount to the Society. As regard the present membership of the Society, it may be noted that the Society has gone into liquidation and has become defunct from July, 1961.

C. K. KOCHUKOSHY,
Health and Labour Secretary.

APPENDIX XLII

(See para 4.110)

Note on Para 20—Audit Report, 1965

Ernakulam—Chowwara Water Works

Circumstances explaining the difficulties envisaged in the maintenance of proforma accounts and whether Audit was consulted in that regard:

Paragraph 20 of the Audit Report 1965 mentions that the Government approved the Public Health Engineering Department's proposal to maintain proforma accounts as proposed by the Chief Engineer from the "next financial year". There has been no progress in that direction till to-day.

It is true that proforma capital and revenue accounts have not yet been proposed till to-day. Details of the actions taken from 1956 are given below:—

- 31-1-1956 — Chief Engineer, Public Works Department (There was no separate Public Health Engineering Department at that time) made the suggestion that water rates may be revised as already requested by him and the capital accounts prepared from next financial year after the rates revision is given effect to.
- 24-2-1956 — After some correspondence on the rates, Government issued orders approving the proposal of the Chief Engineer and a copy of the proposal was sent to the Accountant General in the normal way.
- 6-3-1956 — Accountant General wrote to Government that it was essential to maintain suitable proforma accounts even where there was a loss in the Government undertaking, with a view to ascertain the financial results of the undertaking. If the proforma accounts had been prepared earlier, the need for revision of water rates would have been brought out earlier. He, therefore, suggested that proforma accounts might be prepared for 1955-56 also.

- 4-4-1956 — Government referred to Chief Engineer for remarks the suggestion of the Accountant General on the preparation of the proforma accounts.
- 11-6-1956 — }
 26-7-1956 — } Reminders were sent to Chief Engineer.
 19-11-1956 — }
 6-2-1957 — }
- 26-3-1957 — D.O. reminder to the Chief Engineer, Public Health Engineering Department, from Secretary to Government.
- 3-5-1957 — Chief Engineer, Public Health, Engineering Department sent a reply to Government, but there was no mention therein regarding the preparation of the proforma accounts of Ernakulam-Chowwara Water Works.
- 15-10-1957 — Government requested the Chief Engineer, Public Health Engineering Department, information on the following points:—
- (a) Capital outlay for the Ernakulam-Chowwara Water Works;
 - (b) Contribution from the Local Bodies or other institutions for the construction of the Water Works;
 - (c) Amount collected per year as water rates from the various institutions;
 - (d) Expenditure incurred by Government annually for the maintenance and repairs of the Water Works.
- 26-11-1957 — Interim reply was received from the Chief Engineer.
- 3-12-1957 — Chief Engineer was reminded.
- 20-2-1958 — Chief Engineer sent a reply furnishing the information called for by Government on 15th October, 1957.
- 28-4-1958 — Government asked the Chief Engineer details of amount spent on Trivandrum Water Works and amount collected from Trivandrum Corporation till 1956-1957.

- 3-6-1958 — Chief Engineer provided the available details regarding Trivandrum water supply.
- 18-6-1958 — The Chief Engineer reported to Government that the Ernakulam and Mattancherry Municipalities, the Cochin Port and the Thevara College were not paying water charges at the rates revised in February, 1956 and as they were paying the charges at the old rates only, large arrears were accumulated.
- 6-8-1958 — The Chief Engineer reported to Government that on the ground that the revision of the rates were not intimated to them, the Municipalities were turning down the requests of the Public Health Engineering Department to remit the water charges at the revised rates and requested Government orders as to whether the bills for water charges are to be prepared at the old rate or the revised rate.
- 20-8-1958 — Government informed Chief Engineer that the revision of rates was not finalised and he may continue to charge the consumers at the old rates.
- 12-9-1958 — The Minister for Health, Kerala convened a conference at Ernakulam to consider the question of raising the rates for water supplied from the Ernakulam Chowwara system to the Municipalities. In addition to the Minister and the officers the Chairman and the Commissioners of the Municipalities of Ernakulam, Mattancherry and Fort Cochin also participated. The Municipalities were against any increase in the rate.
- 24-10-1958 — After Cabinet decision, Government issued G.O. (Ms) 1132/Health, dated 24th October, 1958 sanctioning the rates for water supplied from the Ernakulam-Chowwara Water Works to the Municipalities of Ernakulam, Mattancherry and Fort Cochin being revised and fixed as 75 naye Paise per 1000 gallons with effect from 1st October, 1958.
- 1-6-1959 — Meanwhile the Ernakulam Municipality which was aggrieved by the upward revision of rates filed a writ petition before the High Court of Kerala.

- 27-8-1959 — Accountant General reminded Government to intimate him their decision regarding maintenance of proforma accounts from 1955-56 onwards.
- 9-2-1960 — Accountant General again wrote to Government pressing for the decision of Government regarding maintenance of proforma accounts from 1955-56 onwards; but no action was possible till the disposal of the writ filed by the Ernakulam Municipality.
- 14-2-1961 — The High Court dismissed the writ petition filed by the Ernakulam Municipality.
- 28-3-1961 — Accountant General reminded Government about the question as the writ petition was disposed of.
- 28-4-1961 — Government wrote to the Accountant General that the decision taken by the Government on the suggestion for maintenance of proforma accounts from 1955-56 would be communicated in the course and endorsed a copy of the above letter to the Chief Engineer (Public Health Engineering). He was asked to state the action taken for the maintenance of the proforma accounts from 1955-56 onwards. The Chief Engineer was reminded a number of times regularly.
- 13-7-1961 — Accountant General again enquired whether the proforma accounts of the scheme were prepared and if so from what date and also enquired *inter alia* whether there were any agreements entered into by Government and the various Municipalities and other institutions. He also asked for copies of the agreements executed if any.
- 24-7-1961 — Copy of the Accountant General's letter dated 13th July, 1961 was sent to Chief Engineer for report.
- 26-1-1962 — After three reminders, the Chief Engineer informed Government that it was not possible to prepare proforma accounts because accounts of expenditure were not traceable on account of the several changes in control from 1947 to 1954. The alternative was to evaluate the works and construct the accounts for which special staff was necessary. The Chief Engineer, however, pointed out that the evaluation can be done after the accounts of certain works were closed after making final payments.

- 16-2-1962 — The information contained in the Chief Engineer's letter of 20th January, 1962 was intimated to the Accountant General, Government were of the view that the question of preparing the proforma accounts can be deferred till the accounts of certain works were closed after making final payments.
- 28-3-1962 — Accountant General informed Government that in order to assess the financial results of the undertaking, it was most desirable to prepare proforma capital and revenue accounts of the undertaking and that it might not be desirable to postpone the work indefinitely as the Water Works had been functioning for years. The remarks of the Accountant General were communicated to the Chief Engineer, Public Health Engineering Department on 3rd April, 1962 for further report.
- 9-7-1962 — The Chief Engineer reported to Government that no registers were available in Ernakulam Division for preparation of proforma accounts. He requested Government to address the Accountant General for giving necessary instructions regarding maintenance of registers which are necessary for preparation of proforma accounts for a date to be fixed suitably by Government.
- 28-8-1962 — Government instructed the Chief Engineer to address the Accountant General for getting detailed instructions regarding maintenance of registers which are necessary for the preparation of the proforma accounts. This letter was not received by the Chief Engineer nor was the Accountant General informed about the requirements of the Chief Engineer.
- 19-6-1963 — Government wrote to Accountant General informing him that Chief Engineer had been instructed to take necessary action for preparing the proforma.
- 23-7-1963 — Accountant General addressed Government eliciting information regarding the execution of the agreements by the Municipalities, collection of arrears of water rates and enforcement of the revised rate. He also requested information regarding

the year from which the Chief Engineer was preparing the proforma accounts, the progress made and the date on which the work of preparing the proforma accounts was expected to be completed.

- 26-8-1963 — Chief Engineer was reminded about proforma accounts.
- 14-10-1963 — Government informed the Accountant General that the Municipalities had not entered into any agreement with Government, for supply of water from Ernakulam-Chowwara water works.
- 31-12-1963 — Government informed the Accountant General, the
and areas served by the Ernakulam-Chowwara Water
20-1-1964 Works and furnished him with the statement of arrears of water rates up to October, 1963, relating to Ernakulam-Mattancherry and for Cochin Municipalities.
- 7-2-1964 — Accountant General wanted information about execution of agreements by the Municipalities and the progress made in the preparation of proforma accounts by the Chief Engineer and the collection of arrears of water rates.
- 25-2-1964 — The letter dated 7th February, 1964 of the Accountant General was forwarded to the Chief Engineer for furnishing the information required by the Accountant General.
- 19-5-1964 — Accountant General addressed Government for information mainly regarding (i) reasons for non-execution of agreements with the Municipalities for supply of water; (ii) whether Government had any reasonable prospects of realisation of arrears of water charges; and (iii) Capital cost of the Water Works as at the end of each year since its commencement.
- 22-5-1964 — Government asked the Chief Engineer to furnish to Government the information required in Accountant General's letter dated 19th May, 1964.
- 30-5-1964 — Government received a copy of the draft para. from the Accountant General regarding (i) non-maintenance of proforma accounts; (ii) failure to review the

water rates at the proper time; (iii) non-execution of agreement; and (iv) arrears in realising dues to Government.

- 3-7-1964 — Accountant General reminded Government again regarding the execution of the agreement with the Municipalities, progress in the preparation of proforma accounts and collection of arrears of water rates and information on allied points requested for in his letter of 7th February, 1964 and 19th May, 1964.
- 18-8-1964 — The Chief Engineer answered the draft paragraph.
- 29-8-1964 — Government forwarded to Accountant General statement of arrears of water charges pending collection till the end of October, 1963 from the three Municipalities.
- 8-9-1964 — Accountant General requested information from Government regarding the year-wise break-up of the arrears relating to the Municipalities and the progress made in the preparation of the proforma accounts.
- 7-10-1964 — Government asked the Chief Engineer for information on the following points mentioned in the draft para.:—
- (a) The reasons why there was no progress in the maintenance of the proforma accounts; and
 - (b) year-wise break-up of the arrears of water charges due from the Municipalities.
- 6-10-1964 — There was a conference between the Assistant Accounts Officer (Audit Report Section) and the Deputy Secretary to Government regarding the draft paras, relating to Health and Labour Department.
- 12-10-1964 — The Chief Engineer sent a report to Government which was not received by Government. A copy of the letter dated 12th October, 1964 was received on 25th November, 1964. The Chief Engineer had reported in the above letter that one of the reasons for the non-preparation of the proforma accounts was want of final orders of Government regarding the maintenance of proforma accounts.

- 4-12-1964 — Chief Engineer was again asked to send year-wise break-up of water charges up to end of October, 1963.
- 18-12-1964 — The year-wise break-up of the water charges up to end of October, 1963 was supplied by the Chief Engineer.
- 15-3-1965 — The Chief Engineer forwarded to Government a letter which he had already sent to Government on 18th December, 1964.
- 22-5-1965 — After this date there was no further action.

*Secretary to Govt.
Health and Labour Dept.*

APPENDIX XLIII

(See Para 4.121)

Note on para 20—Audit Report, 1965.

Reasons for the non-recovery of arrears from the various agencies till date and the steps taken for the recovery of arrears from February, 1956 onwards.

The main agencies which use the water supplied by Ernakulam-Chowwara Water Works are the follows:—

1. Ernakulam Municipality.
2. Mattancherry Municipality.
3. Fort Cochin Municipality.
4. Always Municipality.
5. Port of Cochin.
6. Naval Establishment.
7. Railways.

Paragraph 20 of the Audit Report shows the major defaulters as Ernakulam, Mattancherry and Port Cochin Municipalities. The rates at which they were paying water charges were as follows as on 1st April, 1956:—

| | |
|--------------|----------------------------|
| Ernakulam | annas 4 per 1000 gallons. |
| Mattaucherry | Annas 4 per 1000 gallons. |
| Fort Cochin | Annas 10 per 1000 gallons. |

Government revised these rates to a uniform rate of As. 12 with effect from 1st October, 1958. This was on the suggestion of the Chief Engineer to revise the rates in order to facilitate maintenance of proforma accounts. The Municipalities did not relish the idea of increasing water charges.

In June, 1959, the Ernakulam Municipality filed a rit petition before the Kerala High Court against the revision of water rate by the Government. This writ was dismissed by the High Court only in February, 1961. Therefore even though the rates were revised in 1958, this could not be implemented till 1961 February. In the meantime the Ernakulam Municipality was continuing to pay approxi-

mately at the old rates. Mattancherry Municipality was not making any substantial payment at all and Fort Cochin Municipality was paying roughly at the old rate of annas 10 per 1,000 gallons. On 20th January, 1962 the Chief Engineer reported that the increased rates were given effect to from October, 1958 onwards.

But the Municipalities were not paying up the demands as per the new rates. The Executive Engineer, Public Health, Ernakulam Division was regularly making the demands and personally pressing the Municipalities for payment of arrears, while the Municipalities were representing about their difficulties.

The accumulation of arrears from 1st October, 1958 to February, 1961 was mainly due to the pendency of the suit filed by the Ernakulam Municipality in the High Court against the orders of Government revising the water rates in G.O. (Ms) No. 1132/Health dated 24th October, 1958. Even after the disposal of the writ the Ernakulam Municipal Council continued to represent to Government (3rd March, 1964) against revision on water tax. After a combined discussion on 8th May, 1964 in the matter with the Director of Municipalities a detailed note was obtained from him relating to the collection of arrears of water charges from the Municipalities. On 30th June, 1964 the Chairman, Municipal Council, Ernakulam was asked to arrange to remit immediately the water charges of 1963-64, an amount equal to that of 1962-63 pending settlement of the question of arrears. A detailed further note was obtained from the Director Municipalities on 19th August, 1964 to take effective measures to collect arrears. On 29th May, 1965 the Director of Municipalities was directed to see that all arrears of water charges from the Ernakulam, Mattancherry and Fort Cochin upto 1962-63 should be cleared immediately. The Director of Municipalities reported on 6th October 1965 that he was taking action in this behalf and that it would be desirable if Government were to issue orders as suggested by him previously for increase on property tax and for revising rates of excess charge for non-domestic and domestic consumption and schedule of free allowances.

The following were the suggestions of the Director of Municipalities:—

- (i) Ernakulam and Fort Cochin Municipalities may revise the water tax from 2 per cent and 3 per cent respectively to 4 per cent.
- (ii) Ernakulam and Fort Cochin Municipalities may revise the rates for excess charges for non-domestic consumption to Rs. 6.

(iii) Ernakulam and Fort Cochin may revise the rates of excess charge for domestic consumption to Rs. 3.

(iv) The Mattancherry and Ernakulam Municipalities should revise their schedule of free allowances.

The above suggestions were accepted and orders were issued in G.O. (Ms) No. 811/65/HLD dated 14th October, 1965 and Memo No. 26335/63/F2/HLD dated 22nd October, 1965 (Annexures A & B).

The revision of property tax is to take effect from 1st April 1966.

The Chief Engineer, Public Health Engineering Department had suggested on 14th November, 1963 that the arrears of water charges should be adjusted against the grants due to the Municipalities. This point came up for consideration before the Government and in as much as the grants were not sufficient enough to meet the arrears, no final decision was taken further if the grants to the Municipalities are stopped there will be the danger of the Municipalities neglecting the services essential to the public. However, this question will be taken up again if no satisfactory response is received by Government on the steps taken in November, 1965, and proposed to be taken hereafter as indicated below.

The Government have issued stringent instructions on 10th November, 1965 to the Ernakulam, Mattancherry and Fort Cochin Municipalities to clear off the arrears immediately. Action is also under way to issue show cause notice to the Municipalities by invoking section 147 of the Kerala Municipalities Act.

Sd/-

*Secretary to Government,
Health and Labour Department.*

ANNEXURE A
GOVERNMENT OF KERALA

Abstract

**Property Tax—Water and Drainage Tax—Enhancement of rate in
the Ernakulam and Fort Cochin Municipalities—Direction issued—**

HEALTH AND LABOUR (F) DEPARTMENT

O.O.MS. 811/65/HLD

Dated: Trivandrum 14-10-1965.

Read:

1. Correspondence resting with letter No. PHE. 2-462/60, dated 13th May, 1963 from the Chief Engineer (Public Health Engineering).
2. Correspondence resting with letter No. A2-3459/64, dated 6th May, 1965 from the Director of Municipalities.

ORDER

Whereas, it is observed that the Ernakulam Municipality is collecting only about 43 per cent of the cost of water charges payable to the Public Health Engineering Department and the Fort Cochin Municipality only about 23 per cent.; and that there is a wide gap between receipts and expenditure under water supply in the above Municipalities;

And, whereas, it is reported that there are heavy arrears of water charges due to the Public Health Engineering Department from the Municipalities of Ernakulam and Fort Cochin;

And, whereas, on a careful study of the financial position of the above Municipalities, Government are convinced that a reasonable increase in the rate of water and drainage tax in the said Municipalities is necessary in the interest of their finance;

Now therefore, in exercise of the powers conferred by sub-section (1) of section 132 of the Kerala Municipalities Act 1960, (Act 14 of 1961), the Government of Kerala hereby direct the Municipal Councils of Ernakulam and Fort-Cochin to levy property tax within the

respective Municipalities at the rate of 14½ (including 4 per cent water and drainage tax) and 21 per cent (including 4 per cent water and drainage tax) respectively with effect from 1st April, 1966.

(By Order of the Governor)

Sd/- *Secretary,*
Health and Labour Department.

To

The Superintendent of Government Presses, Trivandrum for
Publication in the Gazette.

The Director of Municipalities.

The Commissioner (thro' Chairman) Municipal Council, Erna-
kulam and Fort Cochin.

The Examiner of Local Fund Accounts.

The Chief Engineer PHED.

The Health and Labour (K) Deptt.

ANNEXURE B**GOVERNMENT OF KERALA**

No. 26335|F2|63|HLD

Health and Labour 'F' Deptt.,

Dated: Trivandrum, 22nd October, 1965.

MEMORANDUM

Sub:—Property tax—Arrears of water charges due to the Public Health Engineering Department from the Municipalities of Ernakulam, Mattancherry and Fort-Cochin—Clearance of—Instructions issued—

Ref: G.O. M.S. 811|65|HLD

dated 14-10-1965.

In the G. O. cited, direction has been issued to the Municipal Councils of Ernakulam and Fort-Cochin to levy property tax at the rate of 1½% (including 4% water and drainage tax) and 21 per cent (including 4% water and drainage tax) respectively, with effect from 1-4-1966 with a view to bring the financial position of the above Municipalities to a satisfactory level for the clearance of water charges due to the Public Health Engineering Department.

The Mattancherry Municipality is now levying water tax at 4%. Excess water charges for non-domestic consumption collected by this Municipality is Rs. 8 for 1000 gallons, and for domestic consumption is Rs. 3 for 1000 gallons. There is no wide gap between Municipal receipts and the cost of water payable to the Public Health Engineering Department. The arrears accumulated since the Municipality has diverted water receipts for other purposes. The Director of Municipalities is requested to keep a watch on this Municipality in regard to the clearance of water charges.

The excess water charges for non-domestic consumption levied by the Ernakulam Municipality is only Rs. 3 for 1000 gallons as against Rs. 8|- in Mattancherry and for domestic consumption Rs. 1.50 only as against Rs. 3|- in Mattancherry. Similarly the excess water charges for non-domestic consumption levied by the Fort-Cochin Municipality is only Rs. 4/- per 1000 gallons and for domestic consumption only Rs. 2|-. In order to bridge the wide gap between receipts and expenditure under water supply, Government consider that the rate of excess water charges for domestic purposes levied by the Ernakulam and Fort-Cochin Municipalities may be enhanced to Rs. 3|- per 1000 gallons and that for non-domestic purposes to Rs. 6|- per 1000 gallons. The Municipal Councils are advised to consider this suggestion and to propose necessary amendments to their water supply bye-laws.

It is also observed that while the Schedule of free allowance of water in Fort-Cochin is reasonable that in Mattancherry and Ernakulam is not proportionate. It is therefore considered that the Schedule or free allowances in Muttancherry and Ernakulam may also be brought on a par with that in Fort-Cochin. The Councils are advised to amend their bye-laws accordingly.

It is pointed out that the Ernakulam Municipality has sustained heavy loss on account of not replacing repairing disordered meters in time. The purposes of revising the schedule would be defeated if proper attention is not paid for maintaining meters in good condition. It is seen that necessary direction has been issued in this regard to the Director of Municipalities in Memo No. 26653/H1.A3|63| DD dated 18-2-1964. The Director of Municipalities is requested to report the action taken in this regard.

Sd/-

K. Velappa Menon,
Deputy Secretary.

To

The Director of Municipalities etc. etc.

APPENDIX XLIV

(See para 6.22, 6.24, 6.37)

Note on para 23—Audit Report, 1964

Industrial Estates:

34. Es'tate-wise statement in regard to arrears of rent also in respect of individuals showing the amount due, the amount realised and arrears relating to subsequent periods:—

Statement Appended. (Annexure)

35. What is the penal rate of interest and under what conditions are they charged.

The relevant clause for charging penal rate interest as in the agreement is reproduced below:—

2. The lessee shall pay a monthly rent of Rs..... (Rupees..... only) fixed by the lessor, for the factory building and the rent shall be paid on or before the 10th working day of every succeeding month to the Administrative officer of the Industrial Estate or the authorised representative of the lessor. The lessee shall be entitled to get due receipt for the payment of rent. Any delay in payment of rent will entail the payment of interest on the arrears due at 6% and in calculating interest on arrears fraction of a month will be considered as one full month.

36. Total amount of loan recovered till now from the Government of India for this Scheme and the amount of expenditure incurred so far.

| Year 1 | Loan received 2 |
|-------------------|--------------------|
| | Rs. |
| 1955-56 | 8,05,500 |
| 1956-57 | 8,05,500 |
| 1957-58 | 12,15,000 |
| 1958-59 | 10,00,000 |
| 1959-60 | 11,42,000 |
| 1960-61 | 11,42,000 |
| 1961-62 | 1,81,000 |

| 1 | 2 |
|---|-----------|
| | Rs. |
| 1962-63 | 16,12,000 |
| 1963-64 | 5,59,500 |
| 1964-65 | 7,31,000 |
| 1965-66 | 4,41,000 |
| TOTAL | 76,87,000 |
| Less. | 54,000 |
| Over paid in 1961-62 adjusted in 1962-63 | 54,000 |

Total loan received from Government of India. " 76,33,000

Expenditure incurred :

Expenditure from 1955-57 to 1962-63. Rs. 90,61,720—*Vide* letter No. AA, VI/52(2 B-1) 64-65/196 dated 27-7-1964 from the Accountant General.

Expenditure booked in the Director of Industries and Commerce's Office. for the years 1963-64.

| | Rs. |
|--------------------|-------------|
| 1963-64 | 18,97,427 |
| 1964-65 | 20,59,900 |
| upto 9.65. | 5,14,800 |
| TOTAL | 1,35,33,946 |

37. What were the difficulties for the Public Works Department to complete the approach roads and make sanitary arrangements in the case of Olavakkot Estate?

The construction works in the Industrial Estate, Olavakkot were started in 1957 and to start with the construction was being done by a Special Division formed for the purpose under the Joint Director of Industries and Commerce (Industrial Estate). In the original plans prepared for the Estate provision was made for only two sets of common latrines and urinals and construction was done accordingly. However when some of the industrialis's actually moved in there was a clamour from them that each shed should have its own sanitary arrangements in the back-yard. So the construction of individual septic tank latrines and urinals was actually undertaken only during early 1959.

Water supply from a well in the Industrial Estate was provided initially itself and the Estate did not suffer for want of water. The only difficulty was that the supply of water from the well was not adequate especially during the summer months as the well used to be nearly dry during summer. Later on another well with a larger storage capacity was completed and thus the water supply was augmented.

Regarding the approach road the road was there even at the beginning during the construction days. However the surface of the road was not very good as the road had not been maintained for a very long time. Dustless surfacing was done during early 1960.

As explained earlier the works were undertaken by the Special Sub-division under the Joint Director of Industries and this continued till early 1959. During early 1959 the post of Joint Director of Industries was abolished and the construction works were entrusted to the regular P.W.D. Even though the control was vested with the P.W.D., the P.W.D. took some time to appoint separate staff for the Estate, with the result that the work of providing sanitary arrangements for individual sheds as well as dustless surfacing of roads was delayed.

But lack of these amenities has not stood in the way of occupation of these sheds as the sheds were getting filled up one by one even during early 1958.

38. A detailed note giving the facts of the case how there was lack of co-ordination and whether this matter was taken up with the Kerala State Small Industries Corporation?

Even when the sheds were originally completed in 1958 water supply arrangements were provided in the Industrial Estate, Ollur, by pumping from a well within the Estate Compound. At that time, supply of water to individual sheds was not arranged and only common taps at few points in the Industrial Estate Compound was provided. In order to provide adequate water supply to cater the demand of all the sheds water was arranged to be pumped later from Panamkuttichera at the distance of nearly half a mile from the Estate. This was completed by the end of 1959 and at that time water supply was arranged to individual sheds. Since this water supply was by pumping from a tank, the water could be utilised only for industrial purposes and there was a clamour from the occupants of sheds for supply of piped water for drinking. The

requirement of drinking water at that time was met from the well in the Estate compound by means of an overhead tank from where the Industrialists had to take water.

Steps were then taken to provide piped drinking water to all sheds and for this the Public Health Engineering Department was requested in 1960. The Public Health Engineering Department then prepared a detailed estimate for providing drinking water supply arrangement. The detailed estimate for improvement and addition to water supply in the Industrial Estate at Ollur for Rs. 20,450/- prepared by the Public Health Engineering Department was forwarded by the Director of Industries and Commerce in his letter No. K2-78174/61 dated 18-11-1961 and it was sanctioned by Government in G.O.M.S. No. 34/Ind. dated 9-1-1962. On receipt of the sanction the Public Health Engineering Department took steps for acquisition of land. When the Kerala State Small Industries Corporation was formed, this work was entrusted to the Corporation to expedite the work. The work in connection with this was delayed because of the delay in acquisition of land. It is reported by the Director of Industries and Commerce that there was considerable delay in acquiring the proposed land. The land acquisition has been completed and a revised estimate has been sanctioned in G.O.M.S. 482/65 dated 6-11-1965. The Kerala State Small Industries Corporation is going ahead with the work.

39. Action taken to fix responsibility for delay in providing amenities e.g., water supply etc.

No action was taken to fix responsibility for delay in providing amenities since as explained earlier, some arrangements were in force to supply water from the initial stage.

40. When did the State Government claim subsidy from Government of India?

The history of the case is as follows:

The Kerala Government undertook the construction of Industrial Estates so that Small Scale Industrialists could be persuaded to start industrial units. Three types of sheds were constructed—A type (3200 sq. ft.), B type (1800 sq. ft.) and C type (900 sq. ft.) Economic rent as calculated by the P.W.D. came to Rs. 280/- per mensem for A type Rs. 160/- for B type and Rs. 80/- for C type. The State Government took the decision to give the sheds on subsidised rent at 50% of the above rates as an incentive to intending industrialists. The State Government informed the Government of India that 50% of

rent may be met by the State Government on 50:50 basis. The Government of India asked for further details, on the calculation of economic rent. This information was supplied.

On July 30, 1960, the Government of India sent a communication to the Government of Kerala indicating the basis on which rent on Industrial Estates' sheds should be calculated. This excluded the cost of administrative buildings, recreational buildings, first-aid post, power supply service station and quarters for essential staff. In general, the instructions of the Government of India would have meant the calculation of higher amount of rent from the industrialists. The Government felt that it will be difficult to adopt this method of calculation. Finally, the Government of India sent a proforma together with their letters dated the 29th March 1963 instructing the Government of Kerala that rent be calculated accordingly and particulars sent to them.

The Government of Kerala accepted the proposal and informed the Government of India that the revised claim on the basis of the proforma will be forwarded to the Government of India shortly. But later, on the 21st September, 1963, the Government of India informed the State Government that:—

“the question of revision of the existing formula in respect of calculation of economic rent is under the consideration of the Government of India. As soon as a final decision in the matter is arrived at, it will be communicated to you. You are, therefore, requested to keep this case pending and resubmit the proposal according to the new formula when the same is communicated to you.”

Finally, on the 28th September, 1963, the Government of India communicated their decision on economic rent and also the basis for fixing the proposed subsidised rent. Action is being taken on this.

As advised by the Government of India, the Kerala Government were awaiting their decision on the rent to be levied.

*Sd./ Joint Secretary,
Industries Department.*

ANNEXURE

34. State-wise statement in regard to arrears of rent, also in respect of individuals showing the amount due, the amount realised, and arrears relating to subsequent periods.

Arrears as on 31-12-1963 and the collection from the above till October 1965.

| Name of the Estate | Arrears upto 31-12-1963 | Arrears collected since 31-12-1963 | Balance of arrears |
|---------------------------|-------------------------|------------------------------------|--------------------|
| 1. Pappanamcode | 24,488.51 | 4,327.60 | 20,260.91 |
| 2. Kollakadavu | 17,740.45 | 7,710.62 | 10,035.84 |
| 3. Ettumanoor | 12,067.03 | 6,873.87 | 5,193.16 |
| 4. Palluruthy | 140.70 | 140.70 | Nil. |
| 5. Ollur | 28,439.32 | 8,260.32 | 20,229.00 |
| 6. Olavakkot | 6,045.93 | 5,513.93 | 532.00 |
| 7. West Hill | 3,128.20 | 2,178.84 | 949.36 |
| 8. Palayad | 2,978.10 | 1,600.00 | 1,378.10 |
| TOTAL | 35,084.25 | 36,505.88 | 58,578.37 |

Sd./- Dy. Secretary.
Industries Department.

