

**PUBLIC ACCOUNTS COMMITTEE
(1966-67)**

SIXTY-SEVENTH REPORT

**[Appropriation Accounts 1964-65 and Audit Report,
1966 relating to the Government of Kerala]**

VOL. II—APPENDICES



**LOK SABHA SECRETARIAT
NEW DELHI**

January, 1966/Pousa, 1888 (S)

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PUBLIC ACCOUNTS COMMITTEE

(1966-67)

CHAIRMAN

Shri R. R. Morarka

MEMBERS

2. Sardar Buta Singh
3. Shri B. L. Chandak
4. Shri Ram Dhani Das
5. Shri Shivajirao S. Deshmukh
6. Shri Cherian J. Kappen
7. Shri M. R. Krishna
8. Shri B. P. Maurya
9. Shri Man Sinh P. Patel
- *10. Shri G. Yallamanda Reddy
11. Shri Prakash Vir Shastri
12. Shri Sheo Narain
13. Shri S. T. Singh
14. Shri Ku. Sivappraghassan
15. Shri U. M. Trivedi
16. Shrimati Devaki Gopidas
17. Shri P. K. Kumaran
18. Shri Om Mehta
19. Shri Gauri Murahari
20. Shri M. C. Shah
21. Shri B. K. P. Sinha
22. Col. B. H. Zaidi.

SECRETARIAT

Shri H. N. Trivedi—Deputy Secretary.

Shri R. M. Bhargava—Under Secretary.

*Resigned his seat in Lok Sabha with effect from the afternoon of 29-11-66.

APPENDIX II

(Para No. 1.4 of this Report)

Revenue (H) Department

Notes regarding Regularisation of excess under Grant No. I—Agricultural Incometax and Salestax as disclosed in the Appropriation Accounts 1964-65.

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

	Total Grant of Appro- priation	Actual expendi- ture	Excess
	Rs.	Rs.	Rs.
Voted	41,53,500	43,53,095	1,99,595

The reasons for the excess are given below:—

The excess occurred mainly under the Group head '12 (a) (iii) District Offices'. The expenditure exceeded the final Grant of Rs. 40.08,400 by Rs. 1,78,384. A supplementary grant of Rs. 1,59,100 was obtained in March 1965. But this proved to be inadequate. The excess was the result of inadequate provision made for the purpose of *ad hoc* increase in dearness allowance sanctioned with effect from 1st October, 1964 by Government in January, 1965.

Other Group heads under which excesses of comparatively small amounts occurred are '12 (a) (i) Law Officer' (Rs. 2,826) and '13 Other Taxes and Duties—Charges under the Electricity Acts' (Rs. 19,453).

The excesses were partly counter-balanced by savings under the Group head '12 (a) (ii) Salestax Appellate Tribunal' resulting in a net excess of Rs. 1,99,595.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 1,99,595 in the voted section of the Grant No. I may be recommended for regularisation under Article 115 of the Constitution.

Sd/-

Joint Secretary to Government.

APPENDIX III

(Para No. 1.4 of this Report)

NOTE

GOVERNMENT OF KERALA

PUBLIC WORKS (TRANSPORT-B) DEPARTMENT

SUB:—Regularisation of excess under Grant No. IV—Taxes on vehicles.

The excesses disclosed in the Appropriation Accounts 1964-1965 for the above-mentioned grant are as under:—

	Total grant or appropria- tion	Actual expendi- ture	— Excess
	Rs.	Rs.	Rs.
II Taxes on vehicles Voted	8,18,800	8,22,412	+3,612

The reasons for the excess under 'Voted' are given below :—

Sl. No.	Group head	Total grant	Excess
1	II(b)(i) Administration charges	5,15,100	20,879

The excess was mainly due to disbursement of arrear establishment claims and increased D.A. sanctioned from 1-10-1964 and under-estimation of the amounts required for service postage.

	Rs.	Rs.
2 II(b) (iii) Regional Transport Authority	4,800	345
		The ex- cess oc- curred due to under- estimation.

The total excess of Rs. 3,612/- under the Grant No. IV-Taxes on Vehicles was the net result of excesses amounting to Rs. 21,224/-

under the above two Group heads offset by savings of Rs. 17,612/- under other group heads.

It was expected that the excess could be met from the anticipated savings of the final grant. The excess constituted only 0.44% of the Final Grant.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 3612/- in the voted section of Grant No. IV—Taxes on Vehicles, may be recommended for regularisation under Article 115 of the Constitution.

Sd/-

Secretary to Government.

APPENDIX V

(Para No. 1.4 of this Report)

NOTE

GOVERNMENT OF KERALA

REVENUE 'G' DEPARTMENT

SUB:—Regularisation of excess under Grant No. VI—'Registration Fees' as disclosed in the Appropriation Accounts 1964-1965.

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

	Total Grant	Actual Expendi- ture	Excess
	Rs.	Rs.	Rs.
Voted	36,13,100	36,46,316	33,216

The excess occurred under the Group head (b) (ii) Sub-Registry offices (Rs. 50,678).

The reason for the excess is given below:—

Consequent on the grant of interim relief to Govt. servants with effect from 1-10-1964 the sanctioned provision was found insufficient. Reviewing the progress of expenditure till the end of January, 1965, it was felt that an additional amount of Rs. 11,400 - would be enough to meet the requirement. Accordingly, a sum of Rs. 11,400/- alone was obtained as supplementary grant. But the overall expenditure slightly exceeded the total appropriation.

The excess under the above group head was partly counter-balanced by savings under two other group heads. The overall excess is only below one percent of the appropriation.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 33,216 in the voted section of Grant No. VI may

be recommended for regularisation under Article 115 of the Constitution.

Dated: 29-6-1966

Sd/-

*Secretary to Government.
Revenue Department*

APPENDIX VI

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA FINANCE DEPARTMENT

SUB:—Regularisation of excess under "Grant No. IX Heads of States, Ministers and Headquarters staff" as disclosed in the Appropriation Accounts 1964-65.

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

	Total Grant	Actual expendi- ture	Excess
	Rs.	Rs.	Rs.
Voted	70,54,300	70,88,909	34,609

The reasons for the excesses are given below:

(1) 19 C (c) (i) *Board of Revenue* — (Excess Rs. 53,964).

The enhancement in the rate of Dearness Allowance from 1st October, 1964 to the staff and the increase in expenditure under Travelling Allowance, Telephone charge, Service Postage etc. contributed mainly to the excess. But it did not appear necessary to move a Supplementary Demand as it was thought that savings would become available under other heads. But it turned out that a sum of Rs. 28,100 only was available as savings under other heads of account for re-appropriation. Hence an excess of Rs. 53,964 was left uncovered.

(2) 19 C (a) (iii) *Law Department* — (Excess Rs. 16,216).

No provision was made in the budget for 1964-65 for the pay of the Special Officer, Forest cases, as continuance of the post beyond the original term was not deemed necessary at the time of preparation of the budget. But, later on, considering the volume of work, the post had to be continued. Orders of Government sanctioning the continuance of the post for a further period of 3 months from 29-2-1964 was issued in G.O.Rt. 472 dated 2-3-1964 of Public Department (Special). By that time the budget for 1964-65 was finalised

and hence provision could not be included. This contributed to some excess under this head. The enhancement of Dearness Allowance sanctioned to Non-Gazetted Officers from 1st October 1964 and the temporary promotions made during 1964-65 also contributed to the excess expenditure.

(3) 19 C (d) *Local Fund Audit Establishment*—(Excess Rs. 9,040).

The excess is very small compared to the total Grant of Rs. 6.62 lakhs. In addition, excesses not exceeding Rs. 5,000 in each case also occurred under 3 group heads. The excesses were partly counter-balanced by savings under other group heads resulting in a net excess of Rs. 34,609.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 34,609 in the voted section of Grant No. IX may be recommended for regularisation in the manner prescribed in the Constitution:

Sd/-
Finance Secretary.

APPENDIX VI

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA HOME DEPARTMENT

SUB:—Regularisation of excess under Grant XI Administration of Justice as disclosed in the Appropriation Accounts 1964-65.

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	97,43,000	98,92,800	1,49,800

The reasons for the excesses under 'Voted' are given below:

The excess was mainly due to *ad hoc* increase in Dearness Allowance sanctioned to the Government servants from 1-10-1964, unexpected increase of Travelling Allowance and increase in the number of Civil and Writ appeals. It was hoped that the additional expenditure on this account could be accommodated within the savings effected pursuant to the economy 'cut' in expenditure ordered by Government under the Grant 'XI Administration of Justice' for the year 1964-65 in G.O. (MS) 711/64/Fin. dated 7-10-1964. Hence no supplementary Demands were moved for the purposes. But unexpectedly, the actual savings consequent on the economy measures were not sufficient to cover the additional expenditure on enhancement of Dearness Allowance.

In the circumstances stated above, it is requested that the excess expenditure in the Voted section or the Grant No. XI Administration of Justice may be recommended for regularisation under Article 115 of the Constitution.

Sd/-

Secretary to Government.

Dated 30-6-1966.

APPENDIX VIII

(Para No. 1.4 & 1.5 of this Report)

NOTES

GOVERNMENT OF KERALA

HEALTH & LABOUR DEPARTMENT

SUB:—*Regularisation of excess under Grant No. XXI—Public Health Engineering as disclosed in the Appropriation Accounts 1964-65.*

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

	Total Grant	Actual Expendi- ture	Excess
	Rs.	Rs.	Rs.
Voted	1,08,79,600	1,76,66,999	+ 67,87,399

The reasons for the excess are given below:

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

- (1) 30 Public Health e-ii-C. I. Maintenance of Willingdon Water Works, Trivandrum—Excess Rs. 2,70,909.

The excess expenditure was on account of enhanced wage rate of N.M.R. Workers ordered in G.O.Rt. 178/65/HLD dated 13-1-65 and G.O.MS. No. 225/HLD dated 12-3-1965 and Work Establishment Charges for the upkeep of the scheme which could not be postponed.

The arrears of pay and overtime wages sanctioned to workers also were met from this head. Further, water had been pumped from Aruvikara which required substantial amount towards current charges.

The Executive Engineer, Public Health Division, Trivandrum had been instructed by the Chief Engineer (Public Health Engineering Department) in his office PHF-7575/64 dated 8-2-1965 that the further expenditure should not be debited under this head. But, in the circumstances explained in the above paras, the Executive Engineer had incurred further inevitable expenditure and no savings were available to regularise the excess expenditure over the allotment. Hence the excess.

(2) 30 *Public Health e-ii-C-5-Maintenance of Hospitals and other Buildings under Medical and Public Health—Excess Rs. 3,35,664.*

Government had authorised to incur expenditure to the tune of Rs. 4.50 lakhs over and above the amount provided in the budget for 1964-65 under para 77(f) of the Budget Manual in G.O.Rt. 2683/64/HLD dated 25-8-1964. Originally it was thought that the expenditure might be regularised by moving Supplementary grant. But it was later decided that the additional funds should be met by re-appropriation of savings. Accordingly a sum of Rs. 1,19,800 was already provided by reappropriation. Balance could not be reappropriated for want of savings.

The maintenance of Hospitals could not be postponed. Inevitable items such as white washing, thatching the roof and other urgent items of maintenance works were attended to by this Department.

(3) 30. *Public Health e-v-Suspense Debit—Excess Rs. 69,62,959.*

The excess was due to the adjustment in Departmental accounts of debits amounting to Rs. 88,92,716/- advised by Accountant General from October 1963 onwards in respect of supplies made by Director General of Supplies and Disposals at rate contract pending in Ernakulam Public Health Division. The total debit against supplies made in 1964-65 itself came to Rs. 52,62,067/-. As the Department was not sure when the supplies would be made, adequate provision could not be made for 1964-65. No funds could be provided to regularise the excess.

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

(1) 30. *Public Health—(e) (i) 4. Investigation Works—Excess Rs. 93,821/-*

The Head of Account was opened only at the fag end of the Financial Year in G.O.Rt. 946/65 dated 31-3-1965. Hence necessary amount could not be provided under the head by reappropriation. Hence the excess.

- (2) 30. *Public Health-e-ii-C. 2. Maintenance of Ramavarmapuram Nemmara, Thiruvilwamala Water Works, Trichur—Excess Rs. 13,174/-.*

The excess expenditure was incurred due to enhanced rates on current charges and wages of N.M.R. Workers. For the proper upkeep of the Water Supply Scheme the maintenance works were essential and they could not be postponed. The excess could not be anticipated when Supplementary demands were moved.

- (3) 30. *Public Health-e-ii-C-3-Maintenance of Ernakulam Chowara S.P.B. Alleppey Littoral Tracts, etc. Ernakulam—Excess Rs. 82,489/-.*

The excess was due to enhanced rates of Labour and current charges. This could not be anticipated when the supplementary demands were moved.

- (4) 30. *Public Health-e-ii-C-6. Maintenance of Water Supply Installation of Panchayats—Excess Rs. 78,659/-.*

The maintenance of Water Supply Scheme being essential item of works, the excess expenditure could not be avoided. When the Supplementary demands were moved, no excess expenditure could be noticed. The actual expenditure was known only at the end of the year. No funds were available to regularise the expenditure by reappropriation.

In addition, excesses not exceeding Rs. 10,000/- in each case also occurred under 3 group heads.

The excesses were partly counter balanced by savings under other group heads, resulting in a net excess of Rs. 67,87,399.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 67,87,399/- in the Voted section of the Grant No. XXI—Public Health Engineering may be recommended for regularisation under Article 115 of the Constitution.

Sd/-

Secretary to Government.

APPENDIX IX

(Para No. 1.4 & 1.5 of this Report)

SUPPLEMENTARY NOTES

GOVERNMENT OF KERALA

HEALTH AND LABOUR DEPARTMENT

SUB:—Regularisation of Excess under Grant No. XXI—Public Health Engineering as disclosed in the Appropriation Accounts 1964-1965.

- (1) 30. Public Health-e-ii-C. Maintenance of Willingdon Water Works, Trivandrum—Excess Rs. 2,70,909.**

The excess expenditure was on account of enhanced wage rate of N.M.R. Workers ordered in G.O. Rt. 178/65/HLD—dated 13-1-1965 and G.O.Ms. No. 225/HLD dated 12-3-1965 and Work Establishment Charges for the upkeep of the scheme which could not be postponed. In G.O. Rt. 178/65/HLD dated 13-1-1965 enhancement of wages of different categories of N.M.R. Workers by 12 Paise per day was ordered with effect from 1-1-1963 i.e., the date on which the Minimum Wages Notification came into effect. Again a further increase of 25 paise to Skilled Workers and a still further increase of Rs. 13 P. to Pipe Layers and Sewer Cleaners was ordered with effect from 12-3-65. These orders had to be given effect to immediately and this resulted in the payment of a considerable amount which could not be postponed to a further date. This extra payment could not be anticipated. So also the Work Establishment charges for the upkeep of the scheme could not be anticipated. As these orders were issued at the end of the financial year 1964-65 and as the expenditure had not exceeded the budget till December 1964 necessary funds could not be obtained by moving a supplementary demand.

- (2) 30 P.H. e-v-Suspense Debit—Excess Rs. 69,62,959.**

Major debit was during March 1965, i.e., Rs. 23,48,383.91 and in March (Final) Accounts Rs. 19.67 lakhs. Hence this item of expenditure could not be anticipated beforehand and therefore adequate provision could not be moved either in the supplementary grant proposals or by way of reappropriation.

Sd/-
Secretary to Government.

APPENDIX X

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA

PUBLIC WORKS DEPARTMENT

SUB:—Regularisation of excess under Grant No. XXXII Irrigation as disclosed in the Appropriation Accounts, 1964-65.

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

	Total grant or appropriation	Actual expendi- ture	+ Excess
	Rs.	Rs.	Rs.
Charged	15,500	16,755	1,255
Voted	2,93,63,500	3,32,21,566	38,58,056

The reasons for the excesses under “charged” and “voted” are given below.

Charged+Rs. 1,255/-under 44A (i) (b) Maintenance and Repairs.

The excess expenditure was due to the payment of additional court fee etc. on revised decree in O.S. 280/58 and 354/58 relating to the maintenance of Chittur Irrigation System which was not anticipated.

Votes+Rs. 38,59,056/-

The excesses occurred mainly under the following group heads:—
43A (b) (ii) (a) Interest 1 Malampuzha Project—Excess Rs. 2,99,042

The excess was due to the post budget orders of Government in January, 1965 revising with retrospective effect from 1-4-1964 the rate of interest from 4½% to 5½%.

**44 A(i) (c) Establishment—Schemes under the Five Year Plan—
Excess Rs. 1,40,300/-.**

The grant of Rs. 4,35,500/- was included under this unit of appropriation to accommodate the share debit transferred from other heads. The excess was due to the increase in the share debits trans-

ferred to this head of account from other plan schemes owing to the increase in expenditure on plan schemes.

44A (i) (e) *Suspense—Excess Rs. 29,72,767/-.*

According to previous practice, provisions for net debit to suspense was proposed by the Chief Engineer for 1964-65 budget. The system of voting gross debit to suspense was introduced from 1964-65 and Rs. 70·00 lakhs for gross debit was provided in the Budget for 1964-65 against the Chief Engineer's proposal for a net debit of Rs. 3·00 lakhs under Suspense". The system of gross debit allows considerable inflation of debits to suspense. e.g., the value of the same stock material will sometimes have to be debited to suspense more than once in the course of its passing through accounts. A correct assessment of gross debit to suspense would thus be difficult as the actual value of stock materials involved in the suspense transactions and the amount of gross debit given to suspense on their account are always equal.

43A (a) (ii) (a) 3.—*Bhoothathankettu Scheme.—Excess Rs. 2,07,819/-*

43A (a) (ii) (a) 1.—*Peechi Reservoir Scheme.—Excess Rs. 1,11,328/-.*

43A (a) (ii) (a) 2.—*Chalakydy River Diversion Scheme.—Excess Rs. 92,023/-.*

43A (b) (ii) (a) 4.—*Meenkara Project.—Excess Rs. 84,819/-.*

43A (b) (ii) (a) 2.—*Walvar Project—Excess Rs. 57,489/-.*

43A (b) (ii) (a) 2.—*Mangalam Project—Excess Rs. 43,507/-.*

43A (a) (ii) (a) 4.—*Cheerakuzhi Project—Excess Rs. 86,086/-.*

The excesses over grant in these cases were due to the Post budget orders of Government revising the rate of interest from 4½ per cent to 5½ per cent on Commercial Projects.

44A (i) (a) *Works—Schemes under the Five Year Plans.—Excess Rs. 2,59,616/-*

Considering the good progress of Minor Irrigation works, and additional amount of Rs. 19·00 lakhs was requested for by the Chief Engineer by way of supplementary grant over and above the budget provision of Rs. 29,20,100/-, under this unit of appropriation. But only a supplementary grant of Rs. 10·00 lakhs was sanctioned by Government against the demand of Rs. 19·00 lakhs as it was not made clear by the Chief Engineer how the excess of Rs. 9·00 lakhs could be accommodated within the plan outlay. The minor irrigation

works were pushed through by the Department anticipating the full additional grant applied for.

44A (i) (b) Maintenance and repairs.—Excess Rs. 1,07,201/-.

Every year a larger number of Irrigation works are completed which requires annual maintenance and special repairs. Since the Budget provision of Rs. 17.00 lakhs was considered insufficient to complete the urgent maintenance works, and amount of Rs. 8.52 lakhs was requested by the Chief Engineer as supplementary grant. But only a supplementary grant of Rs. 5.00 lakhs was sanctioned by Government as it was considered that an additional allotment of Rs. 5.00 lakhs would be sufficient. The excess expenditure was necessitated due to the maintenance of works done for safeguarding completed irrigation works and their proper functioning. The expenditure could not be postponed in the public interest.

44A (i) (c) II Executive—Excess Rs. 2,11,326/-.

Out of the total grant of Rs. 42,60,100/- provided under II Executive Establishment, an amount of Rs. 18,69,400/- was earmarked for the item "Allowances". The excess expenditure is mainly due to the increase in dearness allowance sanctioned with effect from 1-4-1964 and 1-10-1964.

44A (i) (d) Tools and Plant.—Excess Rs. 74,710/-.

The total grant of Rs. 5,65,100/- under this unit of appropriation was quite insufficient to accommodate the initial debits on charges of tools and plant of all the Irrigation Divisions. The excess expenditure was due to increased expenditure on urgent maintenance of vehicles in Irrigation Divisions, Trivandrum and Chengannoor which could not be postponed in the public interest.

43 (a) (i) C (e) Establishment.—Excess Rs. 55,249/-.

The reasons for the variations are due to (i) change in personnel having different rates of pay and (2) increase of dearness allowance.

43A (b) (i) A (b) Maintenance and repairs.—Excess Rs. 33,653/-.

The excess expenditure was due to the inevitable payment made to the Electricity Department towards electric energy and property tax paid to the Malampuzha Panchayat for the building in camp area.

43A (b) (i) A (c) Establishment.—Excess Rs. 10,796/-.

The excess was due to increase in share debits transferred from other heads in proportion to works outlay.

In addition, excesses not exceeding Rs. 10,000 in each case also occurred under 13 group heads.

The excesses under the demand as a whole were partly counter-balanced by savings under certain other group heads resulting in a net excess of Rs. 38,58,056/- in the voted section.

In the circumstances stated above it is requested that the excess expenditure of Rs. 1,225/- in the charged section and Rs. 38,58,056/- in the voted section of the Grant No. XXXII Irrigation may be recommended for regularisation in the manner prescribed in the Constitution.

Sd/-

*Secretary to Government.
Public Works Department.*

APPENDIX XI

NOTES

Para (No. 1.4 of this Report)

GOVERNMENT OF KERALA

PUBLIC WORKS (TRANSPORT) DEPARTMENT

SUB:—*Regularisation of excess under Grant No. XXXV—Transport Schemes as disclosed in the Appropriation Accounts 1964-65.*

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

Head of Account	Total grant or Appropriation	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Voted (57 Road and Water Transport Schemes)	5,60,50,000	5,70,89,036	10,39,036

The excess occurred mainly under the following group heads :—

57 Road and Water Transport Schemes

A. Road Transport

(1) Working Expenses

(a) Direction 70,00,600 73,50,378 +3,49,778

The main items contributing to the excess are the increase in expenditure under the following items :

1. Leave and pension contribution . Rs. 1.10 lakhs
2. Provision for depreciation . Rs. 0.41 lakhs
3. Suspense Rs. 2.06 lakhs

Items 1 and 2 were adjusted in March final accounts. A notification establishing the Kerala State Road Transport Corporation was issued on 15th March, 1965 and the Corporation took over the State Transport Undertaking with effect from 1st April, 1965. It was considered proper to settle the outstanding liabilities of the State Under-

takings to the extent possible before the close of the financial year 1964-65 and to minimise the liabilities to be carried forward to the accounts of the Corporation. Item 3 pertains to the clearance of debit under "Items adjustable by Transport" relating to supplies and services rendered by the Director General of Supplies and Disposals and outstanding from the year 1956-57 for want of specific advice and supporting vouchers.

(b) Operation

A. Traffic Operation 91,71,000 98,77,065 7,06,065

The excess is on account of the settlement of the establishment claims of March 1965 before the close of the financial year. In G. O. Rt. 413/65 Pw dated 22nd March 1965 the Government authorised that the pay and allowances, travelling allowances etc. of the officers and staff including contingent and daily rated staff of the State Transport Department for the month of March 1965 would be drawn and disbursed on the last two working days of March 1965, in relaxation of Rule 87(a) of the Kerala Financial Code. Vol. I. Accordingly the establishment claims relating to March 1965 which would normally have been settled in the next financial year were actually drawn and disbursed before 31st March 1965.

The question of obtaining an advance from the Contingency Fund to cover the expenditure was not considered by Government at that time as the Director of Transport had reported that the excess on account of the establishment charges under the various service heads could be regularised by curtailment of items to be adjusted in March 1965 final accounts so as to ensure that the overall expenditure was kept within the grant as a whole relating to the State Transport Department. But the disbursement of establishment charges and the settlement of other liabilities of the State Transport Undertaking resulted in an all round increase in expenditure during the last days of March 1965 and there was no scope for regularising the excess before the close of the financial year.

A(ii) Interest 24,03,200 26,59,846 +2,56,646

The actual interest charges to be adjusted was higher than the final grant. The entire amount was however adjusted in March 1965 final accounts. It was originally anticipated that there would be considerable excess of remittance over withdrawals and the interest charges would be less. But the withdrawals were much more than anticipated on account of the decision to settle as much of the outstanding liabilities as possible before the close of the financial year, in view of the transfer of the State Transport Undertaking to the Kerala State Road Transport Corporation from 1st April, 1965.

Other items of excess under which excesses of comparatively small amounts occurred are given below :—

A(i)(b) B. Servicing vehicles and routes 1,07,40,200 1,07,73,767 +33,567

A few more pending bills were also settled in pursuance of the decision to settle as many items of dues relating to the State Transport Department prior to 31-3-1965 as possible.

A (i) (b) C. Maintenance and Repairs 1,22,45,700 1,23,39,469 +93,769

The excess is mainly on account of the disbursement of salary claims of March 1965 during the financial year.

A(i)(b) D. Taxes, Licence etc. . . . 1,05,44,000 1,06,06,620 +62,620

The actual amount of tax on passenger and Goods payable in advance was also more than the anticipated amount. Further, towards the close of the year, tax dues to extent of Rs. 32,000 nearly had to be paid in respect of vehicles operating on inter-state routes. This accounts for the excess.

B. Water Transport

(i) Working Expenses

(a) Direction 1,06,900 1,35,661 +28,761

The main item contributing to the excess is the leave and pensionary contribution of Water Transport Employees. A greater number of employees of the Water Transport Section came under the pensionable establishment which accounts for the increase in expenditure.

B(i)(b) A. Traffic operation 4,21,400 4,60,334 +38,934

The excess is on account of the disbursement of pay and allowances of officers and staff for the month of March 1965 before the close of the year.

B(i)(b) B. Servicing vehicles & routes . . . 1,40,500 1,44,697 +4,197

The excess is very negligible.

B(i)(b) C. Maintenance and Repairs . . . 1,07,700 1,55,780 +48,080

The excess is partially on account of the disbursement of pay and allowances of staff for March 1965 before the close of the financial year and on account of increase in expenditure under repairs of boats particularly for purposes of replacing major assemblies in all the boats.

B(ii) Interest 33,600 36,503 +2,903

The excess is small.

A supplementary grant of Rs. 43.68 lakhs was obtained in March 1965. This however, proved to be inadequate to cover the total expenditure under the grant.

The excesses were partly counter-balanced by savings under other groups heads resulting in a net excess of Rs. 10,39,036.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 10,39,036 in the Voted Section of Grant No. XXXV— Transport Schemes may be recommended for regularisation under Article 115 of the Constitution.

Sd/-

Secretary to Government.

APPENDIX XII

(Para No. 1.4 of this Report)

GOVERNMENT OF KERALA

HEALTH AND LABOUR DEPARTMENT

SUB.—Regularisation of excess under Grant No. XLII—Capital Outlay on Public Health as disclosed in the Appropriation Accounts 1964-65.

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

	<i>Total Grant</i> Rs.	<i>Actual Expenditure</i> Rs.	<i>Excess</i> Rs.
Voted :	1,05,02,900	1,06,54,109	+1,51,209

The reasons for the excess are given below:

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

(1) 94(a) II A. WORKS—*Excess* Rs. 2,77,224.

The excess expenditure was due to the adjustment of certain debit advices received from the Accountant General towards value of C.I. Pipes and land compensation charges, during the month of March, 1965 which could not be postponed for the next financial year. 1964-65 for the above scheme. As his requisition was received only additional funds could not be moved in the supplementary grant proposals. The total expenditure incurred on Trivandrum Water Supply Scheme (Augmentation) during 1964-65 was Rs. 17,38,004 against the provision of Rs. 15.5 lakhs.

Another reason was due to the expenditure incurred on Shortalai Water Supply Scheme. The Executive Engineer, Public Health Division, Alleppey had reported on 9th March, 1965 that additional funds to the extent of Rs. 1 lakh would be required for the year 1964-65 for the above scheme. As his requisition was received only at the beginning of March, 1965 necessary funds could not be moved in the supplementary grants proposals.

(2) 94 (b)—B. *Establishment—Excess* Rs. 1,73,894.

The share debit is to be made based on the total establishment charges for the year. The actual expenditure under establishment

could be known only at the close of the year. Therefore it was not possible to provide additional funds to the share debit.

(3) 94(c) I-A. Works—Excess Rs. 2,30,158.

The excess was due to booking of certain Plan items of expenditure under Non-Plan within the same grant by the Executive Engineers. The misclassification could not be detected and pointed out at the time of reconciliation.

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

(1) 94(a) I-B-2—Amount transferred from 94(a) II-B—Water Works and Drainage establishment—Excess Rs. 10,489.

The share debit is to be made based on the total establishment charges for the year. The actual expenditure under establishment could be known only at the close of the year. Therefore it was not possible to provide additional funds to the share debit.

(2) 94 (b) Schemes under the Five Year Plan—A—Works—Excess Rs. 21,891.

The excess expenditure was only within 10 per cent of the total allotment. The excess was due to payment of certain pending bills.

(3) 94(c) I-B, (i) Share debit of Establishment Charges from 30 (a) (XVIII) in respect of Non-Plan Works—Excess Rs. 19,714.

The share debit is to be made based on the total establishment charges for the year. The actual expenditure under establishment could be known only at the close of the year. Therefore it was not possible to provide additional funds to the share debit.

(4) 94(c) I-B. (2) Amount transferred from 94(a)—II-B.—Excess Rs. 73,098.

The share debit is to be made based on the total establishment charges for the year. The actual expenditure under establishment could be known only at the close of the year. Therefore it was not possible to provide additional funds to the share debit.

(5) 94(c) I-C—Tools and Plant—Excess Rs. 35,193

The excess was due to the purchase of petrol, maintenance of vehicles, etc. The excess expenditure could not be foreseen under this item and hence could not be regularised by re-appropriation.

(6) 94 (c) II-B—Establishment—Amount transferred from 94(a) II-B—Excess Rs. 24,622.

The share debit is to be made based on the total establishment charges for the year. The actual expenditure under establishment

could be known only at the close of the year. Therefore it was not possible to provide additional funds to the share debit.

The excesses were partly counter-balanced by savings under other group heads resulting in a net excess of Rs. 1,51,209.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 1,51,209 in the Voted Section of the Grant No. XLIII may be recommended for regularisation under Article 115 of the Constitution.

Sd./-
Secretary to Government.

APPENDIX XIII

(Para No. 14 of this Report)

NOTES

GOVERNMENT OF KERALA

PUBLIC WORKS DEPARTMENT

SUB.—*Regularisation of excess under Grant No. XLVI Capital Outlay on Irrigation as disclosed in the Appropriation Accounts 1964-65.*

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

	Total Grant or appropriation	Actual expendi- ture	(+) Excess
	Rs.	Rs.	Rs.
Voted	3,21,26,000	3,65,43,756	44,17,756

The reasons for the excesses are given below.

99AI (iii) *Bhoothathankettu Scheme.*

(d) Suspense Excess Rs. 8,07,554/-

99AII (i) *Malampuzha Project.*

(d) Suspense Excess Rs. 8,07,422/-

100 A(d) Suspense Excess Rs. 37,59,458/-

The excesses under these suspense heads were due to non-provision of funds to cover the gross debit under "suspense". The question of adjustment of these debits to the concerned works was under correspondence with the Accountant General and a final decision could not be taken before the accounts of the year were closed.

99AI (iv) *Cheerakuzhi Project (a) Works—Excess Rs. 1,46,657.*

The budget provision of Rs. 2.614 lakhs was quite insufficient to meet the accelerated progress of the Project work. The available savings of Rs. 1.15 lakhs under the demand was diverted to this unit of appropriation as per G.O. (Rt) 477/65/PW dated 26th March, 1965

to cover the excess expenditure. This was not accepted in audit as the diversion was not sanctioned by competent authority.

100A (b) *Establishment—Plan—Excess Rs. 2,93,768.*

The excess resulted from an increase in the share debit transferred to this head in proportion to the increased works outlay.

100A (c) *Tools and Plant.—Excess Rs. 1,60,554*

The excess resulted from an increase in the share debits transferred to this head, in proportion to the works outlay.

99AI (iii) *Bhoothathankettu Scheme.—(a) Works—Excess Rs. 3,36,155.*

The original budget provision of Rs. 37,36,900 was quite insufficient to meet the accelerated progress of the project work. Additional funds to the extent of Rs. 5,63,100 were provided by reappropriation. This proved to be insufficient to cover the expenditure on the work. A further reappropriation of Rs. 3,36,900 was not accepted in audit as the diversion was not sanctioned by the competent authority.

99AI (iv) *Cheerakuzhi Project (b) Establishment—Excess Rs. 11,794.*

The excess resulted from an increase in the share debit transferred to this head, in proportion to increased works outlay.

99AII (i) *Malampuzha Project. (c) Tools and Plant—Excess Rs. 56,947*

The grant of Rs. 7,800 shown under this unit of appropriation was to accommodate the anticipated share debits transferred from other heads. The excess was due to the increase in the share debits transferred to this head in proportion to the increased works outlay.

99AII (iv) *Meenkara Project (a) Works.—Excess Rs. 54,932*

The work was fast progressing and it was decided to bring the masonry portion of the Project to a safe height before the onset of flood. Thus some extra expenditure was necessitated in order to achieve this object. The whole additional amount required for this purpose could not be found from the available savings. However the excess of Rs. 54,932 when compared with the final grant of Rs. 39,18,300 will come only to about 1.5 per cent.

99AII (iv) *Meenkara Project. (c) Tools and Plant—Excess Rs. 27,574.*

The excess resulted from an increase in the share debits transferred to this head in proportion to the increased outlay on works.

In addition, excesses not exceeding Rs. 10,000—in each case also occurred under 6 other group heads.

The excesses under the demand as a whole were partly counter-balanced by savings under other group heads resulting in a net excess Rs. 44,17,756.

In the circumstances stated above it is requested that the excess expenditure of Rs. 44,17,756 in the "voted" section of the Grant No. XLVI Capital outlay on Irrigation may be recommended for regularisation in the manner prescribed in the Constitution.

Sd./-

*Secretary to Government,
Public Works Department.*

APPENDIX XIV

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA

PUBLIC WORKS (TRANSPORT) DEPARTMENT

SUB:—Regularisation of excess under Grant No. L—Capital outlay on Transport Schemes as disclosed in the Appropriation Accounts 1964-65.

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

	Total grant or Appropriation	Actual Expenditure	Excesss
	Rs.	Rs.	Rs
Charged (114 Capital outlay on Road and Water Transport Schemes)			
A(a)(ii) A. Land—Charged	79,300	82,133	+2,833

In respect of acquisition of land for bus stations etc. there were a number of cases pending before courts for grant of additional compensation. Even though the head of debit was being advised to the land acquisition authorities it could not be anticipated accurately when the claims would be settled. Thus the exact amount required for the purpose could not be known beforehand and necessary funds obtained in advance from the Contingency Fund. If the payments are delayed interest would be payable and therefore the payment could not be postponed.

Voted (114 Capital outlay on Road and Water Transport Scheme)	10,09,700	12,34,828	2,25,128
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The excess occurred mainly under the following group heads :

A(ii) B. Buildings:

1. Works	5,35,000	8,92,770	3,57,770
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The Director of Transport had submitted proposals for additional funds, in August, 1964. But since the Government had not adequate resources at that time even for taking up budgeted schemes, the proposal was not approved. Further the item was not a new service

so as to make supplementary grant unavoidable at that time of the financial year. In January 1965, the Director of Transport had stated that it might be possible to provide additional funds to the extent necessary by reappropriation of savings. But in view of the establishment of the Kerala State Road Transport Corporation and the decision to transfer the State Transport Undertaking to the Corporation from 1st April, 1965, the State Transport Department settled the outstanding liabilities pertaining to works to the extent possible prior to the transfer and this resulted in the excess expenditure.

Other groupheads under which excesses of comparatively small amounts occurred are given below:—

A(ii) B. II.—Establishment charges of the			
Civil Sub-Division	89,700	98,092	+8,392

Anticipating delay in evolving a suitable procedure for operation of a working fund for the newly formed Corporation, it was decided to settle all establishment claims pertaining to March, 1965, before the close of the financial year. This was done with a view to effect timely disbursement of salary and to minimise the liability to be carried over to the Corporation.

A(ii) C.—Fixtures and fittings	15,000	35,728	+20,728
A(iv) Plan and Machinery	85,000	1,07,504	+22,504
A(v) Tools and Plant . . . . .	..	979	+979
A(vi) Suspense	5,000	20,759	+15,759

With a view to minimising the outstanding liabilities to be carried forward to the accounts of the Corporation, all pending bills were settled before March, 1965. This accounts for the excess.

The excesses were partly counter-balanced by savings under other group heads resulting in a net excess of Rs. 2,25,128.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 2,833 in the charged section and Rs. 2,25,128 in the Voted Section of Grant No. L—Capital outlay on Transport Schemes may be recommended for regularisation under Article 115 of the Constitution.

Sd./-

Secretary to Government.

APPENDIX XV

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA

FINANCE DEPARTMENT

SUB:—*Regularisation of excess under Grant No. LII—Commutated value of Pensions* [as disclosed in the Appropriation Accounts 1964-65.

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

	Total grant	Actual Expendi- ture	Excess
	Rs.	Rs.	Rs.
Voted	2,50,000	3,28,118	+78,118

The reasons for the excess are given below :

The excess occurred under the following group-head.

Group Head	Total grant	Actual Expendi- ture	Excess
(a) Payments in India	1,50,000	3,28,118	1,78,118

The amount required for payment of Commuted value of pensions during a year depends on factors like the number of the applications, the amount of pension commuted and drawn by each applicant and the age group of the applicants for which no reliable estimates can be made in advance. Total grant under this head was fixed on the basis of the actuals of the previous years. The actuals for the year 1963-64 were Rs. 1,14,864/- only. It may be seen that the expenditure during the year in question was more than what could be reasonably anticipated.

The excess was partly counterbalanced by non-utilization of the entire provision under the following group-head.

Goup Head	Total grant	Actual Expendi- ture	Savings
Share due to Government of Madras on account of allocation of pen- sion as per States Reorganisation Act	1,00,000	Nil	—1,00,000

In the circumstances stated above, it is requested that the excess expenditure of Rs. 78,118 (voted) under the Grant No. LII—'Com-muted value of Pensions' may be recommended for regularisation under Article 115 of the Constitution.

Sd./-

*Joint Secretary to Government,
Finance Department.*

APPENDIX XVI

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA

PUBLIC WORKS DEPARTMENT

SUB:—*Regularisation of excess under Grant No. XXXIII Public Works, as disclosed in the Appropriation Accounts 1964-65.*

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

	Total Grant or Appropriation	Actual Expenditure	Excess(+)
	Rs.	Rs.	Rs.
Charged	1,20,000	1,69,710	(+)49,710

The excess occurred under the following group heads :—

I. *50 Public Works ;*

(b) (B) (V) *C.R.F. Ordinary Allocation—Bridges—Charged :*

	Total Grant	Actual Expenditure	Excess
	Nil	73,612	(+) 73,612

The amount of Rs. 73,612 represents the expenditure in respect of land Acquisition Charges on account of Court Decrees adjusted for the works "Constructing Bridges at Arattupuzha, Pannai and Vadasserikara". As the adjustment was effected in the supplemental accounts, provision could not be made to regularise the expenditure.

2. In addition, there was minor excess amounting to Rs. 27 under

50(b)B(ii) West Coast Roads—(Charged) :

	Total Grant	Actual Expenditure	Excess
	Nil	27	(+)27

The excess is very small and is below Rs. 100. This amount represents the payment of enhanced compensation in respect of the work "Constructing a bridge over Bharathapuzha at Kuttippuram".

The excesses were partly counter-balanced by the savings under some other heads resulting in a net excess of Rs. 49,710.

In the circumstances stated above, it is requested that the excess expenditure amounting to Rs. 49,710 in the charged Section of Grant No. XXXIII—Public Works may be recommended for regularisation in the manner prescribed in the Constitution.

Sd./-

Secretary to Government.

APPENDIX XVII

(Para No. 1.4 and 1.9 of this Report)

NOTES

GOVERNMENT OF KERALA

FINANCE DEPARTMENT

SUB.—*Regularisation of excess under Grant No. XL. Miscellaneous as disclosed in the Appropriation Accounts 1964-65.*

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

	Total Grant	Actual expendi- ture	Excess
	Rs.	Rs.	Rs.
Charged	48,22,300	48,60,069	37,769

The reasons for the excess are given below:—

The excess occurred under the following group heads.

(1) 71 (g) (xii) *Miscellaneous*—Excess Rs. 7,365).

As per the decree of the High Court in A.S. No. 96/1959 an amount of Rs. 7,365.35 had to be deposited in Court. The amount was authorised under para 77 (f) of the Budget Manual to be regularised later by reappropriation or otherwise. As the District Collector, Ernakulam, did not propose reappropriation or supplementary appropriation in time, the expenditure remained uncovered.

(2) 71 (g) (xvii) A. 1 *Works*.—(excess Rs. 50,411).

An amount of Rs. 55,410.75 was drawn by the District Collector Quilon, under "Suspense—Objection Book Advance" in September, 1962, to deposit it in Court to satisfy the decree in L.A.R. No. 64 of 1959 of the District Court, Quilon. The expenditure were cleared by adjustments to "71(g) (xvii) A.1 Works" during 1964-65. There was only a provision of Rs. 5,000/- under this head. The adjustment was made by the Accountant General in the accounts for July, 1964; but the fact was not then communicated to the Board of Revenue.

However the Accountant General issued warning slips to the Board of Revenue on 28-12-1964, 22-1-1965 and 8-3-1965 regarding the excess over the appropriation. The Board could have taken action for providing funds as soon as the first warning slip from the Accountant General was received, but this was not done. Hence the excess of Rs. 50,411.

The excesses were partly offset by savings under two other group heads resulting in a net excess of Rs. 37,769.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 37,769 in the charged section of Grant No. XL Miscellaneous may be recommended for regularisation in the manner prescribed in the Constitution.

Sd./-

Joint Secretary to Government.

APPENDIX XVIII

(Para No. 1.4 of this Report)

NOTES

GOVERNMENT OF KERALA

AGRICULTURE DEPARTMENT

SUBJECT.—*Regularisation of excess under Grant No. XLIV Capital Outlay on Agricultural Improvement as disclosed in the Appropriation Accounts 1964-65.*

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

	Total grant or appropriation	Actual expendi- ture	+Excess
	Rs.	Rs.	Rs.
Charged	27,300	96,745	69,445

The reasons for the excess are given below :—

Charged + Rs. 69,445.

	Total Provision Rs.	Rs.
1. 95 (d) Establishment of Seed Farms and Seed Stores—Land acquisition charges	27,300	35,039
2. 95 (f) Crop Research	Nil	34,406
	27,300	69,445

The excesses occurred on account of drawal of Rs. 72,047 by the Sub-Collector, Kottayam for payment in satisfaction of Court decrees on land acquisition cases. No allotment out of the provision of Rs. 27,300/- made in the Charged Section of the Grant had been placed at his disposal. The debits were reported to Government in February, 1965, and March, 1965, for regularisation; but nothing could be done at that stage as the last date for sending proposals for

final supplementary demands for 1964-65 was already over. The procedural irregularity in this case was pointed out to the Board of Revenue and the District Collector, Kottayam. The Sub Collector, Kottayam was directed to explain the reason for his action in having raised debits to the Agriculture Department without obtaining funds from the Department. The Sub Collector, Kottayam has stated that the judgments and decrees in the L.A.R. cases were received by him along with sanction for the satisfaction of the decrees and in order to avoid further loss to Government by way of interest, the amounts were arranged to be deposited in the Court by issuing F. Form Chalans. However, the District Collector, Kottayam has since directed the Sub Collector, Kottayam not to raise debits without obtaining funds from the concerned Departments in future.

In the circumstances stated above, it is requested that the excess expenditure of Rs. 69,445/- in the charged section of Grant No. XLIV—Capital Outlay on Agricultural Improvement may be recommended for regularisation in the manner prescribed in the Constitution.

Sd/-

Joint Secretary to Government.

APPENDIX XIX

(Para No. 1.15 of this Report)

GOVERNMENT OF KERALA

FINANCE DEPARTMENT

A detailed note showing the action taken on the recommendation of the State Public Accounts Committee (para 116 of the IIIrd Report, 1960-61, Para 140 of the IIIrd Report 1961-62 and Para 42 of the IIrd Report 1963-64.

Para 116 of the IIIrd Report of the P.A.C.—1960-61

It has been brought to the notice of the Committee that many of the Controlling Officers did not furnish the final grant statements to Audit duly verified in time with explanations for variations if any, with the result that delay was entailed in the completion of the accounts. Even when replies were sent, the information furnished in many cases were either incomplete or not adequate with the result that variations wherever noticed had to go without proper explanations. In order to ensure that the Appropriation Accounts of a particular year are made available to the State Legislature before it considers the budget estimates of the second succeeding year, it is essential that the final grant statements and draft appropriation accounts are dealt with promptly by the Controlling Officers and returned to audit within the time fixed.

Action taken.—Instructions have been issued by Government in the Finance Department in Circular Memo. No. 27421|BG(B)-1|61-4| Fin., dated 7-9-1961 (Annexure I) to all Heads of Departments and other Controlling Officers to see that the final grant statement and draft appropriation accounts are dealt with promptly and returned to the Accountant General within the prescribed time.

Para 140 of the IIIrd Report—1961-62.

Audit pointed out that it was not possible to give explanatory notes for the variations in the case of several sub-heads in the Appropriation Accounts as the requisite information for framing the explanations was either not furnished by the controlling officers or the reasons furnished were incomplete. The Committee wished to observe that delay in the submission of material for Appropriation Accounts which are presented to the Legislature tend to detract seriously from the value of these account. It would reiterate the recommendation contained in paragraph 116 of the Third Report 1960-61 and urge that the Departments should scrupulously follow the same

Action taken.—Instructions were again issued by Government in the Finance Deptt. to all heads of departments and other Controlling officers in Circular Memo. No. 66558/BG3/62/Fin., dated 7-1-1963 (Annexure II) to closely follow the instructions already issued in Circular Memo. No. 27421/BG. B1/61-4/Fin., dated 7-9-1961.

Para 42 of the IInd Report 1963-64.

It was brought to notice by Audit that the explanation of the Departmental Officers for savings etc., were not forwarded in time in regard to 111 group-heads resulting in non-inclusion of essential information in the Appropriation Accounts placed before the Legislature. The Committee had in the past impressed on the Departments the necessity of furnishing explanations for variations to the Audit Office in time. Government had also been issuing necessary instructions in the matter. The Committee was perturbed to note, that in spite of this, the position was far from satisfactory. The Committee recommended that Government should view such lapses on the part of the officers with more seriousness and issue suitable instructions in the matter as this constituted a dereliction of duty.

Action taken.—Instructions were issued once again by Government in the Finance Department in Circular Memo. No. 55/65/Fin., dated 11-10-1965, (Annexure III) to all Heads of Departments to adhere to the instructions already issued in the matter and that Government would be constrained to take appropriate action against the defaulting officers.

Sd/-

Joint Secretary (Finance).

ANNEXURE I
GOVERNMENT OF KERALA

No. 27421/BG (B) 1/61-4/Fin.

Finance Department,
Trivandrum,

Dated 7-9-1961.

CIRCULAR MEMORANDUM

SUBJECT.—Committee—Public Accounts Committee 1960-61 implementation of the recommendation No. 65 contained in the Third Report—Instruction regarding.

It has been brought to the notice of the Public Accounts Committee that many of the controlling officers did not furnish in time the final grant statements to audit duly verified, with explanations for variation if any, with the result that delay was entailed in the compilation of the accounts. Even when replies were sent the information furnished in many cases was either incomplete or inadequate and therefore the variation had to be left without proper explanations. It is the desire of the Public Accounts Committee that the Appropriation Accounts of a particular year are made available to the Legislature before it considers the budget estimates of the second succeeding year. In order to achieve this end it is essential that the final grant statements and draft appropriation accounts are dealt with promptly by the controlling officers and returned to audit within the time prescribed by the Accountant General.

(2) All the Heads of Departments and other controlling officers are requested to bear in mind the above recommendations and to see that the final grant statement and draft appropriation accounts are dealt with promptly and returned to the Accountant General within time. Attention is also invited to the orders issued in G.O. MS. 341/61/Fin. dated 7-8-1961.

Sd/-

Assistant Secretary.

To

All Heads of the Department and other Controlling
Officers.

Departments of the Secretariat.

Copy to Accountant General.

ANNEXURE II
GOVERNMENT OF KERALA

Finance Department
Trivandrum,

Dated, 7-9-1963.

No. 66558|BG.3|62|Fin.

CIRCULAR MEMORANDUM

SUBJECT.—Public Accounts Committee 1961—62.—Third Report on the Appropriation Accounts 1959-60 and Audit Report 1961—Action—regarding.

Ref: Circular Memorandum No. 27421/BG (B)/61-4/Fin. dated 7-9-61.

The Public Accounts Committee has observed that the delay in the submission of material for Appropriation Accounts which are presented to the Legislature tend to detract seriously from the value of these Accounts and urged that the Departments should scrupulously follow the recommendation contained in para 116 of the Third Report 1960-61.

(2) The attention of all Heads of Departments and Offices is invited to the above observation of the Public Accounts Committee and the instructions in the Circular Memorandum dated 7-9-1961 (Copy enclosed).

Sd/-
Assistant Secretary.

To

All Heads of Departments and Offices.

The Departments of the Secretariat.

Copy to: The Accountant General.

ANNEXURE III

Copy of Circular Memorandum No. 55|65|Fin. dated 11-10-1965 of
Finance Department

SUBJECT.—*Public Accounts Committee 1963-64—Second Report—
Recommendation No. 39 (Para 42) regarding submission of
explanation for variations to Audit—Implementation of.*

Ref.—Circular Memorandum No. 52208 (A) BG3|(63) Fin. dated
23-10-1963.

The Government had from time to time impressed on the Heads of the Departments and Controlling Officers the necessity for furnishing explanations for variations between the final grant and the actual expenditure to Audit, within the time schedule fixed. The Public Accounts Committee, 1963-64 in paragraph 42 of its Second Report, has stated that in spite of repeated instructions issued by Government the position is far from satisfactory. They have recommended that the Government should view such lapses on the part of the officers with more seriousness and issue suitable instructions in the matter.

In order to finalise the compilation of Appropriation Accounts and Audit Report according to the set time schedule, it is highly necessary that the explanation for the variation between the original and final grant are furnished to the Accountant General within the prescribed time. All Heads of Departments and other Controlling Officers are therefore requested to deal with such matters with utmost promptitude. They are also informed that the Government will be constrained to take appropriate action against the defaulting officers.

APPENDIX XX

(Para No. 2.19 of this Report)

A detailed note showing the number of similar cases of excess payments (referred to in Audit Para) if any.

There were 46 more cases of excess payments to beneficiaries involving about Rs. 17,450 consequent on the inclusion of 10 per cent contractor's profit in the estimates for Community Development Works, contrary to the orders issued by Government in G. O. Rt. 367/63/DD dated 7-2-1963 (copy of the Government order enclosed Annexure I) The block-wise details of the extra expenditure is given below:

Name of Block	No. of works involved	Excess payment made
		Rs.
1. Ponnani Stage II	2	454.33
2. Pampady Stage II	2	121.00
3. Vythila Stage I	1	148.55
4. Kanjirappalli-Stage II	1	235.37
5. Manjeri-Stage II	1	563.25
6. Nommara-Stage II	2	900.00
7. Manantoddy-Stage I	13	8,105.93
8. Chittur-Stage II	11	2,009.00
9. Thodannur-Stage II	2	1,794.90
10. Ollukara-Stage II	6	1,964.32
11. Kasargod-Stage I	1	216.31
12. Alengad-Stage II	1	116.00
13. Perambra-Stage II	3	821.00
		17,449.86
		or
		17,450.00

Details of these 46 works are furnished in the annexure.

Action is being taken to fix responsibility in each of the 46 cases of irregular excess payments referred to above and to recover the loss from the persons responsible.

Sd/-

Joint Development Commissioner &
Joint Secretary to Govt.

ANNEXURE I

Sl. No.	Name of Block	Name of Work	Amount paid as contractor's profit
1	2	3	4
			Rs.
1	Ponnani-Stage II	Sinking a well in Thevalassery dosom, Vattamkulam Amsom.	223.33
2	"	Sinking a Harijan well at Mangattur on R.S. No. 78/IIA of Kalady Amsom.	231.00
			454.33
3	Pampady-Stage II	Sinking a well at M.G.M.U.P.S. Elikulam.	62.00
4	"	Improvements to the well at That-tamparambil.	59.00
			121.00
5	Yythila-Stage I	Construction of wells (3 nos) in Nottur Colony, Maradu Panchayat.	148.45
6	Kanjirappalli-Stage II	Construction of a culvert in Edakkunnam road adjacent to the causeway at Pampady.	235.37
7	Manjeri-Stage II	Construction of a drain at Manjerri Bazar.	563.25
8	Nommara-Stage II	Construction of Artificial Insemination Centre at Karimangalam.	792.00
9	"	Construction of a well at Pappani in Vallenghy village.	108.00
			900.00
10	Mannantoddy—Stage I	Metalling Tavinhl valat road	828.48
11	"	Formation of Punchavayal-Narazhipuzha road.	32.80
12	"	" Payingatteri-Chandamukku Road.	86.62

1	2	3	4
			Rs.
13	Manantoddy-Stage I	Formation of road. Tharuvana-Palayana	37.87
14	"	Metalling Payyampilla-Odayanga	772.40
15	"	Construction of culvert across 500' valat Porur road.	90.00
16	"	Do. two hume pipe culverts on Odayangadi-Payyampilli road.	108.00
17	"	Do. a well at Kammana	357.50
18	"	Do. at Nadavayal	148.48
18	"	Do. at Cherukattur	503.60
20	"	Do. Block eadquarters buildings.	3,351.00
21	"	Do. Bull shed attached to Veterinary dispensary at Manantoddy.	80.00
22	"	Construction of Veterinary Dispensary.	1,709.18
			<hr/> 8,105.93
23	Chittur-Stage II	Construction of a well behind Gramasevak Quarters, Velanthavalam.	217.00
24	"	Construction of ten bedded wards at Ozhalapathy Hospital.	856.00
25	"	Annual repairs to Block Headquarters.	39.00
26	"	Speical repairs to Block Headquarters.	74.00
27	"	Fencing Gramasevak Quarters, Kozhippara.	20.00
28	"	Fencing and providing trevis etc. in the Veterinary Dispensary Kozhippara.	44.00
29	"	Sinking a well in the Veterinary Dispensary Kozhippara.	120.00
30	"	Construction of a foot bridge at 9.8 of Naduppunny Road.	39.00
31	"	Metalling Thottathukulam road in Nellopilly Panchayat.	240.00

1	2	3	4
			Rs.
32	Chittur-Stage II	Metalling Kallenkode road, Nalleppilly Panchayat.	300.00
33	"	Improvements to the culvert at Karampotta in Kozhinjampara Panchayat.	60.00
			2,009.00
34	Thodanvur Stage II	Construction of Veterinary Dispensary at Block Headquarters.	734.40
35	"	Improvement to the approach road to Primary Health Centre, Thoravallur.	1,060.50
			1,794.90
36	Ollukkara-Stage II	Improvements to the well at Pon-nukkara Harijan Colony.	44.00
37	"	Metalling Thiroor-Kizhallangadi road.	83.22
38	"	Construction of a building for mid-wifery centre at Puthur.	507.54
39	"	Do. at Ollukkara	509.82
40	"	Do. at Moorkanikara	536.19
41	"	Metalling Kolazhi Rice Mill Road	283.55
			1,964.32
42	Kasargode Stage I	Sinking a well	216.31
43	Alengad-Stage II	Work of gravelling Kaduvazhanga-Kanjirpilly road.	116.00
44	Perambra-Stage II	Construction of Health Sub-Centre at Kadiyangad.	69.00
45	"	Improvements and construction of culverts on Meppayur-Kozhipayur road.	571.00
46	"	Well at Harijan Colony, Cherupuram.	181.00
			821.00

Sd/-

Joint Development Commissioner &
Joint Secretary to Govt.

GOVERNMENT OF KERALA

ABSTRACT

Community Development Programme—Works—contractor's profit—Entrustment of Block works to the beneficiaries—Orders regarding Clarification issued.

Development (H) Department

G.O. Rt. No. 367/63/DD.

Dated, Trivandrum, 7-2-1963.

Read:—1. G.O.No. (Ms) 845/62/DD, dated 16-11-1962.

2. Letter No. D4-6661/62 dated 26-12-1962 from the Collector, Quilon.

Order

In his letter No. RG6-36110/62 dated 18-10-1962 the Chief Engineer (Buildings & Roads) reported that the estimates in respect of Community Development works are prepared in the Blocks without provision for contractor's profit. Based on this report it was ordered in the G. O. read above that C. D. works will be entrusted to the beneficiaries at the estimate amount less local contribution due under the rules. But it is now reported by the Collector, Quilon that all the estimates for C. D. works are not prepared without contractor's profit. The Collector, Quilon has sought clarification as to whether the contractor's profit should be included in the estimates.

2. Having considered the whole question again Government direct that all estimates in respect of C. D. works will be prepared without provision for contractor's profit and that the works will be entrusted to the beneficiaries at the estimate amount so fixed and after deducting the local contribution due under the rules.

3. As regards existing works the accounts will be settled on the basis of the terms and conditions of the agreements executed by the beneficiaries irrespective of the fact whether such estimates contain provision for contractor's profit or not.

*By Order of the Governor,
Joseph Thadicaran,
Asstt. Secretary.*

To

All Collectors.

All Revenue Divisional Officers.

All Block Development Officers.

The Accountant General.

The Chief Engineer, Building & Roads, etc.

APPENDIX XXI

(Para No. 2.24 of this Report)

(i) *Were the State Government required to send to the Government of India periodically any performance report in respect of these schemes?*

(ii) *Whether such reports were sent regularly?*

(iii) *A copy of the report of the District Welfare Officer.*

(i) Half yearly progress report on the Welfare Schemes are required to be sent to the Government of India, Department of Social Welfare in June and December of each year *vide* letter No. 16/32/62SCT. III (A) dated 18th July, 1962 from the Ministry of Home Affairs. (Copy enclosed Annexure I)

(ii) Such reports are being sent regularly. Copy of the report for the half year ending 31-3-1966 due to be sent to the Government of India in June 1966 was sent to them on 28-7-1966. (Annexure II).

(iii) A copy of the monthly report for July, 1966 of the District Welfare Officer, Quilon, is appended (Annexure III)

ANNEXURE I

Copy of letter No. 16/32/62-SCT. III (A) dated 18th July, 1962 from the Government of India, Ministry of Home Affairs, New Delhi.

SUB:—*Six-monthly progress reports—Third Five Year Plan—Centrally Sponsored programmes for the Welfare of Backward Classes.*

This Ministry have been examining for some time in the past, the need for a revision of the proforma for the six-monthly progress reports on the Centrally Sponsored Schemes for the Welfare of Backward Classes, with a view to making it more useful for a periodical review of the schemes taken up in the Third Five Year Plan.

(2) It has now been decided that the State Government may continue to adopt the existing proforma for the submission of the six-monthly progress reports except in respect of the following schemes:—

(i) The Tribal Development Blocks (including the Special Multipurpose Tribunal Blocks started in the Second Plan); and

(ii) The scheme for award of post-matric scholarships to Scheduled Castes and Scheduled Tribes students.

The details in respect of the above two schemes viz. (i) Tribal Development Blocks and (ii) Post-matric scholarships should be furnished in the proforma.

(3) Under the scheme "Improvement of the working conditions of Sweepers including eradication of the practice of carrying night soil as head loads", the State Government utilise a part of the provision for giving grants-in-aid to Municipalities Local Bodies for the purchase of wheel-barrows, hand carts, etc., for sweepers employed on scavenging work. So far as this scheme is concerned, the State Government may show in the main proforma, the total expenditure and the number of persons benefited and also enclose a statement showing the details of grants placed at the disposal of each Municipality Local Body and the manner in which the grants were utilised.

(4) Although no separate proforma has been drawn up for the scheme 'Co-operation,' it is requested that while furnishing the information relating to this scheme in the usual proforma, the number of Co-operatives of each category aided and the number of persons belonging to S. C. S. T. benefited by the scheme under forest labourers' co-operatives, marketing-cum-consumers' co-operatives etc. may be indicated separately in the column pertaining to physical targets. A brief note explaining the pattern of the scheme and the manner in which the funds sanctioned by this Ministry from the Backward Classes sector are utilised on the Co-operative Societies may also be added in a separate column or appended to the main proforma. While furnishing the progress reports in the revised proformae, the items in the list enclosed with this Ministry's letter No. 3/23/62-P. & S. (SCT) dated 6th April, 1962 may also be kindly kept in view and the returns furnished. In the case of the schemes for the Welfare of Denotified Tribes, a list of standard units for each scheme is enclosed at Annexure IV, which may be adopted for giving the details of the physical targets proposed and achieved. Similar units may be adopted for schemes, if any, which are not covered by this list.

(5) A suitable modification of the form for submission of the quarterly progress reports on C.D. Blocks; which will suit the Tri-

bal Development Blocks is being devised by the Ministry of Community Development and Co-operation and will be sent to the State Government in due course.

(6) It is requested that the progress reports in the revised pro-formae (with 7 spare copies) may kindly be furnished to this Ministry before the prescribed dates. Copies of the reports may also be sent direct to—

- (i) The Planning Commission (Social Welfare Division), New Delhi.
- (ii) The Commissioner for Scheduled Castes & Scheduled Tribes, New Delhi.
- (iii) The Regional Assistant Commissioner for Scheduled Castes and Scheduled Tribes.
- (iv) The Ministry of Education, Health Community Development, Panchayati Raj and Co-operation, New Delhi and other concerned Ministries.

Sd/-

T. V. RANGARAJAN,

Under Secretary to the Govt. of India.

(TRUE COPY)

ANNEXURE II

THIRD FIVE YEAR PLAN—ANNUAL PLAN—1965-66 HALF YEARLY PROGRESS REPORT

Report for the Half Year ending 31-3-1966

S. No.	Name of the Scheme	Head of account	Location	Physical Target				
				Approved for the Plan period 1961--66	Approved for the year under report 1965-66	Achievement during the half year under report	Total achievement during the year so far	Total achievement during the Plan period so far
1	2	3	4	5	6	7	8	9
	<i>I. Welfare of Backward Classes</i>	39(d)3(iii)	Kerala					
	<i>A. Welfare of Scheduled Tribes</i>	A. Sch. Tribes						
	<i>I. Group I. Education</i>	<i>II. Education</i>						
1	Scholarships & stipends	..	..	90,000 students	12,000 students	11,600 students	15,000 students	67,504 students
2	Govt. Residential Basic Schools	2 G.R.B. Schools	Do.	25 schools	20 + 5	23 + 2	20 + 5	25
3	Supply of Midday meals.	3 supply of midday meals	Do.	Supply in 92 schools	In 92 schools	..	Supplied in 85 schools	..
4	Reimbursement of Tuition fees to Private schools.	..	Do.	Not fixed	Not fixed	..	710 students	2305 students
	stipend to Sch. Tribe students in the Central Fisheries Operatives, Ernakulam.	..	Do.	..	One	Nil	Nil	Nil
	Award of Boarding grants.	..	..	1000 grants	..	..	..	443
	Subsidy to Technically trained.	..	..	..	16 persons	16 persons	16 persons	16 persons
	<i>Total of Group I Education</i>							
	<i>II. Group II Economic Uplift.</i>							
1	Model Welfare Centres	..	..	15 centres	15 Centres	14 continued	14 continued	14 continued

Financial Target							Remarks	
Total expr. approved for the Plan period 1961-66	Estimated expr. for the year under report		Expendi- ture incurred during the half year under report	Total expr. incurred during the year so far.	Total expr. incurred during the plan period so far.	Default during the year and its %.	Reasons for default	
	State Fund	Grant-in- aid.						
10	11	12	13	14	15	16	17	18
2.92	0.250	0.750	1.088	1.358	7.278	..	..	The expenditure incurred is over and above non-Plan expenditure.
7.30	0.630	1.870	1.259	1.689	5.499	..	..	25 schools started till the end of March, 1966.
Not fixed	0.110	0.330	0.088	0.158	2.278	..	..	Due to scarcity of rice there was no regular supply of midday meals.
Do.]	0.250	0.750	0.324	0.324	0.684	..	..	All the bills claiming reimbursement received from Education Department has been passed and payments made.
Do.	0.003	0.007	Nil	Nil	Nil	..	..	There was no Sch. Tribe students in the Institute during 1965-66.
1.46	..	..	..	..	0.70	..	..	There was no such scheme for the year 1965-1966.
Nil	0.010	0.030	0.029	0.029	0.029	..	..
11.68	1.253	4.737	2.788	3.558	16.468			
1.56	0.25	0.25	0.153	0.333	2.183	..	..	Due to non-availability of trainees one Centre was closed down.

1	2	3	4	5	6	7	8	9
2	Cooperative Societies	..	..	20 Societies	15 Societies	..	..	..
3	Grants for the purchase of Agricultural implements.	..	..	300 grants	82 grants	78	78	410
<i>Total of Group (II)</i>								
<i>III. Group III, Health Housing & other schemes.</i>								
1	Medical & Public Health :							
(a)	Water Supply	..	..	In 15 settlement	One	Work in progress	Work in progress	Completed in a settlements
(b)	Mobile Medical Units.	..	..	Starting of 10 Ayu. Dispensaries and Midwifery Training Centre & continuance of 3 M.M. Units.	Continuance of 7 Ayu. Dispensaries 1 Midwifery Centre, 3 M.M. Units and starting of 3 Ayu.	7 Ayu. Dispensaries, 1 Mid. Trng. Centre & 3 M. M. Units continued & 1 Ayu. Dispensary started.	Old dispensaries & Units continued & 3 Ayu. Dispensaries started.	Old continued 10 Ayu. Dispensaries & one Midwifery Trng. Centre started.
2	Housing Construction of houses.	..	..	560 houses	80 houses	75 grants given	46 houses were completed	418 completed
3	Administration	..	..	..	..	..	Staff continued	Staff continued
<i>Total of Group III.</i>								
<i>Total of a Welfare of Sch. Tribes.</i>								
<i>B. Welfare of Scheduled Castes.</i>								
		39(d)3(iii)						
<i>I. Group I Education</i>		B. II						
1	Scholarships & stipends	..	..	40,000 Scholarships	1282 Scholarships	903	1403	..
2	Supply of Midday meals.	..	..	Welfare Schools	Supply in Welfare schools	..	..	Supplied till 1964-65
3	Cosmopolitan Hostels	..	..	3 Hostels	1+2	1+1	1+1	2

10	11	12	13	14	15	16	17	18
1.46	0.03	0.03	..	..	0.140	..	..	The scheme is implemented by the Co-operative Department.
1.75	0.13	0.12	0.234	0.234	1.184	..	..	Grant at the rate of Rs. 300/- were given to 78 persons.
6.86	0.41	0.40	0.387	0.567	3.507			
2.19	0.15	0.15	..	..	0.59	..	..	The work is in progress. The actual expenditure has not yet been received from Public Health Engineering Deptt.
1.46	0.37	0.35	0.392	0.502	1.532			
5.93	0.55	0.55	0.726	0.736	0.652	..	..
0.44	0.09	0.10	0.265	0.375	1.305	..	..
10.02	1.16	1.18	1.383	1.613	10.079			
28.56	2.823	5.317	4.458	5.738	30.054			
58.40	0.92	2.77	2.845	3.955	116.465	..	..	The expenditure incurred is over and above non-Plan expenditure.
13.14	0.40	1.38	0.437	0.687	12.507	..	..	Due scarcity of rice there was no regular supply of midday mea's during 1965-66.
5.84	0.59	1.76	1.207	1.207	4.327	..	..	One Hostel continued. Construction of one Hostel taken up and almost completed. The other could not be taken up due to the difficult ties in land acquisition.

1	2	3	4	5	6	7	8	9
4	Re-imbursement of tuition fees to private Schools.	..	..	Not fixed	Not fixed	24820 students	24820 students	..
5	Hostels	..	..	..	..	..	..	..
6	Scholarships to Sch. Caste students in the Central Fisheries Operatives, Ernakulam.	..	..	..	One	One	One	One
7	Subsidy to Technically Trained	..	..	..	20 persons	19 persons	19 persons	19 persons
<i>Total of Group I Education :</i>								
<i>Group II Economic Uplift.</i>								
1	Industrial Training Centres	..	..	15 Centres continued	15 Centres continued	15 Centres continued	15 Centres continued	15 Centres continued
2	Cooperation	..	..	50 Societies	..	..	..	25 Societies were organised
<i>Total of Group II Economic Uplift :</i>								
<i>III. Group III, Health Housing and other Schemes.</i>								
<i>1. Medical and Public Health</i>								
(a)	Sinking of wells	..	..	250 wells	15 wells	9 wells	9 wells	50 wells
(b)	Acquisition of House sites	..	..	12,500 House sites	335	..	..	2125
(c)	Improvement to colonies	..	..	in 25 colonies	One colony	One colony	One colony	21 colonies
2.	Community Centres	..	..	..	..	..	..	..
3.	Housing Construction of Houses	..	..	3320 houses	230 houses	158 were completed	158 houses were completed	1642 houses were completed

10	11	12	13	14	15	16	17	18
8.76	..	..	..	..	..	..	..	No scheme for the year.
3.65	..	..	..	..	2.980	..	..	There is no scheme for 1965-66.
Nil	0.003	0.007	0.011	0.011	0.011	..	..	One student has been paid stipend during 1965-66
Nil	0.01	0.04	0.046	0.046	0.046	..	..	19 persons were given subsidy.
89.79	3.733	11.207	10.818	12.268	163.208			
5.11	0.50	0.50	0.404	0.774	4.354	..	..	15 Centres continued during 1965-66.
3.65	0.22	0.22	0.055	0.055	1.475	..	..	The scheme is now being implemented by the Registrar of Cooperative Societies.
8.76	0.72	0.72	0.459	0.829	5.829			
3.65	0.20	0.20	0.254	0.264	1.284	..	..	The work is being executed through the P.W.D.
14.60	1.00	1.00	0.225	0.225	13.135	..	..	The land acquired during 1965-66 has not been sub-divided and assigned. It will be done next year.
0.91	0.02	0.02	0.222	0.222	0.832	..	..	The incomplete improvement works of previous years were also completed.
0.55	..	..	..	..	..	..	..	There is no such scheme in the annual Plan for 1965-66.
29.03	0.90	0.90	1.899	1.949	21.079	..	..	In addition to the number of houses completed grants upto III instalments were given to beneficiaries. Another 6 were given upto II instalments.

1	2	3	4	5	6	7	8	9
4	Administration Progress Evaluation and Statis- tical Cell.	39(d)3(iii) B.I. Admn.		Con- tinuance of staff	Con- tinuance of staff	Staff continued	Staff continued	Staff conti- nued
	TOTAL OF GROUP III							
	TOTAL OF B WELFARE OF SCH. CASTES							
(c)	Welfare of other Back- ward Classes	39(d) 3(iii) C. I.						
1	Education:							
1	Educational concessions	..	..	Conces- sions to 25,000 students	Conces- sions to 12,000 students	Conces- sions given to 42,664 students	Conces- sions to 44,564 students	..
	TOTAL OF (C)							
	GRAND TOTAL OF BACK- WARD CLASSES (A + B + C)	..	..	..	..	..	..	..

10	11	12	13	14	15	16	17	18
0.73	0.12	0.12	0.193	0.273	1.073	..	..
50.37	2.24	2.24	2.793	2.933	37.403			
148.92	6.693	14.167	14.070	16.030	206.440			
17.52	1.50	4.50	2.779	10.069	28.209	..	..	The expenditure is over and above that incurred for Non-Plan provision.
17.52	1.50	4.50	2.779	10.069	28.209			
195.00	11.016	23.984	21.307	31.837	264.703			

THIRD FIVE YEAR PLAN—CENTRALLY SPONSORED SCHEME THE HALF YEAR ENDING 31-3-1966.

Sl. No.	Name of the Scheme	Head of Account	Location	Physical Target		Achievement during the half year under report	Total achievement during the year so far	Total Achievement during the Plan period so far
				Approved for the Plan period 1961-66	Approved for the year under report 1965-66			
I	2	3	4	5	6	7	8	9
A.	<i>Welfare of Sch. Tribes.</i>	39(d) 3	Kerala					
I	<i>Education</i>	(ii) II						
1	Hostel for girls			Nil	2 Hostels	2 Hostels	2	2
2	Multi Purpose Tribal Blocks			2 Blocks	One	One	One	One
	TOTAL FOR A							
B	<i>Welfare of Scheduled Castes :</i>							
1	Post Matriculations studies			Not fixed	Not fixed	..	..	..
2	Hostels for Girls			..	One	One	One	One
	II. <i>Health Housing and other Schemes.</i>							
1.	Grants for the purchase of Wheel Barrows and Hand Carts Eradication of the practice of carrying night soil as had load.			..	..	..	..	..
2.	Subsidy for housing to Sweepers and Scavengers and provision for a House sites for Sch. Castes.							
	(a) Who are engaged in unclean occupation							
	(b) Who are landless labourers.			Not fixed	Not Fixed	..	..	..
	TOTAL OF (B. SCHEDULED CASTES							
	GRAND TOTAL FOR CENTRALLY SPONSORED SCHEMES (A + B)							

FOR 1965-66 HALF YEARLY PROGRESS REPORT—REPORT FOR

Total expr. approved for the Plan period 1961-66	Financial Target		Expenditure incurred during the half year under report	Total expr. for the year under report	Total expr. incurred during the Plan period so far	Default during the year under report & its %	Reasons for default	Remarks
	Estimated expr. for the year under report	Grant-in-aid						
10	11	12	13	14	15	16	17	18
Nil	..	..	0.150	0.150	0.150	..	..	This was not included in the original Plan. No amount was also provided. The Scheme was approved in G. O. M.S. 41/RD dt. 20.1.66
12.00	..	3.000	1.232	1.602	6.212**	..	..	** The scheme was implemented by the Development Department.
12.00	Nil	3.000	1.382	1.752	6.362			
Nil	Nil	0.300	4.239	4.239	26.673	..	..	The expenditure incurred by State Govt. and Ministry of Education has not been included.
Nil	Nil	..	0.100	0.100	0.100	..	..	The scheme, not included originally, was sanctioned in G. O. M/S. 42 RD dated 20-1-1966
Nil	Nil	1.500	..	..	0.960	..	..	No expenditure was incurred during 1965-66
Nil	Nil	2.500	2.407	2.407	5.417	..	..	This scheme was implemented by the Director of Municipalities and Director of Panchayats. 100 houses were already completed in Singarathope Colony for the benefit of Sch. Castes.
Nil	Nil. |	4.300	6.747	6.747	33.150			
12.00	Nil	7.300	8.120	8.499	39.512			

DIRECTOR OF HARIJAN WELFARE.

ANNEXURE III

PROGRESS REPORT OF MONTH OF JULY, 1966.

Name of Department : HARIJAN WELFARE. Name of District : QUILON.

SL. No.	Name of Schemes	Budget provision for the current year	Expenditure incurred during the month	Expenditure upto date during the year	% of Achievement to Budget provision	Physical progress of the Scheme with particular reference to the achievement during the month	Remarks
1	2	3	4	5	6	7	8

State Sector Schemes.

A. Welfare of Scheduled Tribes.

A. Welfare of Scheduled Tribes.

I. Education.

I. Scholarships & Stipends.

70 Sch. Tribe students undergoing Prematriculation studies are to be given educational concession. The scheme can be implemented only after fully utilising Rs. 8,000 under Non-Plan. So far Rs. 1,786 has been spent for 386 students.

1080 Students in 9 Tribal Schools are to be fed at noon. Scheme is to be implemented by Education Department.

2 Mid-day meals

- 3 Reimbursement of tuition fees . . . 200 Tuition fees to 6 Tribal students are to be reimbursed. The D.E.Os. are being addressed to furnish the particulars.

II. Economic Uplift

- 4 Subsidy to Technically Trained Persons. . . 2,000 8 Persons are to be given subsidy under this Scheme. Applications invited fixing last date 30-9-1966.
- 5 Model Welfare Training Centres . . . 54,000 338.00 1,395.91 25.8 16 Trainees of the Centres Shendurum and Achencoll are given monthly stipend @ Rs. 25/-.
- 6 Co-operative Societies . . . 600 On e Paid Secretary is to be paid remuneration. Scheme is to be implemented by the Co-operative Department.
- 7 Grants for the purchase of Agrl. implements. . . 1,800 6 Families are to be given grant under this item. Applications invited fixing last date as 20-8-1966.
- 8 Improvement to Colonies . . . 8,500 One Tribal Colony is to be selected, Selection shall be made in the next meeting of the D.A.C.

III. Health, Housing & Other Schemes.

- 9 Housing . . . 22,400 9 New houses and 91 incomplete houses are to be completed under this item. Applications received are under scrutiny. Selection shall be made in the next D.A.C. Scheme to be implemented by Block Agencies.

1	2	3	4	5	6	7	8
10	Mobile Medical Unit and Ayurvedic Dispensary	200	..	..	..	The Dispensary at Chittar is to be continued. Steps are taken for the purchase of Medicines.	
TOTAL for Sch. Tribes		64,400	338.00	1,395.91			
B. Welfare of Scheduled Castes							
<i>I. Education</i>							
1	Scholarships & Stipends	16,600	..	..	..	650 Students undergoing pre-matriculation studies are to be given concessions under this item. Funds under Plan can be operated only on fully utilising Rs. 5,50,000 under Non-Plan. So far Rs. 4,08,174/- spent for 34992 students.	
2	Supply of id-day meals	1,56,400	..	..	..	10,300 Students in 56 Welfare Schools are to be fed at noon. Scheme is to be implemented by Education Department.	
3	Boarding Grants	1,900	..	..	..	8 Boarders in Subsidised Hostels are to be given grants. Steps are being taken to disburse the grant.	
4	Reimbursement of tuition fees	9,800	—	—	—	Tuition fees to 300 students are to be reimbursed. D.E.Os. are being addressed to collect the details.	

II. Economic Uplift

5	Subsidy to technically trained	3,800	..	..	15	Candidates are to be given subsidy. Applications have been invited fixing last date as 30-9-1966.
6	Industrial Training Centres	10,700	874.00	3,398.29	31.8	43 Trainees of the I.T.Cs. at Oachira and Aycaud were given stipend @ Rs. 25/-. The trainees of Oachira were dispersed on 26-7-66, on completion of the course. Selection of new batch has been made on 1-8-1966.
7	Co-operative Societies	22,100	..	..	..	One Multi-purpose Society to be given grant and remuneration to one Paid Secretary to be paid. Scheme is to be implemented by the Co-operative Department.
8	Grants for the purchase of Agril. implements	15,500	..	..	..	45 Families are to be given grants under this item. Applications are to be invited for the purpose.
<i>III. Health, Housing & Other Schemes.</i>						
9	Improvement to colonies	5,000	..	..	..	Two colonies are to be selected. Selection is expected to make in the next meeting of the D.A.C.
10	Housing	34,000	..	..	..	Grants for 10 new houses are remaining, instalments to 325 incomplete houses are to be paid. Applications received are beings scrutinised. Selection is expected to make in the next D.A.C. Scheme is to be implemented by the Block Agencies and Panchayats.

1	2	3	4	5	6	7	8
11	Acquisition of house sites	6,000	..	..	..	305 House sites are to be acquired to settle homeless Scheduled Caste families. Scheme is to be implemented by Revenue Divisional Officer, Quilon.
TOTAL for Scheduled Castes.		2,79,800	874.00	3,898.29	..		
C. Welfare of O.E.Cs.							
<i>I. Education</i>							
	Educational concessions	10,000	..	..	..	1700 O.E. Community students are to be given educational concessions. Funds under Plan can be operated only on utilising Rs. 2,00,000/-placed under Non-Plan. So far Rs. 1,24,853 has been spent for 8,289 students.
	Boarding grants	600	..	..	..	3 O.B.C. Boarders are to be given grant. Steps are being taken to disburse the grants.
TOTAL for O.B.Cs.		10,600	..	..	

APPENDIX XXII

(Para No. 2.28 of this Report)

What were the charges against the Officers placed under suspension?

Copy of charges framed by Government in the Home Department against Shri C. C. Kunjan, the then Director of Harijan Welfare and referred to in the Audit Report is appended (Annexure I).

There are three cases pending against Shri C. C. Kunjan—E.C. Nos 16/62, 24/62 and 7/63. He was suspended on 29th November, 1960. The details of the three cases are given below.

The charges against Shri Kunjan are that he did not call for tenders for supply of furniture worth Rs. 16,000 and due to non-observance of procedural matters he caused loss to Government; that he passed orders for payment of lump sum grant to certain students involving a financial commitment of Rs. 6,600 and by irregular action caused financial loss to Government; and that he ordered the construction of 40 houses without inviting tenders and caused financial loss.

There were also 12 other counts of charges such as he claimed false T.A., paid grants to unregistered Associations, made appointments irregularly, failed to supervise properly Colonisation schemes etc.