APPENDIX XLV

Note on para 60—(Paras 6.64, 6.77, 6.81, 6.89 & 6.90). *Audit Report, 1965.*

A copy of the agreement dated 3rd May, 1958, concerning other facilities and a copy of the agreement regarding bamboo as it had emerged finally together with a copy each of supplemental agreement and the agreement for the excess areas for which Government will charge at the rate of Rs. 7.50.

ANSWER.—Copies of the agreements dated 3rd May, 1958 [relating to labour (Annexure) and Annexure A thereto, which is the Principal Agreement for the supply of 1,60,000 tons of bamboos annually] and a copy of the supplemental agreement dated 6th August, 1962 (Annexure B) are enclosed herewith. No agreement has been executed between the Government and the Company relating to the excess areas for which Government will charge at the rate of Rs. 7.50. The Chief Conservator of Forests has in his letter No. C3-35376/64, dated 6th November, 1965 (Annexure C) stated that the excess bamboos sanctioned was 13,000 tons and the area from which it was to be extracted was from the Chalakudy Circle excluding the forests of Kottayam Division. The period prescribed was one year and the price fixed was Rs. 7.50 per ton. Government while sanctioning this in Memo. No. 2600/F4/64/AD, dated 30th September, 1964, (Annexure D) stated that no separate agreement need be taken for this supply.

Out of the 13,000 tons sanctioned, with the time limit of one year, within the period prescribed the Company extracted only 2,000 tons. Government as per G.O. Rt. No. 2097/Agri., dated 11th October, 1965 (Annexure E) has granted one year's extension as per the request of the Company. Attested copies of the above documents are enclosed herewith.

In the course of evidence it was stated that Government received from the Company an amount under protest. What is the actual amount received under protest?

ANSWER:—It is true that when Government passed orders in G.O.M.S. No. 411/Ind., dated 6th July, 1964, (Annexure F) clarifying that the seigniorage fee of Re. 1 per ton of bamboo removed by the Company from the contract and additional contract areas fixed as

per clause 8 of the agreement is for 'green bamboo', the Company protested and requested Government that it should be for air-dry. Government in letter No. 8061/F3/65/AD, dated 3rd March, 1965, (Annexure G) rejected the request of the Company. Since then the Company has not made any protest against these orders and whenever green bamboos are being collected the Department is charging them Re. 1 per ton. The amount remitted by the Company between the date of protest and the date on which Government rejected their request is Rs. 73,487 only as reported by the Chief Conservator of Forests. This amount includes the cost of bamboos burnt in Chedleth and Sultans Battery Ranges in Kozhikode Division in March 1964—viz. Rs. 10,987 remitted by the Company in February, 1965.

A note indicating the time limit prescribed for removing felled bamboos, whether this was prescribed in the present case and the condition was fulfilled and if not, the reasons, therefor. On what date was the time limit prescribed?

ANSWER:—In his D.O. Letter No. C3-35376/64, dated 16th August, 1965, (Annexure H), to the Conservator of Forests, Kozhikode, the Chief Conservator of Forests has indicated that the bamboos collected by the Company should be removed within a period of one month positively. An attested copy of this letter is enclosed herewith. It is true that the letter of the Chief Conservator of Forests (No. C3-35376/64, dated 16th August, 1965) prescribing the time limit for removing felled bamboos has no retrospective effect. In the Felling Rules (Annexure J) also, which form part of the working plan, there is no rule prescribing such a limit. This is a defect in the Rules. Action is being taken to incorporate a rule prescribing the time limit. The Company is now aware of this time limit as indicated in the note of the Chief Conservator of Forests.

N. CHANDRA BHANU,

*Secretary to Government of Kerala,
Industries Department.*

ANNEXURE

**AGREEMENT BETWEEN THE GOVERNMENT OF KERALA AND
.....CO. LTD., NAGDA**

THIS AGREEMENT made this the Third day of May One Thousand Nine Hundred and Fifty-eight between the Governor of Kerala (hereinafter referred to as "the Government") of the one part and

the..... Co. Ltd., a Company incorporated under the Gwalior Companies Act (1 of Samvat 1963) and having its Registered Office at (hereinafter referred to as the "Company") of the other part;

WHEREAS the Company intends to set up a factory for the manufacture of rayon grade wood pulp in the Nilambur-Beyppore area in the District of Kozhikode, Kerala State;

AND WHEREAS the Company has obtained from the Government the exclusive right and licence to fell, cut and remove bamboos from certain areas in the Nilambur Valley in the State of Kerala as per Agreement attached as Appendix 'A' hereto for the purpose of converting the same into rayon grade wood pulp or for purposes connected with the manufacture thereof in any connection with the said factory;

AND WHEREAS it is the intention and purpose of the parties hereto to promote industries in the State and improve industrial relations between the Company and its labour and to establish a basis of understanding relative to wage rates and other conditions of employment and of means for the amicable adjustment of all disputes and grievances and to achieve the highest level of workman performance consistent with safety and good health.

HOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:—

1. That it is the right and responsibility of the Company to maintain discipline and efficiency in the plant, and to hire labourers and to discharge them for any cause which to the Company appears just, and to relieve labourers from duty on account of inefficiency or lack of work or other valid reasons subject only to the provisions contained in the Standing Orders of the Company consistent with the statutes in force.

2. That the introduction of time standards and selection, placing and distribution of personnel are the responsibilities of the Company, and that the right to plan, direct and control operations of the plant, to introduce new or improved production methods, to extend production facilities, and to establish production schedules and quality standards are solely and exclusively the rights and responsibilities of the Company. The right and responsibility of the Company to exercise these and other functions will subject to statutes in force, be respected in every case.

3. That it is the right of the Company to make such rules and regulations, from time to time, for the purpose of maintaining discipline, order, safety or effective operation of the Company's work and to require compliance thereof by labourers.

4. That the Company shall:

- (a) pay wages and dearness allowance in accordance with a wage schedule which will be prepared by the Company on the basis of a scientific job evaluation;
- (b) adopt hours of work and overtime wages as may be stipulated in the Factories Act, subject to clause 6(b) hereof;
- (c) provide termination benefits, leave, holidays and welfare-amenities in accordance with rules to be framed by the Company and notified to employees; and
- (d) ensure the settlement of grievances expeditiously and frame the procedure for the handling of such grievances.

5. That bonus will not be related to the Company's profits or earnings but where found necessary by the Company will only be related to and paid on efficiency and productivity, according to schemes which may be formulated by the Company from time to time.

6. (a) The Government covenants that the Company observing and performing the several functions and stipulations indicated herein shall peaceably hold and enjoy the premises, liberties and powers granted in pursuance of this Agreement or any other Agreement without any interruption by the Government or any person rightfully claiming to act for them. Government shall at all times endeavour to bring about cordial relations between management and labour and in the case of any dispute involving harassment of the management and/or any other illegal act resulting in interruption in production, take timely and positively steps to prevent such occurrences.

(b) The Government agree with the Company that it will be difficult for them to carry on their activities, if the conditions obtaining at the time of starting their work are materially altered, and new burdens imposed on them in subsequent years. They will, therefore, do their utmost to ensure that the laws, rules and regulations relating to the Company's relations with labour and taxes and levies on the Company, are so administered as not to materially alter the conditions under which the Company begins its operations.

7. If any dispute, question or difference shall arise between the parties hereto touching this deed or any clause or thing herein contained or the construction hereof of any matter in any way

connected with this deed then and in every or any such case, the matter in difference shall be referred to the Secretary to the Government of India, in the Ministry in which the subject of "Industry" is dealt with at the time of the reference to arbitration, and this deed shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act and all provisions of the Arbitration Act, 1940, the Rules thereunder and any statutory modification or re-enactment thereof shall apply to such arbitration. The decision of the Arbitrator will be final and binding on the parties.

8. In witness thereof the said parties have hereunto set forth their hands and seal the day and year first above written.

Signed by Shri M. Abdussalam, I.A.S.

Sd/-

Secretary to Government of Kerala in
the Department of Industries for and on
behalf of the Governor of Kerala in the
presence of:—

1. Sd/- Chief Conservator of Forests.
2. Sd/- C. Thomas, Secretary to Government.

The common seal of the above-named Co. Ltd., was hereunto, affixed and these presents were signed by.

1. Sd/-
(Directors)

2. Sd/-

and two of the Directors in the presence of:—

1. Sd/-
2. Sd/-

ANNEXURE 'A'

THIS AGREEMENT made the third day of May One Thousand Nine Hundred and Fifty-eight BETWEEN the Governor of Kerala (hereinafter referred to as "the Grantor") of the one part and the Co. Ltd., a Company incorporated under the Gwalior Companies Act, (1 of Samvat 1963) and having its Registered Office at (hereinafter referred to as "the Company") of the other part;

WHEREAS the Company intends to set up a factory for the manufacture of rayon grade wood pulp in the Nilambur-Beyppore area in the district of Kozhikode;

AND WHEREAS the Company is desirous of obtaining a grant from the Grantor of the exclusive right and licence to fell, cut and remove bamboos from certain areas in the Nilambur Valley in the State of Kerala for the purpose of converting the same into Rayon Grade Wood Pulp or for purposes connected with the manufacture thereof or in any connection with its said factory;

AND WHEREAS the Grantor has agreed to grant the said lease to the Company subject to the restrictions, terms and conditions hereinafter appearing:

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:—

1. (a) *Period of agreement and exclusive licence.*—The Company shall have the exclusive right on licence for a term of 20 years reckoned from the date of actual commencement of the regular working of the factory, subject to the restrictions, terms and conditions, hereinafter contained—to fell and cut bamboos for the purpose of conversion into rayon grade wood pulp or for purposes connected with its factory and to remove the same from such areas in the Nilambur Valley as are hereinafter more particularly described. The date of actual commencement of the regular normal work of the factory will be determined in accordance with the terms of the licence issued to the Company under the Industries (Development & Regulation) Act (Act LXV of 1951) and as amended from time to time.

(b) It is expressly understood that the bamboo extracted by the Company as per this agreement shall not be used for purposes other than those hereinbefore mentioned.

2. *Areas over which lease extends.*—The Company shall have the exclusive right to extract bamboos as aforesaid from the areas in the Nilambur Valley hereinafter referred to as the "Contract Areas" as described in the Schedule hereto and in accordance with such rotation as the Chief Conservator of Forests, Kerala, may in consultation with the Company from time to time decide, and to the intent that the Grantor shall at all times give to the Company reasonable facilities to enable it to extract its requirements for operating a hundred tons per day wood pulp (rayon grade) plant which requirements are presently estimated at 1,60,000 tons (One hundred and sixty thousand) tons of bamboos yearly. It is further agreed that if

the Contract Areas are not capable of yielding to the Company the said quantity of bamboos annually, the Grantor shall permit the Company to fell and remove bamboos from such other areas in proximity of the Contract Areas to be specified hereinafter in the said Schedule and described therein as "Additional Contract Areas" as will enable the Company to obtain the aforesaid quantity annually. Should the Company within the period of this agreement require and the Grantor shall have available within the Nilambur Valley bamboos in excess of the said quantity, the Company shall, subject to the right of the Grantor to make proper arrangements for the requirements of the Forest Deptt. and of the local market for bamboos and subject to Clause 4 be entitled to obtain and the Grantor shall grant a separate lease or leases to fell and remove such other quantity so as to provide for an expansion of the plant up to 100 per cent, provided that any and every such separate lease shall terminate on the same day as this Agreement and the seigniorage payable under such lease or leases shall be payable at the rate of seigniorage prescribed in Clause 8 of this agreement; and further that should the Company require bamboos in excess of the quantity required for a 100 per cent expansion in capacity the lease or leases for the felling and removal of bamboos in excess of the quantity shall be upon such terms as may be mutually agreed upon.

3. *Security deposit.*—To secure due performance of the terms and conditions herein provided the Company has deposited with the Divisional Forest Officer, Nilambur, the sum of Rs. 5,000 (Rupees Five thousand only) (the receipt of which is hereby acknowledged) and the said sum shall be returned to the Company six months after the termination of this agreement. Provided that the Grantor shall be entitled to forfeit the said sum in the event of the Company committing such a breach of the terms of these presents as would entitle the Granter to determine the lease hereby granted.

4. *Grantor not to make similar lease.*—The Grantor undertakes that the contract areas and additional contract areas will be exclusively reserved for the Company and he will not during the continuance of this agreement grant any lease or concession within this area to any other person. The Grantor further undertakes not to grant any lease or concession for cutting and extraction of bamboos in the said Nilambur Valley outside the contract and additional contract areas, if any, for any other industrial purpose from the date of these presents till the end of the period of three years from the date of commencement of the regular normal working of the factory with a view to enable the Company to decide as to whether or not to expand the capacity of the plant up to 200 tons per day. Thereafter the grantor further undertakes not to grant any such lease or

concession to any applicant unless such lease or concession has in the first instance been offered to the Company and the Company shall thereupon be entitled to exercise the option of accepting such lease on payment of such seigniorage as may have been tendered by the applicant or upon such other terms as may be mutually agreed upon. Provided that such option should be exercised within a period of six months from the date of receipt of the intimation in writing of the grantor's intention to grant any lease or concession.

5. Restrictions and reservations to the exercise of rights and powers in the contract areas and the additional contract areas.—In regard to the contract areas and the additional contract areas there will be expressly reserved and accepted:—

(a) The possession and beneficial ownership of the Grantor in the soil and all mines and minerals upon or in or under the said areas and the right to make such use of the soil to erect such buildings or structures and instal such plant upon it and to subject it to such operations for the purpose of minerals or otherwise as to the Grantor may seem proper;

(b) All grazing, cultivating and other surface rights, other than and except the rights expressly granted to the Company by these presents;

(c) The right to all trees and other natural products of the soil other than bamboos;

(d) The right of the Grantor to destroy bamboos in any portion of the areas for sylvicultural purposes including the making of experimental plantations subject in each case to a maximum area limit of one hundred acres per annum. Should the Grantor require any areas entered in the schedule for any purpose of development, he shall have the right to any reasonable portion of the same provided that he shall make available to the Company equal facilities for bamboo extraction in other areas convenient to the Company;

(e) The right of the Grantor to extract bamboos from any portion of the Contract Areas for departmental works in the Nilambur Forest Division, subject to a limit of one thousand tons per year;

(f) The Company undertakes to supply bamboos within the contract areas to the existing local users of bamboos at rates to be fixed by the Company in consultation with the Divisional Forest Officer, Nilambur, the quantities to be thus supplied shall not exceed one thousand tons.

6. *Felling Rules.*—The Company shall abide by the Rules prescribed by the Forest Department for felling bamboos in the areas worked by the Company and a copy of which Rules will be given to the Company, and in the event of the Company being found to carry on felling in a manner contrary to the aforesaid rules the Grantor shall serve a notice on the Company to abide by the said Rules. The felling Rules will be subject to modification by the Chief Conservator of Forests, Kerala State in consultation and in agreement with the Company from time to time.

7. *Grantor to lease site for erection of store-houses etc.*—The Grantor, if so required by the Company shall lease to the Company a suitable site or sites to be selected by the Company out of such sites as are at the disposal of the Grantor within the areas for the erection of storehouses, sheds, depots, bungalows, staff offices, agencies and other buildings of a like nature *bona fide* required for the purpose of the business connected with these presents such lease to be rent free for the terms of the Agreement.

8. *Seigniorage.*—No rents or other payments save such as are herein expressly mentioned shall be payable by the Company in respect of the Contract Areas (including Additional Contract Areas) for the period during which the same shall be held, but the Company shall have to pay the Grantor a seigniorage of Re. 1 (One Rupee) per ton of bamboo removed from the Contract Areas and Additional Contract Areas ascertained as provided by Clause 9 hereof. Provided that in the event of the Company exercising the option for renewal of this lease as hereinafter provided the seigniorage payable will be subject to revision at ten year intervals after the first twenty years.

9. *Forest Depots.*—For the purpose of ascertaining the quantity of bamboos from time to time removed by the Company so that the seigniorage due may be calculated thereon the following provisions shall have effect, namely:—

(a) All bamboos which the Company may remove shall be taken through such depots as may from time to time be agreed between the parties (hereinafter referred to as the 'Forest Depot').

(b) The 'Forest Depot' shall be in the charge of a clerk and one temporary guard and the Company shall pay the wages of such clerk and guard but no further expenses will be payable by the Company in respect of the 'Forest Depot' and no rent will be charged therefor. The salaries of the 'Forest Depot' clerk and the guard in charge of the 'Forest Depot' shall be paid by the Company annually in advance to the Divisional Forest Officer, Nilambur Forest Division.

10. *For use of a right of way to and over Contract Areas and Additional Contract Areas subject to restrictions imposed by the Divisional Forest Officer.*—Subject to such reasonable restrictions as may from time to time be imposed by the Divisional Forest Officer, Nilambur Forest Division, the Company shall during the continuance of these presents have the right to use any lands, roads or streams outside the Contract Areas and the Additional Contract Areas, which belong to or are under the control of the Grantor, for the purpose of having free ingress and egress to and from the Contract and Additional Contract Areas and also all such lands, roads or streams within the Areas.

11. *Liability to make roads etc.*—On request by the Company, the Grantor shall allow the Company, subject to such reasonable restrictions as may from time to time be imposed, to make dams across streams, cut out canals, make water courses, irrigation works, roads and bridges, railways and tramways and any other works useful or necessary for the purpose of the business of the Company in or upon the Contract Areas and Additional Contract Areas and also to widen or deepen existing brooks, channels, or waterways for the purpose of the said business.

12. *Assignment.*—The Company shall not (except as part of a general transfer of its undertakings or reconstruction) assign the benefits of this Agreement or grant transfer, mortgage or part with any right or privilege thereunder granted without the previous permission in writing of the Government of Kerala.

13. *Option for renewal.*—The Company will have the option of renewing the lease for further periods of 20 (twenty) years at a time on the same terms and conditions as these presents, except that the rate of seigniorage payable on bamboos will be liable to revision at ten year intervals after the first twenty years.

14. *Remedy in the event of breach of the Agreement by the Company.*—In the event of the Company making any serious breach of the terms of this Agreement, the Grantor may give the Company a notice in writing to rectify the same. But if, in the opinion of the Grantor, the Company has failed to do so the Grantor shall be entitled to have the matter referred to Arbitration under Clause 16 thereof.

15. This Agreement shall be subject to the Madras Forest Act and rules thereunder at the date of this Agreement, copies of which are appended, in so far as they are not modified or superseded by any specific clause in this Agreement.

16. *Arbitration.*—If at any time hereafter either during the continuance or after the termination of the Agreement, any doubt, differences or dispute shall arise between the parties hereto touching or concerning their respective rights or privileges hereunder or otherwise arising out of these presents then the same shall be referred to the arbitration of three independent persons as arbitrators, one to be appointed each party to the reference and the third, by both the parties hereto, and the unanimous decision of the said arbitrators or, in the event of any difference of opinion amongst them the decision of the majority of them, shall be binding and conclusive on the parties to the reference and every such reference shall be deemed to be a reference to arbitration under the Indian Arbitration Act, 1940 and shall be regulated and conducted accordingly.

17. All sums found due to the Grantor under this Agreement shall be recoverable under the provisions of the Revenue Recovery Act for the time being in force as though they were arrears of land revenue due to Government.

IN WITNESS WHEREOF the said parties have hereunto set their hands and seal, the day and year first above written.

Signed by Shri C. Thomas, I.A.S., Secretary
to the Government of Kerala in the Agriculture
Department acting for and on behalf
of the Governor of Kerala

Sd./-

In the presence of:

1. Sd|- Chief Conservator of Forests.
2. Sd|- M. Abdussalam, Industries Secretary.

The Common seal of the above names
.....Co. Ltd.,
was hereunto affixed and these presents
were signed by.

Sd|-
(DIRECTORS)

and two of the Directors in the presence of:

1. Sd|-
2. Sd|-

SCHEDULE

I. All that Government Forests, which are situated in the Earnad Taluk, Kozhikode District and which are specified in green in the Sketch appended hereto.

II. All that sixteen Unsurveyed Forests situated in the Ernad Taluk in Kozhikode District belonging to Private Parties and the local names of which are mentioned below and the location of which are shown roughly in the sketch hereto in red.

- (a) Nilambur Kovilagam, Malavaram.
- (b) Manjeri Kovilagam, Malavaram.
- (c) Punchakkolli Malavaram.
- (d) Kookil Nair Malavaram.
- (e) Puzhuthuthi Malavaram.
- (f) Vadakkekotta Malavaram.
- (g) Erankole and Nellikkal Malavaram.
- (h) Kozhiparamala Malavaram.
- (i) Cherankode Malavaram.
- (j) Cherumba Malavaram.
- (k) Kannothe Malavaram.
- (l) Urageerattiri Malavaram.
- (m) Neduncheeri Malavaram.
- (n) Chekkikuzhi Malavaram.
- (o) Kotatchikandan Malavaram. and
- (p) Calvary Mount Estate.

ANNEXURE B

EIGHT ANNAS STAMP PAPER

(KERALA)

THIS AGREEMENT is executed on this the Sixty day of August One thousand Nine hundred and sixty-two **BETWEEN** the Governor of Kerala (hereinafter referred to as "the Grantor") of the one part and the.....Co. Ltd., a Company incorporated under the Gwalior Companies Act, (1 of Samvat 1963) and having its Registered Office at Birlagram, Nagda (hereinafter referred to as "the Company") of the other part;

WHEREAS an agreement was entered into on the third day of May 1958, between the parties hereto (hereinafter called "the Principal Agreement") under which the Company was given the exclusive right to extract bamboos from the areas in the Nilambur Valley

referred to as the 'Contract areas' as described in the schedule to the Principal Agreement, subject to the restrictions, terms and conditions contained therein;

WHEREAS in Clause 2 of the Principal Agreement it was further agreed that if the contract areas are not capable of yielding to the Company the quantity of 1,60,000 tons of bamboos annually the Grantor shall permit the Company to fell and remove bamboos from such other areas in proximity of the contract areas to be specified in the schedule to the Principal Agreement and described as "additional contract areas" as will enable the Company to obtain the said quantity of 1,60,000 tons annually and whereas it is necessary to specify the 'additional contract areas' as provided for in clause 2 of the Principal agreement;

AND WHEREAS certain areas of forest not available with the Government were included in the 'contract areas' in the Principal Agreement and whereas it is necessary to exclude such areas from the schedule to the Principal Agreement;

NOW THIS DEED WITNESSETH as follows:—

1. In the Principal Agreement—

- (i) In the Schedule, the following items shall be deleted and shall be deemed always to have been deleted.

All that sixteen unsurveyed forests situated in the Ernad Taluk in Kozhikode District belonging to private parties and the local names of which are mentioned below—

- (a) Nilambur Kovilagam, Malavaram.
- (b) Manjeri Kovilagam, Malavaram.
- (c) Punchakkolli Malavaram.
- (d) Kookil Nair Malavaram.
- (e) Puzhuthuthi Malavaram.
- (f) Vadakkekotta Malavaram.
- (g) Erankole and Nellikkal Malavaram.
- (h) Kozhiparamala Malavaram.
- (i) Cherankode Malavaram.
- (j) Cherumba Malavaram.
- (l) Kanneth Malavaram.

- (l) Uragattiri Malavaram.
- (m) Neduncheri Malavaram.
- (n) Chakkikuzhi Malavaram.
- (o) Kottachikadan Malavaram.
- (p) Calvary Mount Estate.

(ii) In the Schedule after the description of the contract areas the following shall be added:

ADDITIONAL CONTRACT AREAS

Government Reserve Forests in the Forest Division of Wynad, Kozhikode, Palghat and Nemara.

2. It is hereby further agreed that should the Company within the period of the Principal Agreement require and the Grantor shall have available within the contract areas and the additional contract areas bamboos in excess of the quantity of 1,60,000 tons per year as mentioned in clause 2 of the Principal Agreement, the Company shall, subject to the right of the Grantor to make proper arrangements for the requirements of the Forest Department and of the local market for bamboos and subject to the terms and conditions in the Principal Agreement, be entitled to obtain and the Grantor shall allow the Company to fell and remove, such quantity of bamboos over and above the said quantity of 1,60,000 tons per year, upto a maximum limit of 40,000 tons per year, for the expansion of the Company's plant provided that such right shall terminate on the same day as the Principal Agreement, and the Seigniorage payable for such bamboos under this clause shall be at the rates of seigniorage prescribed in clause 8 of the Principal Agreement and the terms and conditions mentioned in the said clause 8 shall apply to such bamboos also. For any further expansion upto a capacity of 200 tons, the Grantor shall permit the company to extract and remove further quantities of bamboos if available in the contract and additional contract areas.

2. Subject to the modifications noted above the Principal Agreement shall be and remain in full force and effect.

IN WITNESS WHEREOF Shri K. C. Sankaranarayanan, Secretary to Govt., Agriculture & Rural Development Department, for and on behalf of the Governor of Kerala and Shri..... & Shri....

....for and on behalf of theLtd., have hereunto set their hands and seals the day and year first above written.

Signed by Shri (sd.-) K. C. Sankaranarayanan,
Secretary to Govt., Agriculture Department.

On behalf of the Governor of Kerala.

In the presence of witnesses:—

1. M. P. George, (sd.-).
Chief Conservator of Forests, Kerala.
2. M. Abdussalam, Managing Director, (Sd./-)
Kerala State Industrial Development Corpn.

Signed by Shri.....and Shri.....for and on behalf of the.....Co. Ltd.

The Common seal of the Company is hereunto affixed and these presents are signed by.

Sd|-

Sd|- Seal of the....Co. Ltd.

The Directors of the Company in the presence of witnesses:—

1. Sd|-
2. Sd|-

ANNEXURE C

Copy of letter No. C3-35376|64 dated 6-11-1965 from the Chief Conservator of Forests addressed to the Agriculture & Rural Development Department Secretary.

Central Public Accounts Committee—Details required.

Ref: D.O. 29922|R3|65|ID dated 5-11-1965 from Shri K. L. N. Rao, Deputy Secretary, Industries Department.

In his D.O. letter cited, Shri K. L. N. Rao has requested me to furnish the following information:—

- (i) Agreement for the excess area for which Government will charge at the rate of Rs. 750 (.....).
- (ii) In the course of evidence, it was stated that Government received from the Company an amount under protest. What is the actual amount received under protest?

- (iii) A note indicating the time limit prescribed for removing felled bamboos, whether this was prescribed in the present case and the condition was fulfilled and if not, the reasons therefor. On what date was the time limit prescribed?

2. I am furnishing hereunder the answers to the above:—

(i) The excess bamboos sanctioned was 13,000 tons and the area from which it was to be extracted was from the Chalakudy Circle excluding the forests of Kottayam Division. The period prescribed was one year and the price fixed was Rs. 7.50 per ton. Government while sanctioning this in Memorandum No. 2600|F4|64|AD dated 30th September, 1964 has stated that no separate agreement need be taken for this supply. Copy of Govt. order is enclosed.

Out of the 13,000 tons sanctioned, with the time limit of one year, within the period prescribed the Company extracted only 2,000 tons. Government as per G.O. Rt. No. 2097|Agri. dated 11-10-1965 has granted one year's extension as per the request of the Company.

(ii) When the Government ordered that the rate fixed for bamboo is for green bamboos and not for air-dry, in their order G.O.M.S. No. 441|Ind. dated 6th July, 1964, the Company has protested and appealed to Government against this order and all the remittances made after this date was under protest, but Government in their order No. 8061|F3|65|AD dated 3rd March, 1965 turned down this request and the Company is since then paying value according to the green ton weight whenever green bamboos are extracted. Even now, major quantity extracted is dead and partly decayed bamboos and the payments made on the actual weight. Under these circumstances I would like to know whether Government still wants the amount remitted between the dates of protest and the date on which Government turned down their request for revision of orders.

(iii) The time limit was prescribed as per this office D.O. No. C3-35376|64 dated 16th August, 1965 copy of which has already been furnished to Joint Secretary to Government, Industries Dept. in this office No. C3-35376|64 dated 4th November, 1965.

3. I am marking a copy of this letter to Shri K. L. N. Rao, Deputy Secretary, Industries Dept. also.

Copy of Memorandum No. 2600/F4/64/AD dated 30-9-1964 from agriculture & Rural Development Department (Agri-Forest)

Sub. Supply of raw materials to.....

Ref: Govt. Memos No. 11400/F4/64/AD dated 25-3-1964 and 10-6-1964.

2. Correspondence resting with the letter No. G1-10319/61 dated 5-8-1964 from the Chief Conservator of Forests.

The.....Company have been making requests off and on for procuring raw materials such as reeds, top-ends, eucalyptus and bemoos for their Comanpy at Mavoor. After considering all decisions taken at various conferences held on the matter, Government are pleased to issue the following orders, in addition to those already communicated in the Government references cited.

Sanction is accorded for the supply of reeds, available after meeting the requirements of the.....Mills to the.....for one year, at Rs. 6 per metric tonne under the same terms and conditions given to the.....Mills. from Chalakudy Circle, excluding the Kottayam Division. The question of extension of the period will be considered at the end of the year.