ANNEXURE I

Disciplinary action against Shri C. C. Kunjan, Director of Harijan Welfare (Formerly) under Suspension

1. In Directorate order No. E5.26388/58, dated 7th February, 1959 you have nominated the Taluk Welfare Officers of Nedumangad, Trivandrum, Kottarakkara, Muvattupuzha, Changanacherry, Trichur and Cranganore taluks as the *Ex-officio* working Presidents of the Co-operative Societies attached to the various Model Welfare Villages in those taluks. This action of yours was improper and unauthorised as you have no powers to nominate the officers under you as *ex-officio* Presidents.

2. Claimed and drawn an amount of Rs. 12.98 as T.A. for journeys purported to have been made by you on 11th May, 1957 from Trichur to Ernakulam by train and from Ernakulam to Malipuram and back to Ernakulam (mileage), while actually you were in Trivandrum on 11th May, 1957 and had accompanied the Minister for Local Self Government in his car to Mariyapuram in Neyyattinkara Taluk and back to Trivandrum on that day in connection with a meeting.

3. Claimed and drawn an amount of Rs. 38.11.4 as T.A. for journeys purported to have been made by you on 12th May, 1957 from Ernakulam to Quilon by car and from Quilon to Trivandrum by train while actually you accompanied the Minister for Local self Government in his car from Trivandrum to Chavara on that day and attended a meeting there and from there you proceeded to Kumbanad along with the Minister in his car to attend another meeting.

4. Claimed and drawn an amount of Rs. 165.20 as T.A. for journeys purported to have been made by you from Trivandrum to Cannanore and from Cannanore to Chalakudy covering other places en-route between 16th May, 1957 and 21st May, 1957 by showing the mode of conveyance in your T.A. Bill either as train or as car while actually you performed the above journeys either in the company of the Minister for Local Self Government in his State car or in the departmental van which followed the Minister's Car.

5. Claimed and drawn an amount of Rs. 21.08. as T.A. for journeys purported to have been made by you from Trivandrum to Quilon and from Ernakulam to Chalakudy on 11th April, 1967 and from Trichur

to Ernakulam and from Quilon to Trivandrum on 15th April, 1957 by first class train while actually no first class tickets were issued from the concerned stations.

6. Claimed and drawn an amount of Rs. 47.40 as T.A. for the journeys purported to have been made by you from Trivandrum to Kallar and back on 4th August, 1957 and from Trivandrum to Kuttamala and Ottasekharamangalam and back to Trivandrum on 7th August, 1957 in a car while actually you were in Malabar on 4th August, 1957 travelling in the departmental jeep from Tellicherry to Cannanore and on 7-8-1957 you were travelling in the same vehicle from Ernakulam to Trivandrum via. Quilon.

7. Claimed and drawn an amount of Rs. 13.94 towards T.A. for journeys purported to have been made by you from Ernakulam to Kottayam and from Kottarakkara to Trivandrum on 9th December, 1957 by the first class train while actually no first class tickets were issued from the above Stations.

8. Recommended in March, 1958 several associations in the Malabar area for payments of grants intended for social organisations engaged in activities connected with the removal of untouchability even though some of those associations had not been recommended by the District Officers and they were not registered as per the statutory provisions controlling such associations and you failed to bring it to the notice of the Government that the said associations were not so registered. Subsequently you acted against G.O. No. (MS) 489, dated 30th March, 1958 sanctioning such grants and disbursing the grants to such unregistered associations. There is reason to believe that your action in this respect was actuated by improper motives.

9. Did not exercise your discretion properly in the matter of appointment of personnel in your Department and made several irregular appointments by-passing Government orders and the Kerala Public Service Commission (Consultation) Regulations.

10. As a Head of the Department the Director of Harijan Welfare failed to exercise effective supervision over the working of the Model Welfare Centres run by the Department.

11. Nominated Taluk Welfare Inspector etc. as *ex-officio* members or presidents of Co-operative Societies in contravention of the bye-laws of such societies.

12. Due to mismanagement and lack of supervision in running the Chengeri Panathady and Koothali colonisation schemes there was

large scale wastage and loss of Government funds for which you are primarily responsible as these schemes were under your direct administrative control.

13. Permitted Sri K. Kamalasanan, District Publicity Officer, who was evading Police for four months, after misappropriating an amount of Rs. 12000 to rejoin duty at Cannanore ignoring the fact that he was involved in a serious criminal case. There is reason to believe that you know that there was a charge of misappropriation against Sri Kamalasanan and that you allowed him to rejoin duty in order to help him out of the way.

14. Sanctioned grants in contravention of orders of Government, particularly to the Harijan Gurukulam, Kalpathy.

15. As against the Government order to take over the Welfare School at Karimadabhagam you issued orders to take over the Welfare school at Kattadikavala for which you had no authority.

16. Ordered the purchase of large number of copies of books without observing the rules and also without ascertaining from the Departmental libraries for which the above books were intended whether copies of the books were available with them or not thereby causing wastage of Government funds.

17. By an incorrect notification issued by you "Kaniyar panicker" students of Malabar area were given lump sum grants, ordinarily admissible to a students belonging to Scheduled Castes and Scheduled Tribes only, thereby causing a loss of Rs. 381950 to Government, and

18. Ordered the grant of T.A. to fourteen Scheduled Caste candidates going outside the state for interviews in contravention of the Government orders on the subject and without obtaining the necessary agreements from some of them.

19. Sri C. C. Kunjan, while employed in the Government Service as Director of Harijan Welfare, entrusted the work of construction of 40 houses intended for the Malai Pandarams in the Achankoil Hills to the Achankoil Multipurpose Co-operative Society No. 3901 without inviting tenders and without approving the site and estimate. Further you without obtaining sanction from Government ordered the dismantling of the basements already constructed at a cost of Rs. 7,637.37 and for their reconstruction at a cost of Rs. 7,051.70. Though the masonry was re-used for the reconstruction of the assessments the wages etc., spent for earlier construction was estimated

to be Rs. 2,500. You thus by your arbitrary orders caused heavy financial loss to Government.

20. Sri C. C. Kunjan, while employed in the Government Service as Director of Harijan Welfare Department, on 16th September, 1958 passed orders for the payment of lump sum grant to the students of Polytechnical Institute, Palghat, in addition to the full fee concession and monthly stipend. You had no authority to pass such an order involving a financial commitment of Rs. 6,600. You failed to take Government orders in the matter or to get ratification for your action. On the basis of your order, Harijan students of the Polytechnic Palghat, were given lump sum grant totalling Rs. 6600 during 1958-59. You thus by your irregular order caused financial loss to Government.

21. The following irregularities on the part of Sri C. C. Kunjan while employed in Government service as Director of Harijan Welfare (formerly designated as Commissioner for Advancement of Backward Communities) have now come to the notice of the Government.

(i) He sanctioned the payment of stipend at the rate of Rs. 45 per mensem to the student inmates in the Harijan Lodge, Ernakulum for the period from 28th November, 1958 to 18th November, 1959 without deducting room rent for the period. This has caused a loss of Rs. 1275 to Government.

(ii) In 1959, sanction was given by him for the payment of grants to meet the travelling expenses to 14 Scheduled Caste candidates going outside the State for interviews in connection with appointment. According to the Rules, only those candidates who have passed the S.S.L.C. or equivalent examinations are eligible for the grant and the candidates are required to execute an agreement with two solvent sureties to the effect that the grant paid to them will be refunded in case they do not go for interviews. But the 14 candidates who were given those grants did neither possess the minimum qualification of S.S.L.C. or equivalent examination nor did they execute the agreement contemplated in the Rules. Even after the receipt of Government Memo No. 13645/B3/59, dated 5th September, 1959, no steps were taken by him to get the irregular payments refunded. The action of Sri C. C. Kunjan was thus in contravention of the terms and conditions laid down in G.O.D.Dis.2817/56/DD dated 4th July, 1956 and orders in Memo. No. 13645/B3/59, dated 5th September, 1959. In the absence of agreements, no steps could be taken

now to recover the amount. This irregularity on the part of Sri C. C. Kunjan has caused a loss of Rs. 590:56 nP. to Government. Details of this amount are furnished in the statement enclosed.

22. Thus the action of Sri C. C. Kunjan in having sanctioned the payment of stipend to the students of Harijan Lodge, Ernakulam without deducting the room rent and the payment of grants to meet the travelling expenses to unqualified scheduled caste candidates without taking the prescribed agreement was irregular and in contravention of the Rules then in force and has caused a loss of Rs. 1865.66 nP. to the Government.

23. Sri C. C. Kunjan, former Director of Harijan Welfare, Kalathil House, Porkulam, Pazhanji, Trichur District is directed to make good this loss of Rs. 1865:66 nP. (Rupees one thousand, eight hundred and sixty five and naye paise sixty six) sustained by Government on account of these irregular payments, within 30 days of the receipt of this Notice, failing which disciplinary action will be taken against him.

*Administrative Officer to the Director of
Harijan Welfare.*

T.A. Sanctioned to the Applicants who do not possess the Minimum Qualifications

Sl. No.	Reference sanction	Name and date of application	Details of journey	Caste and qualification	Deviation from rules	Details of payment
1	2	3	4	5	6	7
1	DI-2376/59/23-2-59,	K. Gangadharan dt. 3-3-59.	Vayaloor to Madura dt. 22-4-59.	Scheduled Castes upto S.S.L.C.	No required qualification.	Paid Rs.18.70 on 17-4-59.
2	DI-1730/59/23-2-59.	C. M. Madhavan	Interview to Madurai	Scheduled Castes below S.S.L.C.	Do.	Paid Rs.18.53 on 25-2-59.
3	Do.	P. Vasu	Do.	Do.	Do.	Rs.17.94 paid on 25-2-59.
4	Do.	K. Sukumaran	Do.	Do.	Do.	Rs. 17.36 paid on 2-3-59.
<i>T.A. Sanctioned to the Applicants who do not possess the minimum Qualification and who did not execute the necessary agreements.</i>						
1	DI-6186/59/2-7-59.	M. Vijayan petition dt. 26-5-59.	Trivandrum to Madurai.	Scheduled Caste IV form.	No required qualification agreement not executed.	Rs. 18.72 paid on 3-8-59.
2	DI-6541/59/20-7-59.	K.A. Appukuttan Petition dt. 16-4-59.	Nedumangad to Madurai.	Scheduled Caste no qualification.	Do.	Paid Rs. 20.22 on 10-7-59.
3	DI-4068/59/2-7-59.	S. Sreedharan dt. 22-4-59.	Do.	Scheduled Caste.	Do.	Paid Rs. 21.17 on 27-5-59.
4	DI-5422/59/25-5-59.	K. Gopi.	Chirayinkil to Madura 28-5-59.	Do.	Do.	Paid Rs. 21.17 on 27-5-59.

1	2	3	4	5	6	7
5	DI-6536/59/6-6-59.	V. Vasu	Chirayinkil Bhopart. Interview on 23-6-59.	Scheduled Caste	No required qualifi- cation agreement not executed.	Paid Rs. 119.06 on 6-9-59.
6	DI-4070/59/15-5-59.	N. Kochucherukkan	Chirayinkil Madurai.	Do.	No required qualifi- cation No agree- ment executed.	Paid Rs. 110.06.
7	DI-7350/59/28-7-59.	Karthakunju	Poona to Mavelik- kara (return journey)	Do.	No required qualifi- cation.	Paid Rs. 38 on 3-8-59.
8	DI-14818/59/16-7-59.	K.V. Bhaskaran	Neyyattinkara Lucknow.	Scheduled Caste upto S.S.L.C.	Do.	Paid Rs. 132.19.
9	DI-15705/59/1-6-59.	K. Ramakrishnan	Veyeloor to Madurai	Scheduled Caste	Do.	Rs. 18.72 paid on 13-6-59.
10	DI-2364/59 31-3-59.	V. Viswanadhan dt. 2-3-59.	Do.	Do.	No agreement exe- cuted.	Paid Rs. 18.72 on 1-4-59.

Brief note on the findings of the Tribunal

On receipt of the reports of the Tribunal in all the three cases, viz. 16/62, 24/62, and 7/63 they were considered together as ordered on 19th August, 1963 by the then Home Minister. A provisional decision regarding the punishment to be imposed was then taken. As the Officer had a permanent lien in the Judiciary the High Court had to be consulted (June 1966) and the reply received from the High Court (in August 1966) is under consideration of Government.

The concerned files are in Confidential stage.

Detailed note on the action taken against the officer

The charges against the Officer are indicated in answer to Question No. 10.

The cases were referred to the Tribunal for Disciplinary Proceedings during July, 1960 to March, 1963.

Shri Kunjan had filed an O.P. No. 2785/62 before the High Court and the High Court stayed the proceedings before the Tribunal. The O.P. was disposed of by the High Court on 25th February, 1963 with certain directions and the Tribunal was asked to proceed further in the case after observing the directions of the High Court.

On receipt of the reports of the Tribunal in all the three cases, viz. 16/62, 24/62, and 7/63 they were considered together as ordered on 19th August, 1963 by the then Home Minister. A provisional decision regarding the punishment to be imposed was then taken. As the Officer had a permanent lien in the Judiciary the High Court had to be consulted (June 1966) and the reply received from the High Court (in August 1966) is under consideration of Government.

APPENDIX XXIII

(Para No. 2.31 of this Report)

Whether there are any other cases of misappropriation and embezzlement. List of such officers and the action taken against them.

There were 4 more such cases. The details are given below:—

Sl. No.	Name of accused Officer	Brief description of the charge	Remarks
1	Shri V. Sundaresan Nair, Taluk Welfare Inspector (under suspension).	Mis-appropriation of Government money and embezzlement.	Deviculam Police registered a case and it is under their investigation. The decision of local Police is awaited. He was placed under suspension on 16-6-1966.
2	Shri P. K. Kesavan, Taluk Welfare Inspector under suspension.	Mis-appropriation of Government money. (2 cases)	The case is under investigation by the Director of Vigilance Investigation. The connected files are with him. The decision of enquiry is awaited. He was placed under suspension on 15-9-1966.
3	Shri K. V. Devadas, Taluk Welfare Inspector under suspension.	Unauthorisedly called for a tender for the transportation of CARE food materials from Taluk Office to various schools. The contractor absconded with the materials, and thereby caused a loss of Rs. 6,505.	A case has been registered against the contractor by Ponkunnam Police. The case is under trial in the Munsiffs' Magistrate Court, Ettumanoor. The decision of the Court is awaited. He was placed under suspension on 7-1-1965.

APPENDIX XXIV

(Para No. 2.33 of this Report)

Percentage of staff belonging to Scheduled Castes/Tribes at various levels (State, District level etc.)

It is presumed that the information required is in respect of the staff employed in the Harijan Welfare Department alone. The details are furnished in Annexure I.

ANNEXURE I

Percentage of Scheduled Castes and Scheduled Tribes employees in the State level and District level in each category:

Director of Harijan Welfare	Nil
Dy. Directors, Administrative Officer, Financial Assistant, Tribal Officer, Chief Industrial Supervisor and Senior Superintendents.	Nil
Junior Superintendent	12½%
Faircopy Superintendent	Nil
Upper Division Clerks	25%
Upper Division Typists	25%
Lower Division Clerks	51.6%
Lower Division Typists	Nil
Chief Publicity Officer	100%
Driver-cum-Operator	Nil
Cleaners	100%
Peons	25%
Night Watcher, Daffadar, Mochee, Clerical Attenders, Stenographers	Nil
Roneo Operator	100%
Drivers	50%
<i>District Level :</i>	
District Welfare Officers	44.4%
Assistant Surgeons	Nil
Compounders	Nil
Auxiliary Nurse Midwives	25%
Drivers	16.4%
Hospital Attendants	Nil

Menial Servants	Nil
Cleaner	50%
Manager	Nil
Upper Division Clerks	22.2%
Lower Division Clerks	68%
Typists	Nil
Taluk Welfare Inspectors	29%
Industrial Supervisors	Nil
Supervisors	29.6%
Inspectors	27.6%
Technical Assistants	46.1%
Clerk-cum-Accountants	66.6%
Draftsman	44.4%
Welfare-worker-cum-teacher	45.5%
Teacher-cum-Warden	30%
Attender	12.1%
Peons	38.6%
Social Organisers	Nil
Ayurvedic Physician	Nil
Ayurvedic Compounder	Nil
Ayurvedic Attender	10%
Poultry Assistant-cum-bee-keeper	Nil
Welfare Officers	100%
Clerical Attender	Nil
Part-time Sewing Mistress	100%

APPENDIX XXV

(Para No. 2.35 of this Report)

What were the main Welfare Schemes undertaken by the State Government and what was the total expenditure on each of these and how far these have been implemented

The main Welfare Schemes undertaken by the Government of Kerala, fall under the following major categories.

EXPENDITURE INCURRED FROM 1956-57 to 1965-66

(Rs. in lakhs)

Major Group	Expenditure incurred under Plan from 1956-57 to 1965-66 (II and III Plan period)									
	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
A. SCHEDULED TRIBES.										
1. Education	1.170	2.020	3.640	4.870	4.200	3.609	2.799	3.526	3.434	3.588
2. Economic uplift	0.490	0.500	1.830	1.020	1.710	1.147	0.636	0.587	0.566	0.662
3. Health, Housing & other schemes	1.460	2.610	1.970	1.400	3.430	1.748	2.433	2.157	2.231	2.328
B. SCHEDULED CASTES.										
1. Education	20.930	22.430	25.780	38.050	48.360	46.225	42.737	41.270	10.649	11.813
2. Economic uplift	0.320	0.050	2.320	2.090	2.030	1.307	1.299	1.311	1.085	1.153
3. Health, Housing & other schemes	3.310	10.010	15.720	11.450	12.360	9.311	10.325	7.973	7.637	4.390
C. OTHER BACKWARD COMMUNITIES.										
1. Education	..	..	9.36	..	..	0.269	1.280	4.839	4.570	10.945
2. Economic uplift	..	..	0.010	9.300	0.440	Nil	Nil	Nil	Nil	Nil

Note:—During 1959-60 and 1960-61, the expenditure for Education in other Backward Communities, was also booked under the head of account relating to Scheduled Castes. Separate figures not available.

The expenditure incurred was 116.81% and 130.82, of the target fixed for the II and III Five Year Plans respectively.

A statement showing the Physical Targets fixed and those achieved during the II and III Plan periods is also enclosed (Annexure D). The figures furnished above indicate the plan expenditure only under the Grant 'Harijan Welfare'.

Have the Government made an appraisal of the schemes to ascertain how far the Scheduled Castes and Tribes have been benefited by them and how far those benefits were commensurate with the expenditure incurred by the Government?

In June, 1961 Government constituted an Evaluation Committee to assess the work done in connection with the uplift of Scheduled Castes, Scheduled Tribes and Other Backward Classes during the First and Second Five Year Plan periods and to suggest ways and means to rectify the defects found in the working of the Department and the implementation of Welfare Schemes.

The Committee submitted its Report in May, 1962. The various recommendations of the Committee were examined by Government and appropriate orders issued. The report of the Evaluation Committee referred to above with the orders of Government on the various recommendations was published by Government in August, 1963. A copy of this publication is enclosed.

No subsequent review has been undertaken by Government. It may be seen that in cases where further action is called for the Head of the Department concerned or the Departments in the Government wherever necessary will pass appropriate orders as has been indicated in the orders already issued by Government on such recommendations.

How does the actual expenditure during the period 1956-57 to 1964-65 compare with the total amounts provided for in the State budget during these years?

From a comparative study of the provision and expenditure for each year from 1956-57 to 1964-65, it is seen that the expenditure is less than the provision except in 1965-66. A comparative statement is appended (Annexure II).

ANNEXURE I

Details of Physical and Financial targets and Achievements during II Plan.

Scheme	Physical	Financial	Expenditure non-Plan Schemes.
	Proposed for II Plan (56-61)	Achieved	Achieved. (Rs. in lakhs)
	1	2	3
			4
			5
			6
1956-57			
<i>A. Scheduled Tribes :</i>			
I. Education	Stipend to 30,000 students Mid-day meals to 750 Boarding grants 300	Stipend to 362 students maintenance of 56 schools Mid-day meals to 150 students.	11.37
			1.17
			0.74
II. Economic uplift	II. 24 societies.	4 societies.	4.87
			1.46
III. Health, Housing & Other schemes	III. 4 units. 60 wells. 859 houses. 859 grants.	2 Mobile Medical Units.	20.56
			0.49
			0.40

1	2	3	4	5	6
<i>B. Scheduled Castes:</i>					
I. Education . . .	Stipend to 8,62,000 stud. 200 schools. 48 hostels. 3687 Boarding grants.	65 schools maintained. 600 boarding grants.	87.00	20.93	18.38
II. Economic uplift . .	15 Industrial Training Centres. 50 Societies.	Nil.	5.94		
III. Health, Housing & Other schemes.	2294 houses. 100 wells. 20 colonies 1 Publicity Unit. 65000 house sites.	1 Publicity Unit. Grants to 11 Organisations. 147 houses. 90 house sites. 15 grants for purchase of Agri. implements.	49.85	3.63	2.42 Administrative expenditure. 83
<i>Other Backward Classes . . .</i>					
1957-58	5000 students. 636 Boarding grants.				
<i>A. Scheduled Tribes:</i>					
I. Education . . . . .	..	Stipend to 61000 students. 59 schools. Mid-day meals 150 students. 60 Boarding grants. Nil.		2.02	1.78
II. Economic uplift . . .	Nil.				

III. Health, Housing and Other schemes.	..	2 wells. 197 houses. 109 grants for Agri. implements. Grants to 9 societies.	..	..	3.11
<i>B. Scheduled Castes:</i>					
I. Education	..	Stipends to 228333 students. 119 schools. 15 hostels. 800 Boarding grants.	..	22.43	35.01
II. Economic Uplift	..	6 College industries centres. 16 societies.	..	0.050	1.31
III. Health, Housing and Other schemes.	..	799 houses. 24 wells. 2 colonies. 500 house sites. 32 organisations were given grant.	..	10.01	0.17
<i>Other Backward Classes:</i>					
I. Education	..	11667 students. 90 boarding grants. 6 grants for purchase of Agricultural implements.	40.86	Expenditure booked under sch. caste. Administrative expenditure.	3.15
1958-59					
<i>Scheduled Tribes</i>					
I. Education	..	Stipend to 6214 students. 75 Schools.	..	3.64	..

I	2	3	4	5	6
II. Economic Uplift		Mid-day meals 150. Boarding grants 95.			
III. Health, Housing and Other Schemes.		9 Model Welfare Centres 11 Societies. 173 Houses. 20 Wells. 178 Grants for Agricultural implements.		1.83 1.97	
B. Sch. Castes:					
I. Education		Stipend 233813 students. Schools 175. Hostels 25. Boarding grants 682. Cosmopolitan Hostel I. 5 Cottage Industries Centres.		25.78	
II. Economic Uplift		27 Societies. 514 Houses. 126 Wells. 570 House sites. Grants to one Organisation.		2.32 15.72	
III. Health, Housing and Other Schemes.					
Other Backward Classes					
I. Education		Stipend 15175 Boarding grants 97		9.36	

Other schemes	Grants to 5 families for purchase of Agricultural implements.	0.01	4.77	Administrative expenditure.
1959-60				
A. Sch. Tribes:				
I. Education	8250 stipends 81 Schools. 150 Students. Mid-day meals	4.87		
Economic Uplift	13 Societies. 9 Model Welfare Centres.	1.02		
III. Health, Housing and other Schemes:				
B. Sch. Castes.	4 Wells. 160 Houses. 55 grants for Agricultural implements. 215590 stipends. 175 Schools. 38 Hostels. 160 Boarding grants. 2 Cosmopolitan Hostels. 32 Societies. 523 Houses. 148.7 acres. 9 Wells. 23 persons legal assistance.	1.40		
I. Education		38.05		
II. Economic Uplift		2.09		
III. Health, Housing and Other Schemes.		11.45		

I	2	3	4	5	6
<i>Other Backward Classes:</i>					
Education		2555 students. 120 Boarding grants.		0.30	1.50 Administrative Expenditure.
Miscellaneous		101 grants for Agricultural implements. 96 slums cleared.			
1960-61					
<i>A. Sch. Tribes:</i>					
I. Education		12242 stipends. 82 Schools. 92 Boarding grants. 15 Centres.		4.20	0.75
II. Economic Uplift		310 houses.		1.71	0.15
III. Health, Housing and Other Schemes.		226 Grants for Agricultural implements.		3.43	0.06
<i>B. Sch. Castes.</i>					
I. Education		298161 stipends 175 schools 43 Hostels. 664 Boarding grants 3 Cosmopolitan Hostles. 40 Societies. 500 houses. 100.71 acres.		48.36	17.08
II. Economic Uplift				2.03	..
III. Health, Housing and Other schemes.				12.36	..

Other Backward Classes

Education . . .	1174 stipends etc. 118 Boarding grants.	0.44 . . .
Miscellaneous . . .	78 slum cleared	2.10 Administrative expenditure.

NOTE: The procedure of providing separate provision for schemes included under Plan schemes in Non-Plan budget also was introduced from III Five Year Plan period onwards.

DETAILS OF PHYSICAL AND FINANCIAL TARGET PROPOSED AND ACHIEVED DURING III PLAN

Scheme	Physical target		Financial		Non-plan expenditure
	Proposed	Achieved	Proposed	Achieved	
I	2	3	4	5	6

1961-62.

A.— SCHEDULED TRIBES.

I. Education	9000 students 25 G.R.B. Schools 2000 Boarding grants 98 schools (Mid-day meals)	16371 students 5 schools 183 students 98 schools	11.68	3.61	3.626
II. Economic Uplift	15 centres 20 societies 800 grants to families	15 centres 100 families	6.86	1.14	1.353
III. Health, Housing and other Schemes.	15 settlements (water supply) 2 M.M. Units & 10 Ayurvedic dispensaries 560 houses	1 settlement 2 M.M. Units 2 Ayd. Dis. 18 houses	10.02	1.65	0.43

B. SCHEDULED CASTES:

I. Education	Stipend to 4 lakh students 198 schools (Mid-day meals) 2500 boarding grants 3 Cosmopolitan Hostels 42 hostels.	198 schools 502 grants 3 hostels 42 hostels	87.79	47.84	24.99
II. Economic Uplift	15 centres 50 societies	15 centres 150 societies	8.76	1.3	3.957
III. Health Housing & other schemes	250 wells 12500 house sites 3320 houses.	8 wells 97.47 acres of land 230 houses.	50.37	8.64	0.562

C. OTHER BACKWARD COMMUNITIES

I. Education	Stipend to 25000 students		17.52	0.27	15.117
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1962-63

A. SCHEDULED TRIBES:

I. Education	15789 students 55 old + 5 new G.R.B. Schools. 120 boarding grants. 93 schools (Mid-day meals)	..	2.94	4.696
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1	2	3	4	5	6
II. Economic Uplift .	..	15 centres 10 societies 83 families given grants	..	1.14	1.844
III. Health, Housing and Other schemes	2 M.M. Unit 4 Ayurveda Dispensaries 28 houses	..	2.43	0.480
B. SCHEDULED CASTES					
I. Education	37540 stipends 184 schools (mid-day meals)	..	43.95	34.047
		535 boarding grants 1 hostel			
II. Economic Uplift .	..	15 centres 11 societies	..	1.30	7.367
III. Health, housing and other schemes.	..	21 wells 78.86 acres of land 927 houses 20 grants for intercaste marriage. Improvement in 7 colo- nies	..	10.34	0.48

C. OTHER BACKWARD COMMUNITIES:

I. Education	..	16969 students	..	1.88	17.342
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1963-64

A. SCHEDULED TRIBES :

I. Education	..	1300 stipends 13 G.R.B. Schools 150 boarding grants 93 schools (mid-day meals).	..	3.52	5.12
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II. Economic Uplift

..	16 centres 7 societies 83 grants for agricultural implements.	..	0.59	1.70
----	---	----	------	------

III. Health, Housing and other schemes

..	1 settlement water supply 3 M.M. Unit 1 mid-wifery centre 6 Ay. Dis. 32 houses.	..	2.16	..
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B. SCHEDULED CASTES:

I. Education	..	272100 students 184 schools 243 boarding grants 3 hostels.	..	42.03	36.749
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1	2	3	4	5	6
II. Economic Uplift					
		15 centres 1 society		1.31	7.29
III. Health Housing and Other schemes					
		10 well 63.47 acres of land 235 houses 18 persons (grant for in- ter-caste marriage)		8.06	..
C. OTHER BACKWARD COMMUNITIES					
					28
Education		16969 students given edu- cational concessions		4.84	26.426
1964-1965					
A. SCHEDULED TRIBES					
Education		6193 students 20 G.R.B. Schools 1595 Boarding grants 91 schools (mid-day meals)		3.33	6.564
		13 centres 7 societies 83 grants for agricultural implements		0.57	1.649
II. Economic Uplift					

III. Health housing and other schemes

2-23 . .

B. SCHEDULED CASTES

I. Education

184 schools (mid-day meals)
1 Hostel
Reimbursement to 21079 students in private schools
15 centres
7 societies
1 Well
42-88 acres of land
254 houses
102946 students
15027 students
25 schools
Reimbursement to 2305 students in private schools
16 subsidy

10-75 67-816

II. Economic Uplift

1-11 7-13

III. Health Housing and Other schemes

7-64 . .

C. OTHER BACKWARD COMMUNITIES

Education

4-57 46-42

1965-66

A. SCHEDULED TRIBES

Education

3-627 7-37

I	2	3	4	5	6
II. Economic Uplift		13 centres 78 families given grants for agricultural imple- ments.		0.659	..
III. Health Housing and Other schemes		1 settlement (water sup- ply) 3 M.M. Unit. 10 Ayl. dispensaries 1 Mid-wifery centres 46 houses		2.064	..
B. SCHEDULED CASTES					
I. Education		1517 students 184 schools (mid-day meals) 3 Hostels Reimbursement to 45899 students 19 persons given subsidy		11.599	70.18
II. Economic Uplift		15 centres		1.44	7.48
III. Health Housing and Other schemes		4 wells 2.76 acres of land Improvements to 4 colo- nies 158 houses		4.037	..

C. OTHER BACKWARD
COMMUNITIES

I. Education . . .	44564 students	10.944	50.36
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The physical target achieved shown above relates to plan.

ANNEXURE II

Comparative Statement showing the provision and expenditure for Welfare Schemes for the years 1956-57 and 1965-66
(Rs. in lakhs)

1956-57		1957-58		1958-59		1959-60		1960-61	
Provision	Expenditure	Provision	Expenditure	Provision	Expenditure	Provision	Expenditure	Provision	Expenditure
Not available		68.10	57.83	92.37	91.19	101.52	91.77	131.20	127.30
1961-62		1962-63		1963-64		1964-65		1965-66	
Provision	Expenditure	Provision	Expenditure	Provision	Expenditure	Provision	Expenditure	Provision	Expenditure
134.08	132.46	140.75	137.44	164.02	151.08	184.76	177.20	182.86	184.96

APPENDIX XXVI

(Para No. 2.47 of this Report)

How many persons after training got employment?

Up-to-date and correct information regarding the number of trainees who have secured jobs is difficult to be collected. There is no machinery in the Department of Harijan Welfare to collect the details of ex-trainees who have secured employment.

APPENDIX XXVII

(Para No. 2.66 of this Report)

Amount spent by the Public Health Engineering Department on the construction of wells for drinking water.

The details of the amount spent by the Chief Engineer, Public Health Engineering Department on the construction of wells for drinking water from 1956-57 to 1965-66 are given below:—

Year	Total amount spent
	Rs.
1956-57	Nil
1957-58	Nil
1958-59	2,99,611 42
1959-60	1,41,108 21
1963-61	1,77,949 14
1961-62	1,59,783 80
1962-63	1,14,426 01
1963-64	83,557 77
1964-65	10,628 86
1965-66	Nil

Amount supplemented by Harijan Welfare Department for construction of wells.

Year	Centrally sponsored scheme	State Sector Scheme	
	Scheduled Tribe	Scheduled Tribes	Scheduled Castes
1	2	3	4
	Rs.	Rs.	Rs.
1956-57	..	..	..
1957-58	..	..	17,315

1	2	3	4
	Rs.	Rs.	Rs.
1958-59	..	..	141,028
1959-60	..	9,206	70,614
1960-61	12,039	25,962	36,914
1961-62	17,791	5,236	17,904
1962-63	..	18,372	50,601
1963-64	..	18,511	55,584
1964-65	..	17,773	35,067
1965-66	..	57,348	69,919

APPENDIX XXVIII

(Para No. 2.82 of this Report)

A detailed note showing the steps taken to remove the defects and to improve the working of the Harijan Welfare Department (As promised by Adviser—I).

In order to cope with the added responsibilities and multifarious functions cast on the Department, the status of the Department had to be raised. Accordingly, as a first step, the post of the Director of Harijan Welfare was encadared and an I.A.S. Officer was appointed to the post in the year 1959. During the same year, the staff pattern of the Directorate was strengthened by creating the posts of two Deputy Directors, one Financial Assistant and one Deputy Registrar of Co-operative Societies. On 1st March, 1965, the post of Personal Assistant to the Director of Harijan Welfare was abolished and in its place the post of an Administrative Officer was created as it was held that the assistance of an experienced officer was necessary in the office of the Director of Harijan Welfare for toning up the administration of the Department.

The activities of the Harijan Welfare Department among other things covered the running of separate schools and separate co-operative societies. There was under its control a separate Publicity Wing and a Public Works Wing. In the year 1957 the Government appointed a Committee to study the working of the Welfare and Tribal Schools which were till then known as 'Pial' Schools. The Committee recommended that these schools were not working properly and that they should be transferred to the Education Department. The Evaluation Committee set up by Government in 1961, to assess the work done in connection with the uplift of Scheduled Castes, Scheduled Tribes and Other Backward Classes, also suggested that the institutions such as Welfare and Tribal Schools were not functioning upto the standard expected of them and that there was much to be desired in the working of the Co-operative Societies etc. The Special Officer for economy measures had also suggested that the Welfare and Tribal Schools might be transferred to the Education Department, so that their conditions could be improved and brought upto the standard required under Kerala Education Rules. The Seminar on Co-operation held in May, 1961 had expressed the definite view that it was desirable to

have all the co-operative societies brought under the statutory and administrative control of the Registrar of Co-operative Societies. In a joint meeting of the Advisory Committee for Welfare of Backward Classes and the Tribal Welfare Advisory Board held on 6th January, 1965, the non-official members expressed the view that such a transfer of control was urgent and should be done early. After taking into consideration, the various recommendations made in this regard, it was felt that the Harijan Welfare Department did not have the technical competence to run these institutions. Therefore on 1st February, 1965 the Government transferred the Co-operative Wing attached to the Directorate of Harijan Welfare to the Co-operative Department in order to ensure better management and administration. Similarly the Harijan Welfare Schools which were manned by teachers without sufficient qualifications were also transferred to the control of Education Department on 1st May, 1965, so that the standard of Education imparted in those institutions could be improved and brought on a par with that of the general schools in the Education Department. Consequent on the re-organisation of the Public Works Department the Engineering Wing attached to the Harijan Welfare Department was also merged with the Public Works Department. For propaganda against the practice of untouchability there was a Chief Publicity Officer under the Department. The Special Officer for economy measures had observed that a separate propaganda wing in the Harijan Welfare Department was not necessary. Considering that the publicity wing will be able to function more effectively and efficiently if it were placed in charge of the Director of Public Relations, it was transferred to the control of the Public Relations Department with effect from 1st March, 1966.

It has to be admitted, no doubt, that prior to the year 1959, the Harijan Welfare Department in the State was technically not competent to undertake and manage efficiently, such schemes as the running of Tribal Schools, Co-operative Societies, Industrial Training Centres, Hostels etc. As these schemes were only in their initial stages, and as the then departmental set up was not adequate enough to cope with the multifarious ameliorative measures undertaken by the Department, there had been certain technical and financial irregularities in the working of these schemes. Convinced of the unsatisfactory state of affairs of the Department, Shri A. G. Menon, the then Additional Chief Secretary to Government, was ordered to conduct a detailed enquiry into the working of the Department and to make a report to Government with appropriate recommendations to improve the condition of the Department in all its branches of activities. During 1959-60, Government issued orders

on the various recommendations of the Additional Chief Secretary, which helped to minimise the irregularities to a considerable extent.

Further, during 1965, an Official Committee was constituted to study the working of the various Training Centres under the Harijan Welfare Department and to make recommendations to Government regarding the measures to be adopted to impart useful training to maximum number of Harijans at the minimum cost. The Committee submitted its report on 24th September, 1966. The report of the Committee is now under consideration of Government.

The periodical inspections by the officers of the Department, both at District level and Headquarters level to ensure the proper working of the Department have been made more systematic and effective.

Thus, it may be seen that the Government are taking timely steps to improve the working of the Department with all earnestness. Government are also anxious that the working of the Department is brought upto the standard of efficiency required, so that there shall not be any room for any kind of irregularity in its working. The State level officers in the Department under the Director of Harijan Welfare have been strictly instructed to exercise utmost care and vigil in the activities of the Department.

Sd/-

Additional Secretary to the Government

APPENDIX XXIX

(Para No. 46 of this Report)

Detailed note explaining the reasons for giving 20 per cent ex gratia payment to the contractor

The work was awarded to the selected contractor on 27th October, 1960 fixing the date of completion as 27th October, 1961. The site was full of timber logs and those had to be removed if the work was to be taken up as a whole. Yet the work was started on 5th November, 1960 shifting the required logs from the line of foundation trenches in patches. There was difficulty in putting the excavated earth around. This removal of timber was further delayed due to difficulties in taking over the site at Thirumala by the Forest Department.

In the meantime, some timber were sold by the Forest Department and they were removed by purchasers after the allowed time of 52 days.

By 12th December, 1960, the site of the building proper (exclusive of the required land around) was got cleared and the work was started.

The entire site was cleared of Forest logs only by 5/61. By this time continuous rains started which held up the work for some time. There was also some shortage of cement. Due to these reasons there was a delay of about 2 to 3 months in the initial stages which has to be attributed to Government side.

In 5/61 the contractor put in a petition for extra rates as by this time, the cost of materials had gone up and wanted increased rates. By middle of July 1961, the work came up to roof level in some places. Certain detailed designs and calculations had to be made and supplied for the balcony, etc. There was some delay in finalising the detailed designs. This was completed and finalised by 18th July, 1961. By this time, the contractor took up an attitude for slowing down the work and wanted definite orders regarding enhanced rates to be allowed. There was practically no progress. In September 1961 noticing that the work is not progressing satisfactorily, the Chief Engineer had discussions with the contractor and

asked him to speed up the work as per fixed programmes. A programme was given (Annexure I) by the P.W.D. on 15th September, 1961 to complete the Balcony and Front concrete before 4th October, 1961. When the above programme failed, another programme (Annexure II) was issued on 24th April, 1962 by which the whole work was to be completed by July, 1962. Extension of time was granted upto October, 1964. The contractor would not commit himself to any fixed programmes and had been generally lingering on with the work. The only course open to the Department in the circumstances was to cancel the contract and to make fresh arrangements. Considering however, the legal complications and delay involved in finalising the contractor's claim and on account of the fact that inadequate response to tenders at that time for major building works, it was felt that for speedier execution, it was better to continue the same contract rather than close it down even though the progress was not quite satisfactory.

The following are the claims adduced by the contractor for enhanced payment:—

- (1) For removal of about 1,500 numbers of timber logs strewn all over the site of construction to facilitate the commencement of work.
- (2) Difficulty in the matter of removal of earth dug out during foundation excavation as the site was strewn with timber logs.
- (3) Values of materials has increased since the agreement was executed and it was not possible for him to stack the building materials as the site was dumped with timber logs with the result he had to procure them at increased rates. Cost of labour has also increased abnormally.
- (4) The works involved are of ornamental nature and are highly complicated and there have been structural alterations in the approved designs of the building very often, which has resulted in poor out-turn. The nature of work being highly complicated it required highly skilled workmanship which can be performed only by engaging skilled persons by payment of special rates. Payment of additional rate for each of these extra items and 25 per cent increase over his agreed rate in respect of all items.
- (5) Putting of R.C.C. Slab in front was not contemplated as per the original design and the rates for addition and alteration of extra items of work have therefore to be

settled before the work is proceeded with considering the prevailing rates of materials and labour.

- (6) Staging erected for the balcony became useless since the balcony could not be completed due to delay in the finalisation of the design.

As regards the above claims of the contractor the Chief Engineer in September 1962 has reported as follows:—

“The building is rather of an unusual type with all intricacies based on some modern practices in Theatre construction followed in foreign countries. There was some delay in the initial stage for the commencement of work as the site was heaped with timber logs which took some time for removal. The work could be taken up only in patches where the area was cleared of timber which to some extent hampered the progress of the work.”