In the Government Memorandum dated 23rd March 1964. the Chief Conservator of Forests was asked to undertake planting of eucalyptus species in Kozhikode circle. In elucidation of this, he is requested to take necessary steps for planting eucalyptus in 15,000 acres, in Nilambur and Wynad areas during the next five years, starting from the next Planting season.

The eucalyptus trees in Peermade area, planted by the Government will be earmarked for.....for making good the deficit, if any, in their raw material requirements of the existing factory at Mavoor subject to the agreement price, which is yet to be fixed, after negotiation, as the exact incidental expenses that have been incurred for the plantation till the trees are ripe for cutting, which is expected only by 1967 onwards, cannot be decided now. These understandings regarding supply of additional raw material will apply only as long as there is deficit in the requirements of raw material for the existing factory at Mavoor.

Govt. are also pleased to fix a rate of Rs. 10 per tonne for the top-ends. The 'per tonne' will be "volume tonne" of two cubic metres (2 metres long, 1 metre wide and 1 metre high) stacked volume. The

supply will not be in bone dry condition and the Company will have to collect and transport the top ends from the stacking site of this coupes, plantations or other forest areas.

Sanction is also accorded for the supply of 13,000 tonnes of bamboos from Chalakudy circle, excluding Kottayam Division, for a period of one year. The question of extension of the period will be considered at the end of the year. The price of these bamboos will be Rs. 7.50 per tonne of green bamboos.

Sanction is also accorded to allot alternative areas in the place of the submergible forests in sungom range and Game Sanctuary in Thekkady range, taking into consideration the quantity of bamboos that would be available in these areas.

The other requests of the Company cannot be complied with.

The Chief Conservator of Forests is informed that there is no need to execute any formal agreements in respect of the supply of reeds and bamboos from the Chalakudy circle. However, he will take necessary steps to safeguard the interests of Government.

T. R. SUKUMARAN NAIR,

Joint Secretary.

To

The Chief Conservator of Forests.

ANNEXURE E

GOVERNMENT OF KERALA

ABSTRACT

Forests—Supply of raw materials to the..... Company—
Collection of Bamboos from Chalakudy Circle—Extension
of period—Sanctioned.

Agriculture & Rural Development Department

(Agriculture-Forest)

G.O. Rt. No. 2097/Agri.

Dated 11-10-1965.

Read:—1. Government Memorandum No. 2600/F4/64/AD dated 30-9-1964.

2. Letter No. C3-35376/64 dated 2-9-1965 from the Chief Conservator of Forests.

ORDER

In the Government Memorandum read above, orders were issued for the supply of 13,000 tonnes of bamboos to the.....Company from Chalakudy Circle (excluding Kottiyam Division) for a period of one year. It was also ordered that the question of extension would be considered at the end of the year.

2. The Chief Conservator of Forests has now reported that the Company could hardly remove 2000 tonnes so far and has recommended that an extension for one year may be granted to the Company free of penalty for collection and removal of bamboos.

3. Government have considered the matter and are pleased to grant an extension for one year free of penalty for collection and removal of bamboos.

(By order of the Governor)

M. K. BHASKARAN,
Assistant Secretary,

To

The Chief Conservator of Forests.

The Co.....Ltd., Mavoor, Kozhikode.

The Accountant General (This order issues with the concurrence of Finance Department)

The Finance Department—vide U.O. No. 7772p Agri. & Dev/A1/65/Fin. dated 27-9-1965.

Copy to: Personal Clerk to Additional Secretary.

Copy to: Stock File.

Forwarded/By order

Sd/-

Superintendent.

ANNEXURE F
GOVERNMENT OF KERALA

ABSTRACT

Industries—Establishment of a Rayon Grade Pulp Factory at Mavoor, Kozhikode District—Supply of bamboos—Clarification regarding green or air dry bamboo—orders issued.

INDUSTRIES 'H' DEPARTMENT

G.O. MS. No. 441/Ind.

Trivandrum, dated 6-7-1964.

Read:—From the Chief Conservator of Forests letter No. G1-10319/61 dated 8-12-1963.

ORDER

Government have entered into an agreement with M/S.....Co. Ltd., Kozhikode for the supply of 1,60,000 tons of bamboos annually for the establishment of Rayon Grade Pulp Factory at Mavoor in Kozhikode District. According to condition 8 of the agreement, the company shall have to pay to the Government a seigniorage fee of Re. 1/- per ton of bamboo removed from the Contract and Additional Contract Areas as provided in clause 9 of the Agreement. The Chief Conservator of Forests has in his letter read above sought for clarification whether the rate of seigniorage fee fixed is for green or for air dry bamboo.

Government hereby clarify that the seigniorage of Re. 1/- per ton of bamboo removed by the Company from the contract and additional contract areas fixed as per clause 8 of the Agreement refers to 'green bamboo'.

(By order of the Governor)

V. VENKATANARAYANAN,

Joint Secretary.

To

The Chief Conservator of Forests, Trivandrum.

The Accountant General, Trivandrum.

Copy to M/S.....Co. Ltd.

Copy to Agriculture & Rural Development Dept. (Agri.).

The Director of Industries & Commerce, Trivandrum.

ANNEXURE G
GOVERNMENT OF KERALA

No. 8061/F3/65/AD

Agriculture & Rural Development Department, (Agriculture-
Forest)

Dated, Trivandrum. 3-3-1965.

om

Secretary to Government.

To

Shri....., Vice-President, (Finance & Commerce)
.....Co., Ltd. Mavoor, Kozhikode.

Sir,

Sub: Extraction of bamboos—Regarding.

Ref: Your letters dated 13-2-1965 and 19-2-1965.

With reference to the discussion you had in the room of the Agriculture Production Commissioner at the Secretariat on the A.N. of 18th instant, I am directed to inform you as follows:—

Since Government have taken a decision that the seigniorage of Re. 1/- per ton, to be realised for the bamboos supplied from the Contract and Additional Contract Areas as per the Agreement entered into between the Company and the Government will be for green bamboos, i.e. bamboos in the condition as they are extracted from the areas, after considering all the aspects of the question and the representations made by the Company in this regard, Government consider that no revision or modification of this decision is called for.

Sd/-

Secretary to Government,
Agriculture & Rural Development Dept.

ANNEXURE H

Copy of D.O. Letter No. C3-35376/64 dated 16-8-1965 from Shri M. P. George, Chief Conservator of Forests, Kerala addressed to Sri C. M. John, Conservator of Forests, Kozhikode.

Supply of bamboos to the.....

The bamboos collected by.....has to be removed within a period of one month positively. The agreement indicates that the

Company shall abide by the rules prescribed by the Forest Department for felling bamboos in the area worked by the Company. Eventhough feeling rules have been prescribed and instructions issued regarding the measurement of bamboos by fixing the length and height of the load in the lorries, there is a definite lacuna arising from the absence of time limit for collection of felled bamboos. It is essential that stipulation regarding the time limit is insisted. The bamboo will not reduce or shrink by storage and dryage. But if left in the forest, it is definite to rot and deteriorate. I therefore request you to see that the Company is directed to remove the cut bamboos within a month of cutting. In the case of non-observance of this condition a notice shall be issued to the Company, calling their attention.

With best wishes,

Sd/- M. P. GEORGE,
Chief Conservator of Forests.

ANNEXURE I

BAMBOO FELLING RULES:

1. All silvicultural works, i.e. cleanings, main fellings etc. shall be constantly supervised by a forest official. The felling should progress from one direction to another and should be conservative.
2. Cleanings will precede the main fellings. Both these operations should invariably be carried out through different mazdoors.
3. deleted
4. Fellings will be restricted to the bigger and denser clumps; only old mature and dead clump shall be removed from open clumps.
5. Clumps shall be cut as low as possible varying to a height of 6"—12" from ground level. The cut may be higher where support is needed. In all cases the actual cut shall be immediately above a node and slanting.
6. No manu (shoot of the preceding rains) or leading exterior shall be cut for binding bundles etc.
7. Digging out of rhizomes shall be prohibited.
8. No cut portion of a bamboo will be left in a clump.

9. Clumps which have flowered may be clearfelled after the seed fall and not earlier. Clumps which have only partially flowered and only clumps which have flowered may be cut in like manner.
10. The maximum number of shoots cut in a clump must not exceed the total number of manus and one year old shoots.
11. The shoots left after main felling must be uniformly distributed over the root stock and there must be no danger of any shoot toppling over or bending for want of support.
12. Use of blunt implements shall be prohibited to avoid any splitting of stools.

APPENDIX XLVI

(See para 6.112)

Note on para 85—Audit Report, 1965

Avoidable payment of compensation.

NOTES

Heavy Transformer manufacture was reserved by the Government of India for the public sector. The Government of India issued a licence to Shri.....Managing Director,.....Bombay on the 26th September, 1961 due to the good offices and efforts to the State Government, for the establishment of a Heavy Transformer Factory at Ankamaly, in technical and financial collaboration with M/S.... Ltd., Japan with an authorised capital of Rs. 2.2 crores and issued capital of Rs. 150 lakhs. The Government of India had taken into consideration, while issuing the licence, the fact of financial participation by the Government of Kerala and M/S.....Ltd., Japan to the extent of 50 per cent of the share capital (25 per cent by the State Government and 25 per cent by M/S.... Ltd).

For finalising the details of technical collaboration etc. some time was taken. Finally, on 10-12-1962, the representatives of the respective parties signed the basic agreement and such other agreements required for the implementation of the project. Shri...., the licensee, refused to spend money on the initial operational work for setting up the factory. To avoid delay in the implementation of the project, Government as agreed to by other parties, sanctioned the payment of an advance of Rs. one lakh to the General Manager, Kerala Heavy Electricals Project, so as to enable him to meet the preliminary expenses connected with the establishment of the Company's factory buildings etc. The amount was to be adjusted later on towards the share capital participation of Government in the Company.

Shri...registered a Company and issued notice for the first meeting of the Board of Directors. The Government and M/S.... Ltd., Japan found that their representatives were not in the Board of Directors of the Company. They had no member in the Company either Government and M/S...Ltd. were very much concerned about the unauthorised action of Shri...who did not consult either the Government or...on the selection of the first Directors even

though this subject was discussed once informally in the previous meeting of the Committee of Sponsors and agreed to be postponed to the next meeting. Further discussions were held at Trivandrum on the future working of the Company. It became clear at these discussions that Shri...and M/S....Ltd. could not work together. Later, M/S....Ltd. expressed their inability to continue the agreement already entered into with the other two parties. Under the Basic Agreement, M/S....Ltd. had the option to cancel the Agreement in the event Shri...was not able to obtain within six months the approval of the Government of India to the terms and conditions contained in the Agreement. M/s....Ltd. exercised this option and therefore the Agreement became ineffective and inoperative. Seeing the danger of losing the chance of setting up a Heavy Transformer Factory in the State, the Kerala State Industrial Development Corporation, a fully Government owned Company, approached the Government of India to obtain a fresh licence to set up the factory. M/S....Ltd. agreed to collaborate with the Corporation both technically and financially for the setting up of the factory, subject to the condition that they would not be subject to legal action by Shri...On the request of M/S....Ltd. Government wrote a letter to them indemnifying them from any possible expenses occasioned by the former licensee. Meanwhile, Government of India revoked the licence granted to Shri...consequent on his failure to take effective action for the implementation of the licence.

Government of India granted a fresh licence to the Kerala State Industrial Development Corporation for the establishment of the Heavy Transformer Factory, in technical and financial collaboration with M/S....Ltd. with an authorised capital of Rs. 2.2 crores and issued capital of Rs. 1:1 crores. The State Government agreed to take shares to the extent of Rs. 22.6 lakhs. Kerala State Industrial Development Corporation agreed to take shares to the extent of Rs. 23 lakhs. M/S....Ltd also agreed to take shares to the extent of Rs. 28.6 lakhs by way of supply of machinery required for the factory. The Basic Agreement and other Agreements were signed by the representatives of the three parties on 5-2-1963. A New Company was registered by name "Transformers and Electricals Kerala Ltd" for the implementation of the licence.

Meanwhile, Shri...sent a notice of Arbitration to M/S....Ltd with copy to the Government questioning the right of M/S....Ltd to break away from the Agreement. Shri...has in the meanwhile, been sending emissaries asking for compensation for his labours and threatening legal action against the Government and

M/S....Ltd. After considering all the aspects of the question, the parties came to the conclusion that the best course would be to pay for expenses incurred by Shri...by way of preliminary expenses in connection with the project for registration of the Company and also some compensation.

Government could not rule out the possibility of Shri...in a thwarted mood dragging both M/S...and Government to the court with possible adverse repercussions on the prestige of both Government and...and with the possibility of the implementation of the project being held up indefinitely. This may also have an adverse effect on the industrialisation of the State. Government considered all these aspects. To avoid all these consequences, they considered that some settlement should be arrived at with Shri... Government considered that the payment of Rs. 2 lakhs as compensation to him was justifiable. Government also considered that in making the settlement, a clear document should be obtained from Shri...stating that he would have no claims whatsoever against the Government and...and also that on no account he will have right for any further relief or compensation from Government in any manner. An agreement containing the above provisions, approved by the Government was executed by Shri....

In the circumstances explained above, Government in G.O. MS. No. 250/Ind dated 31-3-1964 accorded sanction for the payment of a sum of Rs. 2 lakhs to Shri...towards the expenses incurred by him by way of preliminary expenses in connection with the project for registration of the Company and also as compensation. The payment was sanctioned by the Council of Ministers.

In September 1964, the new Company, viz. Transformers and Electricals Kerala Ltd reimbursed the amount of Rs. 2 lakhs to the Government along with other organisational and promotional expenses incurred by Government.

As already stated, in the new Company, the Government have taken shares to the extent of Rs. 28.8 lakhs. Kerala State Industrial Development Corporation have also taken shares to the extent of Rs. 25 lakhs. The new company consists of 9 Directors, 3 representing Government, 3 representing Kerala State Industrial Development Corporation and the remaining 3 representing M/S....Ltd.

N. CHANDRA BHANU,
Secy. to Government,
Industries Department.

APPENDIX XLVII

(See Para 6.115)

Note on para 79—Audit Report, 1965

48. Action taken to include provision in the Kerala Khadi and Village Industries Board Act for placing a separate audit report regarding the State Board before the Legislature as recommended by the State Public Accounts Committee in their report of 1963-64.

A draft bill was drawn up to provide for placing the audit report before the State Legislature. By that time the Legislature was dissolved. In the meantime the Khadi Commission circulated a model Act for the State Khadi and Village Industries Boards for consideration of the State Government. This model Act also contains provisions for placing the audit report before the State Legislature. This model Act is under examination by Government. The question whether the existing Kerala Khadi and Village Industries Board Act should be amended separately to provide for placing the Audit Report before the Legislature or whether this may await till the decision on the Model Act is taken is being considered by Government.

APPENDIX XLVIII

(See para 6.134)

Note on para 79—Audit Report, 1965

Total amounts of grants received by the Board from the Khadi and Village Industries Commission and from the State Government during 1963-64 and 1964-65. The figures of expenditure, production targets and achievements and the number of schemes involved during these two years:—

The particulars are furnished in Annexures I and II enclosed. The information regarding the funds received from the Khadi and Village Industries Commission and the State Government are shown separately in the Annexures under "A" and "B".

Para 79 (i) Utilisation of loans and grants:

(49) During what period of time 324 institutions became actually defunct upto October, 1964?

The 324 institutions became actually defunct during the following period:

| Year | No. of institutions/Co-operative Societies became defunct |
|------------------------|---|
| 1958 | 40 |
| 1959 | 85 |
| 1960 | 65 |
| 1961 | 58 |
| 1962 | 55 |
| 1963 | 21 |
| TOTAL | 324 |

(50) Figures of loans and grants given scheme-wise for the year 1963-64.

The industry-wise disbursements of loans and grants for the year 1963-64 are as below:—

| S. No. | Name of Schemes | Disbursement | |
|--|--|--------------|--------------|
| | | Loan | Grant |
| (Rs. in lakhs) | | | |
| A. Schemes of the Khadi and Village Industries Commission | | | |
| (1) | Khadi & Ambar | 0.97 | 2.26 |
| (2) | Village Oil | 5.36 | 2.56 |
| (3) | Hand pounding of Paddy | 9.40 | 2.12 |
| (4) | Bee-keeping | 0.01 | 0.16 |
| (5) | Fibre | 0.34 | 0.33 |
| (6) | Carpentry and Blacksmithy | 0.10 | 0.14 |
| (7) | Palmgur | 0.84 | 0.15 |
| (8) | Gurkhandsari | 0.65 | 0.11 |
| (9) | Hand Made Paper | 0.52 | 0.28 |
| (10) | Cottage Match | .. | .. |
| (11) | Village Pottery | 1.73 | 0.69 |
| (12) | Non-edible oil and soap | 1.03 | 0.47 |
| (13) | Village Leather | 0.62 | 0.22 |
| (14) | Lime Manufacturing | 0.12 | 0.01 |
| (15) | Gobar gas | .. | .. |
| (16) | Sales Development | .. | 0.53 |
| (17) | Integrated Development programme | .. | 0.61 |
| | TOTAL | 21.69 | 10.64 |
| B. State Schemes | | | |
| | New Village Industries (Bamboo and Reed, Cane and Rattan, Koragrass and Scrowpins) | 0.54 | 0.23 |
| | GRAND TOTAL | 22.23 | 10.87 |

Para 79 (ii)

(51) How many defunct Co-operative Societies were revived.

Out of the 324 defunct co-operative societies/institutions, 17 co-operative societies/institutions have since been revived. A list showing the institutions revived is enclosed (Annexure III).

Para 79(v)

(52) A note explaining how goods costing Rs. 47,934 were missing, action taken on the communication from the Accountant General, Kerala for disciplinary action.

It is not correct to say that Khadi goods costing Rs. 47,934·06 were missing from the Khadi Gramodyog Bhavan, Trivandrum. This figure represents the total money value of the shortages which occurred in the Bhavan during the period June, 1959 to March, 1963. Further it is not an outright loss to the Board. Against this shortage, there is a corresponding excess, valued at Rs. 31,831·49. Thus the net loss that has occurred is to the tune of Rs. 16,102·57 only. The very fact that there has been large scale excesses against shortages only shown that this is not a case of missing.

The principle of adjusting the value of excesses against shortages in respect of similar or near similar varieties was approved by Government as G.O. M.S. 303/Ind. dated 27th April, 1964. A copy of the above Government order together with particulars of varieties which have to be adjusted as approved by Government is enclosed. Government have also been pleased to give retrospective effect to the above G.O. (vide Government's letter No. 5067/E2/65/ID dated 9th April, 1965. The above principle was accepted by Government following the procedure adopted in the neighbouring State of Madras in this regard. The Government of Madras have also accepted this procedure in principle as per their Government order MS. 585 dated 13th August, 1962, a copy of which is also enclosed. In fact the question of adjusting the excesses against shortages in respect of similar or near similar varieties was taken up by the Board with the Government in the analogy of the principle already accepted by the Madras Government. The above principle does not therefore require any modification.

The irregularities in the Khadi Gramodyog Bhavan were first detected on 8th November, 1962, at the time of inspection of the Marketing Officer of the Board. Subsequently the stock verification and the audit of accounts of the Bhavan were arranged. The above work was completed on 24th July, 1963. The shortage of stock was noticed at the stock verification on 31st March, 1963. The Marketing Officer of the Board was authorised to conduct a detailed enquiry into the allegations against the Manager and to submit a report. The report of the Marketing Officer was received on 25th April, 1964. Thereafter charges were framed against the Manager on 14th June, 1964 and his written explanation was received on 1st July, 1964. In

the written explanation he wanted that he should be given an opportunity for an oral hearing as per rules. He also wanted copies of certain statements and files, which were also furnished to him. At the time of oral hearing on 7th August, 1965 he however refused to give any statement. The whole matter is being placed before the Board for permission to take criminal action against the delinquent.

Sd/-

*Administrative Officer,
Kerala Khadi and Village Industries Board.*

ANNEXURE I

KERALA KHADI AND VILLAGE INDUSTRIES BOARD

| Name of Industry | Budget allotment during 1963-64 (Rs. in lakhs) | | Receipt during 1963-64 (Rs. in lakhs) | | Expenditure during 1963-64 (Rs. in lakhs) | | Target of production (Rs. in lakhs) | Production (Rs. in lakhs) | Employment | | |
|--|--|-------|---------------------------------------|-------|---|-------|-------------------------------------|---------------------------|------------|-----------|---|
| | Loan | Grant | Loan | Grant | Loan | Grant | | | Full time | Part time | |
| | | | | | | | | | | | 1 |
| A. Khadi & V. I. Commission : | | | | | | | | | | | |
| 1. Khadi and Ambar | 10.18 | 7.33 | 4.20 | 5.20 | 0.97 | 2.26 | 17.80 | 24.06 | 16,120 | 565 | |
| 2. Village Oil] | 18.64 | 2.03 | 12.00 | 4.25 | 5.36 | 2.56 | 100.00 | 61.22 | 1,141 | 1,577 | |
| 3. Handpounding of peddy | 14.01 | 3.00 | 14.70 | 3.95 | 9.40 | 2.12 | 16.05 | 19.11 | 1,635 | 629 | |
| 4. Bee-keeping | 0.10 | 0.91 | 0.23 | 1.56 | 0.01 | 0.16 | 2.78 | 3.30 | .. | 4,063 | |
| 5. Fibre | 0.48 | 0.45 | 2.04 | 2.02 | 0.34 | 0.33 | 0.42 | 0.52 | 160 | 659 | |
| 6. Carpentry & Blacksmithy | 0.13 | 0.17 | 0.13 | 0.17 | 0.10 | 0.14 | 0.25 | .. | .. | .. | |
| 7. Palnagar | 3.86 | 2.67 | 3.86 | 2.37 | 0.84 | 0.15 | 20.00 | 70.63 | 24,678 | 28,123 | |
| 8. Gurkhandsari | 1.11 | 0.57 | 1.11 | 0.57 | 0.65 | 0.11 | 23.20 | 19.68 | 544 | .. | |
| 9. Handmade paper | 1.00 | 0.43 | 0.64 | 0.41 | 0.52 | 0.28 | 2.00 | 0.76 | 106 | 4 | |
| 10. Cottage Match | .. | .. | 0.53 | 0.18 | .. | .. | .. | .. | .. | .. | |
| 11. Village Pottery | 3.19 | 1.54 | 3.44 | 1.69 | 1.73 | 0.69 | 15.71 | 18.04 | 1,691 | 83 | |

| I | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|-----|
| 12. Non-edible Oil & Soap | 1.78 | 0.74 | 1.73 | 0.62 | 1.03 | 0.47 | 5.53 | 2.83 | 54 | 3,223 | |
| 13. Village Leather | 0.99 | 0.54 | 1.11 | 0.39 | 0.62 | 0.22 | 1.08 | 0.36 | 27 | 55 | |
| 14. Lime Manufacturing | 0.45 | 0.05 | 0.45 | 0.05 | 0.12 | 0.01 | .. | 1.70 | 7 | 99 | |
| 15. Manufacture of manure methane gas. | 0.06 | 0.04 | 0.04 | 0.01 | .. | .. | .. | .. | .. | .. | |
| 16. Sales Development | .. | 4.52 | .. | 2.24 | .. | 0.53 | .. | .. | .. | .. | |
| 17. Integrated Development programme. | .. | 1.50 | .. | 1.28 | .. | 0.61 | .. | .. | .. | .. | |
| TOTAL | 55.98 | 26.49 | 46.26 | 26.96 | 21.69 | 10.64 | 204.82 | 222.21 | 46,235 | 39,833 | |
| B. State Scheme : | | | | | | | | | | | |
| 1. General Administration. | .. | 5.55 | .. | 4.64 | .. | 4.66 | .. | .. | .. | .. | |
| 1. Bamboo and Reed | } | 1.02 | 0.46 | 0.76 | 0.30 | 0.54 | 0.23 | .. | 0.29 | 773 | 411 |
| 2. Cane & Rattan. | | | | | | | | | | | |
| 3. Screw pinc. | | | | | | | | | | | |
| 4. Koragrass. (New Village Industries) | | | | | | | | | | | |
| TOTAL | 1.02 | 6.01 | 0.76 | 4.94 | 0.54 | 4.89 | .. | 0.29 | 773 | 411 | |
| GRAND TOTAL | 57.00 | 32.50 | 47.02 | 31.90 | 22.23 | 15.53 | 204.82 | 222.50 | 47,008 | 40,244 | |

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Sd/-
Secretary,
Kerala Khadi and Village Industries Board
Trivandrum.

ANNEXURE II
KERALA KHADI AND VILLAGE INDUSTRIES BOARD

| Name of Industry | Budget allotment for 1964-65 (Rs. in lakhs) | | Receipt during 1964-65 (Rs. in lakhs) | | Expenditure during 1964-65 (Rs. in lakhs) | | Production Target (Rs. in lakhs) | Production (Rs. in lakhs) | Employment | | |
|--|---|-------|---------------------------------------|-------|---|-------|----------------------------------|---------------------------|------------|-----------|----|
| | Loan | Grant | Loan | Grant | Loan | Grant | | | Full time | Part time | |
| | I | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| A. Khadi & V. I. Commission : | | | | | | | | | | | |
| 1. Khadi and Ambar | 16.80 | 6.36 | 6.47 | 7.39 | 6.81 | 5.62 | 25.58 | 28.87 | 15,746 | 2,297 | |
| 2. Village Oil. | 21.34 | 6.79 | 7.27 | 2.16 | 11.04 | 2.27 | 116.00 | 80.91 | 1,152 | 1,207 | |
| 3. Handpounding of paddy. | 17.24 | 4.44 | 0.13 | 0.39 | 2.42 | 0.96 | 28.50 | 14.66 | 1,415 | 660 | |
| 4. Bee-keeping. | 0.08 | 0.94 | 0.18 | 0.73 | 0.27 | 0.08 | 3.10 | 9.05 | 150 | 8,649 | |
| 5. Fibre. | 0.91 | 1.13 | 1.12 | 1.19 | 1.73 | 1.77 | 0.75 | 2.88 | 566 | 2,743 | |
| 6. Carpentry & Blacksmithy | 1.35 | 0.80 | 0.47 | 0.46 | 0.49 | 0.49 | 0.75 | 0.64 | 20 | 46 | |
| 7. Palmgur. | 11.33 | 5.06 | 1.39 | 1.43 | 1.43 | 0.32 | 30.00 | 57.75 | 185 | 37,677 | |
| 8. Gurkhandsari | 1.41 | 0.24 | 0.21 | 0.32 | 0.61 | 0.06 | 30.25 | 16.08 | 644 | .. | |
| 9. Handmade Paper. | 1.52 | 0.21 | 1.99 | 0.88 | 1.62 | 0.72 | 4.50 | 1.61 | 113 | 162 | |
| 10. Cottage Match. | 2.28 | 0.52 | 0.15 | 0.07 | 0.43 | 0.18 | .. | 0.02 | 9 | 35 | |
| 11. Village Pottery. | 6.79 | 2.80 | 3.45 | 1.64 | 4.86 | 2.24 | 22.83 | 21.75 | 2,273 | 452 | |
| 12. Non-edible Oil & Soap. | 4.01 | 0.74 | 1.44 | 0.40 | 1.67 | 0.50 | 8.31 | 4.64 | 96 | 3,270 | |

| I | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| 13. Village Leather. | 1.69 | 0.84 | 1.10 | 0.53 | 1.13 | 0.55 | 4.30 | 0.67 | 35 | 26 |
| 14. Lime Manufacturing . | 1.10 | 0.12 | 0.69 | 0.14 | 0.75 | 0.14 | .. | 2.99 | 202 | 225 |
| 15. Manufacture of Mannur methane gas . | 0.16 | 0.00 | .. | 0.01 | .. | 0.01 | .. | .. | .. | .. |
| 16. Soles Development. . | .. | 2.76 | .. | 0.11 | .. | 3.79 | .. | .. | .. | .. |
| 17. Integrated Development programme. . | .. | 2.75 | .. | .. | .. | 0.70 | .. | .. | .. | .. |
| 18. Co-operation & Training. . | .. | 1.28 | .. | .. | .. | .. | .. | .. | .. | .. |
| TOTAL | 38.01 | 37.92 | 26.06 | 17.85 | 35.26 | 19.40 | 274.87 | 242.52 | 22,606 | 57,449 |
| B. State Scheme. | | | | | | | | | | |
| 1. General Administration . | .. | 4.50 | .. | 4.50 | .. | 5.31 | .. | .. | .. | .. |
| 2. New Village Industries . | 1.00 | 0.38 | 0.58 | 0.38 | 0.26 | 0.14 | .. | 0.31 | 773 | 411 |
| TOTAL | 1.00 | 4.88 | 0.58 | 4.88 | 0.26 | 5.45 | .. | 0.31 | 773 | 411 |
| GRAND TOTAL | 89.01 | 42.80 | 26.64 | 23.73 | 35.52 | 24.85 | 274.87 | 242.83 | 23,379 | 57,860 |

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Sd/-
Secretary,
Kerala Khadi and Village Industries Board,
TRIVANDRUM.

ANNEXURE III**KERALA KHADI AND VILLAGE INDUSTRIES BOARD***List of Defunct Co-operative Societies and Institutions since revived*

1. Alleppey Handmade Paper Industrial Co-operative society, Alleppey.
2. Changanacherry Metal and Allied Industrial Co-operative society, Changanacherry, Kottayam District.
3. Thalavoor Khadi and Village Industries Co-operative society, Quilon.
4. Parassala Women's Industrial Co-operative society, Trivandrum.
5. Koovappady Gur and Khandsari Industrial Co-operative society, Ernakulam.
6. Vadakkekara Gur Khandsari Industrial Co-operative society, Alleppey.
7. Malayattoor Gurkhandsari Industrial Co-operative Society Ernakulam.
8. Alangad Gurkhandsari Industrial Co-operative society, Ernakulam.
9. Kodakara Monpathra Vyavasaya Co-operative society, Trichur.
10. Anchalummodu Village Industrial Society, Quilon.
11. Kangazha Village Oil Co-operative society, Kottayam.
12. Anjengo Oil Industrial Society, Trivandrum.
13. Kundayam Handpounding of Paddy Industrial Co-operative society, Quilon.
14. Nooranad Khadi and Village Industrial Mahila Co-operative society, Alleppey.
15. Marukil Khadi Industrial Producers Co-operative society, Trivandrum.

16. Porumthanni Village, Industries Co-operative society,
Trivandrum.
17. Quilon Khadi Ulpadaka Viniyojaka Co-operative society,
Quilon.

Sd/- Secretary,
Kerala Khadi and Village Industries Board,
TRIVANDRUM

APPENDIX XLIX

(See paras 7.9 and 7.13)

Note on para 63—Audit Report, 1964.

Extra expenditure in the purchase of Teakwood poles:

On what basis orders for 50,000 poles and 16,000 poles placed when the capacity for treatment of poles was only 2,000 per month?

During the Public Accounts Committee Meeting held on 19th October, 1965, the Chairman, Kerala State Electricity Board mentioned that the treatment plant capacity per month is about 2,000 poles. This was a mistake and the actual capacity of the 4 plants working on two shifts during the 6 days of the week is 2,000 per week. Thus the plant capacity per month is 8000. This mistake was due to confusion between week and month during his replies. This mistake is regretted.

The Treatment are at

PALLOM, KUNDARA, VADAKKAMPALLY AND NELLALAM

During what particular periods 7000 poles had been issued at a time by the State Electricity Board?

(a) The issues of T.W. poles from 7/63 to 7/64 from the 4 Treatment Yards is given below:—

| | | | | | |
|-------|---|---|---|---|--------------|
| 7'63 | . | . | . | . | 3202 |
| 8'63 | . | . | . | . | 3323 |
| 9'63 | . | . | . | . | 2315 |
| 10'63 | . | . | . | . | 3465 |
| 11'63 | . | . | . | . | 6982 |
| 12'63 | . | . | . | . | 2881 |
| 1'64 | . | . | . | . | 6149 |
| 2'64 | . | . | . | . | 4500 |
| 3'64 | . | . | . | . | 5842 |
| 4'64 | . | . | . | . | 2133 |
| 5'64 | . | . | . | . | 3180 |
| 6'64 | . | . | . | . | 3213 |
| 7'64 | . | . | . | . | 5152 |
| TOTAL | | | | | <u>52337</u> |

Regarding issues, it may kindly be noted that the short fall from the estimated figure of monthly demand in July, August and September of 1963 was due to the fact that the season was rainy when outdoor work was slowed down. The short fall in April, May and June, 1964 was due to the fact that these months were at the beginning of the financial year and work could be commenced only after sanctioning estimates and funds. The estimates of the requirement of poles were mentioned as about 7000 poles per month based on physical targets of rural electrification, line extension and maintenance works proposed for the year. But these targets fell short during actual execution mainly due to the fact that minimum guarantees required were not received in time from the interested parties (Panchayats, consumers, etc.).

The number of poles issued during the past years is given below, which gives an indication of the demands for works:—

| | |
|---------|-------|
| 1961-62 | 37599 |
| 1962-63 | 60907 |
| 1963-64 | 50198 |
| 1964-65 | 54397 |

The Board taking the demands into consideration and the fact that availability of T.W. poles was becoming worse every year and the consequent rise in the cost of poles every year, took the decision to purchase as many poles as can be obtained reasonably and hence orders were placed on the two firms.

(b) From the above details, it may be seen that though 7000 poles have not been issued on any particular month, the issue on certain months have come up to very near to 7000.

Statements showing how the figures have been arrived at are appended hereto:

I. Issues from 7/63 to 7/64

| Month | L.T./11 kV. | Kundara | Pallom | Vadak- kampally | Nallalam | Total |
|-------|----------------|-------------|-------------|--------------------|-------------|-------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 7/63 | L.T. 11 kV. | 480 4 | 760 16 | 17 .. | 1815 110 | 3072 130 |
| 8/63 | L.T. 11 kV. | 964 172 | 369 4 | 55 .. | 1311 448 | 2699 624 |
| 9/63 | L.T. 11 kV. | 351 102 | 279 18 | 117 .. | 1324 124 | 2071 244 |
| 10/63 | L.T. 11 kV. | 1415 112 | 1049 32 | 120 6 | 644 87 | 3228 237 |
| 11/63 | L.T. 11 kV. | 2859 62 | 1358 24 | 254 38 | 2231 166 | 6702 280 |
| 12/63 | L.T. 11 kV. | 277 92 | 779 3 | 138 69 | 1360 163 | 2554 327 |
| 1/64 | L.T. 11 kV. | 1012 125 | 2159 54 | 559 100 | 2000 140 | 5730 419 |
| 2/64 | L.T. 11 kV. | 1982 26 | 1039 263 | 523 62 | 449 156 | 3993 507 |
| 3/64 | L.T. 11 kV. | 2972 154 | 1582 64 | 278 31 | 576 185 | 5408 434 |
| 4/64 | L.T. 11 kV. | 797 2 | 291 19 | 255 58 | 647 64 | 1990 143 |
| 5/64 | L.T. 11 kV. | 1184 44 | 749 1 | 369 49 | 619 165 | 2921 259 |
| 6/64 | L.T. 11 kV. | 552 74 | 393 21 | 335 17 | 1672 149 | 2952 261 |
| 7/64 | L.T. 11 kV. | 1413 44 | 734 146 | 979 32 | 1658 146 | 4784 368 |

II. Issues during the past 4 years.

| Year | L.T./11 kV | Kundara | Pallom | Vada- kampally | Nallalam | Total |
|-------|----------------|---------------|-----------------|-------------------|-----------------|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 61-62 | L.T. 11 kV. | 11,321 998 | 8,628 539 | 4,959 683 | 9,185 1,286 | 34,093 3,506 |
| 62-63 | L.T. 11 kV. | 16,289 930 | 11,195 552 | 3,171 770 | 16,061 1,939 | 56,716 4,192 |
| 63-64 | L.T. 11 kV. | 13,640 911 | 10,923 581 | 3,692 381 | 18,182 1,888 | 46,437 3,761 |
| 64-65 | L.T. 11 kV. | 15,782 968 | 11,932 1,010 | 6,221 937 | 16,062 1,485 | 49,997 4,400 |

The Details of Plant Capacities

| Name of Plant | Approximate duration of one charge | Approximate No. of poles that can be treated in one charge | Approximate total No. of poles that can be treated in a week (6 days—2 shifts). |
|------------------------|------------------------------------|--|---|
| Kundara | 6 hrs. | 40 to 50 | 720 |
| Pallom | 2 3/4 hrs. | 10 | 348 |
| Vadakampally | 2 hrs. | 3 to 5 | 192 |
| Nallalam | 2 hrs. | 20 | 960 |
| TOTAL | | | 2220 |
| | | | (Say 2000) |

K. P. ACHUTHAN NAIR,
Joint Secretary,
Public Works Department.

APPENDIX L

(See para 8.4)

Note on para 40—Audit Report, 1964

It was stated in evidence that there had been cases where lowest tenders used to be rejected on the ground of unrealistic rates. A list of works where the lowest tenders were rejected and the second lowest tenders accepted is given below :

| Name of work | 1st lowest | 2nd lowest | Amount as per the estimate | Remarks |
|---|---------------|---------------|----------------------------------|---|
| | Rs. | Rs. | Rs. | |
| 1. Construction of masonry evaporation tank at Research Dn. at Peechi. | 5804 | 6105 | 6432 | The rate quoted by the lowest tenderer for the item "providing reinforcement for R.C.C. work including cutting, bunding and tying of grills etc.. Complete" was Re. 0.40 per kilogram against Rs. 1.01 per kilogram provided for in the estimate. The rate quoted by the contractor was only just 50% of the actual cost of recovery (Re. 0.80 per kg.) of iron rods to be supplied departmentally. |
| 2. Constructing toe wall in the Okkal Branch Canal. | 2818 | 2880 | 4536 | On negotiation, the second lowest tenderer agreed to reduce the amount to Rs. 2,813/-. Further the rate quoted by the lowest tenderer for the item plastering with cement mortar 1:3 was Rs. 10.90 per square metre against the estimate rate of Rs. 20.83 and this was considered unworkable. |
| 3. Constructing 13 sluices in the 5th and 6th mile and a foot bridge at Chainage 4680 in 5th mile of Kodanad West Branch Canal. | 10341 | 10790 | 16472 | On negotiation, the second lowest tenderer agreed to reduce the amount to Rs. 10,325/-. The work was entrusted to him as the rates of the other tenderer were unworkable for the items shown below : <i>Item No. 6.—Supplying and fixing re-inforcements R. C. C. Work bent tied and placed in position</i> |

| 1 | 2 | 3 | 4 | 5 | |
|----|---|-------|-------|---|--|
| | | | | as per approved design including cost of departmental materials and cement complete. The estimate rate for this item was Rs. 0.99/Kg. The quoted rate of the lowest tenderer was only Re. 0.50/Kg. As the recovery rate for departmental materials (cement and M.S. Rods) alone was Re. 0.80/Kg. The quoted rate of the lowest tenderer was unworkable. | |
| 4. | Maintenance of Women and Children's Hospital, Trivandrum. | 4368 | 5085 | 10692 | The tender of the lowest tenderer was rejected, the rates being unworkable especially for painting, varnishing, wood oiling, polishing, supplying and fixing new glass panes and supplying/repairing chick thatties. |
| 5. | Surface dressing Trivandrum Vizhijam road up to Thiravallam bridge. | 13552 | 13783 | 20697 | The tender of lowest tenderer was rejected the rates being unworkable for earth work filling. Against the rate of Rs. 38.11 per unit provided in the estimate, the rate quoted by the contractor was Rs. 2.50 per unit. |
| 6. | Maintenance of newly constructed building in the Engineering College, Trivandrum. | 8028 | 8282 | 20010 | The tender of the lowest tenderer was rejected the rates being unworkable for the item replacing broken glass panes. Against Rs. 27.45 per unit provided in the estimate the rate quoted by the contractor was Re. 1/- per unit. |

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K. P. ACHUTHAN NAIR,
 Joint Secretary,
 Public Works Department,
 Telephone No. 3829.

APPENDIX 11

(See paras 8.7, 8.8)

Note on para 40—Audit Report, 1964

Periyar Valley/Irrigation Project—Details of rates for rock blasting done in various miles of Canals prevalent in the last 3 years.

| Sl. No. | Name of contractor | Year | Name of work | Estimate | Quoted |
|---------|---|---------|---|----------------------------------|---------------|
| | | | | Rate per unit (100 cubic ft.) | rate per unit |
| | | | | Rs. Ps. | Rs. Ps. |
| 1 | M. P. Poulose | 1956-57 | Main Canal 1st mile | 27-00 | 18-50 |
| 2 | K. V. Varghese | 1956-57 | Do. 2nd mile 1st reach | 30-75 | 30-50 |
| 3 | K. V. Joseph | 1956-57 | Do. 2nd mile 2nd reach | 29-25 | 24-00 |
| 4 | C. Kumaran Nair. | 1956-57 | Do. 9th mile | 28-00 | 16-94 |
| 5 | M. P. Poulose | 1956-57 | Do. 13th mile | 28-00 | 16-50 |
| 6 | K. V. Joseph | 1957-58 | Do. 3rd mile 1st reach | 27-50 | 17-50 |
| 7 | Ittan Thomas | 1957-58 | Do. 5th mile | 29-70 | 20-00 |
| 8 | V. I. Mathukutty (Power of Attorney to Sri M. P. John). | 1957-58 | Do. 14th mile | 32-00 | 30-00 |
| 9 | P. M. Varghese | 1957-58 | Do. 15th mile | 32-00 | 22-00 |
| 10 | T. V. George | 1958-59 | Do. 4th mile | 26-50 | 25-00 |
| 11 | K. A. Varghese | 1958-59 | Do. 6th mile 1st reach | 28-39 | 29-70 |
| 12 | P. K. Yohanan | 1959-60 | Kizhakkambalam Branch Canal 11th mile | 27-00 | 19-50 |

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APPENDIX LII

(See Paras 8.26 & 8.30)

Note in Para 46—Audit Report, 1964

PUBLIC WORKS DEPARTMENT

Loss of Stores

The cases under item (a) and (b) were reported to be under Police investigation. On what date the cases were reported to Police?

(a) *Shortage of materials in Bridges Division, Alwaye.*—The store keepers involved in the defalcation are Sarvashree....Government in the Home Department in their Memorandum No. 18235/F6/62/Home dated 4-6-1962 directed the Superintendent of Police, X-Branch, C.I.D., Trivandrum to enquire into the allegations against Sri....The case of Sri....was intimated to the Superintendent of Police, X-Branch, C.I.D., Trivandrum by the Chief Engineer, General and Irrigation in his letter No. 26036/63/Vig. dated 24-4-1963. The defalcation during the incumbency of Sri. K. K. Sugathan was intimated to the Superintendent of Police, X-branch, C.I.D. Trivandrum by the Chief Engineer in his letter No. 26036/63 Vig. dated 6-3-1965.

(b) *Shortage of materials in Buildings & Roads Division, Muvattupuzha.*—The store keepers involved are Sarvashree.....It is reported by the Chief Engineer (General and Irrigation) that as Sri....had already retired from service and as his case was not considered serious, it was not referred to the Police for investigation. In the case of Sri....the Chief Engineer, in his letter No. 58006/61/Vig. dated 25-3-1963 informed the Superintendent of Police, X-Branch C.I.D., Trivandrum that he was involved in the defalcation case in the Buildings and Roads Division, Muvattupuzha.

Sd/-

Joint Secretary.

APPENDIX LIII

(See Para 8.120)

Note on Para 46—Audit Report, 1965

A note giving details of the projects in full, the total amount of money spent on the project, the difficulties encountered, the results achieved and the future programme of anti-sea erosion work.

COASTAL PROTECTION WORKS IN KERALA

Kerala has a coast line of 350 miles lying in the north to south direction. This long coast line has helped the State in establishing a number of ports in addition to maintaining a flourishing fish industry thereby providing food and employment for a large number of population in the coastal area. The proximity to sea has enabled to develop a flourishing maritime trade with overseas countries even from time immemorial. Besides the sea board is rich with mineral deposits. But this coast line has also brought about many difficult problems to the State.

Geologically speaking, the coast line of Kerala is of recent formation consisting mainly of alluvial deposits. Out-crops of rocks are never found in the coast line except to the south of Trivandrum and north of Calicut. The backwaters along the coast line separate the main land from the Coastal tract which is longitudinal strip of water-logged area consisting of coconut gardens and extensive paddy fields. The National Highway and the inland navigation systems run parallel to the coast line with only a very narrow belt of low lying land separating them from the sea.

This coast line is exposed to heavy erosion in several places during the monsoon months starting from the end of May when the sea is usually rough. At some places the sea advances as much as 100 to 150 feet during the monsoon and recedes by 80 feet to 130 feet resulting in a loss of 15 feet to 30 feet of land every year. On a rough estimate of typical examples about 800 acres of land in Chellanam and Vypeon area, about 300 acres in the Pallithode and Anthakarazhi region and an equal extent in Quilandy and Tellicherry area have been consumed by erosion in the past 20 years or so.

In addition to this the tidal overflow also destroys dwelling places, paddy fields and other cultivated lands. A large number of families

residing in the coastal area live in constant fear of encroachment of the sea and the consequent loss of life and property.

Permanent protective measures on both sides of the Cochin Harbour started from 1936 and extended upto 1949. Erosion was found for a length of 12 miles from Mannassery to Pallithode in the south and for 4 miles from Nayarambalan to Kuzhipalli in the north of the Harbour. It was reported that a coastal strip of 6 furlongs width had been lost in the past fifty years in these areas.

The protective works consisted of sea walls of granite rough stone 6 feet wide at top and 1:1 slope on either side and 8 feet height. A total length of $4\frac{1}{2}$ miles was then protected. This sea wall was not a success as it was not able to prevent further erosion or withstand the violent waves. The dry rubble wall had been disturbed and shattered at almost all places.

Camp bell's bund was constructed by the then Madras Government in 1914 on the coast line north of Cochin Harbour (at Azhikode). Before constructing the bund groynes for lengths varying from 120 feet to 400 feet, were put up perpendicular to the coast line. The bund was formed of sand core with a casing of laterite and rubble masonry in cement mortar. It has got a height of 12 feet above mean sea level. This has prevented the erosion along this stretch of coast.

At Chilakur near Varkala in Trivandrum District 18 groynes were constructed by the State Power and Water Department nearly 70 years ago. These were mainly intended for protecting the very narrow beach between the sea and the 20th and 21st miles of T.S. Canal. Here stones up to 14 cubic feet had been used and sizes vary $\frac{3}{4}$ to 14 cubic feet. The distances between the groynes vary from less than 100 feet to more than 1000 feet. These are still standing well with very little of maintenance.

The following causes were attributed by the Central Water and Power Research Station, Poona for the failure of earlier Anti-sea Erosion works.

1. The sea walls consisted only of light stones weighing from 100 to 200 lbs. The slope of the sea wall was steep i.e. 1:1 and the top of the wall is not sufficiently high.

2. The walls, were not founded on fascine mattress as they should have been.

3. Lack of maintenance.

In 1953 severe erosion caused damage to coastal property on a large scale and attracted the attention of Central Government to this problem. An expert committee appointed by them recommended for model studies at the Central Water and Power Research Station, Poona. In the meantime work on the experimental sea wall was started in the First Five Year Plan and completed in 1956. This was followed by the construction of sea wall and groynes in many of the worst affected reaches of the coastline.

Damages have occurred in many of the sea walls and groynes so far constructed all along the coast. These are more when the size of stones used is smaller and are very severe when groynes alone are constructed and the length of the groynes get reduced after the high waves. The damages where groynes and sea wall are constructed simultaneously are comparatively less. Wherever possible the sea walls and groynes getting damaged are being reformed to the original shapes charged to the maintenance funds.

For immediate relief and prevention of further damages, some temporary protective measures were actually done in some places during May, June, 1963. This was in the form of putting temporary sand bunds, dumping sand bags, placing tar drums filled with sand in zig-zag manner along the coast to prevent overflow, driving cocoanut piles at close intervals to sufficient depth and height above ground level to dissipate the wave energy. This was somewhat successful.

The method of protection so far adopted was by way of putting up either rubble round groynes or groynes with sea walls. These have been done as already indicated as per the directions and guidance given by the Central Water and Power Research Station, Poona, after conducting model and prototype experiments and studies. These have been found effective in protecting the coast and even building up a beach in most cases for the length directly protected by such measures. But it is noticed that the trouble of erosion is getting shifted to the adjacent areas. It has therefore become necessary to devise a method of protection which will not be creating a fresh problem areas, will also be economical and effective in the long run. So recently the advice of foreign experts was sought for on the initiative of the Union Minister for Irrigation and Power, Dr. K. L. Rao. The Government of India accordingly requested the United States Agency for technical service in 1963 and they were good enough to arrange for a representative of the U.S. Army Corps of Engineers to inspect shore erosion problems along the Kerala Coast line for the purpose of providing advice and recommendations to stabilise the problem areas. Dr. George M. Watts, Assistant Chief,

Engineering Division, Coastal Engineering Research Centre, Washington, D.C. U.S.A. was sent as the representative of the U.S. Army Corps of Engineers and he made field inspections from 22nd October to 3rd November, 1963. For coming to any definite recommendation regarding the nature and design of shore protection works he wants long range data of (1) Geomorphology (or Geological history) of the area (2) Characteristics of the materials comprising the littoral zone (i.e. the zone in the sea where there is along shore movement of sand) (3) Direction, rate and variability of along shore littoral transport (4) sources which provide material for littoral zone (5) forces such as waves, currents, winds and tides which are pertinent to littoral zone and (6) shore history such as shore line and offshore bottom changes (profiles) Volumetric accretion and erosion and behaviour of existing protective works. Very little quantitative data is available on these aspects though there were some qualitative data on some of them. On analysing the problem with the available data, his important conclusions are as follows:

1. The dominant direction of littoral transport along shore is from South to North and the dominant northerly movement does not greatly exceed the southerly along shore drift.

2. Deficiency of supply of littoral material exists in many sections of the coast, presumably due to the reduction of upland sediment supply.

3. The deficiency of material supply in the eroded shore zones on a rough assessment appears to be of the order of about 1,00,000 cubic yards per mile if this quantity of sand were supplied per mile per year in the critically eroded areas shore stability may prevail, and

4. The deficiency of littoral material supply is much greater in bluff zones due to the resistance of these areas to erosion by wave action.

The various methods of stabilising the shore which appeared feasible to him are:

- (a) Sank dike with beach fill fronting the dike and periodic nourishment to maintain dike and beach to design dimensions.
- (b) A sloping faced sea wall with back fill fronting the sea wall and periodic nourishment of the beach to maintain design dimensions.
- (c) A sloping faced sea wall with groynes, the groyne compartments initially filled by artificial moons and periodic

nourishment to maintain design dimensions of the beach in the groyne system.

- (d) A sloping faced sea wall; and
- (e) Groynes with compartments initially filled by artificial means and periodic nourishment to maintain design dimensions of the beach in the groyne system.

He particularly stressed that the method of putting groynes without artificial filling should not be resorted to. He also recommended that a long range data collection programme should be initiated as soon as possible so that these data can be utilised in the planning, design and construction of shore protection works. The training of key personal for coastal engineering work is considered necessary by him in this connection. He also recommended that priority is to be given for collection of field data on the location of inland sources of sand so that where occasional borrow areas of land are located, beach fill and nourishment may be provided.

In pursuance of these recommendations it was decided to try artificial nourishment for one mile reach as an experimental measure. Considering the availability of economical borrow areas of sand with reference to the critical areas, one mile reach in Purakkad north of Thottappally in Alleppey District where the N.H. 47 is threatened by sea erosion was chosen for the experiment since in this place sand was available at a distance of about 2½ miles. The sand was to be loaded into lorries by headload and unloaded at the test site and placed on the beach by manual labour. The services of an American Expert on construction work viz., Mr. J. L. Koynolds, Chief Operations Division, U.S. Army Corps of Engineers, Baltimore District, Baltimore (Md) U.S.A. were made available for guidance and advice for carrying on this work during March, April, 1964.

However, at the time of taking up this work viz. March, 1964, severe erosion started on the test reach. The erosion was estimated to be of the order of 3300 cubic yards per day whereas with the limited equipment and the labour problems in the locality it was found possible to replace only 1000 cubic yards per day. If a portable hydraulic pipe line dredger capable of pumping about 5000 cubic yards per day directly to the site which is 2½ miles from the courses of sand was available the problem could have not with a different result. Due to lack of this equipment it was decided to place the sand in the most severely eroded area at as high a rate as possible to make urgent arrangements to construct a stone sea wall and the

sand pumping continued until the wall was completed. The artificial nourishment is to be tried in another suitable place after the requisite equipments are arranged.

Mr. Reynolds after studying some of the critical sites and the protective works that are being carried out in the State made a number of recommendations, the chief amongst which are:—

1. To discontinue groyne construction until complete studies of effects to unprotected down drifts area are made.
2. Artificial filling of unfilled groynes.
3. Surveys and studies to be commenced immediately in all the problem areas.
4. Survey and constructions equipment to be obtained immediately.
5. A separate and district engineering group under the directions of a senior officer of the department to be assigned for conducting coastal surveys and data collection; and
6. Stone sea walls to be immediately constructed in the critical areas.

Professor Thacker, Member, Planning Commission was in the State for the first hand the sea problem here in March, 1964. After the various field and discussions he had with the State Government Officers and Officials, he stressed the importance of the problem and the urgent necessity to view this problem to be one of national importance and he generally supported the recommendations of the U.S. Experts regarding the need for setting up an investigation and research unit to study the problem continuously.

Further discussions were held on 22-4-1964 at New Delhi by the Union Minister for Irrigation and Power, Dr. K. L. Rao with the Kerala M.Ps. along with Mr. Reynolds, U.S. Expert, Central and State Officials and as a result of the deliberations, it was decided to chalk out a Coastal Erosion Study Programme to conduct data collection for a minimum period of 3 years to evolve a long term shore protection plan. Proposals for the same and for procuring construction equipments immediately necessary and for additional funds for carrying out shore protection works in all critical reaches on the lines recommended by the U.S. Experts during 1964-65 and 1965-66 have already been submitted to the Central Government by the State Government with a request for Central Assistance, including foreign exchange release for certain equipments, and also to explore the

possibility of obtaining U.S. Aid. These proposals include a provision of Rs. 39.05 lakhs for coastal erosion study programme for 3 years, Rs. 54.55 lakhs for construction equipments including repairs to dredgers and Rs. 280 lakhs for execution of Anti-Sea Erosion Works during 1964-65 and 1965-66. A total foreign exchange requirement of Rs. 59.29 lakhs is also involved in the above.

Dr. George M. Watts again visited Kerala in September, 1964. He again observed the basic cause of most of the erosion problems is a deficiency of sand supply to the area in question. Unless this deficiency can be overcome shore erosion will prevail and if it is determined no further erosion can be permitted, little choice are available but to construct some form of protection for the back shore installation. Mr. Watts also recommended that the overall data collection programme as outlined by the State Engineers be implemented as soon as possible and special emphasis be placed on the development of data and information on the sources of suitable sands in the back waters and upland areas around the coast where erosion problems presently exist and in those areas where it is apparent, a problem could be eventually developed. Regarding the data collection the Government of India have also sanctioned the detailed proposals with necessary staff etc. for carrying out this programme. The actual implementation of these proposals is held up due to lack of funds.

Research Studies on these problems are also being done at the following Research Stations as Fundamental and Basic Research Problem as suggested by the Central Board of Irrigation and power.

1. The Central Water & Power Research Station, Poona.
2. Irrigation Research Station, Poondi, Madras.
3. Kerala Engineering Research Institute, Poochi.

A meeting to formulate the programme of work on Coastal Erosion was held at Kadakvasala on 21-12-1962 in which the representatives of the Research Station, Poona, Poondi and Poochi and the Adviser & Secretary of the Central Board of Irrigation & Power took part. It was decided in the meeting that the Kerala Research Station & Irrigation Research Station, Poondi would concentrate their efforts on collection of field data and Poona Research Station on laboratory investigation and coordination as adequate facilities are already available at that station.

Accordingly a programme of study was formulated for the Kerala Engineering Research Station, Poochi and the studies are now in progress.

Since the department does not have the sufficient machinery for giving artificial nourishment, the only alternative is to give the rubble sea wall. A modified design has also been prepared based on certain suggestions given by Mr. Watts and this is being followed throughout the State.

As mentioned earlier, the construction of sea wall with rubble is very costly, and about Rs. 15 lakhs are required for the construction of one mile of sea wall. So a total outlay of about Rs. 30.00 crores may be required for giving protection to the entire coast line of the State. Against this requirement, the budget allotments in the various Five Year Plans have been quite meagre as shown below:—

(Expenditure)

First Five Year Plan—Rs. 10.3 lakhs

Second Five Year Plan—Rs. 185 lakhs

Third Five Year Plan—Rs. 360 lakhs

Thus it may be seen that the main difficulty in the matter of implementation of anti-sea erosion programme in the State is lack of funds. Considering the magnitude of the problem and huge expenditure involved and the State's inability to take it up, the Government of India was requested to tackle this problem at the National level financing the entire expenditure themselves. They have informed that the existing pattern of financing anti-sea erosion works is proposed to be continued during the IIIrd plan and that a change in the pattern during the IVth Plan will, however, be considered.

In this connection, the Government of India have proposed the constitution of a Beach Erosion Board to ensure co-ordinated planning and execution of anti-sea erosion works. This Government have concurred in the constitution of the Board and also to the appointment of the State Chief Engineer, General & Irrigation as Member-Secretary of the Board.

In the meanwhile the programme will consist of construction of sea walls in vulnerable areas, subject to availability of funds. Other programmes can be taken up only if sufficient funds are available.

PHYSICAL TARGETS AND PHYSICAL ACHIEVEMENTS ON ANTI-SEA EROSION WORKS

1st Five Year Plan.—In respect of the 1st Five Year Plan the Year-wise expenditure incurred on Anti-Sea Erosion Works is not available. An amount of Rs. 10.3 lakhs was incurred during this Plan period.

A start for the construction of sea wall and groynes was made towards the end of the 1st Five Year Plan. As an experimental measure one mile of sea wall was constructed at Manassery in the 1st Plan.

Second Five Year Plan.—During the Second Five Year Plan 19 miles $1\frac{1}{2}$ furlongs of sea wall with groynes were arranged and about 15 miles of sea wall with groynes were completed during this Plan period.