“continuous rain during monsoon months, shortage of cement and scarcity of bricks are also important factors that contributed for the delay in the execution of the work.”

“When the contract for the work was awarded, some of the structural details viz., cantilevered balcony etc. had not been finalised and detailed designs of such complicated structures took some time to be finalised. It is also reported by the Executive Engineer, Building Division, Trivandrum that the work had to be stopped for some time for finalising the design of the heavy balcony”. [A chronological statement showing the revision/finalisation of structural details and designs is appended (Annexure III)].

“In the meantime the prevailing rates of labour and materials at the time of execution of Agreement also showed marked increase after April 1961. The agreement for the work was executed in December 1960. The time of completion as per agreement expired on 27th October, 1961. In view of the abnormal rise in the cost of materials and labour, the schedule of rates has been revised with effect from 1st October, 1961 for labour and from 1st December, 1961 for materials. The rates quoted by the contractor for some of the items were also very low and were unworkable in view of the unusual height of the building and the fact that intricate items of works were involved.”

"Considering all the above aspects, the Executive Engineer, Buildings Division, Trivandrum, has gathered during 10/61 necessary details of the prevailing rates of materials and labour and furnished statement showing the same. (Annexure IV). It is reported that the rates furnished by him are those at the site of work prevalent from April 1961 onwards. The general increase over the rates as per the agreement executed by the contractor as per the details gathered by the Executive Engineer works out to about 20 per cent. The Superintending Engineer has therefore recommended a general increase of 20 per cent over the agreed rates, as *ex-gratia* payment to be allowed to the contractor for the works done after 31st March, 1961."

"The 20 per cent increase now recommended by the Superintending Engineer is therefore only reasonable. I therefore recommend that a 20 per cent increase over the agreed rates may be allowed to the contractor as *ex gratia* payment for the works done after 31st March 1961."

The Chief Engineer has now reported that in a building work like the one in question, for neat and proper execution, a systematic procedure or sequence of order of item have to be followed viz. the finishing can be started only after the ceiling is completed and painted. The final fixing of the theatre chairs, mosaic flooring etc. has to follow subsequently. The final finish of walls inside has to await for the manual work, electric wiring etc. Thus each item is co-related and if one item is held up, naturally the whole work will be delayed.

The contractor has completed all items by September 1965.

It is also reported by the Chief Engineer that it is not possible at this distance time to state how far the contractor had delayed execution of the agreed item after September, 1963.

A statement showing the details of prevailing market rates of materials and labour gathered by the Executive Engineer, Buildings and Roads, Trivandrum Division during October 1961 mentioned in the Chief Engineer's letter dated 25th September, 1962 is appended—Appendix D.

It is evident from the Chief Engineer's report that the work had to be stopped for some time due to the delay in finalising the design of balcony. The Chief Engineer has also stated that there has been abnormal increase in labour charges, and P.W.D. schedule of rates

have been revised from 1st October 1961 for labour and from 1st December, 1961 for materials. There is therefore much force in the contention of the contractor for enhancement of rates. The delay in the construction was due to circumstances beyond the control of the contractor and he is legitimately entitled to enhancement of rates for the original times of work also which were delayed. The suggestion of the Chief Engineer appeared to be most reasonable as the work had to be completed without any more delay. As the Chief Engineer stated that the retender was not possible, Government considered that the only feasible course was to accept the recommendation of the Chief Engineer and instruct the contractor to complete the work expeditiously. Considering all the aspects on the question carefully Government sanctioned 20 per cent increase as against the 25 per cent requested for by the contractor. A copy of G.O. Ms. 602/Edn., dated 12th September 1963 is attached—Annexure V.

Why no compensation was claimed from the Contractor.

As stated against Question No. 20, the work was awarded to the contractor on 27th October, 1960; but the entire site could be cleared of Forest logs and made available to the contractor by May 1961 only. Out of this delay of 6 months the Chief Engineer had reported on 16th April, 1962 that 3 months might be attributed to the contractor. While sanction was accorded by the Government in September 1963 for the increase of 20 per cent in rates as *ex gratia*, full considerations of this delay on the part of the contractor were made by the Government.

The delay of 3 months on the part of the Department was attributed by the Chief Engineer to factors such as finishing of accoustic ceiling, electrical installations, fixing of furniture, special paintings etc., to be done by other contractors for which the building contractor had to wait to finally complete and hand over the structure. Delay was due to causes beyond his control and Government were fully convinced about this aspect. Thus there was no equitable or justifiable claim that Government could make against the contractor whatever the legal position be. A statement showing the dates of completion of the works allotted to the various contractors with the nature of works allotted to them is enclosed as Annexure VI.

Whether there are any other cases in other Departments of the Government of Kerala where enhanced rates were given to the contractors for the delay on the part of the Government.

Increase over quoted or agreed rates is normally not paid in respect of works on contract. But in a few special cases where

unforeseen circumstances or delay due to Government had caused considerable loss to the contractor, Government have sanctioned increase in rates or *ex gratia* payments. Such payments had been sanctioned by Government in the following works:—

1. *Natural History Museum, Trivandrum.*

In this case 20 per cent over agreed rates for works done after 31st March 1961 was sanctioned by Government in G.O.Ms 287/64/Edn. dated 21st May 1964 (copy enclosed as Annexure VII) for delay on the part of the Department.

2. *Medical College Development scheme.*

(i) Improvements to the road from Medical College Junction to Patton Junction and road from Kumarapuram Junction to Pattom Junction; and

(ii) Road from Kumarapuram Junction to Ulloor Junction.

The work was sanctioned providing 1951-52 schedule of rates and arranged for execution in 1958. The contractor stopped the work in 1961 and demanded higher rates as the work had to be stopped due to the delay in getting the lands and also shifting of electric and Telephone lines. The demand was to allow him sanctioned estimate rates for these items for which he had quoted lesser rates and at the quoted rates for the other items. This was sanctioned by Government in G.O.Rt. No. 378/62/PW, dated 17th February 1962 (Copy enclosed as Annexure VIII).

3. *Improvement to the road from Model School Western Gate to Bakery Junction.*

The estimate was based on 51-52 schedule of rates. The work was arranged on 30th January 1960 with a probable amount of contract of Rs. 1,71,453. The contractor stopped the work demanding higher rates as he could not proceed with the work due to the extra works arranged and delay in handing over land. The contractor was allowed sanctioned estimate for the balance works to be completed in G.O.Rt. 1612/62/PW, dated 25th July, 1962 (copy enclosed as Annexure IX).

4. The Military Engineering Service has only an Assistant Garrison Engineer at present in Trivandrum. The Deputy Chief Engineer contacted him personally. It was informed that the Assistant Garrison Engineer has no information of instances where enhanced rates have been given after the tenders were fixed with regard to Military Engineering Service works.

Sd/-

Secretary to Government.
Education Deptt.

ANNEXURE I

Programme of work to be done in Tagore Centenary Theatre

- 22-9-61 . . . Form work for bottom of balcony beams and beam connecting the front columns to be completed.
- 24-9-61 . . . Welding of main rods to be completed, 42 joints have to be welded which will be completed in 4 days. Hence welding plant has to be procured on 20th and work started. Slabs over air ducts (2nd row) have to be concreted in both wings.
- 25-9-61 . . . Erection and tying the reinforcement for balcony beams and beam connecting columns to be started.
- 30-9-61 . . . Tying of reinforcements to be completed.
- 1-10-61 . . . Concreting the balcony beams and slab in entrance portion to be started.
- 4-10-61 . . . Concreting of balcony and front portion to be completed.

The following materials will be required for the completion of the above work as per programme.

- 2000 bamboos . . . 700 bamboos will be brought on 20th.
1300 bamboos will be brought before 25th.
- 10/1000 sft planks . . . The required planks have been arranged by contractor and will be collected before 22nd.
- 1200 bags cement will be supplied departmentally before 25th.
- 38 tons of iron rods required are being issued to contractor according to his daily requirements welding plant to be arranged departmentally by 20th.

Sd/-
Assistant Engineer.

(True Copy)

ANNEXURE II

Construction of Tagore Centenary Theatre at Trivandrum

PROGRAMME OF WORKS

Apprx.
Qty.

April Fourth Week 1962

1. Providing staging for the 1st and 2nd day of the Balcony steps and tying the reinforcement in position
2. Providing staging for the beam between the stage columns and beams over the mizzanine walk columns.
3. Brick masonry for the lounge and lavatory north side brick masonry between the columns behind the Balcony steps to a height of 8 ft. i.e. below the beam.
4. Providing the staging and tying the reinforcement for the 2nd sunshade over the front porch.
5. Blue rubble masonry in the front, north side.
6. Erection of roof trusses should be started.

May First week

1. Completing the staging for the stage beam and the beam between the mizzanine walk column and placing and tying their reinforcement in position.
2. Concreting the balcony steps 1st and 2nd day • • • 400 Cft.
3. Providing staging for the beam at 8 ft. height above the foyer slab behind the balcony.
4. Concreting the 2nd sunshade over the front porch and extending the columns.
Also extending the columns behind the balcony in the Foyer • 200 Cft.
5. Brick masonry for the lounge and lavatory north side and south sides and also moulding the lintels wherever necessary.
6. Raising the blue rubble masonry in the front, north and south sides.
7. Erection of roof trusses to be in progress.

May Second Week

1. Concreting the beam between stage columns • 500 Cft.
2. Concreting the beam over the column in the mizzanine walk • 300 Cft.
3. Concreting the beam over the column behind the balcony steps 200 Cft.
4. Providing form work for the 3rd sunshade over the front porch and concreting the same including extending the column.

5. Providing the staging for the 3rd and 4th bay of balcony steps.
6. Completing the brick masonry and rubble masonry for the lounge and lavatory in the north side.

May Third Week

1. Placing and tying in position the reinforcement for the 3rd and 4th bay of balcony steps and laying the concrete.
2. Providing staging and form work for the beams and slab over the longer and lavatory north side 400 Cft
3. Concreting the 4th sunshade over the front porch and extending the columns 200 Cft
4. Extending the columns in the front.
5. Extending columns (6 Nos.) behind the balcony steps.
6. Bricks masonry and rubble masonry for the lounge and lavatory south side to be completed.
7. Erection of roof truss should be completed.

May Fourth Week

1. Staging for the $60' \times 1\frac{1}{2}' \times 6'$ beam over the front porch, beams and slab of the foyer to be started.
2. Extending the columns behind the balcony upto the beam supporting the gable wall.
3. Brick masonry between the columns behind the balcony steps in the foyer.
4. Erection of catwalk truss should be started.
5. Providing purlins to the roof trusses to be in progress.
6. Concreting the beam and slab in the lounge and lavatory north side.

June 1st week

1. Staging for the beams over the columns at the front side and for the beam over the columns behind the balcony steps, supporting the gable wall and the beams and slab over the foyer to be completed.
2. Providing staging and form work for the beams and slabs over the lounge and lavatory south side.
3. Erection of catwalk trusses to be in progress.
4. Providing purlins etc. to the roof truss should be in progress.
5. Concreting the beams and slab over the lounge and lavatory south side.

June Second week

1. Providing grid iron (R.S. Joists) over the beams between the columns in the stage. Completing the form work and staging for the beams and slab over the front foyer.

2. Completing the work of the catwalk trusses.
3. Providing form work and staging for the 5th, 6th and 7th bay of balcony steps.
4. Providing purlins to the roof truss.
5. Brick masonry in the rear side on the 3 sides of the stage.

June Third Week

1. Roofing with A.C. sheet to be started.
2. Concreting the beams and the roof slabs over the front foyer.
3. Brick masonry near the stage side to be completed.

June Fourth Week

1. Brick masonry for the gable wall in the front behind the balcony.
2. Completing the brick masonry in the rear side.
3. Providing staging for the roof slab over the stage.
4. Roofing to be in progress.

July First Week

1. Concreting the beams and slabs over the stage ■ ■ • 2250 Cft.
2. Roofing with A.C. sheet to be completed.
3. Concreting the 5th, 6th and 7th bay of balcony steps.

In the meanwhile, the earth work for levelling the compound and forming the approach roads, car park etc. should be completed.

Finishing works such as plastering with cement mortar, Fine chunnam plastering to the under side of slab etc. brick jally concreting to the air duct, weather proof course over the roof slabs etc. providing shutters to the doors and windows etc. should be simultaneously arranged.

The mosaic flooring to the rooms and other finishing works such as providing the acoustic ceiling and walling, providing Auditorium flooring etc. should be arranged and the work completed in all respects before end of July.

Sd/-
Assistant Engineer.

(True Copy)

ANNEXURE III

Chronological statement showing the revision/finalisation of structural details and designs

- 3/61. Design of roof trusses against prestressed R. C. C. beams finalised.**
- 8/61. Proposal for blowers made.**
- 9/61. Design of balcony finalised.**
- 9/61. Details of accoustic ceiling materials furnished by Chief Architect.**
- 11/61. Design of catwalk finalised.**
- 3/62. Design of grind iron etc. finalised.**
- 3/65. Details of front jally and entrance given by the Chief Architect.**
- 5/65. Colour schemes finalised by Chief Architect.**

ANNEXURE IV

No.A2 .81/60.

Office of the Assistant Engineer
Buildings Sub-Division No. II,
Trivandrum, dated 27-10-61.

To

The Executive Engineer,
Buildings Division,
Trivandrum.

Sir,

Sub:—Constructing Tagore Centenary Theatre, Trivandrum.

Ref :—Your No. A7-95/61 dated 9-10-61.

I have to report that on enquiry, the prices of buildings materials and cost of labour are as follows as desired in your above reference from April '61 onwards at the work spot.

1. Bamboos 8'—14' in height	Rs. 100 for 100 Nos.
2. Bamboos 14'—25' "	Rs. 160/- " " "
3. Mango wood planks "	Rs. 70/-per Kandy.
4. Country burnt bricks.	Rs. 45/-per 1000 nos.
5. Rubble " " "	Rs.23/- per 100 cft.
6. 1½" metal " " "	Rs. 28/-per 100 cft.
7. ¾" metal " " "	Rs. 42/- " "
8. Sand " " " "	Rs. 15/- " "

Labour

1. Masons	Each	Rs. 4 to 5 per day.
2. Cooly	"	Rs 2 to Rs. 2.50 "
3. Woman Cooly	"	Rs.1.50 to Rs. 1.75 "
4. Carpenter	"	Rs. 3 to Rs. 4
5. Blackmith	"	Rs. 3 to 3.50 "

Yours faithfully,

Sd/-
Assistant Engineer.

ANNEXURE V

**Buildings—Government Buildings—(Trivandrum)—Trivandrum City
Tagore Centenary Theatre Enhancement of rates of contract—Orders issued
Education Department**

G.O.MS No. 602

Dated Trivandrum 12-9-1963

Read again: G. O. MS.402/Education dated 19-8-1960.

**Read also : 1. From Shri Arjunan, petitions dated 21-8-1961, 19-12-1961
and 11-4-1962.**

**2. From the Chief Engineer(B&R) letter No. B3/43696/60, dated
25-9-1962.**

**3. From the Chief Engineer(B&R) letter No. T. B. 5/43690/60
dated 17-6-1963.**

**In the G.O. read above Government sanctioned construction of
the Tagore Centenary Theatre at Trivandrum at an estimated cost of
Rs. 9.28 lakhs. According to the agreement executed by the con-
tractor the construction should have been completed by 27th October,
1961. But the construction has not been completed till this date.
The reasons for the delay in completing the work are the follow-
ing:—**

- 1. The site on which the theatre is to be constructed was ori-
ginally used by the Forest Department for stocking timber.
It was handed over to the contractor only after consider-
able time;**
- 2. At the time of the award of the contract, the structural
details of the work had not been finalised. The contractor
had therefore to wait for instructions from Departmental
Officers from time to time; and**
- 3. There has been frequent changes in the designs.**

**Shri K. Arjunan, the contractor who was entrusted with the work
has requested that he may be given a 25 per cent increase on the rates
of contract already accepted for the following reasons:—**

- (a) He had to clear about 1,500 numbers of timber logs strewn
all over the site of construction to facilitate the commence-**

ment of work. This should have been done by the Forest Department but they failed to do this in time.

- (b) Delay in removal of timber by the Forest Department held up the work of construction considerably and that delay has caused the contractor heavy loss in labour charges and cost of materials. It is said that there was no space for removal of the earth out during foundation excavation and for stacking valuable building materials on the site as the entire place was covered by valuable timber logs. The cost of building materials also increased by 30 to 40 per cent by the time the required space was made ready for construction work.

- (c) It is stated that the works involved are of ornamental nature and are very complicated and that there have been structural alterations in the approved designs of the building very often. Many ornamental designs which are highly complicated, and required skilled workmanship were introduced at a later stage.

2. It is said that the building is rather of an unusual type with all intricacies based on some modern practices in Theatre construction followed in foreign countries. The Chief Engineer (Buildings and Roads) has admitted that there was some delay in the initial stage for the commencement of work as the site was heaped with timber logs which took some time for removal. The work was taken up only in patches where the area was cleared of timber and this hampered the progress of the work.

Apart from this heavy monsoon, shortage of cement and scarcity of bricks are also important factors that contributed for the delay in the execution of the work. The Chief Engineer reports that when the contract for the work was awarded, some of the structural details like cantilevered balcony etc., had not been finalised and detailed designs of such complicated structure took some time to be finalised. The work had to be stopped for some time for finalising the design of the heavy balcony. Meantime the prevailing rates of labour and materials showed marked increase when compared with the rates at the time of execution of agreement. (The agreement was executed in December 1960).

3. In view of the abnormal rise in the cost of materials and labour, the scheduled of rates has been revised with effect from 1st

October 1961 for labour, and 1st December 1961 for materials. The rates quoted by the contractor for some of the items were also very low and were unworkable in view of the unusual height of the building and intricate items of works involved. The general increase over the rates as per the agreement executed by the contractor works out to about 20 per cent. Therefore, the Chief Engineer, Buildings and Roads, has recommended that a general increase of 20 per cent over the accepted rates, may be allowed to the contractor as an *ex-gratia* payment for the works done after 31st March 1961.

4. Government have fully considered the claims of the contractor for enhancement in the accepted rates of contract. The contract for the work was awarded in October 1960. According to the agreement executed then, the work should have been completed by October 1961. However the work has not been completed so far. It is seen that the following factors contributed to the delay.

1. The site for the work was originally being used by the Forest Department for stacking timber. It was handed over to the Contractor only after some time.
2. At the time of the award of the contract, the structural details of the work had not been finalised. The contractor had therefore to wait for the instructions from departmental officers from time to time.
3. There has been frequent changes in the designs and ornamental constructions.

All these factors are beyond the control of the contractor. It is evident from the Chief Engineer's reports that the work had to be stopped for some time due to the delay in finalising the design of the balcony. There was also abnormal increase in labour charges and the P.W. Schedule of rates was revised from 1st October 1961 for labour, and from 1st December 1961 for materials. Therefore Government consider that there is much force in the contractor's request for enhancement of rates. As the work has to be completed without any further delay and as the Chief Engineer has stated that a re-tendering is not feasible, Government accept the recommendation made by the Chief Engineer and direct that the contractor may be given a 20 per cent increase over the agreed rates as an *ex gratia* payment for works done after 31st March 1961.

(By Order of the Governor).

To

The Chief Engineer (B&R).

Shri K. Arjunan.

The Superdintending Engineer (B&R).

The Executive Engineer (B&R).

The Accountant General, Kerala. (This order issues with the concurrence of the F.D.).

Copy to : Public Works Department.

" Finance Department.

ANNEXURE VI

TAGORE CENTENARY THEATRE, TRIVANDRUM

List of works

Item No.	Name of work	Name of Contractor	P.A.C.	Actual date of completion
1	2	3	4	5
1	Tagore Centenary Theatre, Trivandrum—colour scheme painting works.	Sri K. James, Kawdiar	92401/-	21-12-65
2	Stage and curtain fittings.	M/s. Jacob Engg. Works, Tvm.	950/-	
3	Mural works.	Sri K. Rajagopal Silpakala, Tvm.	6750/-	1-12-65
4	Stage and curtain arrangements providing Cyclorama side screens and reflectors.	Sri P. Ratnaswamy Thycaud, Tvm.	5976/-	17-1-66
5	Providing partition steel jally works etc.	Do.	12031/-	2-11-65
6	Providing Accoustic treatment to stage portion.	Do.	12384/-	14-1-66
7	Stage and curtain arrangements providing box girders reflectors, side screens and cyclorama.	Company De Mendez, Trivandrum.	11500/-	18-10-65
8	Tagore Centenary Theatre, Trivandrum—Providing exhaust fans.	K.S.Rajasekharan	3585/-	1-7-65
9	Providing Thermocole ceiling from balcony upto catwalk providing trough light etc.	V.Raghuvaran Nair Thampanoor, Trivandrum.	16783/-	15-6-65
10	Providing Lloyd wool to walls.	G.Ramachandran Nair, Pettah.	5912/-	
11	Constg. Compound wall for the Tagore Centenary Theatre, Trivandrum.	K. Arjunan.	18c84/-	

1	2	3	4	5
12	Formation of approach roads and metalling etc.	Sri Ponnan	45985/-	10/65
13	Installation of blowers and construction of air ducts.	R.C. Perea, Pertah.	5375/-	22-3-66
14	Ceiling below cat walk below Balcony and front foyer ground and first floor.	P. Sukumaran Nair	9992/-	15-6-65
15	Water supply and sanitary installations.	P.M.S. & Co.	16303/-	27-12-65
16	Closing the gaps on either side of Auditorium Ist floor in the revolving windows.	P. Ratnaswamy Thycaud, Trivandrum.	5445/-	16-9-65

ANNEXURE VII
GOVERNMENT OF KERALA

Abstract

Buildings—Government Buildings (Trivandrum)—Department of Museums & Zoos—Natural History Museum—Enhancement of rates of contract—orders issued.

EDUCATION(K) DEPARTMENT

G.O (MS) No.287/64Edn.

Dated, Trivandrum, 21-5-1964

Read again: 1. G.O.Ms.571/601Edn dated 10-12-1960

2. G.O.Ms. 602/63/Edn dated 12-9-1963.

Read also: 1. From Shri K. Damodaran, P.W.D. contractor, petition dated 19-10-1963.

2. From the Chief Engineer (Buildings & Roads) letter No. TB5-23332/62 dated 17-1-1964.

3. From the Chief Engineer (B&R), letter No. TB5—23332/62 dated 1-2-1964.

ORDER

In the G.O. read as first paper above Government sanctioned the construction of a building for the Natural History Museum at Trivandrum at an estimated cost of Rs. 2.50 lakhs based on 1959-60 schedule rates. Shri K. Damodaran, Sriniketan, Division Office Road, Trivandrum the contractor who was entrusted with the work has now requested that he may be given a 25 per cent. increase on the rates of contract already accepted owing to the following reasons:

- (1) That though the work was entrusted to him as early as April, 1959 the work could be started only in January, 1961, and
- (2) That he undertook the work as per the revised estimates on condition that if a general revision of rates is made considering the high cost of labour and materials he should be given the benefit of those rates.

It is seen that the Chief Engineer (Buildings and Roads) entrusted the work with Sri Damodaran who was the lowest tenderer on the basis of the original estimate for Rs. 6,79,600 before administrative sanction of Government was obtained. When Government received the estimate the Chief Engineer was asked to revise it reducing the cost to Rs. 2,50,000. Revised plan and estimate has therefore to be prepared and administrative sanction could be accorded only in December, 1960. There was thus a delay of about 20 months to start the work and during the period the cost of labour and materials increased considerably. However, the original estimate was based on the old schedule of rates of 1951-52 whereas the revised estimate of the work was on the basis of the schedule of rates of 1959-60, current at the time of sanctioning the recast estimate; and the contractor had also given a written undertaking to the effect that he was prepared to carry out the work if he was allowed the 1959-60 schedule of rates less the tender reduction as per his original tender.

Regarding his second contention, the Chief Engineer (B & R) has stated that the request of the contractors' Association for general enhancement of rates of all subsisting contracts has not been accepted by Government. The changes made in the schedule of rates from 1st October, 1961 for labour and from 1st December, 1961 for materials are applicable only to estimates to be prepared after the schedule came into force. Since the contractor had agreed to undertake the work on the basis of the 1959-60 schedule of rates with the percentage of tender deduction offered in his original tender, he has no right to ask for a general increase of rates. However, the contractor has represented to Government that he has suffered much loss on account of this contract and such loss was occasioned by factors over which he had no control.

The work for an estimated amount of Rs. 6,79,600 was entrusted to him by the Department in April, 1959 and he collected materials and made other arrangements to start the work. But it was after 20 months that he could start the work and that too on the basis of a much reduced estimate of Rs. 2,50,000. The Chief Engineer (B. & R) has admitted that the contractor had collected materials and made arrangements for starting the work. A considerable amount being the cost of these materials was therefore locked up on the account of this delay and he had also to incur expenditure for storing the materials, for employing necessary staff for watching the materials etc. all this time. The loss incurred by him on these accounts will not be covered by the 1959-60 schedule of rates allowed for the work. Fur-

ther, the work as per the recast estimate was entrusted to him only in January, 1961 on the basis of the schedule of rates for 1959-60. That the 1959-60 rates were not adequate compared with the prevailing market rates in 1961 is clear from the fact that towards the end of that year Government had to revise the schedule further. The Chief Engineer (B & R) has also reported to Government that the cost of labour and materials showed a marked increase after April, 1961 and that the revised schedule of rates approved in 1961 were 20 to 25 per cent in excess of the 1959-60 rates. Further, when the contractor had originally tendered for the work in 1958 tender deduction offered by him was about 12.9 per cent. He agreed to undertake the work on the basis of the recast estimate at the same rate of tender deduction. The Chief Engineer has reported that the tenders received for other works at that time exceeded the schedule rates in almost all cases and that the rates allowed to the contractor were advantageous to Government. In the case of another work at Trivandrum namely the Tagore Centenary Theatre which was also started more or less during the same period an increase of 20 per cent over the agreed rates was sanctioned to the contractor as an *ex gratia* payment for the works done after 31st March, 1961 in G.O. read as second paper. One of the reasons which weighed with Government to sanction this concession in the case of the Tagore Centenary Theatre was the delay caused in the construction. The estimate for that work also was based on the old 1959-60 schedule of rates. The tender deduction in that case was about 12.39 per cent whereas it is slightly higher (12.9 per cent) in the case of the Natural History Museum.

Government have fully considered the claims of the contractor for enhancement in the accepted rates of contract. In the light of the circumstances stated above Government order that the contractor will be given a 20 per cent increase over the agreed rates as an *ex gratia* payment for works done after 31st March, 1961.

The Chief Engineer (B & R) has also requested that his action in having awarded the contract to Sri Damodaran on the basis of the revised estimate for Rs. 2.50,000 based on 1959-60 schedule of rates without inviting fresh tenders may be ratified. The correct procedure was to re-tender the work. But instead of calling for fresh tenders the Chief Engineer awarded the work to Sri Damodaran at the tender deduction he had originally quoted. However, it is seen that no loss was caused to Government on this score. The action of the Chief Engineer in having awarded the contract to Sri Damodaran without inviting fresh tenders is therefore ratified. The Chief Engi-

neer will, however, note that his action was irregular and that ratification is given only because there was no loss to Government.

(By order of the Governor)

Sd/- K. Velayudhan,
Joint Secretary,

To

The Chief Engineer (B & R), etc. etc.

ANNEXURE VIII
GOVERNMENT OF KERALA
ABSTRACT

Roads—Medical College Development Scheme—Improvements to the road from Medical College junction to Pattom junction, road from Kumarapuram junction to Pattom junction. (2) Road from Kumarapuram junction to Ulloor junction—Contract regarding—Orders—issued.

Public Works Department (Communications 'A')

G.O. RT.378/62/PW.

Dated: 17-2-1962

Read: 1, G.O.PWA. 4-14433/55/PWC dated 27-2-1956.

2. Letter No. CA3-10108.61 dated 5-1-1962, from the Chief Engineer, Buildings and Roads.

In the Government Order read as first paper above, sanction was accorded for the two works mentioned above at an estimated cost of Rs. 2,92,000 and Rs. 3,09,524 respectively. The rates provided in the estimates were based on the scheduled rates of 1951-52. The two works were arranged by the Chief Engineer through the lowest tenderer Shri K. R. Narayanan with instructions to complete the works at the end of December, 1958 and June, 1959 and the probable amounts of contract were Rs. 1,28,422 and Rs. 1,23,783 respectively. But the works could not be completed yet, due to the delay in eviction proceedings for land acquisition and non-execution of works to be done by other Departments viz., Electricity, Telephone, Public Health Engineering Departments etc.

2. The Chief Engineer has also reported that an amount of Rs. 81,394 has been paid to the contractor till February, 1961 for the first work and Rs. 38,266 till December, 1960 for the second work. As the contractor was not able to proceed with the work further, he requested that either he may be paid finally for the works already done and relieved of the liability for further work or he may be allowed to continue the work granting him the prevailing schedule of rates.

The contractor was further negotiating with, and he has agreed to complete the balance work at the sanctioned estimate rates except for the items for which he has quoted higher rates than the estimate rates and for these works he should be allowed the quoted higher rates. In this connection, the Superintending Engineer has reported that the cancellation of the present contract will cause further delay in completing the work and that fresh competitive tender may bring in higher rates than the rates now agreed to by the contractor. It is added that there will not be any excess cost over the sanctioned amount for the works due to the above proposal.

3. In the above circumstances, the Chief Engineer has recommended the following:

- (1) To close the present contract for the above works and;
- (2) To enter into a fresh contract with the contractor Shri K. R. Narayanan, as a special arrangement, for the balance work to be done at the sanctioned estimate rates for which he has quoted lesser rates and at the quoted rates for the other items.

4. The Government accept the recommendation of the Chief Engineer and they order accordingly. The Chief Engineer will see that the fresh contract for the balance work as proposed is entered into simultaneously with the closure of the present contract and that the balance work is finished by the contractor within a minimum period to be fixed by the Chief Engineer subject to suitable penalty for default.

5. It is noted in this connection that the delay for the completion of the work has been caused due to reasons beyond the control of the contractor. The Chief Engineer will enquire into the reasons for the delay and examine whether it has been due to negligence of duty on the part of any of the Officers concerned. His report in this regard should reach Government within a month at the latest.

(By order of the Governor)

Sd/- R. Vasudevan Pillai,
Assistant Secretary.

To

The Chief Engineer, Buildings and Roads.
Superintendent.

ANNEXURE IX
GOVERNMENT OF KERALA

ABSTRACT

Roads—Improvements to the road from Model School West Gate Junction to Bakery Junction—Closing of accounts of the Contractor—Orders issued.

Public Works Department (Communications—A)

G.O. Rt. 1612/62|PW.

Dated, 25-7-1962.

READ:—*Letter No. Cc—3063/58 dated 13-7-62 from the Chief Engineer, Buildings & Roads.*

ORDER

Sanction is accorded for closing the accounts of the contractor Shri Yovan Mannas for the portions of the work of improvements to the road from Model School West Gate Junction to Bakery Junction, already done at his agreed rates and also to arrange for execution of the balance work through the same contractor at the estimate rates based on 51-52 schedule, as agreed to by the contractor, after executing a fresh agreement.

(By Order of the Governor)

Sd/-K. Madhavan,

Assistant Secretary.

To

The Chief Engineer, Buildings & Roads,

Forwarded/By Order

Sd/-Suprintendent.

APPENDIX XXX

(Para No. 4.19 & 4.24 of this Report)

Total number of scheduled casts/scheduled tribes students in the various Technical Schools

There are 20 Junior Technical Schools in the State. The admission capacity of each institution is 60 every year. 5% of the seats is reserved for scheduled castes and scheduled tribes. The following is the list of institutions showing the number of seats as well as the number of scheduled castes and scheduled tribes students admitted in each institution during the year 1966-67.

	No. of seats	Students admitted during 1966-67	Scheduled Caste/ Tribe students
Junior Technical School, Nedumangad .	60	60	5
Do. Attingal .	60	60	4
Do. Adoor .	60	60	1
Do. Ezhukone .	60	60	3
Do. Shertallai .	60	60	3
Do. Krishnapuram .	60	60	5
Do. Pampady .	60	54	4
Do. Palai .	60	60	5
Do. Perumbavoor .	60	40	2
Do. Koratty .	60	58	3
Do. Kunnamkulam .	60	60	17
Do. Cranganore .	60	60	1
Do. Trichur .	60	60	3
Do. Shoronur .	60	40	6
Do. Chittur .	60	53	4
Do. Manjeri .	60	37	1
Do. Kozhikode .	60	60	6
Do. Cheruvarhur .	60	31	1
Do. Mattannur .	60	60	1
Do. Cannanore .	60	60	4
	1200	1,093	79

It may be noted that the total intake for the 20 Schools is 1,200. Out of which 79 seats are now filled up by scheduled castes and

scheduled tribes. This is more than the 5% allowed under the Rules. It may be noted that in some of the schools the percentage has fallen low because there were not sufficient applicants from scheduled castes and scheduled tribes.

In the Engineering and Polytechnics Government have sanctioned 5% reservation (scheduled castes 4% and scheduled tribes 1%) for Scheduled Castes/Scheduled Tribes. This is being followed in the Junior Technical Schools also. Extracts of G.O. Rt. 1197/66|Edn. dated 5-5-66 and M.S. 226/66|Edn. dated 13-5-66 (Annexure I).

The date on which the Audit para was received and what action was taken thereon.

	Date
(1) The draft para forwarded by the Accountant General with his letter No. AAI(B)-DP 205/65-66/428 dated 7-1-66 was received in the Department on	13-1-66
(2) The Director of Technical Education was consulted on the facts contained in the draft para on	27-1-1966
(3) An interim reply was given to the Accountant General regarding the additional points called for in a separate letter on 10-1-1966	27-1-1966
(4) The Director of Technical Education was reminded by Government on	26-2-1966
(5) The Director of Technical Education informed Government that remarks have already been sent on 8-3-66	24-3-1966
(6) The Director of Technical Education was requested to forward a copy of the reply dated 8-3-66 to Government as the same has not been received by Government and as another letter of the Director of Technical Education dated 6-3-66 received by Government was not a reply to the draft para on	
(7) Reminder from the Accountant General dated 25-4-66 received on	28-4-1966
(8) Interim reply given to the Accountant General on	6-5-1966
(9) The Director of Technical Education was requested to forward the report on	6-5-1966
(10) Remarks of the Director of Technical Education on the draft para excluding the first two points received on	26-5-1966

- (11) Further information called for from the Director of Technical Education on remaining points on 1-6-1966
- (12) Interim reply from the Director of Technical Education received on 7-6-1966
- (13) The Director of Technical Education reminded on . 20-6-1966
- (14) The Director of Technical Education again reminded on 5-7-1966
- (15) Further information received from the Director of Technical Education on 12-7-1966
- 16) The Director of Technical Education was asked to send enclosures to his letter of 12-7-66 on 23-7-1966
- (17) The Director of Technical Education reminded on . 4-8-1966
- (18) Reply from the Director of Technical Education received on (information furnished not complete) 6-8-1966
- (19) Further report received on 20-8-1966
- (20) Final reply sent to Accountant General on 8-9-1966

ANNEXURE I

Extract of G.O. Rt. 1197/66/Edn. dated 5-5-1966 .

* * * * *

(iii) The remaining 30% of the seats will be reserved for the socially and educationally Backward Classes specified in the G.O. read as 4th paper above and Scheduled Castes and Scheduled Tribes as given below:—

Scheduled Castes	.	.	.	.	4%
Scheduled Tribes	.	.	.	.	1%

* * * * *

Extract of G.O.Ms. No. 226/66/Edn. dated 13-5-1966.

* * * * *

(iii) The remaining 30% of the seats will be reserved for the socially and educationally Backward Classes specified in G.O. read as 3rd paper above and Scheduled Castes and Scheduled Tribes as given below:—

Scheduled Castes	.	.	.	.	4%
Scheduled Tribes	.	.	.	.	1%

* * * * *

No. of Scheduled Caste/Tribe students to whom scholarships had been given.

Number of scholarships awarded each year is as follows:—

1960-61	.	.	.	.	12
1961-62	.	.	.	.	18
1962-63	.	.	.	.	26
1963-64	.	.	.	.	57
1964-65	.	.	.	.	15
1965-66	.	.	.	.	41
1966-67	.	.	.	.	67

Rs. 20 per mensem is given for each Scheduled Caste/Scheduled Tribe student for 10 months in a year as stipend (Scholarship). The scholarship once given will continue for the entire course which extends to 3 years.

Sd/-

Education Secretary.

APPENDIX XXXI

(Para No. 5.9 & 5.11 of this Report)

What was the investment and what was the loss?

The Production-cum-Training Centres were not contemplated to run on commercial basis and so separate profit and loss accounts were not prepared and maintained.

Out of the 12 Commercial Units mentioned in the statement the following seven units were handed over to other Departments or private sector before they started functioning. Hence the question of keeping proforma accounts does not arise in these cases:—

- (1) Cycle valve unit, Kollagadavu,
- (2) Neon and Glow sign, Palghat,
- (3) Fractional Horse Power Motor Unit, Ettumanoor,
- (4) Leather Tanning Unit, Pattambi,
- (5) Fruit Preservation Unit, Ambalavayal,
- (6) Wood Workshop, Kallai, Calicut,
- (7) Foundry Unit, Palayad.

In the case of the remaining 5 Units viz. Holdall Manufacturing Unit, Trivandrum; Die Casting Unit, Trivandrum; Small Industry Machine Tools, Trivandrum; Stray Board Factory, Pulikeezh and Kerala Cycles Pappanameode no proforma accounts were maintained during the periods when they were functioning under the Department. The Small Scale Industries Wing of the Directorate itself was in its formative stage and the schemes were based on a new pattern. So the necessity for proforma accounts was not realised. By the time this was thought of, the units had been decided to be transferred. Hence such proforma accounts were not maintained in the Commercial units.

Hence it is practically difficult at this late stage to arrive at the figures relating to investment and loss.

*Whether any assessment was made about the working of the units.
If so, the results of such assessments?*

A Working Group on Small Scale Industries constituted by the Government of India in October 1959 under the Chairmanship of the Development Commissioner, Small Scale Industries made a detailed study among other things, on the working of production-cum-training centres started during the II Five Year Plan. This Working Group had also taken into consideration the recommendation of the Working Group set up by the Ministry of Industry and Commerce in January 1959 which made an interim assessment after the completion of the first three years of the II Plan (1961-64). The Working Group in their Report of December, 1959 observed that the Production-cum-Training Centres which the State Governments had been running during the Second Plan period had not produced satisfactory results. They came to the conclusion that the Production-cum-training Centres had to be reorganised completely either purely as Training centres where production would only be incidental to training or purely as Production Centres which would be run on commercial lines. The Working Group was of the view that Commercial Schemes, Service-cum-Commercial Schemes, training-cum-production scheme should not be started afresh, the existing ones being transferred in due course to Industrial Co-operatives or private entrepreneurs. No new Small Scale Industrial Units were started during the Third Plan period. There is no proposal to start any in the IV Plan period also.

As the Working Group constituted by the Govt. of India had gone into the working of the Production-cum-Training Centres started during the II Plan and made specific recommendations after proper assessment, the State Government did not appoint a separate Committee to assess the working of these units.

Sd/-

*Joint Secretary,
Industries Department.*

APPENDIX XXXII

(Para No. 5.21 & 5.23 of this Report)

A detailed note explaining the reasons for change in status of the units from time to time—Copies of the notes and orders of the Government leading to such transfer.

The Second Five Year Plan for Small Scale Industries for the State envisaged the starting of Production-cum-Training Centres for giving training to artisans in particular trade. As per the plan programme, the Production-cum-Training Centres which combine training scheme with production will eventually form full production units under Co-operative management of former trainees. One such centre started during the Second Plan period is the Model Footwear Centre, Cannanore.

2. Government as per order No. I(B)2-4808/57/ID dated 1st August 1957 (copy appended Annexure I) sanctioned the scheme for implementation in Cannanore District during 1957-58 at a total cost of Rs. 71,040. The Regional Committee for Small Scale Industries suggested that the unit might be located at Cannanore.

3. In G.O.Ms. 14/58 ID dated 8th January 1958 (copy appended Annexure II) sanction was accorded for the purchase of materials for the unit at a total cost not exceeding Rs. 23,000/-. It was also ordered in the G.O. that the unit would be located in a rented building at Cannanore.

4. The unit was started on 3rd February 1958. Eleven trainees were given training during the period February 1958 to March 1959. They were also paid stipend at the rate of Rs. 25/- per trainee per mensem. (Total stipend paid—Rs. 3,705).

5. The State Level Coordination Committee under the Chairmanship of the Minister for Industries in its meeting held on 21st August 1958 formulated principles for the transfer of the Production-cum-Training Centres to the Industrial Co-operatives after the termination of the training period. The terms and conditions suggested by the Committee were approved by Government in G.O.Ms.187/59/ID dated 24th February 1959 (Annexure III).