During the Second Plan period an amount of Rs. 187.54 lakhs has been spent against the plan provision of Rs. 185 lakhs.

Third Five Year Plan.—The Physical Target proposed is to construct sea walls with groynes for a length of 25 miles. About 19 miles of sea wall with groynes have been constructed during this Plan period upto the end of October, 1965.

During the Third Plan period an expenditure of Rs. 396.53 lakhs has been expended upto the end of October, 1965 against the Third Plan allotment of Rs. 360 lakhs.

The expenditure for the three Five Year Plans till the end of October, 1965 is Rs. 594.37 lakhs.

Sd/- K. P. ACHUTHAN NAIR,
Joint Secretary,
Public Works Department,

What was the justification for giving increased rates to the Society when they themselves wanted the work at old rates.

The work referred to in the audit para really consists of two separate estimates prepared at different times. One, for the work at Saktikulangara costing Rs. 6,60,450/- was sanctioned in G.O. Re. 223/62/PW dated 27-1-1962. At the time of the submission of this estimate, the scheduled rates for labour had been increased. The Society was given the benefit of the new schedule because the revised schedule came into force immediately after the work was entrusted to the Society.

In G.O. 223/62/PW dated 27-1-1962, the Government had accepted the Chief Engineer's recommendation that the rates to be given to the contractor should be the estimate rates minus tender reduction for the various items. It was on this basis that the estimate of Rs. 6,60,450/- was prepared. It was on the same basis that the estimate for Rs. 1,72,000/- was also prepared.

Sd/-
Joint Secretary to Government,
Public Works Department.

Appendix LIV

(See Para 8.159)

Note on Para 47—Audit Report, 1965.

Reasons for the delay in handing over the land to the contractor.—The delay in handing over the land to the contractor was due to the delay in getting the land acquired after going through the formalities of the land acquisition proceeding. Actual date of taking possession of the land was 27-10-1945.

Circumstances due to which materials were not supplied to the contractor.—Materials could not be supplied to the contractor in time as there was acute shortage of M. S. rods, cement etc. in the Departmental stores. It may be noted that the construction of the bridge was taken up in the last stage of the second world war, when there was acute scarcity of materials like cement M. S. rods etc.

Action proposed to be taken against persons responsible for the lapse.—In view of the reasons stated above, there is no evidence of any wilful delay or lapse on the part of the P. W. D. Officers and as such the question of taking action against them does not arise. The work was awarded on 13-12-1944.

The contractor is stated to have claimed extra rates by notice served on the Department on 2-6-1953. What was the extra amounts claimed by the contractor according to this notice? What was the reply of the Department.

In the suit notice dated 2-6-1963 from the Contractor's Advocate, it is seen that the contractor demanded workable rates plus 15 per cent profits plus 12 per cent interest. The amount according to the above claim cannot be worked out since it is not known what exactly his claim was.

What was the amount that would have been payable to the contractor according to the claims?

(1) *of the contractor and (2) on the basis of the recommendation of the Chief Engineer.*—The amount payable to the contractor according to his claim cannot be worked out now since his claim was for workable rates plus 15 per cent profit plus 12 per cent interest. No specific amount was claimed by the contractor.

Why were no orders passed by Government on the recommendation of the Chief Engineer?—Government ordered in their D. Dis. 340/49/PWA dated 28-3-1949 allowing agreed rates for the works done during 1120 and 1122 and schedule rates for works done in 1122. The Chief Engineer's recommendation to allow additional 25 per cent of schedule rates 1122 was not allowed on the basis of the advice of the then Accountant General.

Was the amount recommended by the Chief Engineer acceptable to the contractor?—There is nothing in the records of the case to show whether the recommendations of the Chief Engineer was acceptable to the contractor or not at the time of the recommendations. Presumably the contractor was not in the know of what the Chief Engineer has recommended. But after the issue of orders by Government, the contractor represented that the rates recommended by the Chief Engineer were not acceptable to him.

The Government appealed to the District Court against the judgment of the Addl. Subordinate Judge, Kottayam which was dismissed as having been filed after the time allowed by law without proper excuse.—

- (i) What is the time limit prescribed in the matter?
- (ii) What are the reasons for the delay in filing the appeal?
- (iii) Has the responsibility for delay been fixed?

Answers

(i) The time allowed for filing appeal in the High Court is three months and that in the District Court is only one month.

(ii) After passing of the decree in the Sub-Court the Government Pleader concerned forwarded copies of the judgment and decree to the District Collector, Kottayam recommending to file an appeal in the High Court. Accordingly the Advocate General was requested to file the appeal in the High Court. But after perusing the records of the case the Advocate General returned the records saying that the appeal lies in the District Court, Kottayam. Accordingly, the District Government Pleader was directed to file the appeal but by the time the appeal time expired and an appeal was filed in the District Court along with a petition to condone the delay. The appeal and the petition were not admitted by the District Court.

(iii) The delay was unavoidable in the circumstances explained above.

What are the reasons for not producing any records before the Commission by the Government? Did Government send any interim

reply?—Though the notice of the Commission requiring the production of evidence was issued on 21-11-1960 to the Government Pleader it was communicated to the Executive Engineer only on 8-12-60 and received by the Executive Engineer on 9-12-1960 from which date there was hardly one week to produce evidence. As the Executive Engineer had to produce records of very old dates (the work was executed in 1120 M. E.) and as the time allowed was very short he requested the Government Pleader to arrange for postponing the date of enquiry by the Commission by another two months. Even though it was expected that extension of time would be granted, no extension of time is seen to have been granted in this case.

Has the responsibility for non-availability of records and non-production of records been fixed and action taken for the lapses?—The work was originally arranged by the Kottayam P. W. D. Division and executed in 1120-1122 M. E. Subsequently the work was transferred to the Ernakulam Division from 1-4-1950 and the F. C. C. of the work was passed by the Division in February, 1956. Again, when the Alleppey B. & R. Division was formed in 1-1-1957 the files relating to the work were transferred to that Division. The suit was filed in 1958 and the final decree of the Court was issued on 13-7-1962. It may be seen that the work was arranged 18 years ago from the date of the judgment and there were also changes in the jurisdiction of the P. W. D. Division during the period. Due to these reasons it was not possible to trace out the connected records and produce evidence before the Commission within the short time allowed. The connected files do not reveal that the Government Pleader asked for the agreement of this work.

Why did Government take more than one year to satisfy the Court decree?—After the decree was passed, the D. C. Kottayam on behalf of the Government explored the possibilities of filing an appeal. After ascertaining legal opinion, Government finally decided on 7-6-1963 to satisfy the decree and orders were issued accordingly. As the work had no provision in the then budget, the formalities of obtaining funds had to be gone through before actually making payment of the amount decreed by the Court. These are the reasons for the delay in satisfying the court decree.

Did Government send a reply to the draft audit para forwarded to them in October, 1964 if not the reasons therefor?—A reply to the draft audit para was sent to the Accountant General on 18-10-1965.

Sd/-

Joint Secretary to Government,
Public Works Department.

Petition dated 2nd June, 1953 from P. K. Kurian, B.A.L.L.B. Advocate, Kottayam to the Chief Secretary, Travancore-Cochin Government, Trivandrum.

SUB:—*Notice under Sec. 90 of the Civil Procedure Code.*

My client....., residing at Thonikadavil House, Manganamkara Vijayapuram A. Pakuthy, Kottayam Taluk instructs me to modify you as under:—

My client has constructed the Kuthiathodu bridge at Shortallai under directions and orders of the Kottayam Division of the P.W. Department.

The work as originally contracted for could not be done as the site needed for the construction of the bridge was not made available by the department until after the time of completion fixed for the work. When the land became available the Department changed the plan for the construction of the bridge as the site was found to be not suited for the construction of the bridge according to the original plan and estimate. Materials to be supplied by the department for the work were also not made available in time. Thus the original contract could not be worked. It lapsed.

The bridge construction was subsequently carried on under directions from the Department given from time to time. By then conditions of works had changed considerably and cost of materials and labour had shot up. Communist upheavals and disturbances as also aggravated war conditions contributed to the rising costs and altered conditions. The Department also was revising rates from time to time. Workable rates were called for from my client by the Department and the same was submitted to proceed with the work and the same was carried out by him. The rates submitted have been accepted and recommended by the departmental Engineers. My client is entitled to the settlement of accounts on the basis of the workable rates, submitted by him and accepted by the Department. He is also entitled to the usual 15 per cent profit and interest on all the amounts due to him at 12 per cent. Some part payments have been made. Reported requests to the Department and to Government for settlement of accounts of the work, which the Department has got done by my client have all been turned down.

This therefore give you notice, if the accounts of Kutiathodu bridge construction is not settled as claimed above and payments made accordingly within 2 months of the receipt of this notice my client will file a suit against the State Government for the settlement of the said accounts and recovery of the amounts due to him at the State's risks to all costs and consequence.

APEENDIX LV

(See para 8.181)

Note on para 49—Audit Report, 1965.

When and how the payment vouchers were passed in this case? Has the final payment been made? Or is the bill under objection?

The wells in question were being constructed in stages and sunk as is usual with such well sinking. Some height of stoining in constructed and after this is sunk to near water level, further height is added. The stoinings so constructed and sunk were being paid for to the extent so far done in each part bill-given to the contractor. Hence it can be seen that the payment was not made at any one time but in parts at various times as the work progressed. **F.C.C.** was paid in March, 1961.

2. Since payments were made under several part bills, on different dates, information as to the dates on which payment vouchers were passed is not readily available in the office of the Chief Engineer (Buildings and Roads). The information has to be gathered from the Executive Engineer (Buildings), Trichur. This may take some time. The dates on which payment vouchers were passed can be ascertained and furnished separately, if required.

Sd/-
Joint Secretary,
Public Works Department.

APPENDIX LVI

(See para 6.187)

Note on para 50—Audit Report, 1965.

Were the orders of Government dated 11th November, 1963 (No. 483 MS Trivandrum) relating to cleaners and drivers of vehicles followed in this case?

Reply.—The orders of Government dated 11th November, 1963 (No. 483 MS Trivandrum) relating to cleaners (Eneb) have been followed in this case. This order does not make any reference about drivers. The G.O. lays down that when a vehicle is sent to workshops for repairs, the cleaner will not be considered as on duty with effect from the date on which it is sent to workshop, but he will be given some work in the office to which he is attached. The Government order further adds that when only a part of the vehicle is under repair, the cleaner will have to attend to the vehicle and his spare time will be otherwise utilised. It is only when the vehicle is condemned beyond repair, the G.O. insists on terminating the services of the cleaner. (The lorry KLD 1214 was idling from 10th April, 1962. The crew were transferred in 7/63. The lorry is now in the Regional Engineering Workshop under repairs. The question of condemnation or survey report does not therefore, arise in this case).

In the light of the above G.O., there was no question of abandoning any of the crew attached. None of these vehicles were condemned beyond repairs. It also does not contemplate the retrenchment of all crew attached to the vehicles, which were not declared beyond repairs. Hence these orders are not applicable in these cases. However, the crew were transferred in each of these cases as early as possible.

GOVERNMENT OF KERALA

ABSTRACT

Public Services—Cleaners of Departmental Motor Vehicles—Service during the period of repairs of Motor Vehicles—Orders issued.

PUBLIC (SERVICES D) DEPARTMENT

G.O. (P) No. 483.

Dated, Trivandrum, 11-11-1963.

ORDER

The question as to how the services of the cleaners of the departmental motor vehicles can be treated during the period of repairs of the motor vehicles has come up for consideration before the Government. After due consideration the Government direct that when a departmental Motor Vehicle is sent for repairs to a workshop the cleaner attached to the vehicle will not be considered as on duty with effect from the date on which it is sent to the workshop. So he will have to be given some work either in the office to which he is attached or in any other Local Government Institution or office where his services can be utilised. However, if the vehicle as a whole is not taken to the workshop as the repair required is only to a part of the vehicle, the cleaner will have to attend to the vehicle. In such cases as the cleaner will not have full time work, the officer to whose office the vehicle is attached or any other controlling authority will utilise his spare time for some other suitable work. If the vehicle is condemned beyond repairs, the juniormost in the category will be retrenched. The cases of permanent cleaners in the regular establishment in such circumstances, if any, will be considered as and when such cases arise.

By Order of the Governor
P. J. FRANCIS,
 Joint Secretary.

To

The Accountant General
 All Heads of Departments (Heads of Offices)
 The Secretary, Kerala Public Service Commission
 The Registrar, High Court
 The Registrar, University of Kerala
 The Secretary, Kerala State Electricity Board
 All Departments of Secretariat (All Sections)
 The Secretary to Governor
 The Superintendent, Government Presses (He is requested to print and supply 1500 spare copies).

APPENDIX LVII

(See para 8.198)

Note on para 65—Audit Report, 1965

(1) *A detailed note about the facts of this case including all the details about the contractors.*—The decision to construct some transit godowns at the Quilon Port area on Poramboke land was taken at a conference called by the Minister for Public Works on 27th June, 1958 to discuss ways and means of developing the Quilon Port and providing employment to the Port Workers. The Conference was attended among others by the Principal Port Officer, Alleppey and representative of the trade and workers. It was pointed out at the conference that Bombay Merchants was monopolised imports of raw cashew nuts were unwilling to import through Quilon Port as there were no storage facilities at Quilon and that if permanent godowns were constructed, they might divert import of raw cashew nuts from Cochin to Quilon resulting in considerable increase in traffic at Quilon Port and consequent increase in employment opportunities to Port Labourers.

(2) Government accordingly accepted the decision of the conference and sanctioned on 14th October, 1958, provision of semi-permanent godowns having a capacity to stock 80,000 bags in the Port premises at Quilon on Poramboke land at an estimated cost of Rs. 1.5 lakhs. Two godowns were accordingly constructed at a cost of Rs. 1.49 lakhs in May, 1960. But contrary to expectations, no Bombay Merchants came forward to import raw cashew nuts through Quilon Port. From 16th March, 1962 one of these godowns was let out to the Central Ware-Housing Corporation at the standard rent of Rs. 492 per month. The Corporation is still using the godown. The other godown was leased out to M/s. South India Corporation in February, 1964 for a period of two years from the date of occupation on 8th February, 1964. M/s. South India Corporation however vacated the godown on 7th February, 1965 on account of closure of their business at Quilon. From 10th April, 1965 it was leased out to the Food Corporation of India at the standard rent of Rs. 492 per mensem and they are now occupying it. Due to reasons beyond the control of the Department such as general slackness in trade, utili-

sation of private godowns for stocking of cargo by the importers etc. the two godowns remained unused for the shipping season in 1961 and till March, 1962. The contractor engaged for the construction of the godowns was the lowest tenderer viz. the Firm of D'Cruz Brothers, Quilon. The work was completed in May, 1960. The actual booked expenditure for the construction of the two godowns was Rs. 1,48,875. Further details regarding the contract are not readily available in the Secretariat. They have to be obtained from the Executive Engineer, Quilon if necessary.

(3) It may be pointed out that the construction of the two godowns at Quilon was taken up as part of a long-term plan for the development of the Quilon Port by providing adequate storage facilities at the Port area and not to serve the interests of Bombay Merchants alone. That the construction of the godowns is fully justified is borne out by the fact that they are being utilised for storage purposes now.

Was any lease deed signed at the time of letting out the godowns?

(4) The two godowns at Quilon Port are at present leased out to the Central Ware-Housing Corporation and the Food Corporation of India respectively. The Central Ware-Housing Corporation has been occupying one of the godowns from 16th March, 1962 and the Food Corporation of India has been using the godown from 10th April, 1965. As the period of lease of the Central Ware-Housing Corporation has exceeded one year, a registered lease deed has to be got executed by the Corporation under section 107 of the Transfer of Property Act. As the period of lease in favour of the Food Corporation of India is less than one year, an oral agreement accompanied by delivery of possession is considered sufficient.

(5) The South India Corporation was in occupation of one of the godowns for the period from 8th February, 1964 to 7th February, 1965. No lease deed was got executed by the firm for the period. It has however been reported by the State Port Officer that the entire rent for the period of one year at the rate of Rs. 600 per mensem against the standard rent of Rs. 492 per mensem was realised from the South India Corporation for the period they were in occupation of the godown. Information as to whether the excess amount realised from the South India Corporation has been refunded to the Firm is not readily available in the Secretariat. It is known that no request has been made by the firm for the refund of the excess amount.

Sd/-

Joint Secretary.

APPENDIX LVIII

(See para 8·217)

Note on para 87—Audit Report 1965.

Whether any bills were prepared and presented earlier than 1964 on the department's formula? If so, when?

Yes. The State Transport Department had sent an invoice on 14th March, 1953 for an amount of Rs. 49085·70 in respect of the Nagercoil District and another invoice on 19th May, 1953 for a sum of Rs. 41272·15·0 in respect of Trivandrum District and another invoice on 29th March, 1959 for a sum of Rs. 7,12,560·41 p. in respect of the Quilon District. But they were returned unaccepted on the ground that they were not prepared on any agreed and accepted formula. However, the Postal Department made two *ad hoc* payments; Rs. 6 lakhs in 1958-59 and Rs. 1,70,000 in 1960-61 to be adjusted on final fixation of the rate of subsidy. The following is the detailed position:

The Transport Department has been conveying post mail bags from 1st April, 1951 in routes operated by the Department. In a conference held at the Secretariat on 11th July, 1951, it was agreed that the Postal Department will pay $1\frac{1}{3}$ passenger fare for such conveyance, the $\frac{1}{3}$ being mazdoor charges payable to the Porters for handling mail bags. The Postal Department also agreed to pay off route charges at Re. 1 per mile or part thereof for operation beyond normal departmental route. The Department claimed subsidy at the above rate in respect of mail conveyance in Trivandrum and Nagercoil Districts, reckoning one passenger fare on a point to point basis (there are a number of post offices in a route, where exchange of mails had to be done). The invoices were sent in March, 1953 but they were returned by the Postal Department since they were prepared to reckon 1 passenger fare only from terminus to terminus. Thereafter a series of correspondence was exchanged between the Postal and Transport Departments and various suggestions were put forth from either side. The Transport Department suggested payment based on number of seats displaced whereas the Postal Department suggested payment on weight basis. They proposed $4\frac{1}{2}$ pies per maund. A joint verification to assess the weight of mails conveyed in Departmental buses as also the number of

seats displaced, was conducted in 2/58 and the Transport Department sent a few invoices in respect of Quilon and Kottarakara Districts based on seats displaced. This was in 3/59 but the bills were returned. Meanwhile the Postal Department made two *ad hoc* payments, Rs. 6 lakhs in 1958-59 and Rs. 1,70,000 in 1960-61 to be adjusted on final fixation of rate of subsidy.

It was at the conferences at the Chief Secretary's room in January and April, 1964 that a final agreement was reached. Based on the minutes of the conferences, bills are being prepared and sent to the Postal Department. Bills to the extent of Rs. 8 lakhs (nearly) have already been sent. The remaining bills will be sent in the course of this month. There has been some delay in actually rendering the invoices after the decisions of the conference in 4/64. This is because records pertaining to the last fourteen years of the several districts had to be scrutinised and subsidy worked out.

Recently the Director General of Posts and Telegraphs, New Delhi has been addressed by the Corporation to take steps for settling the claims early.

Sd/-

Dated, -12-1965.

Joint Secretary.

APPENDIX LIX

(See para 8.223)

Note on para 87—Audit Report, 1965.

The private parties from whom dues are to be recovered, since when they are outstanding and action taken to write them off—for the period upto March, 1965.

Similar statement in respect of Government also.

Revenue outstanding as on 31st March, 1965 is given below:

| | |
|------------------------|-------------|
| Bus warrants | 1,01,017·90 |
| Job works | 4,22,166·35 |
| Private hire | 2,74,949·07 |
| Other items | 6,419·81 |
| | 8,04,553·13 |

Out of the above arrears, a sum of Rs. 3,76,275:89 P. has been collected till 30th November, 1965 under the items as noted below:

| | Outstanding as on 31-3-1965 | Collections till 30-11-1965 | Balance as on 1-12-1965 |
|------------------------|--------------------------------|--------------------------------|----------------------------|
| Private hire | 2,74,949·07 | 1,92,692·58 | 82,256·49 |
| Bus warrants | 1,01,017·90 | 38,506·81 | 62,511·09 |
| Job works | 4,22,166·35 | 1,45,076·50 | 2,77,089·85 |
| Other items | 6,419·81 | Nil | 6,419·81 |
| | 8,04,553·13 | 3,76,275·89 | 4,28,277·24 |

Thus 46.9 per cent of the arrears accumulated till 31st March, 1965 has since been realised within the last seven months.

The detailed statement of arrears in respect of private hire still due is appended herewith*

In respect of Bus warrants and Job works, reports regarding the total amount of collection alone could be obtained from the Sub-offices. (The detailed statements are awaited.) Hence the detailed

*Not Printed.

statement showing the latest position cannot be furnished at present. The statement of arrears as on 31st March, 1965 in respect of these items is enclosed*. Bus warrant dues are grouped under the categories:

- (i) for Police personnel of the Kerala State, and
- (ii) for other State Police personnel.

In respect of the other items the details are furnished below:

- (1) Shri . . . Quilon—Rs. 4,125:81. A suit was filed and decree obtained in favour of the Department. The District Collector, Quilon, is taking execution proceedings for realising the amount.
- (2) Shri . . . Rs. 2,294:00. The Suit against him was decreed in favour of the Department. As he was in the Madras State Service, the Small Causes Court, Madras was requested to take execution proceedings. He later left the Madras Government service. Steps are taken to transfer the suit to the Vaikom Munsiff's Court and to take execution proceedings.

The Kerala State Road Transport Corporation is examining the various items of arrears with a view to ascertaining finally whether the arrears in respect of each item are recoverable or not and to write off the irrecoverable items.

Sd/-
..Joint Secretary.

Dated, 17-12-1965.

*Not Printed.

APPENDIX LX

(See para 9.14)

STORES PURCHASE DEPARTMENT

Note on Para 96(i)—Audit Report, 1965.

“Statement showing list of cases where recommendations of the Stores Purchase Committee were over-ruled by higher authorities during the period 1957 to August, 1964.”

The following are the files in which the recommendations of the Stores Purchase Committee were over-ruled by Government during the period 1957 to August 1964:—

| | | |
|---------------------------|-------|----------|
| (1) G.O. (MS) 113/58/SP | dated | 13-9-58 |
| (2) G.O. (MS) 207/58/SP | „ | 20-10-58 |
| (3) G.O. (MS) 152/59/SP | „ | 27-2-59 |
| (4) G.O. (MS) 19/60/SP | „ | 11-2-60 |
| (5) G.O. (Rt) 869/60/SP | „ | 14-12-60 |
| (6) G.O. (MS) 24/61/SP | „ | 2-8-61 |
| (7) G.O. (MS) 32/62/SP | „ | 10-3-62 |
| (8) G.O. (MS) 78/62/SP | „ | 19-9-62 |
| (9) G.O. (MS) 114/62/SP | „ | 29-11-62 |
| (10) G.O. (Rt) 878/62/SP | „ | 24-10-62 |
| (11) G.O. (Rt) 917/62/SP | „ | 15-11-62 |
| (12) G.O. (MS) 1/63/SP | „ | 4-1-63 |
| (13) G.O. (MS) 38/63/SP | „ | 1-7-63 |
| (14) G.O. (MS) 53/63/SP | „ | 11-10-63 |
| (15) G.O. (MS) 448/64/HLD | „ | 30-6-64 |

Brief notes on each of the Cases are given below:—

1. G.O. (MS) 113/58/SP dated 13th September 1958.

Purchase of Khaki Drill—Police Department.—The Inspector General of Police invited tenders on 26th February, 1958 for the purchase of 50,000 yds. of Khaki Drill required for the Police Department. 5 Firms responded. The rates quoted varied from Re. 1.06 per yd. to 1.62 per yd. After scrutinising the samples and

tenders, the Inspector General of Police was of opinion that the following 2 varieties of Khaki were good for Police Uniform:

- (1) Elgin Mills Khaki—EC. 300—28"—offered by Engineering Materials Agency at Rs. 1.56 per yd.
- (2) B. & C. Mills—Khaki B. 17 C. 800—28"/29" offered by Kurup Bros.—at Rs. 1.60 per yd.

In his opinion, B. & C's B. 37 C. 800, which priced Rs. 1.56 per yd. was also not bad. It was also stated that all other qualities were not suitable for Police Uniform. On receipt of certain complaints, the samples were got tested by the Principal, Institute of Textile Technology. There was a similar test report conducted by the Director of Transport in connection with the purchase of Khaki for the Transport Department. That test report also was called for. Both these reports differed widely. The Inspector General of Police was of opinion that the test reports were not likely to be reliable. Hence ignoring the test reports, but based on quality, durability and past experience the Inspector General of Police recommend the purchase from M/s. Engineering Materials Agency, Trivandrum at the rate of Rs. 1.53 per yd. which gave a reduction in the levy of Central Excise Duty which came into force after the tender was submitted. The Stores Purchase Committee agreed with the Inspector General of Police.

Since the Principal, Textile Technology had not ranked the samples and as no test for textile strength had been conducted, Government ordered to purchase $\frac{1}{2}$ the quantity according to the recommendation of the Inspector General of Police and $\frac{1}{2}$ the quantity from M/s. Chimanlal Umaji at the lowest rate of Rs. 1.18 per yd. rated as "excellent quality" by Principal, Textile Technology.

2. G.O. (MS) 207/58/SP dated 29th October, 1958.

Supply of ammunition boots—Police Department.—By the end of December 1957, the Inspector General of Police invited tenders for the supply of 5,000 pairs of ammunition boots required for his Department during the year 1958. 8 tenders were received. After examining the samples, the Inspector General of Police reported that except the samples offered by Leather Workers, Cooperative Society, Trivandrum and Copper Allens Machine made boots offered by M/s. Engineering Materials Agency, Trivandrum, all other samples offered by the other 6 Firms were not found fit for the use of the Police Personnel.

The Inspector General of Police recommended the purchase of 1,000 pairs from the Leather Workers Cooperative Society at Rs. 20

per pair and 4,000 pairs from M/s. Engineering Materials, a Firm of repute for quality & durability, at Rs. 21·94 per pair.

As a measure of encouragement to an Industrial Unit run by the Industries Department the Stores Purchase Committee recommended to purchase 1,000 pairs from the Small Scale Industries Department at Rs. 17·87 per pair. In view of the marked improvement in the quality shown by the Leather Workers Cooperative Society, the Stores Purchase Committee recommended the purchase of 1,500 pairs at Rs. 20 per pair from them. Because of the repute for quality and durability gained by Cooper Allens machine made boots offered by M/s. Engineering Materials Agency, Trivandrum, the Stores Purchase Committee recommended the purchase of 2,500 pairs from them at Rs. 21·94 per pair.

In view of the doubtful quality of the boots offered by the Small Scale Industries Department and particularly in view of the unfavourable report of the Inspector General of Police, a trial order for 500 pairs alone was considered necessary so far as the Small Scale Industries Unit was concerned. Government also decided to re-tender the balance quantity so as to enable to get more favourable offers.

3. G.O. (MS) 152/59/SP dated 27th February, 1959.

Supply of Plant Protection Chemicals—Agriculture Department.—
In the year 1959, the Director of Agriculture invited quotations for the supply of 19 items of chemicals required for his Department. Altogether 21 quotations were received. The Director of Agriculture recommended the lowest as well as higher offers consistent with quality and certain other technical grounds. The Stores Purchase Committee also agreed with the Director of Agriculture in respect of 15 items in which the Director of Agriculture had recommended the lowest offers. In regard to the following 4 items, the Stores Purchase Committee's recommendation differed from that of the Director of Agriculture. They were:—

(1) Item (2).—B.H.C. 50 per cent—1 1/4 tons.

The cheapest offer of M/s. Flintrock Products at Rs. 1,845 per ton, including S/T. was overlooked by the Director of Agriculture on the ground that they had not produced the required test certificate and recommended the higher offer of Bharath Pulverising Mills at Rs. 1,995 per ton + S.T. whose products were bearing I.S.I. Certification marks As M/s. Flintrock Products had produced a test certificate for the Agricultural Research Institute, Coimbatore and as

they had applied for using I.S.I. Certification marks, the Stores Purchase Committee recommended their offer.

(2) *Item (4): D.D.T. 50 per cent—3 Tons & 17 Cwts.*

The Director of Agriculture had not forwarded his definite recommendation for this item. Among the suitable offers, M/s. Flintrock Products had quoted the lowest rate of Rs. 2·40 per lb.

As it was found that the Director had placed orders with M/s. Flintrock Products for the supply of 27 tons of D.D.T. required for the Coconut Spraying Scheme at Rs. 2·20 per lb. on condition that they should produce I.S.I. Certificate, the Stores Purchase Committee also recommended their offer on the very same conditions.

(3) *Item 12: Copper Fungicide—2 tons 15½ Cwts.*

Five Firms had quoted, the rates varying from Rs. 2·02 to Rs. 2·40 per lb. The Director of Agriculture had not recommended either the lowest offer of Sudhir Chemicals at Rs. 2·02 per lb. or the next lower offer of Sujirkar Trading Co. at Rs. 2·27 (both inclusive of S.T.). M/s. Imperial & Chemical Industries had quoted the highest rate of Rs. 2·40 per lb. + S.T. As it was found that the Director of Agriculture, after a discussion with the Chief Secretary and the Stores Purchase Secretary, had placed orders with I.C.I. for the supply of 12 tons at the rate of Rs. 2·27 per lb. + S.T. the Stores Purchase Committee also recommended their offer in the instant case on condition that they should supply at the previous rate of Rs. 2·27 per lb. + S.T. and if not, from M/s. Sujirka Trading Co. at Rs. 2·27 per lb. inclusive of S.T.

(4) *Item 18: Mercuric Chloride—1 Cwt.*

The lowest offer of Chottee Bhai Patel & Co. at Rs. 25 per lb. was overlooked by the Director of Agriculture as they demanded 90 per cent payment against R.R. and as they were new to the Department. The next lower offer Diamond Drug Depot at Rs. 30 per lb. was overlooked by the Director of Agriculture without any reason and recommended the still higher offer of All India, Medical Corporation at Rs. 35 per lb. As there was no reason to reject the offer of Diamond Drug Depot, the Stores Purchase Committee recommended their offer at Rs. 30 per lb.

As regards items (1) & (4) Government agreed with the Stores purchase Committee. Regarding item (2), Government decided to accept the offer of Flintrock Products at their quoted rate of Rs. 2·40

per lb. even if they were not prepared to offer at Rs. 2·20 per lb. since their quotation was cheaper than others. In regard to item (3) it was decided not to negotiate with I.C.I. to reduce their rates and hence accepted the lowest offer of M/s. Sujirkar Trading Co. at Rs. 2·27 per lb. inclusive of S.T.

4. G.O. (MS) 19/60/SP dated 11th February, 1960.

Supply of Sewing machines—Rate Contract—1959-60—Fixation of.—Government invited tenders in April, 1959 for the supply of 3 types of sewing machines [(1) Tailor Model, (2) Domestic model (Pedal type), (3) Domestic model (hand operated)] for settling Rate Contract. Altogether 10 valid tenders were received. The samples were got tested by a machanic of the Industries Department. Although the prices of the British machinery supplies Co. (Zenith model) were cheaper for all the 3 types, the test report showed that the quality of their machine was not up to the standard. The firm had proposed to set up an assembling Unit of their own at Ernakulam. Tailor Model machine was the major item required and the test report showed that the "Sansar" machine offered by Mahabir Export and Import Co. alone at Rs. 215/- each was satisfactory based on quality, durability and performance. For the other two items, test report gave preference to "Usha" machines (Domestic model pedal type Rs. 200 each) (Domestic Model Hand operated Rs. 155 each), all the cheaper makes being of poor qualities. The Stores Purchase Committee also agreed with the test report.

Government were of the view that the offer of the "Zenith" manufactures (British Machinery Supplies & Co.) which set up their assembling plant at Ernakulam for manufacturing sewing machines within the state was too attractive to be rejected off-hand. It was therefore decided to purchase 50 per cent of the Tailor model machine from "Zenith" at Rs. 210/- each and the remaining 50 per cent from M/s. Mahabir Export & Import Co. (Sansar Model) at Rs. 215/- each as recommended by the Stores Purchase Committee. Government also agreed with the Stores Purchase Committee in regard to other two proposals.

5. G.O. (Rt.) 869/60/SPD dated 14th December, 1960.

Purchase of Plant Protection equipments such as Sprayers, dusters etc—Agriculture Department.—The Director of Agriculture invited tenders for the supply among other things of 903 numbers of 2 gallon working capacity sprayers required for the Department of Agriculture and N.E.S. & C.D. Blocks of the State and forwarded them to Government with his recommendations. M/s. Shah Wallace

& Co. had quoted rates for 2 types of Sprayers. The lowest offer at Rs. 123 quoted by them was rejected as the quality offered was not for the required type. The same firm had quoted the next lowest rate of Rs. 132 for the required type. The Director of Agriculture therefore recommended to purchase the entire quantity from them at Rs. 132 each. The Stores Purchase Committee agreed with the Director of Agriculture.

There was no indication of the delivery time in the case of M/s. Shah Wallace. In view of the urgency of the materials and appreciably quantity required under this item and with a view to ensure prompt and quick supply of the article, Government decided to split up the order and to get 50 per cent from M/s. Shah Wallace & Co. at Rs. 132 and the remaining 50 per cent from M/s. Addison & Co. a firm of established repute in the line who offered from ready stock by making them to reduce the price to that of M/s. Shah Wallace from their original rate of Rs. 135 each. M/s. Addison & Co. agreed to supply at the reduced rate of Rs. 132 and therefore orders for 50 per cent were placed with them.

6. G.O. (MS)24/61/SPD dated 2nd March, 1961.

Rate Contract for the supply of Sewing Machines—Settling of.— Tenders were invited for the supply of 3 types of sewing machines (1) Tailor model (Pedal type), (2) Domestic Model (Pedal type) and (3) Domestic hand operated model on rate contract basis. Seven Firms quoted, Sansar, Usha, Rita, Everest, Harry, Zenith and Lakshmy. The samples submitted by all the tenderers were got tested by a specialist deputed by the Director of Industries & Commerce. The ranking given in the test report was as follows:—

| | Rs. |
|--------------------------------|-----|
| <i>Tailor Model.</i> | |
| (i) Usha | 223 |
| (ii) Zenith | 200 |
| (iii) Sansar | 215 |
| <i>Domestic foot driven.</i> | |
| (i) Lakshmy | 190 |
| (ii) Usha | 200 |
| <i>Domestic Hand Operated.</i> | |
| (i) Usha | 155 |
| (ii) Rita | 150 |
| (iii) Everest | 170 |

On scrutinising the test report, the Stores Purchase Committee found that the test was conducted only by an expert cutter of cloth and not by an expert mechanic who could say about the performance of the machines. Hence the test report could not be relied upon. The committee therefore decided to give Rate Contract for "Tailor Model" to M/s. British Machinery (Zenith), who had quoted the lowest rate of Rs. 200 each and to M/s. Mahabir Export & Import Co., (Sansar) who had quoted the next higher rate of Rs. 215 each. In the case of Domestic Model (foot driven) type machine, the committee recommended to award Rate Contract equally between "Zenith" at Rs. 184 each and 'Harris' at Rs. 177.59 each, being the lowest offers.

For Domestic Model Hand operated type machine, the Stores Purchase Committee recommended to fix Rate Contract with "Harris" only at Rs. 133.99 each as there was not much demand for this type; even though the lowest quotations were received from 'Harris' & Zenith. 'Usha' model machines have a long established reputation and hence Government decided to award the Rate Contract for Tailor Model to "Usha", "Zenith" and "Sansar" models in equal proportion. In regard to the other two models, Government agreed with the Stores Purchase Committee.

7. G.O. (MS) 32/62/SPD dated 10th March, 1962.

Settling of Rate Contract for Sewing machines for 1962-63.

Tenders were invited for the supply of 3 types of sewing machines — (1) Tailor Model, (2) Domestic Model (Pedal type), and (3) Domestic model (hand operated) on Rate Contract basis for 1962-63, only two tenders with samples were available. They were from M/s. Usha and Zenith. The rates quoted by them were as follows:—

| <i>(1) Tailor Model (Pedal Type)</i> | Price |
|---|-----------------|
| USHA MACHINE | Rs. 225/- each. |
| ZENITH MACHINE | Rs. 200/- each. |
| <i>(2) Domestic (Hand operating type)</i> | |
| USHA MACHINE | Rs. 155/- each |
| ZENITH MACHINE | Rs. 150/- each |
| <i>(3) Domestic Model (Pedal Type)</i> | |
| USHA MACHINE | Rs. 200/- each |
| ZENITH MACHINE | Rs. 184/ each. |

The various kinds of sample machines submitted by the tenderers were got tested by the specialist deputed by the Director of Industries & Commerce. Based on the test report that the Usha machines were better than Zenith and in view of their established repute, the Stores Purchase Committee recommended to place the entire contract with M/s. Usha for the 3 kinds of machines. Tailor Model @ Rs. 225 each; Domestic Model Pedal @ Rs. 200 and Hand operated @ Rs. 155 each respectively.

Government agreed to accept the recommendation of the Stores Purchase Committee except for tailor model pedal type. With a view to giving encouragement to 'Zenith' who had an assembling plant at Ernakulam employing Kerala labour, Government decided to split up the contract in respect of Tailor Model and ordered to get 50 per cent from 'Zenith' @ Rs. 200 each and remaining 50 per cent from 'Usha' @ Rs. 225 each.

8. G.O. (MS) 78/62/SPD dated 19th September, 1962.

*Modern Fishing Equipments—Purchase of Synthetic twine—Fisheries Department—Regarding—*The Director of Fisheries invited tenders for the purchase of Synthetic twines of 2 sizes for the import licence secured for the value of Rs. 1.25 lakhs. After verification of the samples and comparing the C.I.F. and F.O.R. values quoted by the firms, the Director of Fisheries forwarded the tenders to Government with his recommendations to purchase the entire quantity from M/s. Champion Corporation who have quoted the lowest rate for two different kinds, at Rs. 18 per kgm and Rs. 17.75 per kgm. respectively.

The C.I.F. and F.O.R. prices quoted by M/s. Champion Corporation for the two varieties of twines were the lowest. M/s. Metro Trading Syndicate had not quoted their F.O.R. rate in their original tender. Subsequently they have intimated F.O.R. prices viz., Rs. 17.06 per kgm which was found to be lower than that of Champion Corporation. Stores Purchase Committee recommended to purchase $\frac{1}{2}$ quantity of the cheaper variety from M/s. Metro Trading Syndicate (at Rs. 17.06 per kgm.) and the remaining $\frac{1}{2}$ quantity of the costlier variety from Champion Corporation at Rs. 18 per kgm. and Rs. 17.75 per kgm. respectively.

Government found that the original rate of M/s. Metro Trading Syndicate (i.e., Rs. 11.75 less 2 per cent C.I.F. Cochin, which would amount to Rs. 11.52) was the same as that of M/s. Champion Corporation. According to Director of Fisheries the tender of M/s. Metro Trading Syndicate was defective as they had not quoted

the F.O.R. price originally. Subsequent clarifications regarding price could not be taken into consideration. On these grounds, it was decided to purchase the entire quantity from M/s. Champion Corporation at Rs. 18 and Rs. 17.75 kgm. respectively.

9. G.O. (MS) 114/62/SPD dated 29th November, 1962.

Purchase of plant protection Chemicals such as BHC, Copper fungicide etc. 1962-63.—The Director of Agriculture invited tenders for the supply among other things of Eldrin 20 per cent E.C. 14,895 litres and forwarded proposal for the purchase with his recommendations. The Director recommended to purchase this chemical from 4 firms who quoted the same rate of Rs. 15.40 per litre for supply in 500 ml. litre and Rs. 17 per litre in 250 ml. litres based on quality with I.S.I. mark on packings and previous performance and to ensure prompt supply of the material. The Stores purchase Committee agreed with the recommendation of the Director, Government decided to split up the contract and place orders with five tenderers including Devidayal & Co. who quoted the same rates for the following reasons:—

The offer of M/s. Devidayal & Co. who quoted the same rate of Rs. 15.40 per litre in 500 ml. litre and Rs. 17 per litre in 250 ml. litre tins for the supply of this item was overlooked by the Director of Agriculture on the ground that their supply of the past had been irregular and that they had not replaced some supply of sub standard quality. The firm represented that they had sent the replacement and the future supplies would be made from their Branch opened at Cochin. If there had been irregularities in the previous supplies the proper course was to impose a penalty when payment in respect of the supply was made and it would be hard to keep out the company from the present contract unless there was some serious charge against them. As there was no serious charge against the tenderer at that time, Government took the above decision.

10. G.O. Rt. 878/62/ SPD dated 24th October, 1962.

Purchase and erection of Weigh Bridges—Transport Department.—The Transport Commissioner invited tenders for the supply and erection of 5 Nos. Weigh Bridges at strategic points in the state for the efficient checking of overloading of vehicles and to prevent tax evasion, and forwarded them to Government with his recommendations.

The Transport Commissioner recommended to purchase the Weigh Bridges from M/s. Avery & Co. at Rs. 26,990 F.O.R. Cochin Exclusive of erection charges, based on valid tenders conforming to the tender conditions, cheapness consistent with quality, guarantee of service and past performance. The Stores Purchase Committee agreed with the Transport Commissioner whose recommendation was based on the most suitable offer according to tender specifications.

M/s. Metro Trading Syndicate who quoted the lowest rate of Rs. 24,690 had not quoted price for delivery F.O.R. Cochin and erection charges as required in the tender notification. As the difference in price quoted by the two firms was considerable, Government decided to split up the contract between Avery & Co. and Metro Trading Syndicate in the rate of 3:2.

11. G.O. (Rt) 917/62/SPD dated 15th November, 1962.

Plant protection equipment-Rocker sprayers etc.—Agriculture Department.—The Director of Agriculture invited tenders for the supply among other things of 1575 Nos. of Rocker Sprayers without hose required for his Department under Plant protection Comprehensive Spraying Scheme and forwarded his proposals for the purchase with his recommendation to Government. The Director recommended to purchase 575 Nos. from M/s. Community Engineering Works who quoted the lowest rate of Rs. 108.50 each and 1000 Nos. from M/s. Shah Wallace & Co. who quoted the next favourable rate of Rs. 112 each based on the satisfactory performance of their equipments. Considering the production capacity of the Community Engineering works and with a view to giving encouragement to local Small Scale Industry who quoted the lowest rate and whose products were found satisfactory, Stores Purchase Committee recommended to purchase 1,000 Nos. from this concern and the remaining 575 Nos. from the next most suitable offer of M/s. Shah Wallace & Co. at Rs. 112.

Government decided to place orders with the above 2 firms with slight variations in the quantity i.e. to get 775 Nos. from M/s. Shah Wallace & Co. and the remaining 800 Nos. from M/s. Community Engineering Works.

12. G.O. (MS) 1/63/SPD dated 4th January, 1963.

Purchase of Tractors.—Sanction was accorded to the Director of Agriculture for the purchase of 5 Nos. Tractors with Trailors from

M/s. Trailors (India) Calcutta at Rs. 9,500 each for tractor and Rs. 3,950 each for trailer. Subsequently certain petitions were received from other tenderers requesting for favourable consideration of their offers. Sanction issued for the purchase from Trailors (India), Calcutta was therefore stayed.

The Director of Agriculture forwarded his revised recommendation for the purchase of 4 tractors with non-tipping trailers for the Alleppey District and 5 tractors for the Palghat District from M/s. Stanes Motor Furgusson Tractors based on best technical reports and the availability of most efficient facilities for servicing and spare parts spread out in Kerala. While submitting his original recommendation the Director of Agriculture had preferred the offer of M/s. Sujirkar Trading Co. at Rs. 16,890 each for the reasons that their tractors were manufactured progressively in India, 30 per cent of the components were then manufactured in India and by 1965 100 per cent of the parts would be manufactured in India itself and the supply of spare parts as and when required was guaranteed in addition to the service facilities. The Director of Agriculture had not then recommended the offer of M/s. Stanes Motors for 'Furgusson' tractors for the reasons that they had not agreed to certain tender conditions and that their price was the highest (Rs. 26,275 each). The reasons for overlooking the cheaper offer of M/s. Sujirkar Trading Co. at Rs. 16,890, while forwarding his revised proposal, advanced by Director of Agriculture were that a good portion of the parts of their machinery was imported, the price quoted by them being FOR Faridabad involving additional freight charges and strain as foreign exchange.

After scrutinizing the tenders, based on cheapness consistent with quality, better terms of delivery, availability of spare parts as and when required coupled with free service facilities from indigenous sources, Stores Purchase Committee recommended to place orders with M/s. Sujirkar Trading Co. Government decided to place orders with the following firms for the quantity noted against each for the reasons stated hereunder.

| | | |
|----------------------------------|--------|------------|
| Massey Furgusson (Stanes Motors) | 4 Nos. | @23,225.48 |
| Sujirkar Trading Co. | 3 " | @16,890.00 |
| J. N. Marshal & Co. | 2½ " | @15,575.00 |

It was seen that Massey Fergusson Tractors were the best from the point of view of performance and reliability though the price quoted

by them was rather high. The prices of Sujirkar Trading Co. Tractors were considerably lower. But Government were not sure of their quality. The prices quoted by M/s. J. N. Marshall & Co., Bombay were still lower, but again there was risk in buying them as they had not been tried. As it was considered prudent to place orders for all three makes so that a trial order could be given to cheaper ones also, Government decided to split up the orders as cited above.

13. G.O. (MS) 38/63/SPD dated 1st July, 1963.

Rate Contract for Sewing machines for 1963-64.—Tenders were invited for the supply of various types of sewing machines on Rate Contract basis for 1963-64. The sample of sewing machines submitted by the tenderers were got tested by a mechanic deputed by the Director of Industries and Commerce. In the order of performance the test reports showed that Usha and Zenith are good for tailor model, Merrit and Usha for Domestic hand operated, Merrit, Zenith and Usha for domestic model pedal type. The prices quoted were as follows:—

Tailor Model

| | Rs. each |
|-------------------|----------|
| Usha | 235 |
| Zenith | 205 |
| Merrit | 624.75 |
| Everest | 231.00 |

Domestic Model Pedal type

| | Rs. |
|------------------|------------|
| Usha | 210 |
| Zenith | 190 |
| Merrit | (a) 315 |
| | (b) 325.50 |

Domestic Hand Operated

| | |
|-------------------|------------|
| Usha | 160.00 |
| Zenith | 155.00 |
| Merrit | (1) 241.50 |
| | (2) 231.00 |
| Everest | 183.75 |

Stores Purchase Committee recommended to place order for tailor model with Usha for entire quantity, for domestic model pedal type with Merrit and for domestic model hand operated with Usha.

Government agreed with the recommendation of the Stores Purchase Committee except in the case of domestic model pedal type on the ground that in the test report it was found that the quality of 'Zenith' who quoted the rate of Rs. 190 was put next to 'Merrit' in the order of preference. As the difference in price was however very glaring—Zenith quoted only Rs. 190 as against Rs. 315 quoted by Merrit—Government decided to place orders for Zenith @ Rs. 190 each in place of Merrit.

14. G.O. (MS) 53/63/SPD dated 11th October, 1963.

Construction of Boats—Fisheries Department.—The Director of Fisheries invited tenders for the construction and supply of 33 Nos. of boats of different sizes.

- | | |
|---|---------|
| (i) Boats—36 ft. | 6 Nos. |
| (ii) Boats—30 ft. (old design) | 11 Nos. |
| (iii) Boats—30 ft. (New design) | 16 Nos. |

Item (I) Boats—36 ft.—6 Nos.

On the whole 22 tenders were received, of which 11 tenders were valid. The lowest 5 offers were overlooked as they did not have much experience in the line and as no reliability could be placed on them about their work. Considering the capacity of the tenderers to construct boats according to specification, past performance and experience in the construction of complicated designs and Departmental facilities to supervise the work, the Director of Fisheries recommended the proposal as follows:—

- | | |
|--|-----------------|
| 1. Bharat Industrials, Cochin—2 Nos. | Rs. 60,000 each |
| 2. M/s. K. B. Thomas and Joseph, Cochin—2 Nos. | Do. |
| 3. Brunton & Co., Cochin—2 Nos. | Rs. 61,000 each |

The Departmental Purchasing Committee endorsed the recommendation of the Director of Fisheries.

The Stores Purchase Department recommended to award a contract to build one boat to the lowest offerer, Shri C. J. Simon at Rs. 48,000|- each, reducing the number of 2 boats recommended to be given to M|s Brunton & Co., the higher offerer, by one in the light of an observation from Accountant General that new aspirants in the line may also be given encouragement.

On receipt of complaints from lower offerers, Shri C. J. Simon and M|S Varuna Boat Builders, Government ordered the Director of Fisheries to conduct an enquiry about their past experience, capacity to undertake the work, etc. The enquiry report was not in favour of these two firms. From the enquiry report, Government found that M|S Varuna Boat Builders were experienced in the line though they had not executed a previous order satisfactorily. It was therefore decided that this unfavourable factor did not stand in the way of giving them some boats of this category and hence ordered to arrange supply as follows in modification of the recommendation of the Departmental Purchasing Committee and the Stores Purchase Department.

- | | | |
|--|-----------|-----------------|
| 1. M/s. Varuna Boat Builders—2 Nos. | | Rs. 52,500 each |
| 2. M/s. Bharat Industrials—2 Nos. | | Rs. 60,000 each |
| 3. Shri K. B. Thomas and Joseph—2 Nos. | | Rs. 60,000 each |

Item II—Boats—30ft. (Old design)—11 Nos.

17 tenders were received. Based on the same reasons stated in the case of Item No. I. the Director of Fisheries recommended the supply as follows:

- | | | |
|--------------------------------------|-----------|-----------------|
| 1. Shri K. J. Xavier, Cochin—5 Nos. | | Rs. 13,000 each |
| 2. Shri E. V. Korath, Cherai—2 Nos. | | Rs. 13,850 each |
| 3. Shri K. R. Cleetus, Cochin—3 Nos. | | Rs. 13,960 each |
| 4. Bharat Industrials, Cochin—1 No. | | Rs. 14,250 each |

The Departmental Purchasing Committee agreed with the recommendation of the Director of Fisheries. The Stores Purchase Department in view of the observation of the Accountant General that new aspirants in the line might also be given encouragement recommended that one boat might be given to Shri C. J. Simon at Rs. 13,000|- instead of the offer recommended by the Departmental Purchasing Committee in favour of M|s Bharat Industrials, Cochin Government agreed with the suggestion of the Stores Purchase Department.

Item No. III—Boats —30ft. (new design)—16 Nos.

18 tenders were received. Based on the very same consideration adopted in the case of item I, the recommendation of the Director of Fisheries was as follows:

- | | |
|--|------------------------|
| 1. Shri K. J. Xavier—4 Nos. | Rs. 14,000 each |
| 2. Bharat Industrials—3 Nos. | Rs. 15,250 each |
| 3. Shri P. A. Augustine—2 Nos. | Rs. 15,400 each |
| 4. Shri K. J. Varuthukutty & Sons—5 Nos. | Rs. 15,250 each + S.T. |
| 5. Shri P. D. Mathachan & Sons—2 Nos. | Rs. 15,885 each |

The Departmental Purchasing Committee also agreed with the suggestion of the Director of Fisheries.

The Stores Purchase Department agreed to the recommendation of the Departmental Purchasing Committee with the modification that one Boat might be given to Shri C. J. Simon, the lowest offerer at Rs. 13,500 each by reducing the two boats recommended in favour of Shri P. D. Mathachan & Sons to one.

Government accepted the Stores Purchase Department's recommendation with the modification that two boats might be given to M/S Varuna Boat Builders at Rs. 15,400/- each based on the enquiry report regarding experience and their capacity in the line, by reducing the number of boats proposed for Shri K. J. Varuthukutty. & Sons from 5 to 4 and eliminating the purchase proposed from Shri P. D. Mathachan & Sons.

15. G.O. MS. 448/64/HLD dated 30-6-1964.

Purchase of sluice valves—Public Health Engineering Department.

The Chief Engineer (Public Health Engineering Department) invited tenders during 1963 for the supply of 150 Nos. of sluice valves of 20-24" and 18 tenders were received; of which only 9 tenders were valid. M/S Sanmati Corporation, Calcutta had quoted the lowest rate of Rs. 2,900/- each of 24" size. The valve spindle of their offer was of mild steel as against the I. S. I. specification of bronze. But the Firm agreed to supply as per I.S.I. specification at an extra cost of Rs. 150/-each.

In view of the lower rates and considering the Statement regarding the supplies to other Government Departments, the Chief Engineer recommended the purchase of 20 Nos. of 24" valves from them.

The rates quoted by M/s Parry & Co. were higher than that of M/S Glenfield and Kennedy. On negotiation with Parry & Co. by the Chief Engineer, they agreed to supply at the rate offered by M/S Glenfield and Kennedy. In view of the urgency for the valves, the Chief Engineer suggested that the remaining Nos. (130) might be purchased from both Parry & Co. and M/S Glenfield and Kennedy in equal proportion. The rates quoted by M/S Glenfield and Kennedy were as follows:

| Specification | Rate |
|---------------|-----------|
| | Rs. |
| 20" | 3635 each |
| 21" | 3755 „ |
| 22" | 4450 „ |
| 24" | 4680 „ |

The Departmental Purchasing Committee agreed to the suggestion of the Chief Engineer in placing a trial order of 20 Nos. of 24" valves with M/S Sanmati Corporation. Regarding the Chief Engineer's recommendation for the supply of the balance quantity from M/S Parry & Co. and M/S Glenfield and Kennedy, the Committee did not accept his views as it amounted to a negotiated contract, i.e. accepting the offer of a higher tenderer, M/S Parry & Co. at the lower rates of another Firm. M/S Glenfield and Kennedy by negotiation, which was irregular. The Committee suggested that the orders for the supply of 130 Nos. might be placed with M/S Glenfield and Kennedy, Calcutta.

Government, on consideration of the whole question reduced the trial order No. of M/S Sanmati Corporation from 20 to 5 Nos. of 24" size as it was only a trial order and as the Firm had not much name in the field of supply of water supply materials. The balance quantity of 15 Nos. were also ordered to be purchased from M/S Glenfield and Kennedy, agreeing with the Committee's suggestion.

Sd.

*Additional Secretary to Government
Stores Purchase Department.*

APPENDIX LXI

(See para 10·28)

Note on Para 58—Audit Report, 1965

Details of 83 cases where tax amounting to Rs. 69,259 was forgone.

The 83 cases relate to the following Offices and the action taken under each case is given below:—

| Sl. No. | Name of Office | No. of cases | Tax involved Rs. |
|----------------|---------------------------------|--------------|---------------------|
| 1 | S.T.O. Spl. Circle, Kottayam | 8 | 15,462 |
| 2 | S.T.O. Spl. Circle, Palghat | 1 | 273 |
| 3 | S.T.O. I Circle, Ernakulam | 1 | 1,575 |
| 4 | S.T.O. Special II, Kozhikode | 1 | 3,384 |
| 5 | S.T.O. Devikulam | 1 | 1,309 |
| 6 | S.T.O. Muvattupuzha | 1 | 343 |
| 7 | S.T.O. I Circle, Mattanchery | 1 | 1,531 |
| 8 | S.T.O. Changanachery | 9 | 1,566 |
| 9 | S.T.O. Spl. Circle, Kottayam | 8 | 4,760 |
| 10 | S.T.O. Spl. Circle, Palghat | 3 | 728 |
| 11 | S.T.O. Ponkunnam | 3 | 2,339 |
| 12 | S.T.O. I Circle, Trichur | 1 | 266 |
| 13 | S.T.O. Spl. Circle, Trichur | 6 | 2,839 |
| 14 | S.T.O. I Circle, Ernakulam | 3 | 3,698 |
| 15 | S.T.O. Spl. Circle, Mattanchery | 5 | 2,724 |
| 16 | S.T.O. Alwaye | 3 | 10,772 |
| 17 | S.T.O. Spl. Circle I, Kozhikode | 3 | 207 |
| 18 | S.T.O. Chittoor | 5 | 746 |
| 19 | S.T.O. I Circle, Kozhikode | 1 | 840 |
| 20 | S.T.O. Spl. Circle, Cannanore | 2 | 4,772 |
| 21 | S.T.O. Cannanore | 1 | 185 |
| 22 | S.T.O. Hosdurg | 1 | 252 |
| 23 | S.T.O. II Circle, Kozhikode | 1 | 194 |
| 24 | S.T.O. II Circle, Trichur | 5 | 888 |
| 25 | S.T.O. Parur | 1 | 936 |
| 26 | S.T.O. Chalakudy | 1 | 432 |
| 27 | S.T.O. II Circle, Quilon | 4 | 274 |
| 28 | S.T.O. I Circle, Mattanchery | 2 | 5,200 |
| 29 | S.T.O. II Circle, Alleppey | 1 | 764 |
| TOTAL : | | 83 | 69,259 |

The nature of defect and the action taken under each case are given below:—

1. *Sales Tax Office, Special Circle, Kottayam, 8 cases*:—(i) Out of the 8 cases the Deputy Commissioner, Ernakulam has already taken action to revise the assessments in 4 cases and hence there is no loss of revenue in these 4 cases.

(ii) The remaining 4 cases relate to inter-state sales made by rubber estate owners. But these rubber estate owners are not dealers under the Central Sales Tax Act, according to the judgment of the Kerala High Court in TRC. No. 49/63 and hence these rubber estate owners are not liable to tax under the Central Sales Tax Act for their inter-state sales. Here also there is no loss of revenue.

2. *Sales Tax Office, special Circle, Palghat: 1 case*.—The assessment has already been revised and the tax demanded. Hence there is no loss of revenue.

3. *Sales Tax Office, I Circle, Ernakulam: 1 case*.—The assessment has been revise. Hence no loss.

4. *Sales Tax Office, Special Circle, II, Kozhikode: 1 case*.—On further verification of the records, it has been found that the turnover assessed is correct. Hence the loss of revenue reported by the Accountant General does not exist actually.

5. *Sales Tax Office, Deviculam: 1 case*.—The officer has taken action to assess the turnover not covered by C forms. Hence no loss of revenue.

6. *Sales Tax Office, Muvatupuzha: 1 case*.—The assessment has already been revised. No loss of revenue.

7. *Sales Tax Office, I Circle, Mattancherry: 1 case*.—The Officer has taken action to assess the turnover not covered by C forms. No loss of revenue.