6. The date of expiry of the training period in respect of the Model Footwear Unit, Cannanore was 5th February 1959. But for the sake of uniformity in the conversion of the various Production-cum-Training Centres into Industrial Co-operatives it was decided that the period of training in 14 centres including the Model Footwear Unit, Cannanore be extended upto 31st March 1959 (G.O.Ms. 207/59/ID dated 31st March 1959) (Annexure IV). The training programme of the unit was thus completed on 31st March 1959.

7. The unit was handed over to the Cannanore Leather Workers' Industrial Co-operative Society organised by the trainees and workers of the units on 1st April 1959. In letter No. 142/59/M(I) dated 2nd May 1959 the Private Secretary to the then Minister (Industries) communicated to the Joint Director of Industries and Commerce the views of the Minister (Industries) that there were no prospects of running the society on efficient lines by the workers society already formed and wanted him to submit a detailed proposal for reorganising the unit. The contents of this letter are as follows:—

"I have been directed by the Minister for Industries to ascertain from you the present position of the Cannanore Footwear Unit. It has been reported that this unit has been converted into a Co-operative Society and that one of the trainees has been elected as President of the Society. This trainee is said to be a boy aged about eighteen. Usually when such production-cum-training centres are converted into co-operative societies, people who have got some knowledge about the particular industry and the working of the co-operative societies are admitted as sympathiser-members and the first set of directors are nominated either by the Government or by the officer authorised on that behalf, by making necessary provision in its bye-laws. A departmental Secretary who is conversant with the working of co-operative societies is generally appointed in the initial stages of the working of the society. In this particular case it seems that the procedure adopted has been quite strange and that there are no prospects of running the society on efficient lines under the regime of the present set of directors. The Minister for Industries desires to know immediately how the centre was handed over to a co-operative society without ensuring that its future working would be efficient. Any further step contemplated for handing over the unit to the co-operative

society should not be given effect to until further orders. Please also send up a detailed report to Government as to how you propose to reorganise the unit on efficient lines”.

8. In reply, the Joint Director of Industries and Commerce reported on 22nd May 1959 as follows:—

“I may inform you that the District Industries Officer was contacted over the Phone immediately and he has agreed to take all measures for the efficient management of the concern. The matter was further discussed when I met him at Ernakulam during the recent conference of the District Industries Officers when he agreed to send me a report on the action taken. Since then I have written a letter to him and as soon as the reply is received the same will be communicated. In this connection I may inform you that the District Industries Officer informed me personally that the Centre is managed now efficiently even though the President elected was one of the trainees who had undergone training at the Centre. He assured me that there is absolutely no reason for anxiety regarding the efficient management of the concern”.

9. On 4th June 1959, Minister (Industries) ordered as follows:—

“I had a discussion yesterday with the Joint Director (Small Scale Industries) regarding the transfer of the Cannanore Footwear Unit to the Industrial Co-operative Society formed for the purpose, on the basis of this office letter No. 142/59/M(I) dated 2nd May 1959 to him. While ordering the transfer of fourteen industrial units to Co-operative Societies, my specific orders should have been obtained. It is understood that the Cannanore Footwear Unit which is now being run by the Industrial Co-operative Society is not functioning satisfactorily. Before actual transfer of the unit to the Co-operative Society, the officers of the Industries Department should have considered whether the society is capable of running the unit economically and efficiently. The investment by Government in this unit is substantially heavy and further capital investment in land and buildings is under contemplation. I therefore consider that the transfer of the unit to the Industrial Co-operative Society has been premature. The unit requires close supervision and con-

trol by Government which can be ensured only by running it as a Departmental Unit for some more time. The Joint Director (SSI) who has been consulted in the matter says that necessary funds to run the Unit as a Departmental one can be found by diversion. Please issue orders immediately terminating the period of transfer of the unit to the Industrial Co-operative Society and converting it as a Departmental Unit".

10. The fourteen Industrial Units referred to by Minister (Industries) were ordered to be transferred in G.O.Rt.207/59/ID dated 31st March 1959 (copy appended Annexure IV). In this connection it may be mentioned that according to the approved pattern of the Government of India the Production-cum-Training Centres started during the II Plan period were to be handed over to the Industrial Co-operative formed by trainees and workers immediately after the training period was over. As stated in para (5) above, the State Level Co-ordination Committee which met on 21st August 1958 under the Chairmanship of the Minister for Industries considered this question and formulated principles for the transfer of these centres (G.O.Ms.187/59/ID dated 24th February (Annexure III). As Government had already approved in the G.O. dated 24th February 1959 the conditions for transfer of the Production-cum-Training Centres orders were issued in G.O.Rt.207/59/ID dated 31st March 1959 Annexure IV) to take immediate steps for the conversion of the 14 units to Industrial Co-operatives. The transfer ordered in the G.O. was in consonance with the policy of Government.

11. In pursuance of the orders of Minister (Industries) the Model Footwear Unit was ordered to be taken over and run as a departmental unit (G.O. Ms. 553/59/ID dated 22-6-1959—copy appended Annexure V). The Society ceased to function with effect from 9-7-1959. The unit was taken back by the Department on 11-7-1959.

12. Subsequently the Director of Industries and Commerce in his letter dated 18-8-1959 reported to Govt. that as no complaint was received in regard to the unsatisfactory working of the society, it did not seem necessary to depart from the general policy laid down regarding such units, in the case of this particular unit only. He also pointed out that when the unit was converted into a Co-operative society the trainees were also made members, and paid workers in the Society and that if the unit was to be reconverted into a departmental unit, it might be obligatory on the part of Govt. to employ and pay wages to all the trainees and workers because they were being paid wages by the society. This would exceed the sanctioned

strength of the unit. He suggested that the order already issued might be reviewed and revised orders issued so that the unit might be considered as being handed over to the society, from the date it was originally done so, without bringing in any disturbance in the routine progress of the unit, in the middle. Meanwhile, a petition dated 23-8-1959 was received from the workers of the society requesting Govt. that the unit might be continued as a departmental unit as they were not getting their wages in time during the period the unit was handed over to the society. On this petition the Joint Director of Industries and Commerce reported to Government in September 1959 that there was a very good demand for the products of the unit at the time it functioned as a co-operative society, that there was no necessity to alter that arrangement and that the workers wanted to continue the unit as a departmental unit because in that case not only the impossibility of marketing the finished products fell on the Department but also the workers could turn out minimum work and claim wages irrespective of the turnover. It was also pointed out that relaxation of the general policy in one case would result in similar units clamouring for continuance as departmental units. In the circumstances, Government ordered in September 1959 to convert the unit again into a Co-operative Society (G.O. Ms. 837/59/ID dated 26-9-1959—copy appended Annexure VI), cancelling the earlier orders of 22-6-1959. But the society refused to take over the unit unless adequate working capital loan was sanctioned before their taking over. It was reported by the Director of Industries and Commerce in December 1959 that the assessment value of raw materials in stock on 20-10-1959 came to Rs. 23,324, small tools Rs. 858 and finished goods Rs. 3,008.08 and that even with all these things to be handed over to the Society as a preliminary loan for tiding over the immediate necessities for continuing work the society was reluctant to take over unless further loan was sanctioned. It was also reported that this attitude of the society was unhelpful and unreasonable. The Director of Industries and Commerce, therefore, recommended in December 1959, the closing down of the unit pending taking over by the society after getting fresh loan from Government to avoid possible loss in running it by the department. Since the working group had recommended the transfer the Production-cum-Training Centres started in the II Five Year Plan to Industrial Co-operatives or to private industrialists and as this recommendation was approved by the Govt. of India, the only possible course would be to hand over the unit to some private entrepreneur on outright sale or on hire purchase basis.

13. In November 1960 the Director of Industries and Commerce was asked to send up proposal for transferring the unit to the Prisons

Deptt. It was also decided to run the unit departmentally till the transfer was effected. The District Development Council was against the proposal of Government to transfer it to the Prisons Deptt. and recommended to Government in December 1960 that the Unit be run as a Government Commercial Concern. The recommendation of the District Development Council could not be accepted since as a matter of policy, Govt. of India did not favour their continuance as departmental units. It was therefore decided to transfer the unit to the Prisons Deptt. Orders were issued in G.O. Ms. 310/62/ID dated 13-4-1962 transferring the unit to the Prisons Deptt. (copy appended Annexure VII).

14. The Inspector General (Prisons) was not agreeable to take it over. He suggested in February 1964 that the machinery and tools might be allowed to be transferred to Trivandrum. This suggestion was not acceptable since it might meet with considerable opposition from the local public. The Kerala State Small Industries Corporation to whom the unit was proposed to be transferred was also not in favour of taking over the unit.

15. A detailed study into the working of the unit was done by an Assistant Director of Industries & Commerce (S.S.I.), a technical officer of the Department in October, 1965 and recommendations were made by the Director of Industries and Commerce also in October, 1965 to transfer the unit to private sector. The financial details of its working were observed to be on loss.

16. The receipts for the years of the working are shown below:—

	Rs.
1958-59	9,482.36
59-60	13,717.36
60-61	5,958.84
61-62	3,185.48
62-63	6,724.89
63-64	4,247.56
Loss for the years:	
1962-63	15,287.00
63-64	10,679.00
64-65	17,533.14
65-66	11,531.32

17. Accordingly orders were issued in G.O. Ms. 315 66/ID dated 22-7-1966 (copy appended Annexure VIII) to transfer the unit to Messrs. Western India Leathers, a unit sponsored by the Rural

Industries Project, Calicut as per the terms and conditions in G.O. Ms. 68/66/ID dated 18-2-1966 (Appended Annexure IX). The Unit was actually handed over on 12-8-1966. The District Development Council, however, recommended on 29-7-1966 that the unit might be handed over to Co-operative sector or to the Kerala State Small Industries Corporation. Several representations were also being received on this behalf. In G.O. Rt. No. 641/66/ID dated 16-9-1966 (copy appended Annexure X) Government therefore ordered to resume the unit from M/s. Western India Leathers (Private) Ltd., after paying the amount remitted by the company as first instalment (Rs. 9,120.08) as agreed to by the Company. The Co-operative society to which the unit is now proposed to be handed over has not yet been formed.

Sd/-
Joint Secretary,
Industries Department.

ANNEXURE I
GOVERNMENT OF KERALA
Industries Department
PROCEEDINGS

Dated: Trivandrum, 1-8-1957.

Sub: Small Scale Industries—Scheme on Model Foot Wear Unit—Cannanore—Implementation of—sanctioned.

Ref: Letter No. SI. 6-946/57 dated 27-5-57 from the Addl. Joint Director of Industries & Commerce (Small Scale).

ORDER I(B)2—4808/57/ID

Government sanction the break-up proposed by the Additional Joint Director of Industries & Commerce (Small Scale) as detailed below for the Model Foot Wear Unit, Cannanore, limited to Rs. 71,000 included in the budget as “other charges” under 43(b)iii II—Model Foot Wear Unit in the current year's budget.

Pay of Establishment (10 months)

	Rs.
Superintendent Rs. 125-225	1,250
Clerk-cum-Store-keeper Rs. 40-120	400
Peon-watchman Rs. 25-35	250
Allowances	1,040

Contingencies

Machinery & equipment.	15,600
Land building	20,000
Working capital	31,000
Office expenses & Miscellaneous	500
Furniture	1,000
	71,040

It will however be noted that the amount required for “pay of establishment” and “Allowances” will have to be reappropriated to

the respective detailed heads. The Addl. Joint Director of Industries & Commerce (Small Scale) will take necessary action in that matter.

The various posts included in the break-up are also sanctioned.

Sanction is also accorded for the implementation of the scheme during the year 1957-58 and for the purchase of the machinery and equipments as detailed below through the Stores Purchase Committee.

	No.
Sole cuttingpress (power operated)	1
Finishing machine Do. (complete with motor)	1
Skiving machine (upper) electrically operated	1
Rolling Machine (hand operated)	1
Sole Stitching Machine (power operated)	1
Splitting Machine with scale and adjustments (hand operated)	1
Strap cutting machine (hand operated)	1
Combined skiving and rounding machine (hand operated)	1
Punching & Eyeletting machine	1
Leather sewing machines	2
Lasts (gents size 1 × 5-10)	5 pairs
Good quality (ladies 2-5)	5 pairs
Lasting jacks	2 Nos.
Lasting Pincers	5 Nos.

By order of the Governor,

Sd/-

Asst. Secretary to Govt.

To

The Addl. Joint Director of Industries & Commerce (small scale).

The Finance Dept. The Comptroller (through Finance Dept.).

The Store Purchase Dept., The Planning Dept.

Sd/-

Superintendent.

ANNEXURE II
GOVERNMENT OF KERALA

ABSTRACT

Model Footwear Unit—Starting of a new Unit at Cannanore

INDUSTRIES (B) DEPARTMENT

G.O. MS. No. 14.

Dated: 8th January 1958.

Read: Letter No. SI 6-946/57 dated 6-12-1957 from the Joint Director of Industries & Commerce.

ORDER

Sanction is accorded for the purchase of materials for the starting of a Model Footwear Unit at Cannanore at a total cost not exceeding Rs. 23,000/- (Rupees twenty-three thousand only) as detailed in the annexure. The expenditure should be met from the provision of Rs. 31,000/- (Rupees thirty-one thousand only) for working capital sanctioned in G.P.I.(B) 2-4808/57/ID dated 1-8-1957.

2. A building will be rented at Cannanore by the Joint Director of Industries and Commerce for locating the new unit. The Joint Director of Industries & Commerce should obtain Government sanction for the payment of rent for the building by sending up proposals accompanied by the usual certificates and a certificate that no other suitable private building is available in the locality on a lower rent.

3. The Joint Director of Industries and Commerce will pursue action urgently to implement the scheme.

By order of the Governor,

Sd/- K. M. Peter,

Deputy Secretary to Government.

To

**The Jt. Director of Industries & Commerce:
The Finance Department
The Comptroller.**

Sd/-
Superintendent.

ANNEXURE III
GOVERNMENT OF KERALA

ABSTRACT

Small Scale Industries—Production-cum-training centres—Handing over to Industrial Co-operatives—Orders issued.

INDUSTRIES (B) DEPARTMENT

Dated, Trivandrum, 24-2-1959

G.O. MS. 187

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- Read:** 1. Proceedings of the State Co-ordination Committee held at 11 A.M. in the Rest House at Neyyattinkara on 21-8-1959.
2. Letters No. SI-8-2242/57 dated 13-10-1958 and 7-11-58 from the Director of Industries & Commerce (SSI) Wing.
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ORDER

The question of handing over the production-cum-training centres to Industrial Co-operatives was breached by the State Level Co-ordination Committee and it was decided by that Committee that the Industrial Co-operatives might run the centres on a rent basis. The terms and conditions under which the industrial co-operatives may run the centres have been considered by Government and they are pleased to order that the production-cum-training centres will be run by Industrial Co-operatives on a rental basis according to the following terms and conditions:—

1. The rent will be fixed at 2½% of the capital invested on building and machinery, depreciation at 12½% on the machinery handled by the trainees being taken into account in fixing the investment .
2. The societies will open a "Depreciation Reserve Fund" in a Co-operative Bank and deposit in it depreciation amount at 10% per annum every half year.
3. The value of the raw materials and small tools in stock at the centres will be reckoned as working capital loan given to the societies. This loan in kind and any loan in cash sanctioned will be subject to the rules laid down in the

bye-laws of the societies, modifications being made, if necessary, in the bye-laws. The working capital loan thus given will be charged 3 per cent interest, if the Government of India sanction a loan for this purpose at this rate. Otherwise, the rate of $4\frac{1}{2}$ per cent, will be fixed.

4. The staff of the centres will continue to be Government employees, and will be treated as being deputed to work in those centres under foreign service rules. For the period of two years during which 'free service' is to be rendered by Government, the amount recoverable under foreign service rules will be treated as extra grant-in-aid to the Societies. The grant from the Government of India viz. 50% of the expenditure on staff will be passed on to the societies.
5. The societies will execute agreements to work to units under the above mentioned conditions. The working will be reviewed after one year.

The Director of Industries & Commerce will obtain draft bond of agreement and forward it to Government for approval.

By order of the Governor

Sd/- K. R. PARAMESWARA PANICKER,
Assistant Secretary.

To

The Director of Industries & Commerce, etc. etc.

Sd/-

Superintendent.

ANNEXURE IV
GOVERNMENT OF KERALA

ABSTRACT

Small Scale Industries—Conversion of Production-cum-Training Centres into Industrial Co-operatives—Ordered.

INDUSTRIES (B) DEPARTMENT

G.O. RT. 207.

Dated: 31-3-1959.

Read:—Correspondence resting with letter No. JSI—1—1220/58 dated 13-2-1959 from the Director of Industries & Commerce (SSI wing)

ORDER

The Director of Industries & Commerce (SSI wing) has in his letter No C SI-1-1220/58 dated 22-1-1959 suggested that for the sake of uniformity in the conversion of the various production-cum-training centres into Industrial co-operatives, the period of training of all the 14 centres mentioned in the list forwarded by him may be extended up to 31-3-1959. He has also suggested certain other procedures for the conversion of the centres into Industrial Co-operatives. It is seen from the list of centres forwarded by the Director of Industries & Commerce (SSI Wing) that items 3, 5, 11, 12, 13 and 14 have already completed their training and that items 1, 2, 4 and 9 will complete the training before 31-3-1959. As Government have already in G.O. No. 187 dated 24-2-1959 approved the conditions by which production-cum-training centre may be handed over to Industrial Co-operatives, the Joint Director of Industries and Commerce can take immediate steps for the conversion of the above units into Industrial Co-operatives by the close of March 1959. Sanction is however accorded for the training period of the units mentioned as items 1, 2, 3, 4, 5, 9, 11, 12, 13 and 14 being extended up to the end of 31-3-1959. In respect of these units no further extension of time will be granted. As the terms and conditions on which the units are to be handed over to Industrial Co-operatives have already been sanctioned in the G.O. dated 24-2-1959, the Joint Director of Industries & Commerce will examine whether there was adequate

justification for continuing the time-expired centres and whether delay has resulted in any avoidable expenditure. It is seen that the period of training of item number 8 in the list (Plastic Industry) will end only in July 1959. The Joint Director will send up separate recommendations in this case if extension of time beyond 31-3-1959 is necessary. In the cases of items 6, 7 and 10 it is seen that the period of training will end only in April 1959. The Joint Director of Industries & Commerce is requested to see that the training periods of these units are brought to an end by the close of 31-3-1959.

The Joint Director of Industries & Commerce has in his letter dated 21-2-1959 recommended that the Smithy and Carpentry Units (Production-cum-Training Centres) working under the Block Development Officer, Mavelikara may also be permitted to be converted into a Co-operative Society along with the 14 production-cum-training centres covered by the list forwarded by him with his letter dated 13-2-1959. The Joint Director of Industries & Commerce may consider the case of this society also while sending up proposals for the payment of 75% share capital, 75 per cent working capital and 50% recurring expenditure to the Industrial Co-operatives after conversion of the departmental units. The proposals of the Joint Director called for in the Government Memorandum of even number dated 16-3-1959 in this regard are being awaited.

By order of the Governor,
K. R. PARAMESWARA PANICKER,
Assistant Secretary.

To

The Director of Industries & Commerce (SSI).

The Finance Department.

The Comptroller (through Finance Department)

Sd/-

Superintendent.

ANNEXURE V
GOVERNMENT OF KERALA

ABSTRACT

Small Scale Industries—Conversion of Production-cum-Training Centres into Industrial Co-operatives—Footwear Unit—Cannanore—Reconversion into Departmental Unit—Ordered.

INDUSTRIES (B) DEPARTMENT

G.O. MS. 553.

Dated: 22-6-1959.

Read: 1. G.O. Rt. 207/59/ID dated 31-3-1959.

2. Letter No. JSI-1-1220/58 dated 22-5-59 from the Director of Industries & Commerce (S.S.I. Wing).

ORDER

It has been reported that the Footwear Unit at Cannanore which has been converted into an Industrial Co-operative as per the orders in the G.O. cited is not functioning satisfactorily. The Government consider that the transfer of the Unit into a Co-operative was premature and that it requires close supervision and control by Government which can be ensured only by running it as a Departmental Unit for sometime more. In the circumstances they are pleased to order that the Footwear Unit which has been converted into an Industrial Co-operative shall be reconverted into a Departmental Unit. The Director of Industries and Commerce (SSI) will take immediate necessary further action in the matter.

The Director of Industries and Commerce (SSI) will report the financial implications and point out source for meeting the expenditure.

By order of the Governor,

T. ASSAN,

Assistant Secretary.

To

The Director of Industries & Commerce (SSI).

The Comptroller (through Finance Dept.).

The Finance Dept. (Ref. Fin. BG. BI-34481/59 dt. 17-6-58).

Sd/-

Superintendent.

ANNEXURE VI

GOVERNMENT OF KERALA

ABSTRACT

Small Scale Industries—Conversion of Production-cum-Training Centre into Industrial Co-operatives—Footwear Unit, Cannanore—Reconversion into Departmental Unit—Orders—cancellation of

INDUSTRIES (B) DEPARTMENT

G.O. MS. No. 837/Ind.

Trivandrum, dated 26-9-1959

Read:—1. G. O. Rt. 207/Ind. dated 31-3-1959.

2. G.O. MS. 553/Ind. dated 22-6-1959.

3. Letters No. JSI-1-825/59 dated 18-5-1959 and 8-9-1959 from the Director of Industries and Commerce (SSI) Wing.

ORDER

In pursuance of the general orders contained in the G.O. read as first paper above, the Footwear Unit at Cannanore along with other Units was converted into an Industrial Co-operative Society and handed over to the Cannanore Leather Workers' Industrial Co-operative Society Ltd., No. S. Ind. (C) 9. In the G. O. read as second paper above orders were issued for the reconversion of the Footwear Unit into a Departmental Unit.

The Director of Industries and Commerce (SSI) Wing has since pointed out that when the Unit was converted into a Co-operative Society the trainees were also made members and paid workers in the Society and that if the Unit is now reconverted into a Departmental Unit it may be obligatory on the part of Government to employ and pay wages to all the trainees and workers because all of them were being paid wages by the Society and that this will exceed the sanctioned strength of the Unit originally approved by the Government. The Unit which was originally a production-cum-training centre was started on 3-2-1959 and the training phase was completed on 1-4-1959. According to the general policy approved by the Government of India the Production-cum-Training Centres on completion of the training period have to be converted into.

industrial co-operatives. The trainees when selected had been made to execute an agreement that they would form a Society on completion of their training. Further the very idea of such unit is to get artisans trained in the modern methods of production and then to assist them technically and financially to manage small production units organised by them.

In the circumstances stated above, Government consider it not advisable to depart from the general policy approved by the Government of India in respect of production-cum-training Centres in the case of the Footwear Unit at Cannanore alone. The orders in the G.O. read as second paper reconverting the Footwear Unit, Cannanore into a Departmental Unit are hereby cancelled.

By order of the Governor,
P. VELU PILLAI.

To

The Director of Industries and Commerce (SSI) Wing.

The Comptroller (through Finance Department).

The Finance Department (Fin. BG. BI-34481/59 dated 17-6-1959).

Sd/-
Superintendent.

ANNEXURE VII
GOVERNMENT OF KERALA

ABSTRACT

Small Scale Industries Units run by Government—Transfer of—to
Private Sector—Order issued.

INDUSTRIES (B) DEPARTMENT

G.O. MS. 310.

Dated: Trivandrum, 13-4-1962

ORDER

During the second Five Year Plan period Government started certain Production-cum-training Centres, Certain Commercial Schemes were also taken up in the Public Sector. According to the approved pattern of the Government of India, the Production-cum-Training Centres are to be handed over to Co-operative Societies formed by the trainees and workers immediately after the training period is over. But most of the Centres thus transferred to co-operatives are not working satisfactorily due to one reason or other. A few centres which have completed training yet remain to be transferred since the trainees are reluctant to form co-operative societies to take over the centres.

2. The commercial units were started with the technical approval of the Government of India. The Working Group on Small Industries appointed by the Government of India have recommended that there is no point in Government running such small units in the public sector and stated that they may be handed over to co-operatives or private industrialists.

3. Government have therefore had under consideration the question of transfer of the following units to private sector.

Category I:

1. Model Footwear Unit, Trivandrum.
2. Model Footwear Unit, Cannanore.

Category II:

3. Foundry Unit, Palayad.

4. Neon and Glow Sign Unit, Palghat.
5. Fruit Preservation Unit, Ambalavayal.
6. Fractional Horse Power Motor Scheme.
7. Wood Work and Carpentry, Alangad.
8. Tanning Unit, Pattambi.
9. Cycle Valve Unit, Kollakadavu.
10. Glazed Pottery, Changanacherry.

Category III:

11. Cart Wheel Hub Manufacturing Unit, Palghat.
12. Combined Carpentry and Smithy, Kozhikode.
13. Wood Work and Carpentry, Ollur.
14. Cycle Parts, Chirayinkil.
15. Sports Goods Unit, Trichur.
16. Model Blacksmithy Unit, Palghat.
17. Holdall Unit, Nedumangad.
18. Kerala Cycles, Pappanamcode.
19. Straw Board Factory, Pulikeezh.
20. Manufacture of Small Industry Machine Tools.

4. Government have examined the proposal in detail and they are pleased to issue the following orders.

- (1) The two model Footwear Units mentioned in Category I above will be transferred to the Prisons Dept., forthwith.
- (2) The units Category II which have not yet started working and where no case of retrenchment of personnel is involved, will be sold to private industrialists according to the Rules of Procedure laid down in Annexure A to this order.
- (3) The units in Category III will be sold to co-operatives or private industrialists according to the Rules of Procedure in Annexure A. The staff employed in these units will be given alternative employment according to suitability. The Director of Industries and Commerce will take necessary steps in this regard. A clause will be added to the sale notice to the effect that the purchase

will employ the present staff working in the units concerned, subject to suitability.

- (4) The names of the parties who have made the highest offers or, to whom it is proposed to assign the units should be forwarded to Government and the prior approval of Government should be taken for transferring the units to the party.

By order of the Governor,
N. CHANDRABHANU,
Secretary to Government.

To

The Director of Industries & Commerce.

The Finance Department.

The Accountant General.

The Home Department.

Industries (B1) Section.

All sections of Industries Department.

SF

Sd/-
Superintendent.

ANNEXURE 'A'

Rules of Procedure

1. The assets of the centre consisting of machinery, equipment, fixtures, raw materials, etc. will be valued by the Department and a detailed inventory of the items to be sold with the prices noted thereon will be prepared.

2. Such of the finished products as are available at the centre which are required by the purchaser will be valued at actual cost and sold to him. The balance stock will be disposed of to the best advantage of Government.

3. Wide publicity will be given to the proposed sale by advertisement in the gazette and the newspapers. The sale notice will contain description of the machinery, raw materials, etc., and minimum expected price, other important points which the tenderers should keep in mind and last date and time for receipt of the applications.

4. The intending buyers will be permitted to inspect the machinery.

5. Earnest money deposit equal to 1 per cent of the total value of assets of the centre will be insisted upon at the time of submitting the application. Applications not supported by deposit will not be entertained.

6. The tenderers will be given the option of either taking over the Centre on outright purchase or under hire purchase system and will be asked to tender for both alternatives.

7. The offers received will be opened at a fixed time on the last date fixed for the receipt of offers. The time of opening will also be notified to the tenderers. Offers received late will not be entertained.

8. The offers opened will be scrutinised by the Director of Industries and Commerce and the best suitable offer will be recommended to Government for sanction.

9. Other things being equal, a Kerala firm will be given preference in the matter of sale. Among tenderers from Kerala, Industrial Co-operatives which are working satisfactorily will be given preference.

10. With regard to the sale on hire purchase the rules prescribed by Government for the sale of machinery etc. on hire purchase will be followed.

11. One of the conditions of the sale will be that the machinery should not be shifted from its present location for a period of five years and should as far as possible be utilised only for the purpose for which they were purchased by Government.

12. In the matter of the transfer of production-cum-training centres, other things being equal, the following may be the order of preference in respect of the party to which the unit may be transferred:—

- (i) Co-operatives formed by trainees and workers of the centre.
- (ii) Co-operatives formed by private industrialists in Kerala;
and
- (iii) Private industrialists or companies, those in Kerala being given preference.

13. In the matter of transfer of commercial units the following may be the order of preference for selection of the parties to whom the units may be transferred.

- (i) Co-operative societies in Kerala;

- (ii) Private industrialists or companies in Kerala; and
- (iii) Other industrialists.

Sd/-
Superintendent.

ANNEXURE VIII
GOVERNMENT OF KERALA

ABSTRACT

**Model Footwear Unit, Cannanore, handing over to private Sector—
Sanctioned.**

INDUSTRIES (B) DEPARTMENT

G.O., M.S. No. 315/66. Dated: Trivandrum, the 22nd July, 1966.

Read:—G.O., M.S. No. 68/66/ID, dated 18-2-1966.

2. Letter No. K1-37379/66 dated 28-6-1966 from the Director of Industries & Commerce.

ORDER

In the G.O. read as first paper above, Government prescribed the terms and conditions for the transfer of the Model Footwear Unit, Cannanore, to private Sector.

2. The Director of Industries & Commerce, in his letter read as second paper, has reported that the Western India Leather (Private) Ltd., Calicut, a unit sponsored by the Rural Industries Project, Calicut, has expressed their willingness to take over the unit on the terms and conditions stipulated to the G.O. dated 18-2-1966. It is also reported that if the Unit is handed over to the Western India Leather (P) Ltd., they will make the industry self-sufficient and ensure its successful working. The Director of Industries & Commerce has recommended that the Unit may be transferred to the Western India Leather (P) Ltd. It is also suggested that para (3) of the G.O. dated 18-2-1966 may be deleted in view of the fact that a party has already been sponsored for handing over the Unit.

3. In the circumstances reported, sanction is accorded to transferred the Model Footwear Unit, Cannanore, to the Western India Leather (Private) Ltd., Calicut, as per the terms and conditions stipulated in the G.O. read as first paper. Government also direct that para (3) of the G.O. dated 18-2-1966, authorising the Director of Industries and Commerce to select the private entrepreneur after

inviting offers by a suitable advertisement in the newspapers be deleted.

4. The Director of Industries & Commerce is requested to send up proposals for adjustment in accounts.

(By order of the Governor)

K. RAMASWAMY IYER,
Deputy Secretary.

To

The Director of Industries & Commerce etc., etc.

Forwarded/By order.
Sd/- Superintendent.

Sd/-

Superintendent.

ANNEXURE IX
GOVERNMENT OF KERALA

ABSTRACT

Industries—Small Scale Industries—Model Footwear Unit, Cannanore—Transfer to private sector—Sanctioned—Orders issued.

INDUSTRIES (B) DEPARTMENT

G.O. MS. No. 68/66/Ind.

Dated, Trivandrum, 18-2-1966.

Read again:—(1) G.O. MS. No. 310 dated 13-4-1962, Industries (B) Department.

(2) G.O. MS. No. 775/Ind. dated 8-11-1963, Industries (B) Department.

(3) Correspondence resting with letter No. K1-93049/65, dated 19-10-1965 from the Director of Industries & Commerce.

ORDER

In the G.O. read as first paper above, Government ordered that the Model Foot Wear Unit, Cannanore may be transferred to the Prisons Department, in accordance with the directions given by the Government of India that the Production-cum-Training Centres started during the Second Five Year Plan period need not be run by the Government. As the Prisons Department was not in a position to run the Unit, efforts were made to transfer the same to the Kerala State Industries Corporation, who have also now expressed their inability to take over the Unit. Since the continuance of the Unit under the Industries Department will not be economic, the Director of Industries and Commerce has proposed to transfer the same to a private entrepreneur, who would be able to run the same profitably. The Director of Industries and Commerce has therefore suggested the following terms for the transfer of the Model Footwear Unit, Cannanore to the selected private party:

(i) The total cost of machinery (Rs. 10,705 less depreciation of usual rates from 1959—65) and also the cost of furniture and electrical equipments (Rs. 1,512.50 less depreciation) will be realised from the private party as on the hire purchase conditions. The party will

be asked to remit the cost of tools (to be valued according to its present condition after inspection), the cost of raw materials and the cost of finished goods in a lump sum.

(ii) In the case of raw materials and finished goods, before handing over, these will be inspected individually and the unserviceable items will be separated. In the case of completely damaged raw materials and thoroughly unserviceable finished goods, the same will be taken back by the Department and auctioned away.

(iii) The materials that can be utilised with some finishing and finished goods that could be sold by further improvement will be classified separately and given to the private party at a concessional rate of 50 per cent in the case of raw materials and 25 per cent in the case of finished goods.

(iv) The private entrepreneur selected for running the Unit will be directed to:—

(a) run the unit at Cannanore.

(b) give employment to the workers now employed in the Unit, subject to his own rules of conduct and work.

(v) The Technical Officer, Clerk, Peon-cum-Watchman will be withdrawn and given suitable postings elsewhere in the Industries Department. If vacancies exist and if they can be accommodated.

2. Government have examined the above proposals of the Director of Industries and Commerce for the transfer of the Model Foot Wear Unit, Cannanore to the private sector and they are pleased to accept the same subject to the modification that no reduction at 50 per cent of the book value for raw materials will be given, but the raw materials should be valued at cost. The hire purchase conditions under which the cost of machinery, furniture and electrical equipments etc. is to be realised from the private party will be the same as those laid down in the G.O. MS. No. 775/Ind. dated 8th November, 1963.

3. The proposal of the Director of Industries and Commerce to select the private entrepreneur after inviting offers by a suitable advertisement in the newspaper is also accepted.

4. Separate orders will follow regarding the procedure to be followed in the adjustment of accounts consequent on the transfer of the Unit to private sector.

(By order of the Governor)

K. RAMASWAMY IYER,
Deputy Secretary.

To

The Director of Industries and Commerce etc. etc.

Forwarded/By order

Sd/-

Superintendent.

Sd/-

Superintendent.

ANNEXURE X
GOVERNMENT OF KERALA

ABSTRACT

Small Scale Industries—Model Footwear Unit, Cannanore—Transferred to M/s. Western India Leather (Private) Ltd. Resumption—orders issued.

INDUSTRIES (B) DEPARTMENT

G.O. RT. 641/ID.

Dated: Trivandrum, 16-9-1966.

Read:—1. G.O. Ms. 315/66/ID, dated 22nd July, 1966.

- 2. Letter No. DS1-29475/66-8, dated 24th August, 1966 from the District Collector, Cannanore.**
- 3. Letter dated 22nd August, 1966 from Sri V. P. Abdulla, Managing Director, The Western India Leathers (Private) Ltd. Calicut.**
- 4. D.O. No. K1-81081/66, dated 3rd September, 1966 from the Director of Industries and Commerce.**

ORDER

In the G.O. read as first paper, sanction was accorded for the transfer of the Model Footwear Unit, Cannanore to M/s. Western India Leathers (Private) Ltd., Calicut. Accordingly the Unit was handed over to the company on 12th August, 1966.

2. The District Collector, Cannanore has now forwarded a copy of the proceeding of the District Development Council, Cannanore requesting the transfer of the Model Footwear Unit to the Co-operative Sector or to Kerala State Small Industries Corporation Ltd. Representations have also been received by Government in this regard.

3. The Director of Industries and Commerce has reported that M/s. Western India Leather (Private) Ltd. has agreed to retransfer the Unit so as to enable Government to examine the question de-novo. In the circumstance, sanction is accorded to resume the Unit from

M/s. Western India Leathers (Private) Ltd., after paying the amount of Rs. 9120.08 remitted by the company as first instalment.

4. Separate orders will be issued regarding the future set up of the Unit.

(By order of the Governor)

K. RAMASWAMY IYER,

Deputy Secretary.

To

The Director of Industries and Commerce.

The District Collector, Cannanore.

Sd/-

The Accountant General.

Sd/-

Sd/-

Superintendent.

APPENDIX XXXIII

(Para No. 5.30 of this Report)

The basis on which the decision was taken to allot the building to a private party and construct a new building for the requirement of the Government.

The Tool Room Workshop, Pappanamcode, Trivandrum was sanctioned in July 1961 for implementation during 1962-63. The Unit was intended to meet the growing demand for improved tools, dyes, jigs and fixtures for a wide variety of small scale industries.

The Unit was proposed to be started in a special type shed in the Industrial Estate at Pappanamcode. The special type shed formerly occupied by the Bharat Electrical Company (P) Ltd., and which fell vacant on 1st July, 1962 was proposed to be taken for this purpose and the Managing Director, Kerala State Small Industries Corporation was requested by the Director of Industries and Commerce on 9th July, 1962 and again on 15th October, 1962 to allot this shed for the scheme.

M/s. Kelpunj Enterprises (a private party) were having a 'C' type shed in the Industrial Estate and they had constructed a thatched shed on 4th August, 1960 as the space was not sufficient for them. The party had also been requesting the Kerala State Small Industries Corporation Ltd. for additional space ever since they came on 16th June, 1960 and applied on 1st October, 1962 for the allotment of the special type building vacated by the Bharat Electrical Company (P) Ltd.

The Management of the Industrial Estates was transferred to the Kerala State Small Industries Corporation Ltd. on an agency basis with effect from 1st July, 1962,

Orders for the machinery costing Rs. 1,34,109|- were placed in September 1962 only. Other items to be purchased on rate contract and tools etc. (cost Rs. 1,92,437) were still to be ordered. The shed proposed for the Tool Room Unit was not immediately required for the Workshop and with a view to avoiding payment of rent for the shed without properly utilising it, it was agreed by the Director of Industries and Commerce on 30th October, 1962 that the shed be allotted to the private party who was ready to occupy the shed immediately. The shed was accordingly allotted to the private party

by the Kerala State Small Industries Corporation on 1st November, 1962. The party occupied the building on 17th December, 1962. The advantage in allotting the shed to a private party was that a unit which was housed temporarily in a thatched shed and which could not continue there for want of proper accommodation was got established in the Industrial Estate.

The Government was not kept informed of the decision to allot the building to a private party.

The question of construction of a new building for the Tool Room Unit was discussed by the Joint Director of Industries and Commerce (Small Scale Industries) with the Managing Director, Kerala State Small Industries Corporation in January 1963 under the instruction of the Director of Industries and Commerce, since there was no other vacant factory shed in the Industrial Estate to house the Unit when the machinery was received. The Corporation agreed to the construction of a new building for the Tool Room under the expansion programme of the Industrial Estate. The final decision on this question was taken by the Director of Industries and Commerce on 29th January, 1963. The construction of the building was completed in January 1964 and the building taken over by the Department in June, 1964. Machinery costing Rs. 89,211.00 received till that date was being stored in the space available in another shed occupied by a departmental unit. No additional cost was incurred for storing the machinery.

Sd/-

Joint Secretary,
Industries Department.

APPENDIX XXXIV

(Para No. 5.47 of this Report)

Whether it was a firm of solicitors or lawyers that was retained and how the retention fee was reckoned?

NOTES

In G.O. Rt. No. 757/Ind. dated 16-9-1964, Government appointed Messrs Joseph & Markos, Lalwyers and Notaries, Kottayam as the retainers of Government on company law matters for a period of two years from 10-3-1963 (from the date of first consultation) on the following terms and conditions:—

1. Messrs Joseph & Markos will be paid a retainer fee of Rs. 500/- per mensem.

2. Their travelling allowance will be:—

(a) Plane fare plus Rs. 50/- (D.A.) within the State.

(b) Plane fare plus Rs. 75/- (D.A.) outside the State.

(c) They will be paid regular fee for conduct of cases in Courts.

The above arrangement was to continue till 10-3-1965. The position was to be reviewed, in February 1965. As the case of Sri N. J. Nair had been settled and as there was no other cases to be referred to them, the appointment was not extended beyond the original period. A copy of G.O. Rt. No. 757/Ind. dated 16-9-1964 is enclosed (Annexure I).

Messrs Joseph & Markos, Lawyers and Notaries, Kottayam, who were retained as company law expert of Government are a firm of lawyers. Prior to the issue of orders appointing them as the retainers of Government, the Secretary to Government (Industries) discussed the question of retention fee to be paid to them with Sri Thomas Vellapally, a leading lawyer of the firm. According to Sri Vellapally Rs. 500/- is the lowest they receive from any firm. Their willingness to accept a retainer fee of Rs. 500/- per mensem was

as a special case, in view of special prestige attached to being consulted by the Government. Taking this aspect into consideration, and the commendable services they rendered to Government in tackling the legal problems, connected with the establishment of the Transformer Factory in this State, and also the possibilities of engaging specialists on commercial law in connection with the affairs relating to Industrial Projects in which Government are interested, Government decided that the payment of Rs. 500/- per mensem as retention fee to them was only fair and reasonable. The other terms are the usual ones in such cases.

Sd/-

*Joint Secretary to Government,
Industries Department.*

ANNEXURE I

GOVERNMENT OF KERALA

ABSTRACT

Industries—Establishment of a Transformer Factory at Ankamaly—Appointment of M/s. Joseph & Markos as retainers of Government—Terms and conditions—orders issued—

INDUSTRIES (H) DEPARTMENT

G. O. Rt. No. 757/Ind.

Dated, Trivandrum, 16-9-1964.

ORDER

Government of India had granted a licence to Sri N. J. Nair, Textile Supplies Syndicate (India) Private Ltd., Bombay for the establishment of a Transformer Factory at Ankamaly in technical and financial collaboration with Messrs. Hitachi Ltd., Japan with an authorised capital of Rs. 2.2 crores and issued capital of Rs. 1.1 crores. The State Government had agreed to take shares to the extent of Rs. 28.6 lakhs. Messrs. Hitachi Ltd., Japan also, had agreed to take shares to the same extent by way of supply of machinery required for the project. The basic agreement was executed by the representatives of Kerala Government, Messrs. Hitachi Ltd. Japan and Sri N. J. Nair. The subsequent actions of Sri Nair with regard to the project created numerous difficulties resulting in the basic agreement becoming infructuous. The Government had therefore to resort to legal advice of company law experts. Accordingly, Messrs. Joseph & Markos, lawyers and Notaries, Kottayam were consulted for legal advice. Messrs. Joseph & Markos have rendered commendable services to Government in tackling the legal problems connected with the establishment of Transformer factory in Kerala.

Government are of the view that there would be frequent occasions for engaging specialists on commercial law in connection with the affairs relating to the industrial projects in which Government

are interested. Taking all these aspects into consideration, Government are pleased to appoint Messrs. Joseph & Markos, Lawyers & Notaries, Kottayam as the retainers of Government on company law matters for a period of two years from 10-3-1963 (from the date of first consultation) on the following terms and conditions:—

1. M/s. Joseph & Markos will be paid a retainer fee of Rs. 500/- per mensem.

2. Their travelling allowance will be:—

(a) Plane fare plus Rs. 50/- (D.A.) within the State.

(b) Plane fare plus Rs. 75/- (D.A.) outside the State.

(c) They will be paid regular fee for conduct of cases in Courts.

This arrangement will continue till 10-3-1965. The position will be reviewed in February 1965.

The expenditure in question will be debited to the new head of account "Retainers of Government in Company Law" which will be opened under "35 Industries (a) (i) Direction". Orders in this regard will be issued from Finance Department.

The Director of Industries and Commerce is authorised to draw the amount as per the above terms of appointment and disburse the same to Messrs. Joseph & Markos, Lawyers and Notaries, Kottayam immediately after getting the details etc. from Messrs. Joseph and Markos.

(By order of the Governor)

V. Venkitanarayanan,
Joint Secretary.

To

The Director of Industries & Commerce.

The Accountant General (This issues with the concurrence of the Finance Department).

The Finance Department (vide No. 4816/Ind. & PW/A2/64/Fin. dated 4-9-1964).

Copy to M/s. Joseph & Markos.

Sd/-

Deputy Secretary to Government.

APPENDIX XXXV

(Para No. 5.70 of this Report)

What is the position about the theft case? Where is the suspended person employed at present and what is he doing?

Shortages of goods have been noticed in all the eight Khadi Gramodyog Bhavans, Trivandrum, Quilon, Changanacherry, Cannanore, Kottayam, Trichur, Ernakulam and Alleppey, as detailed below:—

1. *Khadi Gramodyog Bhavan, Trivandrum.*—A shortage of goods worth Rs. 972.09 was noticed at the time of stock verification conducted on 31-3-1964. Similarly, an excess stock was also noted as mentioned below:—

Items	Shortage	Excess
	Rs.	Rs.
Khadi Cotton	677.09	945.64
Khadi Silk	260.00	139.17
Furniture and fittings	35.00	..
TOTAL	972.09	1,084.81

The furniture and fittings valued at Rs. 35/- found short in the stock verification is still in stock and this has been verified in the subsequent stock verification. As regards the shortage of cotton and silk varieties, set off of shortage against excess in similar and near similar varieties is being done by the Board as per orders issued in G.O., M.S. 303/Ind/64 dated 27-4-1964. (copy given as Annexure I). After the set off there is not likely to be any heavy deficit.

The Bhavan was later burgled on 14-5-1964. The Khadi Board informed the Police authorities of this theft, as soon as they got the information. This was reported to Govt. as well as the Commissioner of Police on 17-5-1964. The Sub-Inspector of Police (Crime), Vanchiyoore, Trivandrum, who conducted the investigation reported

to the Board in his letter No. Cr. 107/64 dated 3-3-1965 that no useful information either about the culprit or about the properties stolen could be gathered and that a report was sent to the Sub-Magistrate's Court, Trivandrum, on 18-12-1964 to include the case in the undetected list.

As the stolen goods could not be recovered, the Govt., in G.O., Rt.104/Ind/66 dated 18-2-1966 (copy given as Annexure II) sanctioned the write off of an amount of Rs. 1,723.83, being the value of the shortage noticed in the Bhavan, consequent on the theft.

2. *Khadi Gramodyog Bhavan, Quilon*.—A shortage of goods worth Rs. 32,849.93 was detected at the time of internal audit of accounts of the Bhavan on 6-8-1963. The Internal Audit Report was finalised and issued to the Manager on 30-5-1964 and his remarks were called for, for finalising the liabilities. Since the Manager failed to give any satisfactory reply, he was placed under suspension with effect from 20-8-1966, pending enquiry. Steps are being taken by the Board to conduct the enquiry. The net shortage can be assessed only after the shortages in stock are set off against excesses in similar or near similar varieties. The set off statements are being prepared by the Khadi Board and the liability will be fixed shortly. No subsistence allowance has been granted to him.

3. *Khadi Gramodyog Bhavan, Changanacherry*.—Irregularities such as shortage in cash and goods in the Bhavan were reported to the Kerala Khadi & Village Industries Board on 18-2-1965 by the Marketing Officer. Immediately the Board conducted stock verification and audit of accounts of the Bhavan and a shortage of goods and in cash amounting to Rs. 1,875.10 was then detected. The services of the Manager of the Bhavan who was responsible for the shortage were terminated with effect from 12-3-1965 F.N. The loss to the Khadi Board is being adjusted from the security deposit of Rs. 1,000/- furnished by the delinquent officer and also from the amounts due to him by way of salary and sales commission. The delinquent officer is reported to have consented to this course of action being taken by the Board. In case the security deposit, sales commission and arrears of salary are found to be insufficient to discharge his liabilities, the Board will take Revenue Recovery Proceedings to recover the balance due.

4. *Khadi Gramodyog Bhavan, Cannanore*.—The Manager of the Bhavan was placed under suspension by the Khadi Board with effect

from 13-8-1964, pending enquiry into the serious irregularities alleged to have been committed by him such as misappropriation of money, tampering of official records, etc. Subsequent audit in May, 1965 revealed a shortage of goods worth Rs. 3,520.30 which is inclusive of Rs. 1,270/- noticed at the time of stock verification conducted on 16-8-1964 in the Bhavan. On the basis of the preliminary enquiry conducted by the Board, charges were framed against him and his explanation obtained on 13-9-1966. The explanation is under consideration of the Board. Meanwhile, on the 25th July, 1966, the Board filed a complaint with the Police for taking criminal action against the delinquent officer. He has been granted subsistence allowance by the Board at the rate of Rs. 31/- per mensem from 13-8-1964 to 12-8-1965 and at the rate of Rs. 23.25 per mensem from 13-8-1965 onwards.

5. *Khadi Gramodyog Bhavan, Kottayam.*—The receipt of the goods valued at Rs. 7,553/- transferred to the Khadi Gramodyog Bhavan, Madras, from the Khadi Gramodyog Bhavan, Kottayam, in November 1964, has since been acknowledged by the transferee. The shortage of Rs. 343/- still outstanding relates to the shortages noted during stock verification as on 31-3-1964 (Rs. 219.79) and 31-3-1965 (Rs. 123.56). The shortage noticed in the stock verification on 31-3-1965 has already been recovered in full after the setting off of similar and near similar items. As regards the shortage detected in the stock verification conducted on 31-3-1964, the Khadi Board is taking action to recover the loss.

6. *Khadi Gramodyog Bhavan, Trichur.*—During the internal audit of the accounts of the Bhavan, conducted on 31-3-1964, a shortage of Rs. 541/- was noticed. Of this, an amount of Rs. 30.11 has already been recovered. Action is under way to recover the balance also after set off of the shortage of goods against the excess in similar and near similar varieties.

7. *Khadi Gramodyog Bhavan, Alleppey.*—A shortage of goods worth Rs. 1,763.87 was noticed at the time of the internal audit conducted on 31-4-1964 of the accounts of the Bhavan. Against this shortage, there was an excess of goods worth Rs. 1,579.40 also. After the set off of the shortage against the excess as per orders issued in G.O., (M.S.) No. 303/Ind. dated 27-4-1964, copy of which is given as Appendix I, the net shortage recoverable was only Rs. 239.05, of which a sum of Rs. 85.67 has already been recovered.

8. *Khadi Gramodyog Bhavan, Ernakulam.*—During the internal audit of the accounts of the Bhavan conducted on 31-3-1964, a shortage of goods worth Rs. 1,084.62 was detected. After the set off of the shortage against the excess stocks of similar and near similar varieties the net shortage was Rs. 65.30, of which an amount of Rs. 62.30 has already been recovered.

As regards the second part of the question, it may be pointed out that there is no information available either with the Kerala Khadi & Village Industries Board or with the Govt. as to whether the suspended persons are now employed anywhere. Under the rules, no person under the service of the Board should undertake any employment without the previous permission of the Board. An officer on suspension cannot, therefore, take up other employment.

ANNEXURE I

GOVERNMENT OF KERALA

ABSTRACT

Industries—Khadi & Village Industries—Physical verifications of Khadi stocks in Khadi Gramodyog Bhavans and sales Depots of the Kerala Khadi & Village Industries Board—Setting off shortages against excesses in similar and near similar varieties—Orders issued

INDUSTRIES (E) DEPARTMENT

G.O. MS. 303/Ind.

Dated, Trivandrum 27-4-1964.

Read: Correspondence resting with letter No. H4-2227/64 dated 6-4-1964 from the Director of Industries and Commerce.

ORDER

The Secretary, Kerala Khadi & Village Industries Board has reported that in many cases the distinction between different varieties of Khadi is so minute and subtle that it is quite possible for the staff of the sales depots to mistake one variety for another. He has therefore suggested that the net deficits in Khadi Stocks should be arrived at by setting off the gross value of excess in each variety against the gross value of the deficit in similar or near similar varieties. The Board has also drawn up a category-wise list of similar and near similar varieties of Khadi. He has also intimated that the practice is being followed in Madras State and has requested that sanction may be accorded for implementing the procedure here also.

The suggestion of the Board together with the list was communicated to the Khadi Commission and the Commission has agreed that in many cases the distinction between one variety of Khadi and other similar varieties is so minute that it is quite possible to mistake one variety for another.

In the circumstances Government are pleased to order that for each category of Khadi the net deficit in stocks should be arrived at

by setting off the gross value of excess in each variety against the gross deficit in similar or near similar varieties, as indicated in the list appended. In order to safeguard against malpractices, frequent, and not annual, physical verification of the items which are defined as similar or near similar varieties should be conducted. The excesses found in such verifications without any corresponding shortages should be added to stock balance and should not be allowed to be set off against shortages detected subsequently.

(By Order of the Governor)

Sd/- D. SIVARAMAN,
Joint Secretary.

To

The Secretary, Kerala Khadi & Village Industries Board (with C.L.)

The Director of Industries & Commerce.

The Accountant General.

Forwarded/By Order,

Sd/-
Superintendent.

True copy

Sd/- C. C. AHMED,
Joint Secretary (Industries)
Phone No. 3292.

LIST OF SIMILAR AND NEAR SIMILAR VARIETIES OF KHADI COTTON

- Category No. 1.** All Kora (unbleached) single thread varieties irrespective of Kal or length 27" width and below.
2. All Kora (unbleached) single thread varieties irrespective of Kal or length 36" width and above.
 3. All single thread bleached Khadi pieces, irrespective of Kal or length, 27" width and below.
 4. All single thread bleached Khadi pieces, irrespective of Kal or length, 36" width and above.
 5. All single thread dyed Khadi pieces, irrespective of Kal or length, 27" width and below.
 6. All single thread dyed Khadi pieces, irrespective of Kal or length 36" width and above.
 7. All colour woven S. T. varieties, irrespective of Kal or length, 27" width and below.
 8. All colour woven S. T. varieties, irrespective of Kal or length. 36" width and above.
 9. Towels and angavastrams, irrespective of Kal or length.
 10. Napkins and kerchieves, irrespective of Kal, width or length.
 11. All sarees, irrespective of kal, width or length.
 12. All blouse pieces and Chintz varieties irrespective of kal, width or length.
 13. All bed-sheets, table cloths, bed spreads, curtain cloth and other tapestry and furnishing cloth, irrespective of kal, width or length.
 14. All coatings, D. T., Drill and other double thread varieties Kora, bleached or coloured irrespective of kal, width or length.
 15. All dhoties bleached or unbleached, irrespective of kal, width or length.
 16. All other varieties excluding ready mades.
 17. All ready mades.

SILK AND BAFTA

- Category No. 1. Pieces and Cholie pieces.**
2. Sarees and skirt pieces.
3. Other silk varieties like stoles etc.
4. All ready makes.

WOOLLEN

- Category No. 1. Pieces.**
2. Ready makes.

Sd/- C. C. AHMED,
Joint Secretary (Industries).
Phone No. 3292.

ANNEXURE II

GOVERNMENT OF KERALA

ABSTRACT

Kerala Khadi & Village Industries Board—Teft of articles from the Khadi Gramodyog Bhavan, Trivandrum—Write off of loss—Orders issued.

INDUSTRIES (E) DEPARTMENT

G.O., Rt. No. 104/66/Ind.

Dated, Trivandrum, 18-2-1966.

Read:—Correspondence resting with letter No. KB/1864/Emp. dated 9-12-1964 from the Secretary, Kerala Khadi and Village Industries Board.

ORDER

The Secretary, Kerala Khadi & Village Industries Board, has reported that the Board's Khadi Gramodyog Bhavan at Trivandrum was burgled on the night of 14-5-1964 and that on physical verification of stocks a shortage worth Rs. 1,723.83 was noticed. It is further reported that the Police have not been able to apprehend the culprit. In the circumstances, there is no alternative but to write off the loss. Under Section 29B of the Kerala Khadi and Village Industries Board Act, Government alone are competent to sanction write off any sum in excess of Rs. 100. The Secretary, Kerala Khadi and Village Industries Board, has requested that sanction may therefore be accorded for the write off of the amount.

In the circumstances reported by the Secretary, Kerala Khadi and Village Industries Board, Government sanction the write off of the loss of Rs. 1,723.83P. (Rupees one thousand seven hundred and twentythree and paise eightythree only).

(By order of the Governor)

T. ASSAN,
Joint Secretary.

To

**The Secretary, Kerala Khadi & Village Industries Board
(with C.L.).**

The Accountant General (This order issues with the concurrence of Finance Dept. communicated in their U.O. Note No. 635/Ind. & P.W./A1/66/Fin. dated 15-2-1966).

The Finance Department.

Forwarded/By Order—

Sd/-

Superintendent.

APPENDIX XXXVI

(Para No. 6.16 of this Report)

Notes on Para 20, Kuttanad Development Scheme, Cases (iii) & (iv).

The Ring Bund or Cofferdam is intended to isolate a portion of the water spread area so that it may be de-watered and kept dry for facilitating the construction work.

1/3rd of the water spread at the barrage is to be isolated for each stage of the construction.

The project estimate provided for putting up ring bund, 15' top width, at +105.00 level, and 1:2 side slopes with dredged spoil, and with side protections, etc. so as to facilitate construction of the regulator in three stages. In all about 10500 Rft. were expected to be constructed, for which a rate of Rs. 66.00 per running foot was estimated. This bund was to be formed with dredged spoil, and retained in place by protective work consisting of coconut posts and wallings, etc.

When actual construction was started, it was decided to form a ring bund with a clay core inside to make it watertight. The idea was to put up a clay core with 10' top width, and side slope 1 in 4 (1 Horizontal to 4 Vertical), with protection of coconut posts and wallings. This was to be protected by dredging and dumping the dredged spoil to obtain a flat slope as originally envisaged in the project estimate. It was decided to do the construction of the core on contract and the shoulders by departmental dredging.

Accordingly the work was entrusted after tender. The description work was as follows:—

Unit	Description of work	Unit	Rate	Rates in words.
1	2	3	4	5
4000 Hft.	Putting up ring bund with 10' 0" top width and side slope 1 in 4 (Horizontal to Vertical) average height 15' and protecting			

1

2

3

4

5

the sides with $\frac{1}{2}$ split coconut posts of suitable length neither side driven below bed to a minimum depth of 5' 0" at 5' c/c and $\frac{1}{3}$ split coconut posts at midway between the above post in it 5' c/c also driven below bed to a minimum depth of 5' c/c and $\frac{1}{2}$ split coconut posts as crossties at 5' c/c and $\frac{1}{2}$ split coconut wailing pieces on either side in one row at top and $\frac{1}{2}$ split coconut wailing pieces on either side in two rows at bottom well tied with coir and screened with crushed bamboos and double new coconut cadjans for matting and filling inside with good kayal clay cut and conveyed from lake.

Rft. Rs. 37.75 nP. (Rupees
Thirty-
seven and
naye paise
seventy-
five only).

Probable amount of contract Rs. 1,64,000 and the rate given Rs. 37.75 nP. per running foot. There were also the following two special conditions of contract.

14. The rate quoted is inclusive of the cost of the maintenance work of the bund during the period when the barrier work is being done; and no additional claims shall be entertained for such maintenance.
15. The contractor will be responsible for repairing any breaches caused by unsound workmanship or to raise the level of the bund to proper section, when subsidence takes place.

The depth (or height) of the clay core (called ring bund) was given as 15' and no mention was made about side protections etc. The height was based on soundings (levels) taken at intervals of 500'. Though there was no specific mention of the side protections to be given by the Department with dredged material, the bund could

not have stood without such protection. In his notes of inspection dated 24th March, 1958, the Superintending Engineer is seen to have recorded as follows:—

“Gave instructions to the Sub-Division Officer and Contractor to hurry up with the work and see that the ring bund is finished in another month positively. The Sub-Division Officer has been also asked to go ahead with filling the outer toe of the ring bund by dredging simultaneously so that pumping and baling water may start from about 15th of May”.

Thus the contractor and the Departmental Officers were clear about the nature of work. The clay core was to be formed by the Contractor and the Department was to fill the sides with dredged earth. The clay was likely to sink gradually while drying and the contractor was to rectify the same.

The work was started from 7th February, 1958.

Method of measurement:

The rate fixed for this work was Rs. 37.75 nP. per running feet. The measurement of the bund for the purpose of payments is also therefore on running feet basis. The measurement to be recorded in the measurement book is the actual length of bund, and not the actual heights.

The claims of the contractor for the three payments mentioned in the audit para are seen to have been received by the Executive Engineer in 1958 itself. In his report dated 12th December, 1958 to the Superintending Engineer, Irrigation South Circle, the Executive Engineer has dealt with these claims. These are dealt with below:—

1. *Payment of Rs. 8333 for portion of bund washed off by waive action.*—As has been explained above, the Superintending Engineer had arranged for protective dredging as early as 24th March, 1958. It was quite clear even at that stage that without protective dredging the work executed by the contractor could not stand. The Contractor's claim was that the top of the bund was washed off while waiting for dredging to be completed, inspite of all his efforts. The Executive Engineer has reported to the Superintending Engineer on 12th December, 1958 that there had been delay in dredging owing to break down of machinery and that during that time the clay fill has been washed off by waves during the rainy reason. He has also

stated that the quantity washed off is 80,125 cft. and he has recommended that the clay lost may be allowed for. The department has worked out a rate of Rs. 104 per 1000 cft. for re-forming of washed off earth. Since this washing off of clay was not due to unsound workmanship, and since its reformation cannot be treated as mere maintenance, sanctioning of this rate appears to be in order.

2. *Filling with Vetchoor Clay.*—The agreement was for forming a bund with clay taken from the lake (good quality kayal clay). The contractor claimed that as it was found that kayal clay would not withstand the dashing of waves and movements of water, due to the frequent plying of motor boats, the top portion for a height of 10' of the bund was formed with Vetchoor clay. The Executive Engineer in his letter to the Superintending Engineer dated 12th December, 1958 has stated that using Vetchoor clay was the contractor's own idea, but that the department had not forbidden it when it was pointed out that it was being used. In this connection it may be stated that Vetchoor clay is a clay, of greater toughness and better consolidating properties. The Section officer had reported on 18th February, 1959 to the Sub-Division Officer as follows:—

“It is true that the contractor has used Vetchoor clay for filling the top 10' of the bund. In the beginning stages of construction kayal clay was used for filling the inside. The bund has been washed off in several places even though additional protections were given by dredging sand on either side. This was mainly due to very long time taken by the kayal clay to get itself consolidated, and also due to the washing of the dredged spoil. These were reported to you in my letter of even number dated 6th June, 1958. To put an end to the constant damages to the bund, the contractor has used Vetchoor clay which is well known for its quality, to fill the top portion for an average depth of 10'. On local enquiry it is known that Vetchoor clay is available only at a distance of 8 miles from here. Moreover, a seigniorage of Rs. 1.50 per unit of 100 cft. is to be given at the loading place to the land owners.”

This claim was not settled till 1961. However, since it was accepted that the use of Vetchoor clay was in the interest of the stability of the work, the Chief Engineer approved the payment of seigniorage rate which was to be paid to provide the land owners for obtaining this clay.

Sub Para (iv).—According to the agreement, the Ring Bund was to be formed with an average height of 15'. This height of 15' was assumed to be the height that would be necessary for the bund to reach the level of +105.00 which has been specified in the Project Report as the top level of the bund. In other words the main requirement as far as the ring bund is concerned was that the top of the bund should be at the level of +105.00. It is reported in the Executive Engineer's report letter dated 12th December, 1958, that the average of 15' depth was assumed without actual measurement. He has reported as follows :

"It is unusual to do ring bunding of such depth. An L.S. Section along with the centre line of the barrier with depths at about 500' (intervals) alone was available and hence an average of 15' depth was assumed for the Coffor dam. During construction the actual depth to the surface was measured at 25' intervals to determine the average depth. The sections are plotted and submitted herewith. The average depth as per computation comes to 18.53'. There is a certain amount of loose clay at the bottom for about 1½' depth. Assuming that this will be displaced, an average depth of 20' has been done. As the Contractor's agreement provides for only 15' depth, extra payment has to be done for the balance."

The plotted levels of the floor of the Lake referred to by the Executive Engineer are available. It therefore follows that as long as the top level of the bund was maintained at +105.00 for the entire length, the height of the bund should also have been of the order of 20' average.

The measurements of the bund were taken by the Junior Engineer from time to time. He had only measured the length of the bund that was being formed under the water. In the column relating to the description of the work, he has mentioned in the initial stages only 15' height because that was the description of the work according to the agreement. He has made suitable deduction in part bills for portions of the bund not formed to full height.

Meanwhile the Executive Engineer and the Superintending Engineer had proposed a revised rate for the ring bund with an average height of 20', and the Chief Engineer had in his proceedings dated 31st July, 1959 approved the rate of Rs. 53.02nP. per running foot of Coffor dam for this work. On the basis of this a supplementary agreement was entered into.

After this agreement was entered into, the Junior Engineer entered the measurements showing 3745' with 20' average height and 450' with 15' average height. It may be stated in this connection that the rate approved by the Chief Engineer was for the entire length of bund with 20' average height. But the Junior Engineer apparently allowed this rate only in places where the actual height has exceeded an average of 15'. Thus although the average height of the entire bund was 20', the Junior Engineer did not allow this average for the entire length. This question therefore remained unsettled, and in November 1961, the Executive Engineer, Thanneermukkom again raised this issue pointing out as follows:—

“The original estimate was for putting up the bund of 15' average height. But as already reported vide this office No. AB-16'58. dated 12th December, 1958, a revised average height of 20' was found necessary. While preparing the part bills at the time of construction measurement of the completed portions are seen recorded as of having 15' height for 450' length and 20' height for the balance 3745'. The Contractor's contention is that he may be paid for the average 20' height for the entire length of 4195'. It is seen from the files that the figure 20' was arrived at by computing the average of the varying heights for the full length of 4195' (which comes to 18—53') and adding 1½' height of slush to this average. Under the circumstances it is only fair that the average height of 20' is accepted for the whole length of 4195'.”

This was approved by the Chief Engineer, in his proceedings dated 9th November, 1961. It is also seen on the record that this question was gone into in detail by the Chief Engineer, General and Irrigation during his inspection on 10th September, 1961. This revision of height as approved by Chief Engineer is what is entered in the measurement, quoting authority.

The rate for 20' height of bund was again revised by the Chief Engineer on 20th July, 1961 to Rs. 54.84 per Rft. on the basis of revised data submitted by the Superintending Engineer in his letter dated 6th May, 1961.

On this basis the Executive Engineer is seen to have made payments; but no supplementary agreement was executed. A sheet showing the schedule to be attached to the agreement on stamp paper, signed by the contractor but not by the Executive Engineer is available among the papers of the Executive Engineer's Office; but

the payments were made without an agreement. This was no doubt irregular; but the payments were at rates approved by the Chief Engineer. Before the agreement could be executed, the officer passed away.

On 19th November, 1964, the Superintending Engineer instructed the then Executive Engineer to prepare a fresh supplementary agreement. This has been done.

Sd/-

*Secy. to Government,
Public Works Department.*

APPENDIX XXXVII

(Para No. 6.24 of this Report)

A written note on this sub para may be furnished indicating remedial measures for rectification of defects at the risk of the firm.

Two mixers (Lynox) were supplied in the year 1959 by M/s. General Industrial Stores Supplying Company, Calcutta. One of the machines was delivered first on 27th March 1959. As per supply order conditions first trial and satisfactory working of the machine had to be undertaken by the Company free of charge. However the machine was found damaged. Therefore it was decided by the Executive Engineer Irrigation Division Thanneermukkom on 3rd June 1959 to make payment only of 80 per cent at the time of delivery. The balance 20 per cent was withheld to be paid after the damages noticed were rectified by the Company. A month later, (on @@.....1959) the other machine was also received and this too was found in a considerably damaged condition. No payment has been made for this machine. The Company deputed their Engineer on 8th January, 1960, and one of the machines was repaired but when put to use, it was also found out of order. The firm sent another mechanic on 10th August 1960 but nothing could be done by them. So full cost towards the supply of one machine (Rs. 7,950) and the balance 20 per cent for the other one (Rs. 1,590) remain to be paid. Both the mixers could not be used in their present condition and are still lying idle.

The 2 vibrators were ordered from M/s. Cochin Electrical Trades Ltd., Ernakulam in August, 1958 and were supplied in January, 1959. Certain defects were noticed; but 90 per cent payment (Rs. 3,488) was recommended by the Assistant Engineer and paid to the firm under orders of Executive Engineer in March, 1959. The firm was asked to rectify the defects on 19th January 1959. Later on, on 11th June 1959 the then Assistant Engineer Shri Sreenivasa

@@From the letter of the Company it is seen that both the mixers were despatched to the Assistant Engineer Thanneermukkom under Challan No. 11029 dated 6-2-1959 and R. R. No. 401940 dated 18-2-59. But in his letter G-25/58 dated 4-7-1959 the Assistant Engineer has reported to the Executive Engineer that one mixer received at Cochin Harbour on 27-3-59 and that the other received after a lapse of about one month.

Iyer went to Ernakulam and personally discussed with the Director of the Company regarding the defects and the Director agreed to depute a mechanic. But on seeing that nobody came, the Company was reminded on 1st July 1959 and 15th September 1959. During this period certain spares were received but no mechanics were directed. The above position was again intimated to the Company on 27th February 1960. But the Company intimated in their letter No. Ref. H. 16/60, dated 3rd March 1960 that the conditions of the supply do not bind to guarantee perpetual sound working and that they could not take responsibility for the defects reported to them since the defects had not been reported within 30 days of its receipt. Again the Executive Engineer reminded the Company on 3rd November 1960. But no action has been taken by the Company till date to rectify the defects.

The vibrators can be repaired; the estimate for this is Rs. 500. The balance amount (Rs. 388) has not been paid so far. Action is being taken by the Executive Engineer to repair the machines and debit the cost of repairs to the account of the supplier firm.

What action has been taken against the Officers concerned ?

The explanation of the Assistant Engineer who recommended the part payments was called for by the Chief Engineer in No. FG3. 51/63, dated 18th September 1965. The Assistant Engineer's explanation has been received by the Chief Engineer on 16th July, 1966. It is now under examination by the Chief Engineer. Final orders will be passed shortly.

The question whether any other officer was also responsible for the payment will be decided in the light of the explanation of the Assistant Engineer, who has claimed that his actions were taken under orders of superior officers. This aspect has to be examined further.

Sd/-

Secretary to Government,
Public Works Department.

APPENDIX XXXVIII

(Para No. 6.34 of this Report)

A note giving details of schemes (costing Rs. One crore or more) where the cost has gone up by 80 per cent owing to delay in execution for paucity of funds.

1. Thanneermukkom Project

The Project was started during the second plan (1958). The cost according to the original estimate is Rs. 43.58 lakhs. The revised estimate amounts to Rs. 313.00 lakhs.

As per original proposal the work was expected to be completed in 3 years i.e., by the end of second Five year plan. The Project is expected to be completed in 1970-71.

Statement showing the funds required for completing the project, budget allotment and expenditure is given below.

Sl. No.	Period	How much funds were requested for each year for completing the scheme by the Target date	Budget allotment	Expenditure
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1	1958-59	..	26,67,900	2,61,272.98 6,82,183.02
2	1959-60	..	17,90,000	14,52,086.51
3	1960-61	40,00,000	22,31,600	17,80,005.16
4	1961-62	25,00,000	15,29,700	12,79,774.04
5	1962-63	27,00,000	15,05,000	17,66,740.40
6	1963-64	28,43,000	13,41,000	20,43,933.68
7	1964-65	20,30,000	17,68,500	8,38,014.10
8	1965-66	30,10,000	14,35,100	8,32,654.38
9	1966-67	20,10,000	15,83,000	6,04,765.59
				1,15,41,429.86

2. Pothundy Project

The Project was started during the second plan (1958). The cost according to the original estimate is Rs. 88.00 lakhs. The revised estimate amounts to Rs. 234.25 lakhs.

The due date of completion of the Project was 3/65. The date was subsequently revised to 3/68. The Project is expected to be completed by 31st August 1967.

Statement showing funds required for completing the project by the target date budget allotment and expenditure is given below.

Sl. No.	Period	How much funds were requested for each year for completing the scheme by the target date	Budget allotment	Expenditure
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1	1957-58	Nil	Nil	11,421.46
2	1958-59	5,00,000	4,59,800	4,48,390.34
3	1959-60	25,00,000	16,16,000	14,67,690.42
4	1960-61	30,36,000	34,47,500	22,83,666.73
5	1961-62	30,00,000	30,00,000	29,95,236.65
6	1962-63	30,00,000	23,54,000	23,93,252.02
7	1963-64	30,00,000	30,06,500	34,61,943.91
8	1964-65	40,00,000	36,03,900	26,05,475.58
9	1965-66	42,00,000	38,48,400	37,70,593.00
10	1966-67	30,00,000	28,90,300	..

3. Periyar Valley Irrigation Project

The Project was started during the second plan (1956). The cost according to the original estimate amounts to Rs. 348.00 lakhs. The revised estimate amounts to Rs. 640.00 lakhs.

As per the original proposal work has expected to be completed by 31st March 1961. The Project is expected to be completed by 31st March 1970.

Statement showing the funds required, funds allotted and expenditure is given below:

Sl. No.	Period	How much funds were required for each year for completing the target date (in lakhs of rupees)	How much funds were allotted by Government	How much spent each year
(1)	(2)	(3)	(4)	(5)
			Rs.	Rs.
1	1956-57	34	9,00,000	7,87,544
2	1957-58	70	23,33,000	23,15,405
3	1958-59	87	23,81,500	28,81,491
4	1959-60	87	46,71,800	43,01,960
5	1960-61	70	50,68,200	50,68,246
6	1961-62	..	33,88,800	33,88,800
7	1962-63	..	38,71,200	39,13,900
8	1963-64	..	44,29,800	44,29,704
9	1964-65	..	46,36,900	46,36,156
10	1965-66	..	68,91,000	68,91,072
11	1966-67	..	56,56,000	7,49,366

up to 9/66.

Expenditure upto 9/66—Rs. 3,93,63,649·81.

Sd/-

Secretary to Government,
Public Works Department.

APPENDIX XXXVIII

A note showing the financial outlay achievements and the time taken.

The details showing the financial outlay achievements and time taken for the Periyar Valley Irrigation Project are furnished below:

Year	Amount voted by the Legis- lature (Works Por- tion)	Expenditure incurred (Works Portion)
	Rs.	Rs.
1956-57	15,34,000	7,87,544
57-58	28,33,300	23,15,406
58-59	32,93,500	28,81,490
59-60	47,05,500	42,88,610
60-61	50,88,200	50,68,246
61-62	27,88,800	33,88,800
62-63	28,93,900	39,13,901
Supplementary Grant . . .	1,00,000	..
1963-64	44,29,800	44,29,704
64-65	37,36,900	46,36,155
65-66	28,44,100	68,91,072
Supplementary Grant . . .	27,27,200	..
1966-67	56,56,000	6,20,760
		(Upto June, 1966)

Anticipated achievement

Irrigation for 63,300 acres at the completion of the project.

Achievement actually accrued so far

Supplying water for 15299 acres through completed portion of canals (18 miles main canal 62 miles major distributory and 35 miles minor distributory) from November, 1965.

Time taken

Started in June 1956 and scheduled to be completed by end of 1960-61. Work is in progress. Expected to be completed by the end of the Fourth Five Year Plan. The main reason for the delay in completing the project is lack of adequate funds and consequent insufficient personnel being posted for completing the project. During detailed investigation in the course of construction, the length of major distributories have also increased causing increase in cost.

APPENDIX XXXIX

(Para No. 6.38 of this Report)

A written note on this sub-para may be furnished showing action taken for utilisation/disposal/repairs of machinery and reasons for machinery remaining idle for long periods.

(i) The different machineries are idling from different dates from 1961 onwards. They are kept idle due to want of work or due to want of repairs. Since these were purchased for a large project and since similar projects are few, immediate use could not be found for them. These machineries will be issued to other divisions as far as possible. A statement showing the details of the machinery, book value, date of purchase, present stage etc. is given below:—

DETAILS OF IDLING MACHINERY

Sl. No.	Description of Article	Nos.	Date of purchase	Book value	CBV/Adj. No. & Date	Date from which idling	Present stage	Remarks
1	2	3	4	5	6	7	8	9
Rs. each								
1	Wecker External Vibrator (Electric.)	3	11-4-58	959.50	CBV 26 6 of 58.	1963	In good working condition. Reserved for use under the Division.	
2	Water Tank Tailor 200 gallon	1	26-3-57	1000.00	CBV. Adj. 2 of 6/57	1963	In good order. Being used under Sub Dn. No. I., Planchode.	
3	Jhonson Vibrator petrol Driven	1	12/57	2205.00	CBV 49 of 2/58	1964	In good working condition. The machinery is being used under the Division.	
4	Imani Pumpset 7.5 H.P.	3	14-3-58	4099.00	CBV 32/ 10/58	1962	1 No. transferred to Chittorputzha Dn. as per Adj. item 5 of 9/66. 2 Nos. in good condition.	
5	Wickharm builders Hoist 40.59 Cwt.	1	1958	12000.00	..	1963	In good condition Reserved for use under the Division.	
6	E. U. L. Air Hoist	1	11/59	1,500.00	..	1963	Do.	
7	Sump Pump	1	2/58	437	Adj. item 5 of 3/58	1962	Beyond repair	Action is taken to dispose it in public auction.

1	2	3	4	5	6	7	8	9
								inspection whether this can be put to use after repair.
15	Pumpset	. . . . . 12 Nos.		8944.00	Adj. item 22 of 1/60	1962 onwards	4 Nos. transferred to other Dn. 4 Nos. used in Sub Dn. under this Division. 2 Nos. in working condition.	
		5 Nos.	11/59	7303.20				
		4 Nos.	5/58					
		3 Nos.	10/57	4635.90				
16	5 T.S. Winget Concrete Mixer.	1 No.	7/57	3530/- Each.	CBV. 19. Dn. of 7/57		Mixer is under repairs worked upto 4-1-66. Used under the Dn. off and on.	As there is no sufficient work of the machinery under the Dn.

(ii) Details of surplus stores are furnished below:—

1. A.C. pipes 3" dia. 6' long 498 Nos.	2750.00
2. 10" × 5" RS Joint (Tested) 1357 kgm.	1203.00
3. Do. (Untested) 19665 kgm.	17698.00
4. 270 × 122 MMs. RS. Joints 18811	16930.00
5. AC pipe 4" dia. 6' long 453 Nos.	3284.00
	<hr/>
	41865.00
	<hr/>

The surplus stores are not required in the Periyar Valley Irrigation Division. The materials are idling in stores for the last 3 years. The list of surplus materials have been circulated among other Divisions and their requirements are being ascertained.

Sd/-

*Secretary to Government,
Public Works Department.*

GOVERNMENT OF KERALA

ABSTRACT

Bhothathankettu Irrigation Project—Slackness in execution of canal works—Request of contractors for extra payment—Sanctioned.

Public Works (Irrigation) Department

G.O. RT. 2124

Dated: 16-10-1962.

R e a d :

Letter No. PR2-14488/61, dated 9th February 1962 from the Chief Engineer (General and Irrigation).

ORDER

Some of the contractors for P.V.I. Project represented to Government their difficulties in completing the Bhothathankettu Project canal works due to the unworkable rates awarded for some parts of the work. According to the Chief Engineer, General and Irrigation the slackness of works is due to two main reasons *viz.*

(1) Introduction of a new clause in the agreement executed in respect of the work of main canal and two major branches of the project that the contractor is bound to do any quantity of work in excess of the schedule when required by the Departmental Officers at his agreed rate or the estimated rate effecting tender reduction whichever is less; and

(2) The Department could not make a correct estimate of the quantum of work to be executed.

Though according to the agreement the contractors have no legal claim for extra payment, the Chief Engineer (General and Irrigation) says the above two factors have done havoc to certain contractors and they have been brought to the verge of ruin.

The variation in the actual quantity of rock blasting and the estimated quantity ranged upto 7 times in certain cases. Similarly some of the canals passed through areas which had heavy springs even in summer. When the canal was in deep cutting very heavy pumping was required to keep the bed dry. In some portions the canals was to be blasted through rocks with flumed sections

which was to be later lined with masonry or concrete. As the contract rate was inclusive of all incidental charges such as dewatering the canal etc. no payment was made for the extra pumping. But in certain miles ground water flow was so heavy that dewatering charges will form a large percentage of the total cost of excavation.

While embankments were formed the contractors had to use rollers for compaction of earth and since rollers could not be taken upto the end of the loose soil they were asked to provide extra width of 2 ft. for each layer. But no payment was made for this extra 2 ft. provided, as the rate quoted for forming banks was for a unit of compacted fill.

After detailed consideration of all aspects of the question Government feel that a lenient view has to be taken in the matter and the contractors have to be paid extra charges for the extra work done by them. They therefore order that the following extra charges may be paid for the works relating to this contract.

(1) For the rock blasting in excess of 10 per cent of the scheduled quantities at the estimated rates, to the contractors of the main canal miles I—II mile 2nd reach, II mile 3rd reach. IIIrd mile 1st reach. IV, V, VI, VIII, IX, XIII, XIV, XV miles and Kizhakkambalam branch canal 2nd miles (total 13 contractors). The amount involved is approximately Rs. 1,10,000.

(2) To grant extra payment for bailing water at the rate of Rs. 7.50 per unit of earth work for quantities above the bed for an average depth of 4 ft. for the contractors of the main canal 1, 2 (I and III reaches) 9, 13 and 14 Kizhakkambalam branch canal 1 and 2 miles Mulavoor branch canal 1, 2 and 4 miles Valakom Branch canal IIIrd reach (all the three sections) Valakombranch canal IIIrd reach 1st section Muzhavannoor branch canal 2nd and 3rd miles. The total additional cost involved is Rs. 50,000 approximately.