8. *Sales Tax Office, Changanacherry: 9 cases*.—The position of the 9 cases is as follows:—

(a) In 4 cases (name of assessee noted below) the files have been sent to the Deputy Commissioner, Ernakulam for *suo-motu* revision.

| | |
|-------|--------------|
| (1) A | (1961-1962). |
| (2) B | (1960-1961). |
| (3) C | (1960-1961). |
| (4) D | (1961-1962) |

(b) The position regarding the remaining five cases is as follows:—

| Name of dealer | Action taken |
|-----------------------|--|
| (1) E (1961-1962). | The party has been served with a notice under Rule 6(9) of the Central Sales Tax (Kerala) Rules, 1957 to revise the assessment. |
| (2) F (1961-1962). | The party produced the C forms issued wherein the number and date of Registration shown is in order. |
| (3) G (1960-1961). | -do- |
| (4) H (1960-1961). | Out of the 9 C Forms pointed out as defective, 5 cases are in order. The remaining 4 cases covering a total turnover of Rs. 2,122-12 has been assessed at the higher rate and the additional tax of Rs. 127-32 has been demanded from and paid by the party. |
| (5) I (1961-1962) | The respective C Forms were since found out in 1960-'61 assessment file and hence it requires no action. |

9. Sales Tax Office, Special Circle, Kottayam: 8 cases.—The latest position regarding the 8 cases is as follows:—

1. 'J' (1960-'61).

The date of registration is found to be prior to the sale as per C Form No. 71478. Hence no revised assessment was made.

2. 'K' (1958-'59).

3. 'L' (1958-'59).

4. 'M' (1958-'59).

In these three cases, they are not assessable in the light of the decision in T. R. C. No. 49/63.

5. 'N' (1961-'62). The date and Registration number furnished by the assessee. The 'C' forms are, therefore, in order.

6. 'O' (1960-'61) Assessment revised.

7. 'P' (1961-'62). Registration Certificate date has since been furnished.

8. 'Q' (1961-'62). The selling dealer had valid registration. He produced C Form No. 410877.

10. *Sales Tax Office, Special Circle, Palghat: 3 cases.*—The assessments in the 3 cases have been revised. Hence no loss of revenue.

11. *Sales Tax Office, Ponkunnam: 3 cases.*—Out of 3 cases, on further scrutiny the defects pointed out do not exist in 2 cases. The assessment in the third case has been revised and the tax demanded at the higher rate and collected.

12. *Sales Tax Office, 1 Circle, Trichur: 1 case.*—Action for revision of assessment has been dropped as information regarding the date of registration of the purchaser has been furnished by the dealers.

13. *Sales Tax Office, Special Circle, Trichur: 6 cases.*—3 cases have been revised. In three cases on further scrutiny it was found that there was no defect.

14. *Sales Tax Office, I Circle, Ernakulam: 3 cases.*—The Officer has already taken action to revise the assessment.

15. *Sales Tax Office, Special Circle, Mattanchery: 5 cases.* In one case it was found that there was no defect as proof was produced. Action has been taken to revise the assessment in the remaining 4 cases.

16. *Sales Tax Office, Alwaye: 3 cases.*—Action has been taken to revise the assessments.

17. *Sales Tax Office, Special Circle I, Kozhikode: 3 cases.*—In one case, the C forms have been found to be valid on verification of the proof produced. In the remaining 2 cases assessments have been revised.

18. *Sales Tax Office, Chittoor: 5 cases.*—These cases have been revised.

19. *Sales Tax Office, I Circle, Kozhikode: 1 case.*—This has been revised.

20. *Sales Tax Office, Special Circle, Cannanore 3 cases.*—Action has been taken to revise the assessments.

21. *Sales Tax Office, Cannanore: 1 case.*—The C form has been found to be valid on examination of the further evidence produced.

22. *Sales Tax Office, Hosdurg: 1 case.*—Action has been taken to revise the assessment.

23. *Sales Tax Office, II Circle, Kozhikode: 1 case.*—The tax effect noted as Rs. 194 by the Audit is not correct. It is only Rs. 98·44. Action has been taken to revise the assessment.

24. *Sales Tax Office, II Circle, Trichur: 5 cases.*—Action has been taken to revise the assessments.

25. *Sales Tax Office, Parurs 1 case.*—Action has been taken to revise the assessment.

26. *Sales Tax Office, Chalakudy: 1 case.*—Assessment has been revised.

27. *Sales Tax Office, II Circle, Quilon: 4 cases.*—Action has been taken to revise all the assessments.

28. *Sales Tax Office, I Circle, Mattanchery: 2 cases.*—Assessments have been revised.

29. *Sales Tax Office, II Circle, Alleppey: 1 case.*—The C form has been found to be valid on further examination of the proof produced.

Sd.

*Joint Secretary to Government,
Revenue Department.*

(See para 11, 14)

Statement showing savings under Voted Grants

(Referred to in paragraph 14—Chapter II, page 17 of the Audit Report, 1964)

| Sl. No. | Number and name of Grant | Original Grant Supplementary Grant | Total Grant | Expenditure | Saving | Percentage of savings |
|--|---|--|-------------|-------------|---------|--------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| (Figures in lakhs of rupees) | | | | | | |
| <i>I. Cases where the savings amounted to 20 per cent or more of the total grant</i> | | | | | | |
| 1 | XIV State Insurance and Miscellaneous | 1,53'54 | 1,53'54 | 83'83 | 69'71 | 45'40 |
| 2 | XV Scientific Departments | 10'43 | 10'43 | 6'09 | 4'34 | 41'60 |
| 3 | XVI University Education | 1,29'73 | 1,44'99 | 1,11'85 | 33'14 | 22'86 |
| 4 | XVIII Technical Education | 87'52 | 91'90 | 61'12 | 29'97 | 32'90 |
| 5 | XXII Agriculture | 1,98'68 | 1,98'68 | 1,44'04 | 54'64 | 27'50 |
| 6 | XXVI Co-operation | 52'40 | 56'57 | 38'24 | 18'33 | 32'40 |
| 7 | XXVII Industries | 2,96'58 | 2,96'83 | 2,24'57 | 72'26 | 24'34 |
| 8 | XXXIV Ports | 7'41 | 7'41 | 5'90 | 1'51 | 20'38 |
| 9 | XLI Miscellaneous Contributions and Assignments | 30'18 | 31'13 | 22'85 | 8'28 | 26'60 |
| 10 | XLIA National Emergency | 0'95 | 0'85 | 0'68 | 0'17 | 20'00 |
| 11 | XLIII Capital Outlay on Agricultural Improvement | 55'66 | 55'66 | 38'36 | 16'70 | 30'33 |
| 12 | XLVII Capital Outlay on Other Works | 74'08 | 74'08 | 30'87 | 43'21 | 58'33 |
| 13 | XLVIII Capital Outlay on Ports | 32'66 | 32'66 | 10'35 | 22'31 | 68'31 |
| 14 | LII Capital Outlay on Schemes of Government Trading | 14,27'62 | 14,55'37 | 11,38'98 | 3,16'39 | 21'74 |
| <i>II. Cases where the savings exceeded 10 per cent but were within 20 per cent of the total grant</i> | | | | | | |
| 15 | IV ₂ Taxes on Vehicles | 9'09 | 9'09 | 7'54 | 1'55 | 17'05 |
| 16 | V Stamps | 9'65 | 9'65 | 8'41 | 1'24 | 12'85 |
| 17 | VIII Elections | 6'68 | 6'68 | 6'01 | 0'67 | 10'03 |
| 18 | XXIII Fisheries | 79'20 | 79'20 | 67'19 | 11'91 | 15'02 |
| 19 | XXIV Rural Development | 62'34 | 62'34 | 52'46 | 9'88 | 15'85 |
| 20 | XXVIII Community Projects, National Extension Service and Local Development Works | 2,35'08 | 2,35'08 | 2,07'94 | 27'14 | 11'12 |
| 21 | XXIX Labour and Employment | 50'26 | 50'26 | 44'28 | 5'98 | 11'90 |
| 22 | XXXI Statistics and Miscellaneous | 15'64 | 15'64 | 13'40 | 2'24 | 14'32 |
| 23 | XL Miscellaneous | 50'48 | 63'26 | 52'42 | 10'84 | 17'14 |
| 24 | XLII Capital Outlay on Public Health | 98'29 | 1,18'70 | 1,05'50 | 13'20 | 11'12 |
| 25 | XLIV Capital Outlay on Industrial Development | 2,40'36 | 2,30'96 | 2,07'53 | 43'43 | 17'31 |
| 26 | L Capital Outlay on Forests | 28'87 | 29'16 | 25'06 | 4'10 | 14'06 |

(See para 11-18)

Statement showing savings under Voted Grants

(Referred to in paragraph 14—Chapter II—page 20 of the Audit Report)

| Sl. No. | Number and names of Grants | Original Grant Supplementary Grant | Total Grant | Expenditure | Saving | Percentage of saving |
|---|---|--|----------------|-------------|---------|-------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| I. CASES WHERE THE SAVINGS AMOUNTED TO 20 PER CENT OR MORE OF THE TOTAL GRANT | | (Figures in lakhs of rupees) | | | | |
| 1 VIII. | Elections | 4.75 .. | 4.75 | 3.76 | 6.99 | 20.84 |
| 2 XIV. | State Insurance and Miscellaneous | 16.77 2.50 | 19.27 | 14.88 | 4.39 | 22.78 |
| 3 XV. | Scientific Departments | 9.28 0.29 | 9.57 | 7.52 | 2.05 | 21.42 |
| 4 XVI. | University Education | 1,74.21 Token | 1,74.21 | 1,37.15 | 37.06 | 21.27 |
| 5 XVIII. | Technical Education | 1,20.68 Token | 1,20.68 | 82.46 | 38.22 | 31.67 |
| 6 XL. | Miscellaneous | 85.30 Token | 85.30 | 64.47 | 20.83 | 24.42 |
| 7 XLI. | Miscellaneous Contributions and Assignments | 13.35 Token | 13.35 | 8.34 | 5.01 | 37.53 |
| 8 XLII. | National Emergency | 7.66 .. | 7.66 | 2.19 | 5.47 | 71.41 |
| 9 XLIX. | Capital Outlay on Ports | 15.69 .. | 15.69 | 10.78 | 4.91 | 31.29 |
| 10 LIII. | Capital Outlay on Schemes of Government Trading | 12,91.85 Token | 12,91.85 | 10,17.79 | 2,74.06 | 21.21 |
| II. CASES WHERE THE SAVINGS EXCEEDED 10 PER CENT BUT WERE WITHIN 20 PER CENT OF THE TOTAL GRANT | | | | | | |
| 11 II. | Land Revenue | 1,22.54 .. | 1,22.54 | 1,01.21 | 21.33 | 17.41 |
| 12 V. | Stamps | 11.96 .. | 11.96 | 10.20 | 1.76 | 14.71 |
| 13 XXIV. | Rural Development | 53.12 8.60 | 61.72 | 54.05 | 7.67 | 12.43 |
| 14 XXVI. | Co-operation | 55.66 .. | 55.66 | 46.13 | 9.53 | 17.12 |
| 15 XXIX. | Labour and Employment | 69.08 .. | 69.08 | 61.98 | 7.10 | 10.28 |
| 16 XXXVI. | Famine | 19.20 1.00 | 20.20 | 17.50 | 2.70 | 13.36 |
| 17 XLIV. | Capital Outlay on Agricultural Improvement | 8.57 16.29 | 24.86 | 22.34 | 2.52 | 10.14 |
| 18 XLV. | Capital Outlay on Industrial Development | 3,09.09 13.63 | 3,22.72 | 2,88.77 | 33.95 | 10.52 |
| 19 LII. | Commuted value of pensions | 2.70 .. | 2.70 | 2.24 | 0.46 | 17.04 |

APPENDIX LXIV

(See PART II-21)

Major schemes, the provision for which remained wholly or substantially unutilised

(Referred to in paragraph 14—Chapter II—page 21 of the Audit Report)

| Sl. No. | Grant No. and head | Group | Name of the scheme | Provision Saving (and percentage) | | Reasons for the saving |
|-----------------------------|--|-------|--|--------------------------------------|----------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (6) |
| <i>(In lakhs of rupees)</i> | | | | | | |
| 1 | XVII General Education B(a) II. J | | Conversion of secondary schools into multi-purpose higher secondary schools (Plan) | 2.20 | 1.98 (90%) | Mainly due to post-budget orders of Government to curtail expenditure as a measure of economy. |
| 2 | XVII General Education B(a) II. K | | Development of experimental multi-purpose schools (Plan) | 1.00 | 1.00 (100%) | Non-implementation of the scheme due to post-budget orders of Government to curtail expenditure. |
| 3 | XVII General Education E(f)(14) | | Medical Inspection (Non-Plan) | 1.50 | 1.01 (67%) | Due to non-preferment of claims for medical inspection by Medical Officers; medical inspections were also not conducted in certain schools. |
| 4 | XVII General Education E(f) (21) | | Campus works projects (Non-Plan) | 1.50 | 1.09 (73%) | Mainly due to non-payment of grant due to administrative reasons. |
| 5 | XVIII Technical Education A(d) (vii)C | | Post-graduate course in the Engineering College Trivandrum (Plan) | 2.79 | 1.88 (67%) | Due to post-budget orders of Government discontinuing the scheme of one year's duration and introducing a new scheme of two years' duration and non-receipt of equipment. |
| 6 | XVIII Technical Education D(a) (xvii)G | | Development of Maharaja's Technological Institute, Trichur (Plan) | 1.71 | 1.26 (74%) | Mainly due to unfilled vacancies and non-purchase of equipment due to late sanction or non-receipt of equipment ordered for. |

| Sl. No. | Grant No. and Group head | Name of the scheme | Provision | Saving (and percentage) | Reasons for the saving |
|----------------------|---|--|-----------|-------------------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) |
| (In lakhs of rupees) | | | | | |
| 7 | XIX Medical (d) (iv) I.D. | Development of post-graduate education in the Medical College, Trivandrum (Plan) | 2.51 | 2.07 (83%) | Mainly due to non-implementation of the scheme in full, pending sanction of the Government of India, delay in sanctioning additional staff and unfilled vacancies. |
| 8 | XXVIII Community Development Projects, National Extension Service and Local Development Works A(i)(1) | Rural Arts, Crafts and Industries financed from loan funds (Plan) | 2.18 | 1.87 (86%) | Non-formation of co-operative societies in certain Block areas owing to certain administrative difficulties. |
| 9 | XXVIII Community Development Projects, National Extension Service and Local Development Works D(a) (iv) IV. 1 | Panchayat Raj Training Centres (Plan) | 1.00 | 1.00 (100%) | Non-receipt of Government's sanction for implementation of the scheme. |
| 10 | XXX Harijan Welfare (1) (d) 3 (ii) B. II. | Health Housing and other schemes (Plan) —subsidy for housing to sweepers and scavengers and provision of house sites to members of scheduled castes who are engaged in unclean occupation and who are landless labourers | 1.84 | 1.84 (100%) | Non-implementation of the scheme due to late receipt of Government orders. |

APPENDIX LXV

(See PARA II.26)

NOTE ON PARA 14—AUDIT REPORT 1965

74. Brief Notes indicating reasons for savings in excess of 10 % which occurred in 1962-63 and 1963-64 in the case of Serial No. 1 in Appendix II pp. 148-151 of Audit Report, 1965.

| Demand No. VIII. Elections. | 1962-63 | | | | | (Rupees in lakhs). | | | | | 1963-64 | | | | |
|--|-----------------|--------------------|--------------------|--|-----------------------|--------------------|-------------|---|---------|-----------------------|---------|--|--|--|--|
| | Budget Estimate | Total Grant | Actual expenditure | Savings | Percentage of Savings | Budget Estimate | Total Grant | Expenditure | Savings | Percentage of savings | | | | | |
| | 6.68 | 6.68 | 6.01 | 0.67 | 10.03 | 4.75 | 4.75 | 3.76 | 0.99 | 20.84 | | | | | |
| Head of account | Original Grant. | Actual expenditure | Savings | Reasons for savings | Original Grant | Actual expenditure | Savings | Reasons for savings | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | | | | | | | |
| 1 18·C(a)I—Preparation and Printing of Electoral Rolls | 0.50 | 0.47 | 0.03 | There were only very few additions and alterations in the supplements to electoral rolls for 1962 and therefore the pages of supplementary rolls printed were less than what was anticipated at the time of preparation of the Budget Estimates. | 1.70 | 0.41 | 1.29 | No intensive revision of rolls had to be conducted in 1963-64. Also, there were only very few corrections and additions in the final supplement for 1963. | | | | | | | |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|------|------|------|--|------|------|------|---|
| 2 | II. Expenditure on Election to— | | | | } The savings were due to the fact that the pending claims related to the general elections to Lok Sabha held in February, 1962 and the mid-term General Elections held in February, 1960 were less than what was anticipated at the time of the preparation of the budget. The majority of the claims could be settled by the close of 1961-62 itself as a result of the special drive made by the Department in this regard. | | | | |
| | (i) House of People | 2.95 | 2.06 | 0.89 | | | | | |
| | (ii) State Legislative Assembly. | 0.04 | 0.02 | 0.02 | | | | | |
| 3 | (iv) House of People and State Legislative (held simultaneously). | .. | .. | .. | | 2.71 | 2.40 | 0.31 | The savings were mainly due to less expenditure on the pay and allowances of the staff in the Election Department due to change of personnel, non-conduct of intensive revision of electoral rolls and economy in expenditure". |
| 4 | III. Bye-Elections.— | | | | } The savings were due to the fact that there was no bye-election to any of the seats of the Lok Sabha and also due to the postponement of bye-elections in Vazhoor, Pathan- | | | | |
| | (i) House of People | 0.10 | .. | 0.10 | | 0.10 | Nil. | 0.10 | There was no bye-election to the Lok Sabha. |
| | (iii) State Legislative Assembly. | 0.20 | 0.08 | 0.12 | | | | | |

amthitta and Trivandrum
II. Legislative Assem-
bly constituencies due to
National Emergency.

| | | | | | | | | | |
|--------------|--|----------------------------|------|-------|---|--------------------|-------------|-----------|--|
| 5 | IV. Election Tribunal (ii) State Assembly. | Token provision of Rs. 100 | .. | 100 | } No election tribunal was appointed during the year nor the Delimitation Commission held their sitting in the State. | (Rs. 100) | Nil. | (Rs. 100) | No election Tribunal was appointed. |
| 6 | V. Delimitation Commission. | Do. | .. | Do. | | 0.01 (only Rs. 54) | (Rs. 964/-) | 0.01 | The savings were mainly due to the fact that the expenditure on the conveyance provided to the Delimitation Commission could not be adjusted before the close of the year due to non-receipt of invoices after verification from the Tourist Department. |
| TOTAL | | 3.80 | 2.63 | 1.17* | 4.52 | 2.81 | 1.71** | | |

*The net Savings under the Grant as a whole were only Rs. 0.67 lakhs.

**The net savings under the Grant as a whole were only Rs. 0.99 lakhs.

Brief notes indicating reasons for savings in excess of 10% which occurred in 1962-63 and 1963-64 in the case of serial No. 6 in Appendix II, Page 148 of Audit Report, 1965.

| Demand No. | 1962-63 | | | | | 1963-64 | | | | |
|---|-----------------|--------------------|--------------------|---|-----------------------|--------------------|-------------|---------------------|---------|-----------------------|
| | Budget Estimate | Total grant | Actual expenditure | Savings | Percentage of savings | Budget Estimate | Total grant | Expenditure | Savings | Percentage of savings |
| XL—Miscellaneous (voted) | 50.48 | 63.26 | 52.42 | 10.84 | 17.14 | 85.30 | 85.30 | 64.47 | 20.83 | 24.42 |
| Head of account | Original grant | Actual expenditure | Savings | Reasons for savings | Original grant | Actual expenditure | Savings | Reasons for savings | | |
| I | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | | |
| 71 Mis. (c)(vii) H. Field Publicity Organisation. | 0.55 | 0.19 | 0.36 | Due to non-purchase of motor boat and van in view of the National Emergency and consequent non-appointment of staff therefor. | | | | | | |
| 71. Miscellaneous (f) (iii) Contribution to Municipalities and Corporations. | 12.00 | 9.56 | 2.44 | The savings were due to the post budget reduction in the rate of assistance to be given to the Municipalities and Corporations towards special dearness allowance payable to their employees and on account of the non-reimbursement of grants in | | | | | | |

| | | | | | | | |
|--|------|------|------|--|------|----|---|
| | | | | full to the Calicut Corporation and a few municipalities which did not prefer their claims in time. | | | |
| (f) (v) 1 Grants for Youth Camps. & Labour Services. | 0.50 | Nil. | 0.50 | Due to non-conduct of camps during the year consequent on the decision to conduct the camps only during the summer vacation. | | | |
| (f) (xiv) Grants of pension to destitute widows | .. | .. | .. | | 2.00 | .. | 2.00 Rules governing the payment of grants could be finalised only during January 1964 and accordingly no amount could be disbursed before the closing of the year after observing necessary formalities. |
| (f) (xv) Grants to handicapped and physically disabled persons. | 2.00 | .. | 2.00 | Rules regarding the payment of grants could not be finalised (f) (xiii) before the close of the year. | 2.00 | .. | 2.00 Do. |
| (f) (xvii) 3. B. Stadia | 1.00 | 0.25 | 0.75 | Non-receipt of proposals with sufficient details for sanctioning grants from the District Collectors. | | | |
| (f) (xvii) 4. Contribution under subsidised industrial housing Scheme. | 1.60 | 0.67 | 0.93 | The savings were as a result of the non-disbursement of a part of the budget allotment due to non-production of necessary certificates by the Industrial concerns. | | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|------|------|------|---|-------|-------|-------|---|
| 71 Miscellaneous (g) (iii) B. 5 Grants to Orphanages. | 3.86 | 1.03 | 2.83 | The savings have occurred mainly due to the post-budget decision of Govt. to debit the expenditure under 'Plan' (71-(g) (xvi) E. Grants-in-aid to orphanages & Homes for the old and the Infirm). Under the 'Plan head' the actual expenditure was Rs. 4.86 lakhs against the original grant of Rs. 2.00 lakhs. | | | | |
| (g) (xvi) D. Compilation of the history of Kerala. | 0.50 | Nil. | 0.50 | The Committee for the (g) (xviii)(c) Compilation of the history could not be constituted due to delay in selecting suitable personnel. | 0.50 | Nil. | 0.50 | Same reasons as for 1962-63. |
| (g) (xvii) Rocket Launching site. | .. | .. | .. | .. | 36.97 | 17.65 | 19.32 | The savings were mainly due to the following :— 1. Stoppage of the work of acquisition and construction of "Veli- Karimnal Road" (Rs. 1.50 lakhs) 2. Acquisition of only an area of 43 acres (out of 100 acres) of land for the establishment of a laboratory after completing necessary formalities and the non-completion of construction of 275 houses |

(out of 400) for rehabilitation the displaced families from the land acquired for the Rocket Launching Station (Rs 6.80) lakhs.

3. The procedural difficulties which caused delay in land acquisition and road works & the subsequent decision of the Government of India not to proceeding with the land acquisition as originally proposed by them (Rs. 10.99 lakhs)

(g) (xviii) F. Organisation of Lok Karya Kshethras.

1.23

0.19

1.04

The provision consisted of the following :—

| | |
|----------|---------------------|
| 1. Rural | . Rs. 60,000 |
| 2. Urban | . Rs. 62,500 |
| | <u>Rs. 1,22,500</u> |

The savings of Rs. 62,500/ provided for Lok Karya Kshethras (Urban) was due to the fact that the Government of India subsequently decided that the expenditure on the scheme would be directly met from the Central Budget.

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The saving under Lok Karya Kshethra (Rural) was on the account of the adjustment in 1963-64 of the unspent balance of the grants-in-aid paid to Lok Karya Kshethra in 62-63 and as the number of new Lok Karya Kshethras organised during 63-64 and becoming eligible for assistance was much lower than expected.

NOTE :—The provisions in which savings occurred during both the financial years were those under “(b) (xv) Grants to physically disabled persons” and under (g) (xvi) D. Compilation of the History of Kerala.

The net savings under the grant as a whole were Rs. 10·84 lakhs. The net savings under the grant as a whole were Rs. 20·83 lakhs.

Sd/-.
Additional Secretary (Finance)

SAVINGS IN GRANTS—BRIEF NOTES INDICATING REASONS FOR SAVINGS IN EXCESS OF 10% WHICH OCCURRED IN 1962-63 AND 1963-64 IN CASE OF SERIAL NO. 9, APPENDIX II, PAGES 148 AND 149

| 1962-63 | | | | | | (Rs. in lakhs) 1963-64 | | | | |
|---|--------------------------|-------------|--------------------|---------|-----------------------|---------------------------|-------------|--------------------|---------|-----------------------|
| Demand No. XLVIII Capital outlay on Ports (XLIX in 1963-64) | Original Budget Estimate | Total grant | Actual expenditure | Savings | Percentage of Savings | Original Budget Estimate | Total grant | Actual expenditure | Savings | Percentage of savings |
| | 32.65 | 32.66 | 10.35 | 22.31 | 68.31 | 15.69 | 15.69 | 10.78 | 4.91 | 31.29 |

| Head of account | Original grant | Actual expenditure | Savings | Reasons for Savings | Original grant | Actual expenditure | Savings | Reasons for Savings |
|-----------------|----------------|--------------------|---------|---------------------|----------------|--------------------|---------|---------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |

| | | | | | | | | |
|--|--------------------|--|------|--|------|--|--|--|
| 110-Capital outlay on Ports C(a)B-(xxix) Construction of pier at Badagara. | 1.03 (Final grant) | | 1.03 | An expenditure of Rs. 1.01 lakhs was incurred towards land acquisition charges. This was, however, classified in the Irrigation Division, Calicut under "110. Capital outlay on Ports-C(c) (ii) Construction of a pier with electric cranes at Badagara". The misclassification was reported to the Accountant General in letter No .F.1(4)61884/64 dated 22-10-1964 from the Chief Engineer, (G & I). This was too late for rectification of mistake in the accounts for 1962-63. | 1.01 | | | |
|--|--------------------|--|------|--|------|--|--|--|

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|------|------|------|---|---|---|---|---|
| C(b) Establishment-amount transferred from "50-Public Works" on account of establishment charges B. Plan. | 2.50 | 0.67 | 1.83 | Since the expenditure on works was far short of the original estimate, the proportionate share of establishment charges to be transferred from "50 Public Works" became correspondingly less. Hence the savings in the original grant under this head. | | | | |
| C(c)(iii) Repairs and renewals to decking and structure of Pier at Tellicherry | 1.60 | 0.27 | 1.33 | The savings under this head was due to the slow progress of work on account of the negligence on the part of the contractor. | | | | |
| C(c)(xv) Installation of electric cranes at Beypore Port | 1.00 | .. | 1.00 | The installation of electric cranes could be done only after constructing the wharf. The work relating to the construction of wharf could not be started during the year due to non-finalisation of the contract relating to the work. | | | | |
| C(c)(xvi) Installation of electric cranes at Azhikkal Port. | 1.00 | .. | 1.00 | The work of installation of electric Cranes at Azhikkal Port could not be carried out before the decking work on the wharf was completed. The decking work could not be finalised for want of information regarding the weight of the crane proposed to be installed there. | | | | |

| | | | | |
|--|-------|------|-------|---|
| C. (c)(xxii).—Lighterage Port at Neendakara. | 13·11 | 2·99 | 10·12 | The original estimate of Neendakara Project had to be revised. The main work in the project was construction of breakwaters. A revised estimate for the scheme amounting to Rs. 136·15 lakhs was forwarded to the Government of India for approval on 31-10-62. The Govt. of India's approval to the estimate at a total cost of Rs. 120·05 lakhs was communicated only in September, 1963. A further revised estimate costing Rs. 135·65 lakhs was forwarded by this Government to Government of India on 8-11-63 and this estimate was approved by the Government of India in their letter dated 27-2-1965. Hence only preliminary works could be carried out during 1962-63. |
|--|-------|------|-------|---|

| | | | | |
|---|------|----|------|---|
| C.(d)(1).—Provision of a Grab dredger at Calicut. | 2·90 | .. | 2·90 | The provision was for the full payment of the cost of the dredgers as per supply order placed with M/s. Holland Ship-Building Association, Holland. But as the contractors subsequently asked for an increase in price, the supply order placed with them had to be cancelled |
|---|------|----|------|---|

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|------|----|------|--|-------|------|------|--|
| | | | | and hence no payment could be made as anticipated. | | | | |
| C.(d) (ii).—Provision of a sea-going tug at Azhikkal. | 1.50 | .. | 1.50 | There was some delay in the finalisation of tender specifications, special conditions, etc. after scrutiny by the Director General of Shipping, Bombay. Therefore, tenders could not be invited in time, and no expenditure could be incurred during the year 1962-63. | | | | |
| E.(a).—Works—Schemes under the Five-Year Plan. | | | | | 11.75 | 8.46 | 3.29 | The Savings under this head are mainly due to the following : |
| | | | | | | | | As the sanction for the revised estimate of Neendakara Project was received very late (<i>vide</i> note under Lighterage Port at Neendakara) the budget provision of Rs. 6,00,000 for the project work could not be utilised in full resulting in a saving of Rs. 2,64,300/-. The work of construction of jetty at Azhikkal Port could not be completed by the contractor due to non-availability of pile |

driving machine. This resulted in a saving of Rs. 18,500/-. The contract for water supply arrangements and electrification works in connection with the work "Electrification of pier and water-supply arrangements at Tellicherry" could be awarded only very late after observing all the formalities. Hence much progress could not be achieved as anticipated, which resulted in a saving of Rs. 11,830/-. There were also small amounts of savings under other heads under this group head of account.