(3) To grant extra payment at Rs. 3.85 for 1000 Cft. for the extra 2 ft. width on the 2 slopes into the canal bed level and thereafter on the 4 slopes upto the particular level above which the balance quantity of earth for the 2 banks equals the earth obtained from trimming the slopes for the correct profile. to the contractors for all the miles referred to under item (i) above. Kizhakkambalam branch canal miles 1, 3 and 4 Alwaye branch canal miles 1st and 2nd mile 1st reach and Parur branch canal first reach. The total additional cost involved is Rs. 60,000 approximately.

The extra claims for removal of projections in rock blasting in canals are disallowed.

The expenditure on this account will be met from the funds allotted for the project for the current year under head 43A(i) (1) C(3).

(By Order of the Governor)

V. P. CHERIYAN,
Deputy Secretary to Govt.

To

The Chief Engineer (General and Irrigation).

The Accountant General (This order issues with the concurrence of Finance Department).

The Finance Department.

Sd/-

*Secretary to Government,
Public Works Department.*

APPENDIX XL

(Para No. 6.52 of this Report)

Extra expenditure incurred on construction of a bridge on Neezhoor-Kaduthuruthy Road.

The facts contained in the paragraph are correct.

The estimate for the work was only for an amount of Rs. 44,900 (original) and Rs. 54,300 (revised). Normally, trial borings or test piles are generally taken for bigger works. This is how the full data regarding the depth of piles required was not available at the time of fixing the contract. The extension of piles became necessary as a result of difficulties observed during the actual execution.

There was considerable delay in the progress of the work. The contractor stopped the work as soon as he had driven the piles upto the depth of 18 feet which was provided in the original agreement. The Executive Engineer gave many notices to the contractor; but the contractor refused to do the extra works.

His contract was therefore terminated in August, 1960 and work arranged through another contractor at a higher amount.

The question whether the original contractor could not be penalised for not executing the additional works allotted to him was considered. For considering this, the original agreement and the notices issued by the Executive Engineer were looked into. Clause 13 of the Conditions of Contract reads as follows:—

“The Executive Engineer, shall have power to make any alterations in the original designs, drawing or instructions that may appear to him to be necessary during the progress of the work and the contractor shall be bound to carry them out *within such time as the Executive Engineer by writing under his hand specifying the alterations, shall appoint*, and on the same conditions as the contractor agreed to do the main work, and if there shall be no rate agreed on for the extra work, then the work shall be done at the rates mentioned in the estimate for such work, and if there should be no estimate or no such work should be mentioned therein then at the rate mentioned in the current departmental Schedule of Rates for the

locality. Such alterations shall not invalidate the contract, but the time for the completion of the work will be extended in the proportion that the extra work bears to the original contract work and the certificate of the Executive Engineer shall be conclusive as to such proportion but the contractor shall not make any alteration or execute any work not provided in contract without the Executive Engineer's authority in writing".

It was found that the Executive Engineer had not strictly observed the conditions of giving a notice in writing under his hand, specifying the alterations, and specifying the time within which the contractor was to carry them out. Law Department who were consulted, advised that as the condition have to be strictly followed, and since the requisitions made by the Executive Engineer did not specify the time within which the work had to be done, it can be said that the condition has not been complied with to fasten liability on the contractor. Government accepted the Law Departments advice, and did not proceed with the proposal of recovering any amount from the contractor.

Sd/-

*Secretary to Government,
Public Works Department.*

APPENDIX XLI

(Para No. 6.56 of this Report)

Shortage of Iron and Steel materials during transit.

It has been made clear in the audit para that no responsibility is attached either to the firms or to the Railways in respect of shortages of iron and steel during transit. While forwarding the audit para, Accountant General has suggested that Government may consider the practicability of deputing a representative of Government to supervise the loading, etc. as suggested by the Iron and Steel Controller or the feasibility of persuading the suppliers to send clear railway receipts, if necessary, on payments of some consideration. The first suggestion is in pursuance of the Government of India's Circular dated 6th October, 1959 which stipulates that indentors requiring clear railway receipts should arrange with suppliers to give them prior intimation, and to depute one of their own representatives to supervise the loading.

The Chief Engineer has pointed out that there is no planned programme of despatches from works, nor is there any obligation on the part of suppliers to effect delivery within any specific period. Since bookings from railway stations will depend both on availability with the suppliers of the material, and of wagons with the railways, it would not be possible to send Officers from Kerala to the railway stations from which bookings are made.

The question whether insurance could be arranged against losses was also considered, but it was found that since railways would not give specific shortage certificates, and since the materials are despatched only on conditional receipts, insurance companies would not accept any liability.

Losses in transit can be avoided, if arrangements are made with suppliers to deliver the materials in the Departmental Stores. This will however, cost about Rs. 50 more per ton. Another method is to order the requirements with re-rollers in the Southern Region, which would avoid atleast losses in transshipment. These suggestions of the Chief Engineer are being examined. The procedure that is followed in the other States is also being ascertained. Accountant General is aware of the position.

A statement giving the up-to-date position regarding shortages of iron and steel noticed in the supplies received during the period 1959-60 to 1962-63 is attached.

109 cases (value of Rs. 52,314.48) come within the permissible weight tolerance of 4 per cent for untested steel, and 2½ per cent for tested steel and can be written off for which action is being taken.

In 40 cases, value Rs. 60,997.84 the shortages in each consignment exceeded the allowable weight tolerance.

The remaining 29 cases have either been written off or since compensated by the carriers or by the Firm.

Sd/-

*Secretary to Government,
Public Works Department.*

Year	No. of cases in which the short delivery was noticed		No. of cases in which the amounts have been recovered from the parties		No. of cases which are still under correspondence with firms/Railways		No. of cases in which the loss could not be recovered from any-body		Remarks
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
					ERNAKULAM				
		Rs.		Rs.				Rs.	
59-60	13	9813.70	3	4831.42			10	4982.28	
60-61	54	152870.82	3	769.38	18	90613.00	33	61488.44	
61-62	59	22107.60	9	4110.36	5	3107.74	45	14889.50	
									The C.E. is being addressed for writing off the irrecoverable loss.
62-63	30	10393.58	13	4463.03	3	259.79	14	5670.76	
					KOZHIKODE				
61-62	3	1096.15	Nil	Nil			3	1096.15	
62-63	19	8616.23	7	2809.85			12	5806.38	Do.
					TRIVANDRUM				
59-60	2	508.37	Nil	Nil			2	508.37	Do.
60-61	26	5166.62	6	1108.80	Nil		20	4057.82	Do.
61-62	14	1376.19	4	214.18	Nil		10	1162.01	Do.
62-63	3	397.56	Nil	Nil			3	397.56	Do.
	223	212346.82	45	18307.02	26	93980.53	152	100059.27	

Sd/- S. ANANTAKRISHNAN,
Secretary to Government, Public Works Departt.

APPENDIX XLII

(Para No. 7.12 of this Report)

What is the total amount of taxes since recovered?

The amount recovered is Rs. 45,462.20; The details are briefly indicated below:—

<i>Sl. No.</i>	<i>Sub para number in the Audit Report, 1966</i>	<i>Number of cases involved</i>	<i>Amount of Tax recovered</i>
			Rs.
1	7I(a)	26	13,420.26
2	7I(b)	13	6,112.55
3	7I(c)	8	1,823.33
4	7I(d)	10	1,823.78
5	7I(e)	14	2,025.00
6	7I(f)	21	1,732.80
7	7I(g)	8	10,422.40
8	7I(h)	17	8,102.06
	TOTAL	117	45,462.20

In all the cases, where balance is pending collection, the amounts have already been advised for collection under the provisions of the Revenue Recovery Act, except a single case, namely the case of Messrs. Aluminium Industries Ltd. (1962-63) in which case collection of the additional amount of Rs. 45035.09 demanded after revising the assessment stands stayed by the High Court.

Sd/-
Joint Secretary,
Revenue Department.

Cases which were before the High Court, or any other judicial authority and as a result of which the tax could not be collected:—

While examining the point raised in sub-para (a) of para 71 of the Audit Report, 1966 regarding escape of taxable turnover from assessment of tax in the meeting of the Public Accounts Committee, the Committee asked for information regarding the number of cases which were before the High Court or any other judicial authority, as a result of which the tax could not be collected. It was explained to the Committee that the information would be furnished separately.

There were no such cases as mentioned in the question where tax could not be collected.

APPENDIX XLIII

(Para No. 7.24 of this Report)

Steps taken or proposed to be taken to prevent evasion of taxes.

To prevent evasion of taxes the following measures were taken:—

- (1) Check Posts have been established from the year 1958 for checking illegal transport of goods by goods vehicles. At present there are 21 border check posts and 6 internal check-posts functioning in the State.
- (2) Intelligence Squads have been created for the surprise checking of business places and conducting elaborate enquiries about the evasive tactics employed by businessmen. There are at present 6 permanent Intelligence Squads including 2 Intelligence Squads formed during the year 1966-67.

Apart from the direct collection of penal tax and compounding fee and detection of large suppression of turnover, the indirect impact on tax collection has been very effective, because the existence of Intelligence Squads has served as a deterrent against tax evasion by unscrupulous dealers. The appreciable increase in Sales-tax collection from year to year is also due to the constant and vigilant work of the Intelligence Squads.

- (3) Sales Tax Inspectors.—Sales Tax Inspectors have also been appointed to do survey work and detect cases of evasion. These Inspectors are assigned to various districts to work in important Commercial Centres, under the direct control and immediate supervision of Inspecting Assistant Commissioners who are District Officers. There are 78 Sales tax Inspectors who are carrying on this work. The Deputy Commissioner (Intelligence) is closely supervising and reviewing the work of those Inspectors by issuing appropriate directions and timely instructions as to the methods of enquiry to be conducted by them. As a result of their effective work, evasions involving large turnover have been detected and many new cases have been booked. The main functions of these Inspectors are to do intensive field work, to check evasion of tax by dealers by inspec-

tion of business places, godowns, checking of goods vehicles etc., and to provide valuable data for the assessing officers to make adequate assessments.

- (4) One post of Deputy Commissioner (Intelligence) has been created with effect from 1st August, 1960. The Deputy Commissioner (Intelligence) is having jurisdiction over the whole State. He serves as a Liaison Officer as between the Department and the traders. He is also designated as the Officer through whom exchange of information between the Officers of the Sales Tax Departments of different States has to be channelled. In pursuance of this, Deputy Commissioner (Intelligence), Kerala, Deputy Commissioner (Intelligence), Madras and Deputy Commissioner (Enforcement) Mysore meet and discuss matters of common interest relating to tax evasion and avoidance and speedy reciprocal exchange of information. In addition to this, collection and consolidation of statistics and information relating to business activities of dealers within and outside this State have been done in a systematic manner with a view to check evasion. There has been large scale evasion in the case of arecanuts, cocoanut oil and hill produce in inter-state sales. In order to tackle this effectively, enquiries at the places of destination are made and evasion checked with the co-operation of Commercial Tax Officers in the neighbouring States.
- (5) Section 30 of the Kerala General Sales Tax Act 1963 (extract attached) has already been enforced from 1st September, 1964 so as to prevent cases of evasion through railway station or steamer station or any other place of similar nature. 35 Sales Tax Inspectors have also been appointed from 23rd November, 1963 for the successful working of the provisions of Section 30 of the Act. (Annexure I).

ANNEXURE I

Extract of Section 30 of the Kerala General Sales Tax Act, 1963.

30. Regulation of transport of notified goods.—(1) No person shall transport from or to any railway station or steamer station or any other place of similar nature notified in this behalf by the Government any consignment of such goods as may be notified by the Government in the Gazette exceeding such quantity or value as may be prescribed, except in accordance with such conditions as may be prescribed. Such conditions shall be prescribed with a view to ensure that there is no evasion of the tax imposed by this Act.

(2) Any officer authorised by the Government in this behalf shall have power, subject to such restrictions as may be prescribed,—

- (a) to intercept and search any vehicle or vessel for the purpose of verifying whether any goods are being transported in contravention of sub-section (1);
- (b) to seize and confiscate any goods which he has reason to believe are being transported in contravention of sub-section (1).

Provided that before taking action for the confiscation of goods under this section the officer shall give the person in charge of the goods and the owner, if ascertainable, an opportunity of being heard and make an enquiry in the manner prescribed.

(3) Whenever confiscation is authorised by this section, the Officer adjudging it shall give the owner or the person in charge of the goods an option to pay, in lieu of confiscation, a penalty not exceeding double the amount of tax calculated at the rates applicable to the goods liable to confiscation.

Provided that the officer may release the goods on cash security being furnished by the person concerned to the extent of the penalty leviable if, in the opinion of the officer, further time is required to arrive at a correct finding as to whether a penalty is to be imposed or not and that the security so furnished shall be adjusted towards the penalty in case it is payable or returned to the party, if otherwise.

(4) Nothing contained in sub-section (2) or Sub-section (3) shall apply in the case of goods transported which are exempted from tax under any of the provisions of this Act without any condition or restriction.

(True Extract)

Cases of evasion through Railway booking

Evasion is rampant in transactions of Pepper, Arecanut, Rubber and Coir which are taxable at the last purchase point in the State. There is evasion in cocoanut oil also. It is practised through bookings by rail in bogus names. The estimated loss of revenue in respect of ten selected goods like pepper, ginger, arecanut etc. taken up for investigation comes to Rs. 20 lakhs on account of evasion through bogus booking through railways during 1965-66.

The methods by which evasion is practised are by transporting the goods to places outside the State through rail, road and water in bogus names. Consequent on the establishment of border and internal check posts, the transport of goods by road has almost been controlled by the Department and there has been considerable check in the matter of evasion. But, to control the transport of goods through rail is a difficult problem. Goods are booked to various places outside the State by rail in fictitious names and railway receipts are often discounted through certain banks which have given discounting facilities to some of the persistent and habitual defaulters of sales-tax. This is found mostly in Cannanore, Kozhikode, Palghat and Trichur Districts. The following steps were taken to combat the evasion through rail:

(1) The Intelligence Officers, and in places where there is no Intelligence Officer, the Inspecting Assistant Commissioners are to collect the list of registration certificate holders in the State and furnish copies of the same to the field staff.

(2) To take and collect the extracts of bookings of the goods selected for Very Important Commodity Investigation from all railway stations and ports, every alternate day or third day or once in a week according to the nearness of the destination station.

(3) If there are bogus bookings, such bookings will be intimated to the officer of the Commercial Taxes Department in the destination station by telegram or express letters requesting to identify and ascertain the person taking delivery of the goods so booked and to intimate the result in order to trace back and pin down the evador in this State.

(4) To analyse the extracts office-wise in other cases and to forward them to the concerned officer in order to ascertain whether the transaction has been accounted.

Whether any enquiries have been made from the Railways about such evasions.

Yes.

The Deputy Commissioner (Intelligence) had discussed this problem with the Divisional Commercial Superintendent, Olavakot on several occasions. Two specific cases of irregularities on the part of the railway staff were also brought to the personal notice of the Divisional Commercial Superintendent by the Deputy Commissioner (Intelligence) in January 1966. Accordingly, suitable disciplinary proceedings have been initiated against the Railway staff by the Divisional Commercial Superintendent. But, inspite of these efforts, the bogus bookings continue to exist.

Government had also addressed the authorities of Southern Railway about the bogus booking in respect of arecanuts practised through railways. The General Manager Southern Railway had in circular number C.30|V-D(c) OJA dated 22|23rd February, 1966 (Annexure I) issued instructions to the subordinate staff for ensuring that consignments of arecanuts are accepted for booking by rail only if a valid pass|permit for having paid the cess due to the Market Committee is produced at the time of booking and also that in cases where the value of the goods tendered for booking exceeds Rs. 2,500 the Sales Tax Registration certificate should also be insisted upon from the consignors before consignments are accepted for bookings. In spite of these instructions, the Intelligence Officers of the Department have reported 3295 cases in which the Station Masters have violated the instructions issued. The Deputy Commissioner (Intelligence) and the Intelligence Officers are visiting Railway Stations and apprising the Station Masters and other Railway staff of the instructions of the General Manager.

Further after the implementation of section 30 of the Kerala General Sales Tax Act 1963, the General Manager Southern Railway was addressed on 23rd May, 1966 (Annexure II) to issue instructions to the Railfay authorities for insisting on the production of permits in Form 29, issued by the Sales Tax Department for both booking and for clearance of goods notified under section 30, by dealers in cases where the value of such goods exceeds Rs. 200. The final reply of the General Manager is awaited.

Sd/-

*Joint Secy. to Government,
Revenue Department.*

ANNEXURE I

Copy of letter No. C. 30/V/DS(C)/OJA, dated 22/23-2-1966 from the General Manager, Southern Railway Headquarters Office, Commercial Branch, Madras-3, copied to the Additional Secretary to Government of Kerala (Revenue 'H' Department, Trivandrum).

Subject:—Booking of arecanuts from Malabar area by rail.

Attention is invited to the notification in item 5 under 'General' of LRA 1 of 1964.

2. It has been pointed out by the Additional Secretary to Government (Revenue 'H' Department), Kerala, that consignments of arecanuts are being booked from certain stations in Malabar area in contravention of the instructions referred to above. A copy of letter No. 57976/H1/65/RD of 25th January, 1966 from the Additional Secretary to Government (Revenue 'H' Department), Kerala received in this connection, is sent herewith. Please ensure that consignments of arecanuts are accepted for booking by rail only if a valid pass permit for having paid the cess due to the Market Committee is produced at the time of booking.

3. It may also be notified that in cases where the value of the goods tendered for booking exceeds Rs. 2500 the Sales Tax Registration Certificate should also be insisted upon from the consignors before the consignments are accepted for booking.

4. Receipt of this letter may be acknowledged.

Sd /-
General Manager.

Sd /-
Superintendent.

ANNEXURE II

Copy of letter No. 24664|HI|66|RD, dated 23-5-1966 from the Additional Secretary to Government, Revenue (H) Department, Government of Kerala, Trivandrum, addressed to the General Manager, Southern Railway, Madras.

Subject:—Taxes—Sales-tax—Booking and clearing of notified goods by dealers—Insisting of the production of permits issued by the Sales-tax Department—Instructions to Railway Station Masters—Request—

Ref:—Letter No. C.30|V. DD(c)|OJA, dated 22|23-2-1966, from the General Manager, Headquarters Office, Commercial Branch, Madras-3.

According to the provisions of the Kerala General Sales-tax Act, 1963 in force in this State a dealer is allowed to transport from or to any railway station, any consignment of notified goods, exceeding the value of Rs. 200 only in accordance with the following conditions.—(Rule 37 of the Kerala General Sales-tax Rules—Extract enclosed).

(1) He shall make an application in Form 28 duly filled in by him, in duplicate, to the assessing authority of the area in which his principal place of business or his branch is situated, for the grant of a permit in Form 29 to enable him to transport the consignment. He shall also produce before the said authority along with the said application either a bill of sale or delivery note or way bill or a certificate of ownership for verification of the particulars furnished in the application in case the aforesaid consignments are to be transported to the notified place. If such goods are to be transported from any of the notified places, he shall also produce along with the application the railway receipt, bill of lading or other documents required for the purpose of obtaining delivery of the consignment from the place notified in this behalf.

The said authority, on being satisfied about the correctness of the particulars furnished in the application and after making such enquiry as may be deemed necessary shall countersign the two copies of the application, and the other records produced therewith, shall also date and seal the same with its official seal and prepare a

permit, in duplicate in Form 29. Both copies of the application shall be endorsed with the number of the railway receipt, bill of lading or sale bill or other documents produced. One copy of the permit together with one copy of the countersigned application and the other documents shall be made over to the applicant, the second copy of both shall be retained by the said authority and the consignment may thereafter be transported.

(2) The person to whom the permit is granted or other person who transfer to the consignment on behalf of the former shall carry with him along with the goods to be transported the said documents and shall allow it to be examined by the Officers authorised by Government in this behalf. The following are the goods notified.

Notified goods:

- (i) Rubber products other than cycle tyres and tubes and rubber accessories of cycles.
- (ii) Foamed rubber sheets, cushions, pillows and other articles of foamed rubber.
- (iii) Pepper.
- (iv) Dried Ginger.
- (v) Lemongrass Oil.
- (vi) Arecanut.
- (vii) Rubber.
- (viii) Coconut and copra.
- (ix) Timber.
- (x) Coconut oil.

The above provisions were introduced for the purpose of arresting large scale evasion resorted to by dealers especially through Railway Stations. For the proper and successful working of the above provisions the cooperation of the Railway Department is highly necessary.

2. It is now reported that the Railway Station Masters are not insisting on the production of permits issued in respect of notified goods, when goods are brought by the dealers for booking, on the ground that they have no instructions from the Railway Authorities in the matter. Unless the permits in Form 29 of the Sales-tax Department (copy enclosed) are insisted on by the Railway Authorities in the case of notified goods, the bogus booking will continue

to escape taxation. I am, therefore directed to request you to issue necessary instructions to the Divisional Superintendents of Olavakot and Madurai for insisting on the production of permits in Form 29 issued by the Sales Tax Department of this State for both booking and for clearing of notified goods by the dealers in cases where the value of such goods exceed Rs. 200.

3. I am to point out that in pursuance of this Governments's letter No. 57976/H1/65/RD dated 25th January, 1966, the General Manager, Headquarters Office, Commercial Branch, Madras of the Southern Railway in his letter cited issued certain instructions in respect of booking of arecanuts. It will go a long way in implementing the provisions referred to in paragraph 1 above if the Railway Authorities insist on the production of permits in Form 29 issued by the Sales Tax Department in cases where the value of the goods mentioned above exceeds Rs. 200. I am therefore, to request you to take necessary action for necessary modifications being issued to the instructions issued in the letter cited.

An early reply on the action taken with reference to this letter will be much appreciated.

Sd/-

*Joint Secretary,
For Addl. Secretary to Government.*

Sd/-

Superintendent.

Extract of Rule 37 of the Kerala General Sales Tax Rules, 1963.

37. Regulation of transport of notified goods.—No person shall transport from or to any railway station, steamer station or any other place of similar nature notified in this behalf by the Government under sub-section (1) of section 30, any consignment of such goods notified by Government under the said sub-section exceeding the value of two hundred rupees except in accordance with the following conditions:—

(1) If any such consignment is to be transported by a person from or to any notified place aforesaid, he shall make an application in Form 28 duly filled in by him, in duplicate, to the assessing authority of the area in which his principal place of business or his branch

is situated, for the grant of a permit in Form 29 to enable him to transport the consignment. He shall also produce before the said authority along with the said application either a bill of sale or delivery note or way bill or a certificate of ownership for verification of the particulars furnished in the application in case the aforesaid consignments are to be transported to the notified place. If such goods are to be transported from any of the notified places, he shall also produce along with the application the railway receipt, bill of lading or other documents required for the purpose of obtaining delivery of the consignment from the place notified in this behalf.

The said authority, on being satisfied about the correctness of the particulars furnished in the application and after making such enquiry as may be deemed necessary shall countersign all the two copies of the application, and the other records produced therewith, shall also date and seal the same with its official seal and prepare a permit, in duplicate in Form 29. Both copies of the application shall be endorsed with the number of the railway receipt, bill of lading or sale bill or other documents produced. One copy of the permit together with one copy of the countersigned application and the other documents shall be made over to the applicant, the second copy of both shall be retained by the said authority and the consignment may thereafter be transported.

(2) The person to whom the permit is granted under clause (1) or other person who transports the consignment on behalf of the former shall carry with him along with the goods to be transported the said documents and shall allow it to be examined by the officer exercising jurisdiction over the notified place concerned or the other officers authorised by Government in this behalf.

(3) The assessing authority within whose jurisdiction the notified area is located or the authority authorised by Government in this behalf shall have the power to intercept and search any vehicle or vessel for the purpose of verifying whether any goods are being transported in contravention of sub-section (1) of section 30 and to seize and confiscate any goods which he has reason to believe are being transported in contravention of the said sub-section.

(4) The said authority shall not intercept or search the luggage of persons who enter or leave the notified area.

(5) The said authority shall not cause undue delay while exercising the powers under sub-section (2) of section 30.

(6) The provisions laid down in rule 35 relating to imposition of penalty, release of the goods, seizure, confiscation and disposal of the goods shall apply to the goods transported in contravention of the provisions of this rule.

(True extract)

Sd/-

Superintendent.

GOVERNMENT OF KERALA

Revenue (H) Department

NOTIFICATION II

S.R.O. No. 78/66.—In exercise of the powers conferred by Section 57 of the Kerala General Sales Tax Act, 1963 (Act 15 of 1963), the Government of Kerala hereby make the following amendments to the Kerala General Sales Tax Rules, 1963, namely:—

AMENDMENTS

In the said Rules

(1) in rule 37—

(i) in condition (1) for the sentence "If any such consignment is to be transported by a person from or to any notified place aforesaid, he shall make an application in Form 28 duly filled in by him, in duplicate, to the assessing authority of the area in which his principal place of business or his branch is situated, for the grant of a permit in Form 29 to enable him to transport the consignment." occurring at the beginning, the following sentence shall be substituted:

"If any such consignment is to be transported by a person from or to any notified place aforesaid, he shall make an application in Form 28 duly filled in by him in duplicate to the assessing authority or in his absence to any other officer authorised by him in writing in this behalf of the area in which his principal place of business or his branch is situated in case he has a place of business or branch within the State, and in case he has no such place of business or branch within the State, to any of the assessing authorities or in their absence to any other officers authorised by them in writing in this behalf, having jurisdiction over the areas where the goods intended for transport are stored, for the grant of a permit in Form 29 to enable him to transport the consignment."

(ii) after condition (1), the following shall be added as conditions (1A), namely:—

"(1A) Where any person, intends to transport any consignment through any clearing or forwarding agent or any other mercantile

agent, the application may be made in this behalf by the clearing or forwarding agent or any other mercantile agent duly authorised by him in writing in this behalf, to the assessing authority in whose jurisdiction the place of business or branch of such agent is situate, or in his absence any other officer authorised by him in writing in this behalf and the permit shall then be issued to such agent. The agent may be authorised to apply for permits for any particular consignment or consignments or all the consignments in a particular period, provided that the period of authorisation shall not be valid beyond the financial year in which the authorisation is made.

(iii) after condition (6) the following shall be added as condition (7), namely:—

“(7) The provisions of this rule shall not apply to persons other than dealers.”

(2) In form 28, for the foot note to item 12, the following shall be substituted, namely:—

“Entries in item 12 need be made only before actual despatch of notified goods.”

By order of the Governor,
A. SETHUMADHAVA MENON,
Additional Secretary.

KERALA GENERAL SALES TAX RULES, 1963

FORM NO. 29

Permit

(See Rule 37)

No.

I hereby permit the transport of the consignment detailed overleaf.

Place :

Signature

Date :

Designation

Reverse

**DETAILS OF CONSIGNMENT PERMITTED TO BE
TRANSPORTED**

Description of goods	Quantity	Dated signature of the authority issu- ing the permit with seal
(1)	(2)	(3)

RESULTS OF CHECKING ON THE ROUTE

Designation and head- quarters of the autho- rity by whom transport of the consignment was checked	Description of goods	Quantity of the goods actually transported	Dated signa- ture of the authority mentioned in column
(1)	(2)	(3)	(4)

(True extract)
Sd/-
Superintendent.

Whether it is a fact that the Railways will not accept any order for booking unless the certificate is produced?

Under Rule 27(5) of the General Sales Tax Rules, 1950 (Annexure I) dealers carrying on business in goods claiming exemption as not being first seller or last purchaser of such goods, are required to produce a declaration in the prescribed form to prove that the goods have suffered tax or will suffer tax elsewhere. In the Audit Report it was pointed out that in 18 cases exemption was allowed to the assessee without obtaining the declaration form or otherwise ascertaining whether the turnover exempted had suffered tax at the hands of other dealers. While discussing the above point regarding irregular exemption, in the meeting of the Public Accounts Committee, the Committee *inter-alia* raised the problem of evasion of tax, by transporting goods to places outside the State through rail, road and water in bogus names. It was explained that consequent on the establishment of internal check posts and border check posts, the transport of goods by road has almost been controlled by the Department and there has been considerable check in the matter of evasion and that it is a difficult problem to control evasion through Rail. It was also explained that according to Section 30 of the Kerala General Sales Tax Act, 1963 and Rule 37 of the Kerala General Sales Tax Rules, 1963 a dealer is allowed to transport from or to any railway station, any consignment of notified goods exceeding the value of Rs. 200 only if accompanied by a permit in form number 29 issued by the Sales Tax Department. The Committee then wanted information whether it is a fact that railways will not accept any order for booking unless the certificate is produced.

The Railways accept goods for booking without insisting on the production of the permit in Form No. 29 or certificate of payment of taxes. In this connection reference may also please be made to the reply furnished to Question No. 35.

ANNEXURE I

Extract of Rule 27(5) of the General Sales Tax Rules, 1950.

"27(5) Every dealer carrying on business in the goods specified in Schedule I shall where he is not liable to tax in such goods, by reason of his not being the first seller or the last purchaser of them in the State, obtain a declaration in form XXXIV from the person who sold the goods to him that they had suffered the single point tax at his (seller's) hands or at the hands of any other as mentioned in the declaration."

(True extract)

Sd/-

Superintendent.

How many complaints were filed about railway booking?

While discussing the question No. 7 the Committee also wanted information regarding the number of complaints filed against railway booking.

Five complaints were filed before the Railway authorities. Details of each case are furnished below.

(1) D.C. (I) 1-10950/66—*Booking of 17 bundles of rubber sheets from Ettumanoor Railway Station on 17-9-1966.*—The irregularity was brought to the notice of the Divisional Commercial Superintendent, Madurai in letter No. D.C.(I) 1-10950/66 dated 18-10-1966. No reply has been received from the Divisional Commercial Superintendent so far.

(2) D.C.(I)1-734/66—*Booking of Pepper from Payyannur Railway Station.*—The irregularity was reported to the Divisional Commercial Superintendent, Olavakot on 19-1-1966. Suitable disciplinary proceedings were initiated against the staff by the Divisional Commercial Superintendent. But on 14-10-1966, Shri S. Krishnaswamy, Divisional Commercial Superintendent has intimated that based on the explanation submitted by the Station Master and also the report of the preliminary enquiry conducted by the Senior Commercial Inspector, it was decided to dispense with the confronted enquiry.

(3) D.C.(I) 1-770/66—*Booking of arecanuts to Mangalore from Baliapattam and Kannapuram Railway Stations.*—The irregularity was reported to Divisional Commercial Superintendent, Olavakot on 31-1-1966. Though originally disciplinary action was taken against the Station Master, it was later on dropped based on the explanation of the Station Master and also the report of the preliminary enquiry conducted by the senior Commercial Inspector.

(4) D.C.(I) 1-2388/66 *Bogus booking of arecanuts and Pepper from Baliapatam Railway Station.*—The irregularities were brought to the notice of the Divisional Commercial Superintendent, Olavakot on 5-3-1966. On 16-5-1966, the Divisional Commercial Superintendent intimated that the matter was receiving attention. Thereafter, though 2 reminders were sent to Divisional Commercial Superintendent no reply has been received from him so far.

(5) D.C.(I) 1-11164/65 *Bogus Booking of goods through Railway—Kayamkulam Railway Station.*—The Divisional Commercial Superintendent, Madurai was addressed on 3-11-1965. No reply has been received inspite of 6 reminders.

In this connection reference may also please be made to the reply furnished to question No. 36.

APPENDIX XLIV

(Para No. 7.33 of this Report)

How the concessional rate was allowed without valid 'C' forms?

The assessing authorities of the Department are administering the General Salestax Act, Central Salestax Act etc. These fiscal laws are complicated and technical in nature. The work in the Salestax offices is also heavy. The Officers have to check goods vehicles, inspect places of business of dealers etc., besides assessment and collection work. The number of C forms to be verified is really numerous in many cases. While verifying hundreds of C forms, omissions may occur. The circumstances under which the concessional rates were allowed in the 25 cases are indicated below:

- (1) Omission to enter the date of registration.
- (2) The date of registration noted in the C form is subsequent to the date of transaction.
- (3) The C form declaration does not cover the entire amount involved.
- (4) The purpose for which the goods have been bought has not been entered in the C Forms.

These are technical defects.

According to the existing rules it is enough if the dealer produces the belated C forms within three months of the year to which the assessment relates. [Vide Rule 6 (i-B) of Central Salestax (Kerala) Rules, 1957—(Annexure I)]. The assessing authorities are in duty bound to accept even the belated C forms, in which case, the time available for verification of the C forms will be very limited. In cases as mentioned in item (1) above, if evidence to prove the date of registration will be supplied separately at the time of assessment, in which case the C forms will have to be accepted. In cases where the date of registration given is wrong, there will be proof to show the correct date of registration, which will be prior to the date of transaction. The date of registration can be ascertained from many other C forms produced by the same dealer.

If the entry is wrong, due to clerical error the assessing authorities may accept these forms. In cases under (3) above, it may so happen that the forms for one year may be filed among the records for another year.

In a number of cases, the C forms might be misplaced. The misplaced C forms may be traced out, filed among the relevant assessment files subsequently and concessional rate of tax allowed. In cases where the C forms have been lost, the assessing authorities are competent to allow concessional rate of tax on the production of the duplicate ones, if they are convinced of their bonafides.

K. P. ACHUTHAN NAIR,
*Joint Secretary to Government,
Revenue Department.*

*Extract of Sub-rule (1—B) of Rule 6 of the Central Sales Tax
(Kerala) Rules, 1957.*

* * * *

Notwithstanding anything containing in sub-rules (1) and (1-A), the selling dealer who has not obtained the declaration forms and certificates referred to in sub-rule (1) and (1-A) from the purchasing dealer by the due date for the submission of the return, shall obtain such declaration forms and the certificates relating to a year and submit to the assessing authority within 3 months of the year next succeeding.

* * * *

(True extract)
Sd/-
Superintendent.

APPENDIX XLV

(Para No. 8.13 of this Report)

A detailed note showing to what extent the increase in cost is due to revision of the scheme and to what extent the increase was due to increase in cost of materials, etc. Note showing reasons for the increase in expenditure.

The Ernakulam-Mattancherry Water Supply Scheme costing Rs. 152.00 lakhs was originally approved by the Government of India in 1955. Copies of Government of India letters No. D.1185/WS/57-P dated 19-6-1957 and No. 3625-WS/59-P dated 13-1-1960 are attached (Annexure I and II). Thereafter an estimate for a comprehensive scheme for water supply for Ernakulam-Mattancherry littoral tracts was forwarded to the Government of India in September 1955. The estimated cost of this scheme was Rs. 332.75 lakhs.

2. As the water supply to the urban areas of the scheme, i.e., Ernakulam-Mattancherry, and Fort Cochin had become very acute, Government prepared a comprehensive scheme for these areas. The estimate for these emergent works to these areas which are the urban areas was Rs. 154.00 lakhs. This estimate was prepared from the estimate which had been sent to Government of India earlier in the estimate of Rs. 332.75 lakhs. The Scheme was approved and sanctioned by the State Government on 28-8-1957. The engineering details and the estimates were forwarded to the Government of India on 3-10-1959. Government of India approved this scheme in January 1960 which they termed as 'revised Ernakulam-Mattancherry Water Supply Scheme'. They also mentioned that the original approved scheme was estimated only at Rs. 152.00 lakhs, whereas the present estimate amounted to Rs. 154.00 lakhs.

The Government of India had also forwarded technical comments on the Ernakulam-Mattancherry Scheme from time to time. Originally the Ernakulam-Mattancherry Scheme was formulated to meet the requirements of 1981. The Government of India in their technical notes desired that it should meet the needs of 1991.

Thereafter the State Government received a revised estimate on 13-9-1960 from the Chief Engineer. This estimate consisted of two

parts; first phase costing Rs. 276.00 lakhs to meet the demands of 1976 which corresponds to the approved scheme of Rs. 154.00 lakhs and the second stage for the ultimate demand in 1991 costing Rs. 76.00 lakhs, the total cost of the scheme thus being 352 lakhs. The attached statement shows the comparison between the estimate of Rs. 154.00 lakhs and the estimate of Rs. 276.00 lakhs. The major reasons for the increase in estimate are the inadequate provision made for Pumping Main from Alwaye to Ernakulam, distribution system for Ernakulam and Mattancherry and the land acquisition charges in the estimate of Rs. 154.00 lakhs. Similarly contingency and establishment charges have also gone up, as these are calculated on percentage basis (5 per cent for contingency and petty supervision charges and 7½ per cent for establishment charges). The original estimate of Rs. 154.00 lakhs was on lump sum basis without going into the details whereas the revised estimates were made after detailed investigation and modifications accepted by the Chief Engineer on the basis of the comments of the Govt. of India. This scheme was forwarded to the Government of India on 2-11-1960. Thus it will be seen that the first phase of the scheme estimated to cost Rs. 276 lakhs corresponds essentially to the estimate of Rs. 154.00 lakhs. The second phase of the scheme is for increasing the capacity of treatment plant and for extending the distribution system, including the increase in the capacity of the zonal reservoirs.

The approval of the Government of India for this revised estimate has not been received as the technical comments raised by the Government of India are under correspondence. Certain technical comments on the revised estimate were received by Government and forwarded to the Chief Engineer on 3-3-1961. The reply to these were furnished to the Government of India on 4-7-1961. The latest comments of Government of India received in October 1965 are only on the distribution system. It would therefore appear that the other details furnished by the State Government stand accepted by the Government of India.

Sd/-

Health & Labour Secretary.

ERNAKULAM MATTANCHERRY WATER SUPPLY SCHEME

Sub Heads of Estimates and items of works	As per original Estimate	As per Revised Estimate
	Rs.	Rs.
App : A. Headworks	44,00,000	37,00,000
B. Trunk main from Alwaye to Ernakulam-Mattancherry and Fort Cochin etc.	64,06,000	1,10,00,000
C. Distribution System	24,00,000	53,00,000
D. Land Acquisition charges	4,50,450	19,00,000
E. Tools and Plant	1,25,000	4,22,000
F. Contingency and petty supervision charges	6,44,000	11,10,000
G. Establishment	9,74,550	16,35,000
	1,54,00,000	
H. Increased off take of water from Alwaye river		35,33,000
		2,86,00,000
I. Credit to the Scheme by dismantling C. I. Pipes		10,00,000
		2,76,00,000

ANNEXURE I

Copy of letter No. D. 1185-WS/57-P, dated 19th June, 1957 from Government of India, Ministry of Health, New Delhi.

Sir,

Sub:—Ernakulam—Mattancherry Water Supply Scheme taking up of—

I am directed to refer to your letter No. HL(D)2-3013/57/EHD, dated the 3rd April, 1957, on the subject mentioned above, and to enclose a copy of the remarks offered by the Adviser in Public Health Engineering to the Government of India, in this connection. I am to request that the information asked therein may kindly be furnished to this Ministry as soon as possible.

Copy of remarks offered by the Adviser in Public Health Engineering to the Government of India

The Water Supply Scheme (urban) for Ernakulam—Mattancherry costing Rs. 152.00 lakhs was approved during the first plan period, *vide* Government of India Ministry of Health letter No. F.17-23/54-P dated 3rd January, 1955. Out of the amount of Rs. 43.75 lakhs sanctioned for the implementation of the approved schemes, Government of Kerala has allocated Rs. 15.2 lakhs for this scheme. They have taken up works costing about Rs. 30 lakhs. No amount was sanctioned during 1956-57 for the execution of their approved urban schemes.

2. As the scheme has already been approved in principle and funds also allotted for part of the work, the State could proceed with the execution of the scheme. The following details, however, should be called for from the State Government for review of the details of the components of the scheme for approval and sanction of further allotments.

- (i) The detailed calculation for arriving at the population catered for in the scheme;
- (ii) detailed drawings of the works and design calculations in support with short engineering descriptions for each component.

- (iii) The rising main provided in the scheme must be based on the economical size with reference to capital and maintenance charges in combination with the pumping plant. The details in this regard should be furnished.

The amount required by the State for each scheme during the current year is not available. The same may please be asked for from the State Government before amounts are recommended for particular schemes.

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ANNEXURE II

**Copy of letter No. 3625-WS/58-P, dated 13th January, 1960 from
Under Secretary to Government of India, Ministry of Health.
New Delhi-2.**

Sir,

**SUB:—Ernakulam-Mattancherry water supply scheme—
Engineering details.**

I am directed to refer to your letter No. 64951, 58/HLD 2 dated the 1/3rd October, 1959 on the subject mentioned above and to say that the revised Ernakulam-Mattancherry scheme estimated to cost Rs. 154 lakhs is approved for execution subject to the remarks contained in the technical note (copy enclosed).

2. The scheme was originally approved by this Ministry at an estimated cost of Rs. 152.00 lakhs whereas the scheme report now submitted by the State Government indicate that the amount of estimate is Rs. 154.00 lakhs. In the papers received, there is no copy of the estimate. It may kindly be furnished to this Ministry for record.