B(d)(i).—Provision of a Grab dredger at Calicut.

0.50

0.02

0.48

The provision originally made against the work was for the part payment of the cost of the dredging unit. As the contract for the supply of a Grab dredger with M/s. Holland Ship-Building Association, Holland had to be cancelled subsequently as the Firm asked for increase in price of the dredgers, fresh tenders had to be called for the work. Hence only advertisement charges had to be incurred on the work during 1963-64.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|------|------|------|---|
| B(d)(ii).—Provision of a sea-going tug at Ashikkal. | | | | | 2.00 | 1.55 | 0.45 | The provision was intended for the part payment of the cost of the tugs. The contract for the supply of these tugs had not been settled at the time of the preparation of the budget and hence the slight variation between original grant and final expenditure. |
| (iii).—Provision of a sea-going tug at Beypore. | | | | | | | | |

The net savings under the Grant as a whole was only Rs. 22.31 lakhs.
The net savings under the Grant as a whole was only Rs. 4.91 lakhs.

Sd/-
Joint Secretary,
Finance Department.

Brief Notes indicating reasons for savings in excess of 10% which occurred in 1962-63 and 1963-64 in the case of Serial No. 13 in Appendix II, pp.148—151 of Audit Report, 1969

(Rs. in lakhs)

| Demand No. | 1962-63 | | | | | 1963-64 | | | | |
|-------------------------------|-----------------|-------------|--------------------|---------|-----------------------|-----------------|-------------|--------------------|---------|-----------------------|
| | Budget Estimate | Total Grant | Actual Expenditure | Savings | Percentage of savings | Budget Estimate | Total Grant | Actual Expenditure | Savings | Percentage of savings |
| XXIV—Rural Development | 62.34 | 62.34 | 52.46 | 9.88 | 15.85 | 53.12 | 61.72 | 54.05 | 7.67 | 12.43 |

| Head of Accounts | Original Grant | Actual Expenditure | Savings | Reasons for savings | *Final Grant. | Actual Expenditure | Savings | Reasons for savings |
|---|----------------|--------------------|---------|--|---------------|--------------------|---------|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 32. Rural Development (a)(iv)-A Election Charges | 9.24 | 2.73 | 6.51 | Savings were the result of the decision of Government to postpone the Panchayat Elections. | *10.91 | 9.24 | 1.67 | It was after the budget for 1963-64 was finalised that a decision was taken to conduct the Panchayat election in 1963-64. As there was only a provision of Rs. 10,000 in the budget a supplementary grant of Rs. 8.60 lakhs was obtained and Rs. 2.21 lakhs was additionally provided by re-appropriation. Out of this an amount of Rs. 1.67 lakhs remained as savings. This was because the hire charges of certain private vehicles and T.A. of personnel engaged in Panchayat Elections could not be paid before the close of that year either for want of claims from |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|-------|-------|------|---|--------|-------|------|--|
| | | | | | | | | parties or due to non-encashment of bills by the parties before the close of the year. |
| (b)(i) 2—Contribution towards Establishment Charges of Panchayat Officers. | 12.50 | 10.75 | 1.75 | Savings were due to non-disbursement of Establishment grants to group II and group III Panchayats in Malabar area for want of audited figures from Panchayat Officers regarding grants disbursed in previous years which had to be looked into before sanctioning the grants. | *16.52 | 13.79 | 2.73 | Mainly due to excessive provisions in respect of the grant for special dearness allowances owing to erroneous calculation of the grant (Rs. 1 lakh) and the adjustment against the current year's grant of recovery of excess grant paid to the panchayats during previous years (Rs. 1.33 lakhs). |
| (b)(i) 7—Grants to new Panchayats | 6.00 | 0.05 | 5.95 | The savings of Rs. 3.92 lakhs were due to the post budget decision to debit the expenditure on account of grants to new Panchayats to the Plan head <i>vis.</i> "b(ii) Schemes under the Five Year Plan—Initial grants to Panchayats to be newly formed." The balance savings were mainly due to less expenditure on grants on account of the new delimitation given effect to from 1-1-1962. | 3.00 | 1.99 | 1.01 | Savings were due to a cut in expenditure ordered by Government as a measure of economy. *There were no savings in the original Grant. Hence Comparison is made against the final grant. |

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NOTE :—Reasons for savings in respect of important items only are given.

Sd/-
Additional Secretary (Fin. & Plg.)

Brief notes indicating reasons for savings in excess of 10% which occurred in 1962-63 and 1963-64 in the case of Sl. No. 14 in Appendix II, P.P. 148-151 of Audit Report 1965

(Rs. in lakhs)

| Demand No. | Budget Estimate | 1962-63 | | | | 1963-64 | | | | |
|------------------|-----------------|-------------|--------------------|---------|-----------------------|-----------------|-------------|--------------------|---------|-----------------------|
| | | Total grant | Actual expenditure | Savings | Percentage of savings | Budget Estimate | Total Grant | Actual expenditure | Savings | Percentage of savings |
| XXVI Cooperation | 52.40 | 56.57 | 38.24 | 18.33 | 32.40 | 55.66 | 55.66 | 46.13 | 9.53 | 17.12 |

| Head of Account | Original grant. | Actual expenditure | Savings | Reasons for savings | Original grant | Actual expenditure | Savings | Reasons for savings |
|---|-----------------|--------------------|---------|---|----------------|--------------------|---------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 34—Co-operation (b) Superintendence (1) Non Plan | .. | .. | .. | .. | 17.24 | 15.53 | 1.71 | Unfilled vacancies due to non-availability of qualified hands. |
| (c)(ii) A-3 Farming Societies outside the Pilot Project | 1.30 | .. | 1.50 | The provision was intended to give financial assistance to Farming Societies by way of subsidy for construction of Godowns-cum-cattle sheds, managerial subsidy, apollover subsidy etc. The provision remained unutilised because no society became eligible for assistance after satisfying the conditions prescribed. | .. | .. | .. | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|------|------|------|---|------|------|------|--|
| (c)(ii) A-4—Settlement of Landless Agricultural labourers in Rhodan and Gramdan lands. | .. | .. | .. | .. | 3.00 | .. | 3.00 | The rules for giving subsidy under the scheme could be finally issued only by the close of October 1964. Therefore it was not possible to implement the scheme during 1963-64. |
| (c)(ii) C-6—Rural Godowns. | 2.00 | 0.72 | 1.28 | The Pre-requisite for claiming the subsidy is to utilise the loan sanctioned for the godown. Many of the societies have not utilised the loan portion. Hence the shortfall in expenditure on subsidy. | .. | .. | .. | .. |
| (c)(ii) E-1—Revitalisation of small-sized societies. | 2.43 | 0.69 | 1.74 | Savings occurred due to the delaying the appointment of staff by the societies for claiming the subsidy on this account. | .. | .. | .. | .. |
| (c)(ii) G—Consumers Co-operatives (1) Managerial subsidy. | .. | .. | .. | .. | 3.78 | 0.54 | 3.24 | According to the target fixed for the organisation of wholesale stores, 3 wholesale stores were to be organised in 1962-63 and the remaining 6 in 1963-1964. The six whole sale stores programmed for 1963-64 could be organised only late in the year 1963. Consequently primaries and branches of these wholesale stores |

could also be organised only after wards. Again, these primaries and branches were given assistance towards share capital contribution only on a matching basis with their paid up share capital. These stores experienced much difficulty in collecting share capital from individual members. This, in turn, delayed the sanctioning of Government contribution and thereby the actual starting of business. Most of the primary stores/branches could start their business only late in 1963 or early in 1964. Further, the dearth of qualified hands, too, delayed the appointment of managerial staff. In most cases employees had to be exempted from the prescribed qualifications as required under the rules, before they could be appointed. Thus neither the wholesale stores nor the primaries/branches could claim the managerial subsidy in full. Hence the savings.

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|---|------|------|------|--|----|----|----|----|
| (d) (iv)-B-III. Training and Education in Co-operative Farming. | 1.40 | 0.32 | 1.08 | Provision was included for construction of hostels and staff quarters at the Training Centre, Kotta- | .. | .. | .. | .. |
|---|------|------|------|--|----|----|----|----|



| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|------|------|------|--|----|----|----|----|
| | | | | rakkara. The work could not be taken up during the year after completing the formalities. Hence the savings. | | | | |
| (d) (iv)-C-II. Calicut Milk Supply Scheme. | 8.50 | 1.91 | 6.59 | The budget provision was intended for the purchase of equipments for the Calicut Milk Supply Scheme. An equipment schedule was prepared and forwarded by the Co-operative Department which was in charge of implementation of the scheme till the formation of the Dairy Development Department in June 1962. As soon as the new Department was formed, action for preparing the tender schedules was taken and tenders were invited in October 1962. The tenders were opened on 18-12-62 and forwarded to Government for purchase sanction on 2-1-1963. Purchase sanction | .. | .. | .. | .. |

NOTE:—Reasons for savings in respect of important items only are given in the note. The net savings under the grant as a whole was only Rs. 18.33 lakhs.

NOTE:—Reasons for savings in respect of important items only are given in the note. The net savings under the grant as a whole was only Rs. 9.53 lakhs.

was issued by Government on 11-2-1963. Orders for the purchase of equipments were placed on 12-2-1963 with Messrs Larsen and Tubro Ltd. But the Company could supply only articles worth Rs. 1.30 lakhs immediately, in view of the fact that dairy equipments were mostly manufactured only after receipt of firm orders. Hence the savings.

Sd/-
Additional Secretary (Planning & Finance).

Brief Notes indicating reasons for savings in excess of 10% which occurred in 1962-63 and 1963-64 in the case of Sl. No. 18
Appendix II of Audit Report 1965

| Demand No. | 1962-63 | | | | | 1963-64 | | | | |
|---|---------------------------|---------------|--------------------|---------|-----------------------|---------------------------|-------------|--------------------|---------|-----------------------|
| | Original Budget Estimates | Total grant ₹ | Actual expenditure | Savings | Percentage of savings | Original Budget Estimates | Total Grant | Actual expenditure | Savings | Percentage of savings |
| XLIV. Capital outlay on Industrial Development (XLV in 1963-64) | 240.36 | 250.96 | 207.53 | 43.43 | 17.31 | 309.09 | 322.72 | 288.77 | 33.95 | 10.52 |

| Head of account | Original Grant | Actual expenditure | Savings | Reasons for savings | Original Grant | Actual expenditure | Savings | Reasons for savings |
|--|----------------|--------------------|---------|---|----------------|--------------------|---------|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 96. Capital outlay on industrial development (a) (ii) A(i) Modernisation and expansion (Tirupore Rubber Works) | 5.00 | 1.71 | 3.29 | Savings occurred due to non-receipt of import licence for purchase of machinery (Rs. 2.16 lakhs) (the import licence applied for as early as in December 1959 was not considered by the Govt. of India till the end of 1963-64), delay in constructing additional factory buildings for the | 3.60 | 0.26 | 3.34 | Provision made for the scheme "Modernisation and Expansion" for 1963-64 was Rs. 3.60 lakhs. The question of import licence applied for on 17-12-1959 was pending with the Government of India. At the time of preparation of Budget Estimate for 1963-64 it was expected that the |

Travancore Rubber Works by the Public Works Department (Rs. 0.84 lakhs); and non-receipt of a drying plant ordered in October 1962 due to non-availability of transport facilities (Rs. 0.29 lakhs.)

Govt. of India should issue the import licence and the Department would be able to procure the machinery and effect payment during the year 1963-64 itself. No licence was received even in 11/63. Even if import licence was obtained after 11/63, it would not have been possible to import the machinery observing all formalities and effect payment before the end of the financial year.

It was at this time that an additional provision of Rs. 11 lakhs was necessitated for establishment of Development areas for immediate payment of compensation on land at Edayar. In the circumstances, an amount of Rs. 3 lakhs expected as savings under the above head was re-appropriated for the additional requirement under Development areas which could not be postponed.

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|---|------|------|------|---|------|------|------|--|
| (a)(ii) C(i) Deep Mining and expansion of production of China Clay. | 2.00 | 0.13 | 1.87 | A sum of Rs. 2.20 lakhs had been sanctioned by Govt. in G.O. MS. 448/Ind. da- | 2.00 | 0.94 | 1.06 | The non-utilisation of fund to the extent of about Rs. 1 lakh was mainly due |
|---|------|------|------|---|------|------|------|--|

invited for the supply of complete plant for the manufacture of stoneware pipes by publishing a notification in four important English dailies in India, published from Madras, Bombay, Calcutta and Delhi through the Director of Public Relations, Trivandrum, and in the Indian Trade Journal, and by sending copies of the notification to individual firms and parties in the line also. The last date for the receipt of tender was originally fixed as 30-7-1963 which was extended to 30-8-1963 as required by certain intending tenderers. Only five parties sent their tenders before the last date fixed for the receipt of tenders viz. 30-8-63 and one tender received late, i.e. on 5-10-1963. On obtaining tenders orders were placed with M/s. Kusum Engineering Company for the complete plant at a total cost of Rs. 2,27,925/-. The machinery ordered for could not be expected to arrive during the year. Thus a saving of Rs. 2.93 lakhs occurred under this head of account.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
|---|---|---|---|---|---|---|---|---|

(a) (ii) E.—Trivandrum Spinning Mill, Belaramapuram. 8.00 4.78 3.22 Original proposal to the Government for sanction was made on 14-1-1963. In the Govt. Order issued on 4-3-63 the terms stipulated by the suppliers for 25% advance payment were not concerned. Since the suppliers insisted on payment of the advance, revised Govt. orders were issued in April, 1963. Thus Savings of Rs. 1.87 lakhs resulted due to the non-issue of Government Orders before the close of the financial year.

The buildings were constructed by the Public Works Department. The savings of Rs. 0.71 lakhs in the provision for civil works were due to the non-availability of asbestos sheets.

According to the terms of the orders placed with M/s Voltas Ltd. for supply and erection of humidification plant and with M/s General Electric Co. of India Ltd. for electrification, 90% of the value was payable against delivery and the balance 10% after erection and

handing over. Since erection was not completed in both cases before the end of the year 1962-63, savings of Rs. 0.82 lakh occurred on that account. Out of the original provision of Rs. 8 lakhs a sum of Rs. 1.87 lakhs was either surrendered or re-appropriated before the end of the year.

(a)(ii) F. Bleaching and Calendering Plant—Purchase of additional machinery.

1.40 Nil.

1.40 The provision was for the purchase of the following items of machinery.

| | Rs. |
|----------------------------------|-----------------|
| 1. Pressure Kier | 20,000 |
| 2. Winches | 12,500 |
| 3. Sewing machs. | 0 |
| 4. Dyeing Jiggers | 25,000 |
| 5. Clip Stenter | 50,000 |
| 6. Calender Bowl, Motors etc. | 30,000 |
| Total | <u>1,40,000</u> |

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This amount could not be utilised during the period as it was decided to postpone the purchase till a decision was taken on the proposal to amalgamate the concern with the Trivandrum Spinning Mills, Balaramapuram.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|------|------|------|---|------|------|------|--|
| (a)(ii) G(i) Enhancement of capacity for production of Soap. (a)(ii) H(ii) in 1963-64 | 3.50 | 0.94 | 2.56 | Mainly due to non-receipt of machinery and equipment for want of import licence and foreign exchange facilities. | 3.50 | 0.09 | 3.41 | Due to cut in expenditure in order to meet other unavoidable items of expenditure (Rs. 3 lakhs) and also as a consequence of the conversion of the concern into a Joint Stock Company in February 1964 (Rs. 0.41 lakhs). |
| (a)(ii) G(ii) Manufacture of synthetic detergents. | 6.60 | Nil | 6.60 | The scheme envisaged the manufacture of different types of synthetic detergents (useful and valuable cleaning and vetting agents) in the Kerala Soap Institute at the rate of 200 tonnes per annum. Preliminary works relating to the scheme had been taken in 1961-62. The provision made for 1962-63 was for construction of the buildings required, purchase of machinery and equipments and for installation of Plant. The manufacturing licence for the scheme was applied for in September, 1961. In April, 1962, Government of India advised to renew the application after one year. In November 1962, a | | | | |

fresh application was sent to the Government of India. The Government of India informed the State Government in January, 1963 that this item (synthetic detergent) was included in the banned list. So no further steps could be taken in the matter. Hence the savings.

| | | | | | | | | |
|---|------|------|------|---|------|------|------|--|
| (a)(ii)I. Purchase and Development of Electrical and Allied Industries. | 1.00 | Nil | 1.00 | As the sale deed could not be executed during the year, the purchase value of the assets of the Company (The Electrical and Allied Industries) the management of which was assumed by Government could not be paid. | | | | |
| | | | 0.77 | (Amount provided by re-appropriation). | | | | |
| (a)(ii)J (i) Hydrogenation of Fish Oil [(a)(ii)K (i) in 63-64] | 3.65 | 0.05 | 3.60 | Mainly due to non-receipt of machinery & equipment for want of import licence & foreign exchange facilities. | 3.60 | Nil | 3.60 | The concern was converted into a Joint Stock Company on 24-2-64 and hence no expenditure was necessitated thereafter from the State Budget. Also no expenditure could be incurred earlier in the year. |
| (a)(ii)J (ii) Expansion and modernisation [(a)(ii)K(ii) in 63-64] | 2.90 | 0.37 | 2.53 | Do. | 2.60 | 0.67 | 1.93 | Restricting the expenditure on the scheme in order to meet other items of expenditure which could not be postponed. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
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(b)(ii)8. Kerala Lakshmi Mills Ltd.

1-88 Nil

1-88 The first Call Money of Rs. 1,87,500 was made on 3-11-62 as required by the Company. It was expected that company would require the payment of the second Call Money during 1963-64. A sum of Rs. 1,87,500 was therefore provided under the head of account "96 Capital Outlay on Industrial Development (B) Investment in other commercial undertakings (ii) Schemes under the Five Year Plan 8--Kerala Lakshmi Mills" in the budget for the year 1963-64 for payment of the second Call Money as the balance of the share participation by Government in the Kerala Lakshmi Mills Ltd. But the Mills gave notice to Government for the payment of the second Call Money on or before 15-2-1963 i.e. during the year 62-63 itself. Accordingly, Government sanctioned payment of Rs. 1,87,500/- by providing the necessary funds in the budget for 1962-63 by re-appropriation. The entire provi-

sion of Rs. 1,87,500/- made in the budget for 1963-64 was therefore saved. The savings were re-appropriated to different heads of accounts.

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|--|------|-----|------|---|-------|------|-------|--|
| (b)(ii) 10. Participation in the Capital of private limited Companies under the small scale Industries scheme. | 3.00 | Nil | 3.00 | Vide Annexure 'A' | | | | |
| (b)(ii) 11. Purchase of debentures of Land Mortgage Banks under the scheme of providing assistance to small holders of rubber plantations. | 7.00 | Nil | 7.00 | Vide Annexure 'B' | 3.00 | 1.35 | 1.65 | Due to shortfall in the purchase of debentures of the Kerala Central Co-operative Land Mortgage Bank which restricted the floating of debentures during the year. |
| (b)(ii) 13. Travancore Titanium Products [(b)(ii) 12 in 1963-64] | 1.00 | Nil | 1.00 | Non-finalisation of technical and financial collaboration of the Company during the year. | 25.00 | Nil | 25.00 | Non-finalisation of the expansion of the Company before the close of the financial year and the consequent non-investment of further shares in the Company. |
| (c)(i) 1. Acquisition of land to be leased out to industrial concerns. | | | | | 3.53 | 1.62 | 1.91 | Out of the budget provision of Rs. 3.53 lakhs, an amount of Rs. 1,34,536.44 was allotted in July, 1963 to the District Collector, Ernakulam, for acquisition of land for the Travancore-Cochin Chemicals Ltd. and another amount of Rs. 31,758/- in September, 1963 for the acquisi- |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
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tion of land for the expansion of the Caustic Soda Plant of the Tiruvannamalai Chemicals Ltd. Out of the above an amount of Rs. 1,61,707.19 was spent by the District Collector. The balance of Rs. 1,91,392.81 in the budget provision was surrendered. It was not possible for the District Collector to spend the balance amount available, as he was pre-occupied with completing acquisition proceedings relating to Development area and Hindustan Machine Tools Factory. Hence the savings.

| | | | | | | | | |
|--|-------|-------|-------|--|-------|-------|------|---|
| (c)(i)3. Contribution to Share Capital to apex banks, Central banks, large sized credit societies etc. [(c)(i) 2 in 1963-64] | 20.00 | 10.00 | 10.00 | Vide Annexure 'C' | 20.00 | 11.50 | 8.50 | Due to the restrictions imposed by the Reserve Bank of India, fixing the Government's contribution in share capital at Rs. 11.50 lakhs. |
| (c)(i) 4. Share contribution to Service Co-operatives. [(c)(i)3 in 1963-64] | 15.00 | 10.27 | 4.73 | Receipts of less number of applications for share contribution than was anticipated. | 15.00 | 12.61 | 2.39 | Receipt of claims from lesser number of Societies eligible for share contribution. |

(c)(ii)C 4. Share contribution to
Consumer Co-operatives.

9.90 6.53 3.37 Non-receipt of approval of the Govt. of India for the scheme for contribution of share capital to service Co-operative (2.67 lakhs) and non-payment of share contribution to 49 Consumer Co-operative Societies as they failed to satisfy the conditions stipulated in the rules (0.70 lakhs).

(c)(ii) A. Industrial Estates . 28.65 10.73 17.92 Vide Annexure 'D'

(c)(ii) C2. Share contribution to
Apex Marketing Societies. 1.00 Nil 1.00 Non-sanctioning of share capital contribution as the concerned societies did not raise the required share capital.

(c)(ii) D2. Farming Societies
outside pilot project. 2.00 Nil 2.00 Under the Third Five Year Plan, Share capital contribution was originally allowed to farming societies in the Pilot Project only. But a provision of Rs. 2 lakhs at the rate of Rs. 2,000/- per society for 100 societies outside Pilot Project was made during 1962-63 expecting that sanction could be hastened for the payment of share capital contribution to societies outside Pilot Project also in 1962-63. The scheme is sponsored by the Govt. of India, and their sanction had to be awaited for this. Necessary sanction from the

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Govt. of India was received in this regard only in April, 1963—Vide their letter No. F2-13/62/CF dated 29-3-1963. Hence the amount provided in 1962-63 could not be spent.

NOTE :—The net savings under the Grant as a whole was only Rs. 43.43 lakhs.

NOTE :—The net savings under the grant as a whole was only Rs. 33.95 lakhs.

ANNEXURE—A

The All India Small Scale Industries Board, in its 16th Meeting held on 13th April, 1960, resolved in resolution No. 14 that State Governments should take up a scheme of participating in the share capital structure of private small scale industrial units. As a step to implement this suggestion, the State Government provided an amount of Rs. 3 lakhs in the budget for 1962-63. In November, 1961, Government had constituted an Advisory Committee to scrutinise the technical and financial feasibility of the proposals for State Participation in the equity share capital of small scale industries. This Committee met on 23-11-1961 and submitted its recommendations to Government on 27-11-1961. Again the Committee met on 7-3-1962 to examine the applications received and detailed proposals were submitted to the Government on 27-4-1962. By that time the Kerala State Small Industries Corporation had been informed. So the Government reviewed the position and it was felt that it would be advisable for the Kerala State Small Industries Corporation to take up this scheme. Similar functions in the case of large industries are being carried out by the Kerala Industries Development Corporation. In June, 1963, the Government, therefore, ordered the implementation of the scheme through the Kerala State Small Industries Corporation. Hence the budget provision could not be expended during 1962-63.

Sd./-
JOINT SECRETARY (FINANCE)

ANNEXURE—B

There was inordinate delay in obtaining interim finance from the State Bank of India for advancing loans under the scheme and the Land Mortgage Bank had, therefore, to proceed cautiously. Although the Bank began accepting applications from January, 1961 and had applied to the State Bank of India at the same time for necessary interim finance, only in December, 1962 the State Bank of India made available the cash credit accommodation. The Land Mortgage Bank obviously had to proceed with caution as it had not much of other funds to divert for the purpose of issuing loans under the scheme. During 1962-63, therefore, no debenture was issued for the following reasons:

- (1) The total amount of mortgages acquired as on 1-3-1963 was only Rs. 2,93,391;
- (2) The cash credit accommodation from the State Bank of India was made available only from 4-12-1962 after a prolonged delay of about 2 years and if a debenture issue was made for the small amount of Rs. 2,93,390/-, then under the terms and conditions of the accommodation, it would be necessary to close the accommodation and the sanction of fresh accommodation for further disbursement would have meant again a delay of several months.

So the provision under '96 Capital Outlay (b) (ii)-11-purchase of Debentures of Land Mortgage Bank etc., for 1962-63 remained unutilised.

Sd/-
JOINT SECRETARY (FINANCE)

ANNEXURE—C

The provision was meant for share capital contribution to State and Central Co-operative Banks from the loans obtained from the Reserve Bank of India for the purpose. Of the amount of Rs. 20.00 lakhs recommended to Reserve Bank of India, they sanctioned Rs. 10.00 lakhs only and rejected the proposal for Rs. 10.00 lakhs on the following grounds.

An amount of Rs. 7.00 lakhs was recommended to the Malabar Central Co-operative Bank to meet the additional requirement in respect of Palghat, Kozhikode and Cannanore Districts at the rate of Rs. 5.00 lakhs, 1.00 lakh and 1.00 lakh respectively. The additional requirement was estimated to boost up the borrowing power, especially in Package area. As the proposal for trifurcation of the Bank was pending, the idea was to transfer this after the formation of the respective Banks. The Reserve Bank of India did not sanction the proposal and stated that the question of sanctioning the contribution would be considered during the succeeding year. Accordingly sanction was given in the succeeding year, for an amount of Rs. 7:50 lakhs.

Secondly, the Reserve Bank reduced an amount of Rs. 3.00 lakhs recommended to the Ernakulam District Bank considering their performance for loan operations in 1961-62.

Hence the saving of Rs. 10.00 lakhs.

Sd/-
JOINT SECRETARY (FINANCE)

ANNEXURE—D

In June 1962, Government issued orders for the transfer of the management of the existing industrial estates to the Kerala State Small Industries Corporation. The Corporation made preliminary arrangements for starting the construction works in these estates and it was only in November, 1962 that a construction Engineer was appointed in the Corporation. As such there was only an effective period of three months for carrying out the construction works in the existing industrial estates during the year and hence the expenditure incurred during the year fell short of the original provision made for the year. The decision to transfer the construction works to the Corporation was itself taken since it was found that there was considerable delay in the execution of the works relating to industrial estates by the P.W.D. It was also considered that there would be more effective co-ordination of carrying out the different works in connection with the construction of industrial estates if it was got executed by a separate agency for that purpose alone. Government constituted two Committees, one at the State level consisting of the Director of Industries and Commerce, the Chief Town Planner and the President of the Small Industrialists Association to finalise the designs of the buildings to be taken up in the industrial estates, and another at the District level to finalise the location of the sites of the different industrial estates consisting of the District Collector as Chairman and Convener, the Regional Joint Director of Industries and Commerce and the Superintending Engineers for Electricity and Buildings and Roads. Regarding the selection of sites the report of the Committee on the choice of the site was to be placed before the respective District Development Councils. There was some delay in the actual acquisition of the various sites as proposed by the different Committees and the acquisition could not be finalised in any of the cases during 1962-63. In the case of a site which was originally proposed for the new industrial estate in Quilon District, the site had to be changed due to the objections from the owners. On account of the non-availability of the different sites by acquisition during the year 1962-63 very little expenditure could be incurred from the provision set apart for the purpose of construction of the new industrial estates proposed for the Third Five Year Plan. Savings to the extent of Rs. 3.09 lakhs are due to erroneous provision for land acquisition met from provision under "c (ii) B Establishment of Development areas".

Sd/-

JOINT SECY (FINANCE)

APPENDIX LXVI

(See para 11.33)

Whether the land collected under the Bhoodan movement was distributed to people for whom it was meant?

The lands donated under the Bhoodan movement have not been relinquished to the Government and hence they have not been assigned to any person under the Bhoodan Assistant Rules, 1962

Sd/-
ADDITIONAL SECY.
(PLANNING & FINANCE)

| Sl. No. | Name of Agent | Agency No. | Sl. No. | Name of Agent | Agency No. |
|---------|---|------------|---------|--|------------|
| 27. | Bahree Brothers, 188, Lajpatrai Market, Delhi-6. | 27 | 33. | Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9. | 96 |
| 28. | Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi. | 66 | | MANIPUR] | |
| 29. | Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi.—1. | 68 | 34. | Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal. | 77 |
| 30. | People's Publishing House, Rani Jhansi Road, New Delhi. | 76 | | AGENTS IN FOREIGN COUNTRIES | |
| 31. | The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi. | 88 | 35. | The Secretary, Establishment Department, The High Commission of India, India House, Aldwvch, LONDON, W.C.—2. | |
| 32. | Hind Book House, 82, Janpath, New Delhi. | 95 | | | |

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