(TRUE COPY)

***Whether the amounts were sanctioned by Government of
Kerala or Government of India?***

The State Government have not given sanction for the revised estimate of Rs. 276.00 lakhs for the Scheme. However the expenditure incurred so far is on the basis of the allotments made in the budget for the scheme from year to year and also according to the provisions in the Plan Budget.

According to the pattern of assistance approved by the Planning Commission, all Urban Water Supply Schemes are eligible for 100 per cent loan assistance. The Government of India are releasing loan assistance for all Urban Water Supply and Drainage Schemes in lump. However, loan assistance received for each Scheme can be calculated on the basis of the actual expenditure incurred during every year. The total loan amount has been allocated to the various

schemes in proportion to the actual expenditure incurred in respect of each Scheme. Thus the total loan assistance received for the Ernakulam-Mattancherry Water Supply Scheme up to 31-3-1966 is Rs. 139.48 lakhs.

In how many cases, the works were given to the lowest tender?

195 works were awarded on contract in Ernakulam-Mattancherry Water Supply Scheme, out of which in 185 cases the works were entrusted to those who quoted the lowest.

Circumstances under which the estimates were revised.

The original estimate for the Ernakulam-Mattancherry Water Supply Scheme was for Rs. 152.00 lakhs. Thereafter an estimate amounting to Rs. 332.75 lakhs for a comprehensive scheme for Water Supply for Ernakulam-Mattancherry littoral tracts was forwarded to the Government of India in September, 1955. The Government of India had also forwarded technical comments on the Ernakulam-Mattancherry Scheme from time to time. Originally the Ernakulam-Mattancherry Scheme was formulated to meet the requirements 1981. The Government of India in their technical notes desired that it should meet the needs of 1991. Accordingly a revised estimate was prepared and forwarded by the Chief Engineer on 13-9-1966. This estimate consisted of two parts, first phase costing Rs. 276.00 lakhs to meet the demands of 1976 and the second stage for the ultimate demand in 1991, costing Rs. 76.00 lakhs, the total cost of the scheme thus being Rs. 352.00 lakhs. The original estimate of Rs. 154.00 lakhs was on lump sum basis without going into the details whereas the revised estimates were made after detailed investigation and modifications accepted by the Chief Engineer on the basis of the comments of the Government of India. The major reasons for the revision of the estimates were the inadequate provision made for Pumping Main for Alwaye to Ernakulam, Distribution systems for Ernakulam and Mattancherry and the land acquisition charges. Similarly contingency and establishment charges had also gone up.

Sd/-

Joint Secretary to Government.

Further details of the para may be furnished.

The blasted quantity of rubble has been noted in the following Measurement Books.

Page 2 of 38/61	1940.973
Page 6 of 38/61	936.56
Page 30 of 36/61	2014.29
Page 4 of 48/61	20499.50
Page 54 of 38/61	371469.95
	<hr/>
	396861.273
Page 22 of 48/61	30946.07
Page 6 of 116/61	776.25
	<hr/>
	428583.59
	<hr/>

This is in solid measurement. If it is converted into stack measurement the quantity will work out to 642875.38 c.ft.

A statement showing how the rubble was accounted for is given below.

The total quantity of rubble received from rock blasting	6,42,875.38 c.ft.
Issued to M/s Paterson Engg. Co. for purification Plant Work	1,80,352.69 c.ft.
	<hr/>
Balance	4,62,522.69 c.ft.
Issued to the Purification Plant work for levelling as free issue	15,323.39 c.ft.
Issued to the Construction of in-take well	9,014.00 c.ft.
Sold in Auction	24,858.00 c.ft.
Issued to the construction of retaining wall	64,986.00 c.ft.
	<hr/>
	1,14,181.39 c.ft.
Balance	3,48,341.30 c.ft.
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The balance quantity was useless and so was issued for filling up the low lying places.

There was no estimate for levelling the site with rubble. No contract was given for the levelling work. The low quantity rubble required to level the yard were conveyed from the quarry (Plant site) to the low areas and dumped. The payment was made only for the conveyance which was necessary to remove the rubble from the plant site to carry out the construction. This has been recorded in Measurement Book No. 116/61 page 44.

Sd/-

Secretary to Government.

APPENDIX XLVI

(Para No. 8.46 of this Report)

A written note on this Sub Para may be furnished as to whether adequate investigation of Soil Condition was made before deciding to construct the ring bund and whether any enquiry was conducted to fix responsibility.

No investigation of soil condition was made before deciding to construct the ring bund. The Chief Engineer (PHED) has been asked on 30-9-1966 to conduct an enquiry and to fix the responsibility in the matter.

APPENDIX XLVII

(Para Nos. 8.52 & 8.58 of this Report)

AUDIT REPORT : 1966

Breakup of expenditure of Rs. 171.60 lakhs.

II Five Year Plan					Recurring	Tools & Equipment	Land & Building	Total
(In lakhs of Rupees)								
1957-58	.	.	.	.	1.75	1.57	0.45	3.77
1958-59	.	.	.	.	5.77	5.62	1.38	12.77
1959-60	.	.	.	.	8.64	5.23	3.91	17.78
1960-61	.	.	.	.	12.14	8.55	2.83	23.52
					28.30	20.97	8.57	57.84
<i>III Five Year Plan Scheme</i>								
1961-62	.	.	.	.	0.41	4.88	1.79	7.08
1962-63	.	.	.	.	2.91	6.31	12.08	21.30
1963-64	.	.	.	.	12.53	14.07	21.10	47.70
					44.15	46.23	43.54	133.92
<i>Non-Plan Scheme</i>								
1961-62	.	.	.	.	13.01	..	..	13.01
1962-63	.	.	.	.	12.42	..	..	12.42
1963-64	.	.	.	.	12.25	..	..	12.25
TOTAL					81.83	46.23	43.54	171.60
Recurring						81.83		
Tools & Equipments						46.23		
Land & Buildings						43.54		
TOTAL						171.60		

Rupees 171.60 lakhs does not include the sum of Rs. 3.13 lakhs (non-recurring Rs. 0.48 lakh and recurring Rs. 2.65 lakhs) spent towards Pilot Schemes of Work & Orientation Centre at Kalamassery but includes a sum of Rs. 7.17 lakhs (non-recurring Rs. 3.04 lakhs and recurring Rs. 4.13 lakhs) spent towards the modified Work and Orientation Scheme which was finally integrated to the Craftsmen Training Scheme.

Statement showing the number of persons trained under the Scheme

The Craftsmen Training Scheme is run on an all-India Pattern. It provides for training in 23 trades in Industrial Training Institutes of which 22 trades were introduced in this State. The duration of training is 18 months. An all-India Trade Test is conducted at the end of the 18 months training. Successful candidates in the Trade Test undergo inplant training for a period of 6 months in their trades, before they qualify for a National Trade Certificate issued under the aegis of the National Council for Training in Vocational Trades. 60 per cent of the expenditure on this programme both recurring and non-recurring is shared by the Government of India.

In March, 1957 a Pilot Programme of training for the Educated Unemployed was started in Kalamassery. The duration of training was 6 months. The Scheme was to train 250 candidates in each batch. During training progressive tests were conducted to watch the progress of the trainees and certificates were issued on completion of the training. The expenditure on this programme was financed 100 per cent by the Government of India, the salary of the Director being met by the State Government.

Statement showing number of persons trained under the Scheme during the 3 sessions are furnished below:—

Pilot Scheme—

	No. to be trained	No. actually trained
I Session . . . 3/57 to 8/57	250	193
II Session . . . 9/57 to 2/58	250	244
III Session . . . 3/58 to 9/58	250	206
	750	643

The expenditure incurred for this Scheme is Rs. 3.13 lakhs.

(ii) *Modified Scheme of Work & Orientation Centre.*—The Pilot Scheme was modified and the modified scheme of work and Orientation Centre was introduced in three Industrial Training Institutes. The total recurring expenditure and 60 per cent of the non-recurring expenditure on this scheme was financed by the Government of India. This Scheme consisted of basic skills training in 6 trades in the Craftsmen Training Pattern with additional instruction in some subjects. The trainees were presented to the all-India Trade Tests for the Craftsmen Training Scheme and also a test for the Work and Orientation subjects. Successful candidates were awarded the National Trade Certificate after a further inplant training of 6 months. They were also furnished a separate certificate in token of pass in the additional subjects. The Scheme was integrated in February, 1962 with the regular Craftsmen Training Programme. Institute-wise and session-wise details of the persons trained are given below:—

Name of Institution	Period of training	Target	Number trained	Number passed	Number Failed
Work & Orientation Centre, Kalamassery	2/59 to 7/60 (I Session)	100	77	59	18
	8/60 to 1/62 (II Session)	100	72	47	25
Do. Trivandrum	8/60 to 1/62	100	84	82	2
Do. Chalakudy	8/60 to 1/62	100	61	61	..
TOTAL . . .		400	294	249	45

A sum of Rs. 7.17 lakhs has been spent on this scheme.

(iii) *Craftsmen Training Scheme.*—Institute-wise and session-wise details are given in Annexure I. The total number of trainees trained up to end of April, 1964 was 8,639 against a total number of 8,904 seats available in seven Industrial Training Institutes.

APPENDIX XLVIII

(Para No. 8.61 of this Report)

Copy of the up-to-date statement furnished to the Accountant General in regard to the recovery of Rs. 28,897.

According to para 22 of the Craftsmen Training Scheme Training Manual, cost of training is to be recovered from those trainees who discontinue their training, according to following scale:—

- (i) Trainees who are stipend holders—Rs. 35/- p.m. for the period of training.
- (ii) Others—Rs. 25/- p.m. for the period of training.

The comment in sub-para (c) of the audit para is based on the information furnished to the Accountant General by the Director of Training in his letter No. B8/12645/64 dated 27-12-1965. The position indicated in that report is given in Annexure along with the corresponding position as on 1-10-1966. The difference of 38 in category I of the Annexure comprises 38 cases in which Rs. 5661.38 was realised and no cases in which the dues were written off as irrecoverable.

In addition Rs. 11,688.01 in 80 cases relating to the year 1965 was due for recovery at the end of December, 1965. Of these Revenue Recovery proceedings have been initiated in 36 cases for Rs. 5,297.72. Rs. 903.75 have been recovered in the remaining 44 cases.

Sd/-
Secretary.

Health and Labour Department.

ANNEXURE I

1. No. of cases in which proceedings under Revenue Recovery Act have been resorted to and the balance to be recovered.

Year	As reported to the A. G. on 27-12-1965		Position as on 1-10-66	
	No. of cases	Balance to be recovered.	No. of cases	Balance to be recovered.
		Rs.		Rs.
1959	26	2830·13	20	2602·80
1960	12	1127·11	8	587·34
1961	31	3436·58	29	2916·58
1962	34	3081·09	26	2794·95
1963	62	8417·95	49	4499·27
1964	20	2003·98	15	1834·52
TOTAL	185	20896·84	147	15235·46

II. No. of cases in which remittances have been made regularly and the balance amount to be recovered.

Year	As reported to the A.G. on 27-12-1965		Position as on 1-10-66	
	No. of cases	Balance amount to be recovered.	No. of cases	Balance amount to be recovered.
		Rs.		Rs.
1959	17	2960·73	4	958·55
1960	5	270·95	2	121·33
1961	12	386·46	6	261·41
1962	9	463·30	3	140·06
1963	26	1591·71	15	1218·86
1964	30	2479·70	21	2121·48
TOTAL	99	8152·85	51	4821·69

Sd/-
Superintendent.

APPENDIX XLIX

(Para No. 8.77 of this Report)

What was the period and additional cost incurred by the Department as a result of temporary arrangement?

(a) The period of contract of Shri P. T. A. Bhoothalingom Pillai for the conveyance of pipes was from 1-7-1963 to 30-6-1964. The rate for conveyance as per Agreement No. 3 of 1963-64 executed by Shri P. T. A. Bhoothalingom Pillai is Rs. 13/- per M.T. As per clause 9 of the special conditions of contract, the Department had the right to extend the period for a further period of six months from 1-7-1964. Memo was issued by the Chief Engineer to the contractor on 24-6-1964, extending the period of contract till 31-8-1964. The contractor did not attend to the clearance and conveyance of the pipes during the extended period. To avoid payment of demurrage and other incidental expenses it was necessary to arrange for the conveyance of the pipe through alternate Agencies. The Assistant Engineer was instructed to invite quotations and arrange the conveyance till a permanent arrangement was made. The period of this temporary arrangement was from 1-7-1964 to 5-12-1964. The arrangement made for the conveyance work during this period is indicated below:—

Name of Contractor	Period of contract	Quantity conveyed (Tonnes)	Rate/Tonne
S/Shree K. Sudhakaran	16-7-64 to 18-7-64	24.20	13.92
		77.44	20.00
	7-8-64 to 23-8-64	96.80	20.00
K. Sreedharan	20-7-64 to 4-8-64	96.80	20.00
P. Sundaresan	26-8-64 to 8-9-64	96.80	20.00
Jayachandran	9-9-64 to 22-9-64	96.80	20.00
C. Velayudhan Pillai	9-10-64 to 4-12-64	106.48	14.90
			595.32

All these works were arranged after inviting quotations. The total quantity of pipes conveyed from 1-7-1964 to 31-8-1964 was 343.64 tonnes and the amount paid was Rs. 6,726. Computed with

reference to the rate of Shri Bhoothalingam Pillai (Viz. Rs. 13 per tonne), the extra expenditure on account of the interim arrangement upto 31-8-1964 was as follows:—

	Rs.
(1) Conveyance charges	2,259
(2) Hire charges and Operation charges of the Crane	3,782
(3) Demurrage charges necessitated by the failure of Shri Boothalingom Pillai to execute the work	6,244
TOTAL	12,285

The total liability against the contractor Shri Bhoothalingom Pillai thus amounted to Rs. 12,285 against which a sum of Rs. 25,336 due to the contractor is still held by the Division.

According to the terms of the agreement executed by Shri Bhoothalingom Pillai, his contract could have been extended upto the end of December, 1964. The interim arrangement was continued upto 4-12-1964 till a regular contract was settled with Shri C. Volayudhan Pillai. Computed with reference to the rate of Shri Bhoothalingom Pillai, the extra expenditure on account of the temporary arrangement from 1-9-1964 to 4-12-1964 amounted to Rs. 7107.

The extra expenditure for the entire period of the temporary arrangement from 1-7-1964 to 4-12-1964 thus amounted to Rs. 19,392 (Rs. 12,285 + 7107).

APPENDIX L

(Para No. 8.100 of this Report)

A detailed note showing the composition, membership, etc. of the Co-operative Society.

Para 45 of the Audit Report 1966 deals with contract for the supply of dietary articles required for the Mental Hospital, Kozhikode and General Hospital, Kozhikode for the year 1964-65. Part of the contract was entrusted with a Co-operative Society (Vellayicode Grama Vyavasaya Sahakarana Sanghom). The details regarding the composition, membership, etc. of the Society are furnished below:—

Membership of the Society as on 31-3-1965:

105.

It was registered on 16-6-1961 under the Madras Co-operative Societies Act VI of 1932. Liability of the members of the Society is limited. The headquarters of the Society is Vellayicode Post, Kozhikode Taluk, Kozhikode District. It is engaged mainly in the production and sale of handpounded rice, mat weaving, Khadi and Basket making etc. Authorised Capital and Paid up Capital of the Society are Rs. 1 lakh and Rs. 1018/- respectively. It is having a Committee of not more than 7 members including a President and a Secretary.

Sd/-

*Secretary to Government,
Health and Labour Department.*

APPENDIX LI

(Para Nos. 9·6, 9·10, 9·16, 9·18, 9·23, 9·43, 9·73, 9·83, 9·88, 9·93 of this Report)

A copy of the report of the investigation in regard to the landslide.

The original estimated cost of the Project was Rs. 24·90 crores. The cost as per the Revised Estimate is Rs. 35·30 crores. One of the causes for the revision of the estimates is the land slide that occurred on the Switch Yard side of the hill at Moozhiair in June, 1963. Rectification and protective works were needed on this account for Power House Building and appurtenant works and also at the Transformer Yard. A major part of the increases under these two items aggregating Rs. 51 lakhs can be attributed to the land slide. At the instance of the Board, Shri G. S. M. Rao, of the Engineering Geologist Division, Southern Region, Hyderabad, investigated the causes of the land slide in August, 1963 and a copy of his report is enclosed in Annexure I. The Revised Estimate for the two items referred above take into account the remedial measures suggested by the Geologist.

Was the land slide due to blasting of rock going in the tunnel nearby.

The probable causes contributing to the land slide are mentioned in Para 20 of the Geologist's Report. These are:—

- (i) increase in the pore pressure in the soil due to heavy rains.
- (ii) cutting of the toe for excavating the tail race, and
- (iii) blasting in the tunnels nearby.

The tunnel blasting was going on at a distance of about 600' from the place where the cracks occurred. The blasting was stopped as soon as the first line of crack was noticed on 7-6-1963. The location of the Tail Race Channel could not be changed and excavation for the same was continued after providing for protective works. Such a treacherous phenomenon of the hill slide had not occurred in the vicinity of this location before.

At what level a decision was taken in this case in regard to the extra cost of Rs. 11 crores? What were the reasons for this decision?

The original estimate for Rs. 24·90 crores was sanctioned by the Kerala State Electricity Board in February, 1961 after obtaining the

concurrence of the Central Electricity Authority in January, 1961. The sanction of the Kerala State Government for the Scheme was accorded in October, 1960.

The revised estimate for the Project (Rs. 35.30 crores) is awaiting final approval pending sanction of the Central Electricity Authority and the Kerala State Government. Apart from the required works due to the landslide, the other causes which necessitated the increase of Rs. 10.40 crores are as follows:—

- (1) Rs. 361 lakhs due to the increase in the height of Kakki Dam and the change over of the same from Rubble Masonry to concrete.
- (2) Rs. 89 lakhs due to the re-alignment of Flanking Dam so as to avoid a major portion of poor foundation area.
- (3) Rs. 190 lakhs due to the increase in cost of Generating sets, Transformers and connected machinery which had to be procured from U.S.A.
- (4) Balance due to the increase in the cost of labour and materials.

A copy of the proposed revised estimate for Rs. 35.30 crores is furnished in Annexure II.

This revised estimate for Rs. 35.30 crores was further modified by the Board to Rs. 36.40 crores (enhancing the estimate in Part I—Item 13—by Rs. 19 lakhs and under Part II—cost of Transmission line by Rs. 91 lakhs) and forwarded to the Government of Kerala on 19-4-1966 for obtaining approval of the Central Electricity Authority as per section 29 and 33 of Electricity (Supply) Act, 1948. The approval of the Central Electricity Authority and the State Government to the revised estimate is awaited.

Statement showing cases where lowest tenders were not accepted with reasons therefor.

Contracts for works and supplies connected with Civil works of this Project are awarded by the Chief Engineer, Civil with approval of Kerala State Electricity Board in cases where the amounts exceeded Rs. 10 lakhs in case of works, Rs. 25 thousand in case of purchase of materials, and Rs. 10 thousand in the case of Tools and Plant. The contracts have been awarded to the lowest tenderer except in cases shown in statement attached (Annexure III).

In the case of item No. 1 of Annexure (III) forming a subject in this Audit Report, the work was not given to the lowest tenderer and other two tenderers due to the fact that they had no experience in such works. The work was split up between the second and fifth lowest, since if the whole work was given to one Agency the works would have been delayed and consequently commissioning of Sabarigiri Project would be delayed. Delay of each day in commissioning one unit would result in a loss of revenue of Rs. 40,000 per day. The fact that M/s. Hindustan Construction Company, who were the fifth in the order of cheapness had sufficient experience, Tools and Plant and organisation for carrying out the work of the power tunnel and surge shaft was the main consideration for award of the major portion of the work to them. In spite of the above precautionary measures taken the work was completed only in March 1966, just in time for commissioning the first unit in April, 1966.

The statement showing cases where after award of contracts there was differences in rates etc. from those shown in tenders

It is presumed that the information called for is in respect of sub para (b) of Audit para 95 relating to extra expenditure for procuring crushed sand for Pamba Dam works. Under the terms of the contract, the Board was to provide by the end of December 1960 two stone crushers of six Tonnes capacity on hire to be run by the contractor at his own cost. The Board could procure the crushers and make them available to the contractor only by November 1962—The two crushers made available to him were not giving the rated capacity of 6 Tonnes per hour as envisaged in the contract. According to the terms of the contract, the contractor may collect and use natural sand from nearby sources till the erection of the crushers. The contractor complained on 17-12-1962 about the unsatisfactory working of the crushers and the Board took over the operation of crushers departmentally, from October, 1963. Even during the departmental operation, the crushers went out of order in January, 1964 and the Board collected crushed sand from an outside Agency and supplied to the contractor in order that the work may not be delayed. The extra payments dealt with in the para have arisen due to the above and are briefly indicated below:—

(1) October, 1961 to November, 1962.—Rs. 62 thousand for the quantity of natural sand procured by the contractor from distant places due to delay in making available the crushers.

(2) November, 1962 to October, 1963.—Rs. 90 thousand paid for the extra cost the contractor had to incur due to the unsatisfactory working of the crushers given by the department.

(3) November 1963 to December 1963.—Rs. 44 thousand representing the difference in the amount realised from the contractor for the quantity of crushed sand made available to him and operation charges of the crushers.

(4) January 1964 to November 1964.—Rs. 66 thousand representing the extra amount incurred in procuring sand from outside agency and supplying to the contractor.

The basis on which these payments have been made are as follows:—

(i) Item (1) had to be paid for the conveyance of sand by the contractor for distances of 18—23 miles as sufficient sand was not available at nearby sources as per agreement and as the crushers as contemplated in the agreement had not been provided by the Board in time. The rate arrived at for this extra was at Rs. 34:40/100 cft. being the cost of conveyance of 100 cft. of sand over a distance of 19½ miles and incidental expenses.

(ii) Though on trial run for a few hours the crushers appeared to be working satisfactorily, it was found on actual working by the contractor in November and December 1962 that the two crushers erected gave only 4 tons per hour. The consumption of spares was also heavy. As the department had the obligation to erect and give to the contractor 2 crushers of 6 ton capacity each per hour which could not be fulfilled, the contractor had to be reimbursed for the additional expenditure incurred by him for running the inefficient crushers supplied. The extra payment was allowed only for the quantity of sand processed out of the 2 crushers while these were under the charge of the contractor from November 1962 to October 1963 at the rate of Rs. 41:09/100 cft. based on actual data. These sand processing plants had to be purchased by the Board from indigenous sources as directed by the Central Government.

(iii) As the department could not make available crushers of required capacity as per Agreement, crushed sand was supplied by the department working more crushers. The rate of recovery for the sand given was fixed based on data, a split up of which is attached as Annexure IV. The actual expenditure incurred was not recovered from the contractor. The recovery rate for sand was worked out only from the original sanctioned estimate (Rs. 44.46) and allowing for tender excess. (4%).

(iv) In the best working period of the year, viz., from January 1964, to end of April 1964, the estimated quantity of sand

that could be made available from the inefficient crushers was only 3.1 lakhs cft. against actual requirement of about 4.25 lakhs cft. for 4 months' work. Unless the balance quantity was made available, the work on the Pamba Dam would have been stopped. To avoid this contingency, 1.14 lakhs cft. of crushed sand was purchased from M/s. Hindustan Construction Company who only had the stock to spare. The price fixed for payment was Rs. 75/- per 100 cft. which was the cheapest considering the cost of natural sand at the locality including conveyance from very distant places. Issue rate for the sand issued to the dam contractor could, however, be only Rs. 46.24 as pointed out in the previous para.

What is the break up of the rates?

The break up of the rates referred to is presumed to be the rate for crushed sand issued to the contractor for Pamba Dam works. The data for the rate of Rs. 46.24/100 cft. is enclosed as Annexure (D).

What are the claims of the Department against the Company?

The Company referred to in the query is presumed to be the suppliers of the Marshall's Stone Crushers. A claim of Rs. 33,599.38 had been preferred from the suppliers for losses sustained by the Board by way of dismantling two other crushers from Panniar Project, conveying and re-erecting these at Pamba Dam site due to the failure of the Marshall's crushers in giving the specified output. The amount has been recovered from their dues in 3/64 and 12/64 at Rs. 19,192.32 and Rs. 1,4407.06 respectively. No other amount has been claimed from the Company so far.

On what date was noticed that a Transformer was defective?

It is presumed that the equipment referred to is not a transformer but the two Stone crushers mentioned in sub-para (b) of para 95 of the Audit Report 1966. The stone crushers were ordered for in March, 1960, but were supplied only in February, 1962. When the crushers were erected the following major defects were noticed:—

- (1) Bending of the shaft supporting the rotating screen;
- (2) Frequent wearing out of the Toggle plates and Supporting Jaw frame;
- (3) Wearing out of the collar bushes;
- (4) Unsatisfactory chuting arrangements;
- (5) Development of excessive heat in the bearing;
- (6) Short output of sand.

The firm sent their Service Engineer who attended to some of the rectification works. Trial runs were carried out by the Superintending Engineer, Dams Circle, Pamba and he reported on 20-2-1962 that the defects noticed on the crushers had been rectified.

The crushers were worked by the Contractor from November 1962 onwards.

During operation, the Contractor for the Dam Construction work experienced the following difficulties:—

- (i) The out turn of the crushers were below the rated capacity;
- (ii) They were often going out of order and frequent replacements of the spares were needed;
- (iii) The granulating rolls were wearing out with in about 25 per cent of the normal period.

These defects experienced by the contractor had been reported to Chief Engineer, Civil by the contractor in December 1962. The Field Officers had gone into the defects before assessing the amount to be paid to the contractor for the work.

The Department took over operations of these two crushers from 1-11-63 and in addition, 3 others had also been erected to get sufficient sand. The defects such as lesser out put, consumption of spares more than what would be needed for the normal wear and tear, etc., were noticed during the period from November, 1962 to date of completion of Dam (December 1965).

A statement showing cases of contracts awarded as special cases

No contract has been awarded as "special case" in this project. Probably the question refers to the purchase of crushed sand from M/s. Hindustan Construction Company Ltd., at the rate of Rs. 75/100 cft. without the usual invitation of tenders. The circumstances which led to the purchase of about 1141 units of crushed sand for preventing the hold up in the Pamba Dam works has been explained in detail in the note above. This sand supplied was paid for after executing a supplemental schedule to the agreement already in force with the contractors.

A written note on this para may be furnished

The cableway which was in operation at Ponmudi was proposed to be dismantled and issued to the contractor for expediting the work of Pamba Dam, so that partial storage could be obtained in the Pamba Reservoir before December, 1965 and the first unit of

Sabarigiri could be started as scheduled then. The progress of construction of Pamba Dam was lagging behind mainly due to the difficulty in getting sufficient sand at the proper time and the difficulties experienced in operation of sand processing plant available.

This cableway was originally purchased at a cost of Rs. 5.91 lakhs in 1951 for use at Mattupatti. This cableway after its service at Mattupatti was taken over to Ponmudi and has already done 4 years of operation at Mattupatti and Ponmudi. As per the report of Rates and Costs Committee of the Government of India, Ministry of Irrigation and Power, of January, 1956, the depreciation of cableway is 50% of cost per project. As this cableway had been in use in full at Mattupatti and Ponmudi, the assessed cost of the cableway debitable to this Project was taken as only Rs. 1 lakh even though as per recommendation of the Ministry of Irrigation and Power the cost ought to have been nil.

The amount of recovery was fixed taking into consideration the benefits that the contractor would deprive by using the cableway over manual handling of materials. This is arrived at on the following basis :

The difference in cost of 100 cft. of masonry at Ponmudi dam by manual handling of materials and by use of cableway was Rs. 16/-. Ponmudi Dam is of a greater height than that of the Pamba Dam. So the benefit to the contractor by the use of cableway will be less in the case of Pamba than in the case of Ponmudi. Moreover, the average rate for 100 cft. of masonry at Ponmudi was Rs. 182 and the average rate of 100 cft. of masonry at Pamba was Rs. 164. Therefore, proportionate recovery charges i.e. $164/182 \times 16$ was arrived at as the rate for recovery at Pamba Dam from the contractor for the use of cableway. It was in the interest of the Board that construction of the Pamba Dam had to be expedited to make up for the time lost in the progress of work due to failure by the Board in making available the sand processing plant as specified in the tender. Again, this cableway after its use at Ponmudi ought to have been dismantled anyhow and instead of keeping this equipment idle in store, it was considered prudent to use it at Pamba to the Board's own advantage.

A written note on this Sub para may be furnished

According to the terms of the supply order, the cableway was to be supplied by the firm by 10-11-1962. The agreement with the firm contained the following penal clauses for delay/defects in the supply.

1. Clause 4.

2. Clause 11.

On this basis, the following amounts are recoverable from them:

(i) Rs. 1,08,000.

(ii) Rs. 83,184.

This was taken up with the suppliers on 4-7-1965. From the amount due to the firm on the Cableway supplied to the Sholayar Project, an amount of Rs. 1.148 lakhs including their security deposit is withheld pending decision of this issue. In addition, Rs. 0.982 lakh on account of other supplies made by the firm have also been withheld.

The suppliers have however requested on 30-3-1966 that they should not be held responsible for the consequential losses and that the delay in supply may be condoned for reasons beyond their control which are covered by force-majeur clauses of their agreement.

The question as to how much amount can be recovered from the firm in terms of the agreement is being decided in consultation with the Legal Adviser of the Board. Further payment will be made to the firm only after this question is decided.

Did the Internal Audit point out the defect? If not, why?

The Internal audit has not objected the payment in question. The reason for not objecting the payment in internal audit is understood to be on the ground that there was no specific provision in the agreement that the Contractor should insure the goods entrusted to him for transport.

How much extra amount the Board would get after the revision of Tariff?

The issue of the Grid Tariff Regulation under Section 79(h) of the Electricity (Supply) Act is pending the approval of the Central Electricity Authority from 6-10-1966. Only after the Regulation is approved, the Grid Tariff can be fixed. Hence at this stage it is not possible to assess the extra amount the Board would get after revision of the Grid Tariff.

Note explaining departmental action in this case.

During inspection of the Kundara Sub-Station and Treatment Yard on 16-3-1963 by the Chairman some discrepancies were noted:

regarding the acceptance of Teak Wood Poles by Officers of the Electricity Board. The poles supplied by the contractors are accepted under different classifications according to their measurements. The price of poles vary according to the above classification as follows:

First Class.	Rs. 53/-Each.
Second Class.	Rs. 37/-Each.

It was suspected that some poles of lower class were accepted and paid for as poles of a higher class. Therefore an Inspection Squad under the Chief Accounts Officer was deputed to investigate and check the irregularities. The reports of inspection show that there were some serious irregularities. Explanations of officers were called for. After various reminders explanations were received and final report from the Chief Engineer was that it was not possible to arrive at any decision regarding shrinkage and pointing out that it was not correct to pin down responsibility on the officers. Under the above circumstances, since it was felt that departmental enquiry was not fruitful, the whole matter was referred to the Anti-Corruption Department of Government. The issue is under investigation by them.

I am giving below the calendar of dates regarding the action taken on this issue.

1. Date of Inspection by Chairman . . . 16-3-1963
2. Intimated Chief Engineer about the irregularities on . . . 27-3-1963.
3. Ordered inspection party for measurements at Kundara on . . . 27-3-1963.
4. Preliminary report of Chief Accounts Officer regarding inspection on . . . 16-4-1963
5. Letter to Chief Engineer giving instructions to give facilities for the inspection staff on . . . 17-4-1963.
6. Note from Chief Accounts Officer that the Junior Engineer was on casual leave . . . 24-4-1963.
7. Directions to the Chief Engineer with copy to Executive Engineer etc. on . . . 24-4-1963.
8. Inspection Notes of the Chief Accounts Officer on . . . 6-6-1963 & 27-6-1963.
9. Letter to Chief Engineer on the basis of the Inspection Notes, on . . . 1-7-1963.
10. Reminded Chief Engineer, Electricity on . . . 11-7-1963.
11. Note of the Chief Engineer forwarding explanation of the Junior Engineer, Assistant Engineer etc. 15-7-1963 & 23-8-1963 ,

- 12. Note from the Chief Accounts Officer on. . . 7-9-1963
- 13. Comments of Chief Engineer called for on . . . 9-9-1963
- 14. Reminded Chief Engineer on 25-3-1964
- 15. After reminders Chief Engineer Sent a final re-
port on 16-3-1966.

Sd/-

CHAIRMAN,
Kerala State Electricity Board.

ANNEXURE I

A Geotechnical note on the Landslips in Moozhiair Power House Area Sabarigiri Hydro Electric Project, Quilon District, Kerala.

by G. S. M. RAO,—GEOLOGICAL SURVEY OF INDIA

ABSTRACT

The landslips in the hill adjoining the proposed tailrace and switch gear yard of Sabarigiri generation station at Moozhiair, Quilon District, Kerala, have affected an area of about 16500 Sq. feet (1532.89 sq.m.). The hill top comprises soil and boulders which extend up to a depth of about 80 feet (24.38 m). The 1:1 slope formed in cutting between tail race and the switch yard terrace soil slips have occurred. The rainfall further helped the movement of the soil down the slope. The proposal to have a retaining wall may provide the necessary protection. The foundation of the retaining wall comprises weathered and highly jointed charnockitic gneisses. It would be advisable to strip the weathered rock and consolidate the highly jointed rock by grouting, so that it may be able to withstand the stresses of the retaining wall.

The surge shaft wherein the rock appears to be jointed with a seam of weathered gneiss dipping 80° westerly is recommended to be suitably treated to prevent any slipping.

INTRODUCTION

1. The Moozhiair power house site of the Sabarigiri H.E. Project in Quilon District, Kerala was inspected on the 13th and 14th August, 1963 in response to an urgent request from the Chief Engineer, Civil, Kerala State Electricity Board. During the inspection, the land slips which have affected the hills adjoining the proposed tail race and switch gear yard were examined. The surge shaft and the power tunnel were also examined.

2. Sri. Shama Rao, Superintending Engineer, Sabarigiri H.E. Project, Sri A. T. Jacob, Executive Engineer (Designs) and Sri. Titus, Executive Engineer, Power House, accompanied me during the inspection and appraised me of the problems.

3. After the inspection, I have discussions with Sri. Ranganathan, Chief Engineer and Sri. Vaidyanath, Superintending Engineer on the 15th August, 1963.

4. I am highly thankful to Sarvashri Ranganathan, Chief Engineer and to the Project Engineers for the facilities offered to me in furtherance of my work.

5. *Location.*—The Moozhiair Power House site $9^{\circ} 18' : 77^{\circ} 4' : 58^{\circ}$ is located on the right bank of Moozhiair, tributary of Pambayar at about 5 miles (8.04 kms) W.S.W. of Kakki Dam site in Quilon District, Kerala.

6. *Engineering Details.*

Length of Power Tunnel	. . .	18200 feet (5547 m).
Sill level at inlet	. . .	+2955.00

SURGE SHAFT

I. Main Barrel

a. Diameter	. . .	25 feet (7.62 m).
b. Depth	. . .	350 „ (106.67 m).

II. TOP EXPANSION CHAMBER

a. Area of cross section	. . .	177 sq. feet (16.43 sq. m).
b. Length	. . .	600 feet (182.87 m).

PENSTOCKS

a. No. of pipe lines	. . .	3
b. Diameter of each pipe	. . .	2050 m. ms/2000, 1950
c. Length of each pipe	. . .	8300 feet (2520.82 m)
Average gross head available.	. . .	2504 feet (763.20 m).

POWER HOUSE

a. Power House floor level.	. . .	+651.00
b. Centre line of Machines	. . .	+636.00
c. Generator set capacity	. . .	—6 × 50 M.W.
Installed capacity of the Power House:	. . .	3,00,000 K.W.
Power generation at 60% load factor:	. . .	2,50,000 K.W.

7. *Geology of the Power House Site.*—Charnockitic gneiss forms the main rock type. When fresh, the rock is quite compact and hard. Where the rock is rich in biotite, it is softer. Joints running $S 40^{\circ} E-N 40^{\circ} W$ and dipping at about 55° towards $N 50^{\circ} E$ and joints trending $N 70^{\circ} W-S 70^{\circ} E$ and dipping at about 55° towards $S 20^{\circ} W$ are conspicuous. Hard rock is at a shallow depth in the power house site and in a portion of the transformer deck. The hill slope between the tail race and its switch yard is covered with soil and boul-

ders. Test drilling in the area has indicated that the soil and boulder extends to a depth of 80 feet (24.38 m).

8. *Description of the Land Slips.*—Excavations for the power house had extended up to +651.00 by cutting the hill for a maximum depth of 110 ft. (34 m) and for the machine foundation and tail race trench for the first 2 machines the excavations had progressed upto +627. The hill has been cut to form the switch yard at level +724 on the terrace, by providing a 7 feet (2m) berm towards west at +651 level. Between the tail race tunnel and the switch yard, there is a 1:1 slop and the slope between the switch yard and the adjacent hill is $\frac{1}{2}$:1. The 'L' shaped switch yard is excavated in the hill leaving a spur in the corner with a slide slope of $\frac{1}{2}$:1.

9. The rainfall recorded at Moozhiair indicated 1.34" (34 mm) of rainfall on the 5th June, 2.85" (72 mm) on the 6th June and 4.65" (144 mm) on the 7th June.

10. The slips are reported to have been observed on the 7th June 1963 in the slope cut above the tail race trench. In the hill proposed for the switch yard an area of 150' \times 110 ft. slid forming deep furrows in the upper terraces and upheaval in the lowest terrace.

11. In initial slips are reported to have occurred in the portion where tail race trench had not been excavated. With the result, an upheaval of nearly 3 feet (0.91 m) was noticed here. Four major cracks developed on the northern side and 6 on the southern side along the slope between the switch gear yard and tail-race bay. Two of these cracks occurring to the northern and southern ends of the affected area extend further westwards and encompasses the area covered by the hair-pin bend of the colony road.

12. Above the switch yard to the north of the feeder bay 2 conspicuous slips have occurred one covering an area of 40 ft. \times 30 ft. and another to the west covering an area of 70' \times 40 ft. To the north of these two slips, 9 cracks have developed which cuts across the hair-pin bend of the colony road trends south to north and after turning due east, passes through the switch gear yard and terminates at the end of the 100 feet (30.4 m) berm just above the 1:1 slope. These cracks further developed into furrows because of the heavy rainfall on the 5th and 6th July. In the switch yard and the corner spur lateral movement by about 2 feet (0.60 m) towards tail race was reported. The upheaval in the unexcavated tail race portion reached a maximum height of 6 feet (1.82 m). The slipping process continued for some time. The road level subsided by about 3 feet

(0.91 m) with a lateral shift of about 4 feet (1.21 m). The western face of the tail race trench was not affected much.

13. *Probable causes for the Land Slide.*—Landslides occur due to many causes. Hence it is hardly ever possible to give any single reason for the occurrence of particular landslide. Where the slide has affected mostly soil, the problem would be one for a specialist in soil mechanics. At the Moozhiair Power House, from the chronology of developments reported, it appears that excavations for the tail race rendered the slope unstable which resulted in the slipping of soil. During the process a huge boulder is reported to have slid down which must have been responsible for the instability of the soil resulting in subsoil flow also.

14. The joints dipping into the tail race channel may also have favoured the slipping. The removal of fines from the subsoil during the heavy rains may have also contributed to the slips. The vibrations set up by blasting in the power tunnel and the tail race channel excavations must have gradually promoted the instability of the soil slope.

15. As the land slips have started during the heavy rains, the possibility of increase in pore water pressure in the soil along the slope and in its base promoting the slips, appears to have been a major factor contributing to the land slips.

16. *Remedial Measures.*—The project engineering proposes to have $1\frac{1}{2}$ to 1 slope in place of the existing $1\frac{1}{2}$ to 1 slope up to the proposed switch gear yard and 2 feet (0.60 m) thick rubble in 1:5 cement mortar blanket with a filter below. The switch gear yard is to be excavated down to 65 feet (19.81 m) level and packed with dry rubble. A 2 foot diameter (0.60 m) concrete drain pipe laid with longitudinal slope of 1 in 100 is to be provided at the bottom of the slope above a 2 foot thick (0.60 m) concrete slab. This to be abutted against a retaining wall with a base width of 27 feet (8.22 m) and crest width of 6' (1.82 m).

17. While the flattening of the slope might prove effective, provision of stabilisation trenches may be examined as it would be more effective against any subsurface feature which might promote sliding.

18. The foundation of the proposed retaining wall would be on weathered and jointed gneiss. About 14 holes drilled in the foundation have indicated that the close jointing of the rock extends beyond a depth of 43 feet (13.10 m). Except along bore hole No. 6

which has indicated rock from the surface, along the other holes the depth to rock varies from 4' 4" to 18' (1.31 to 5.48 m). This would practically mean excavation to a depth of 18 feet (5.48 m) because of the highly jointed nature of the rock. It might be necessary to consolidate the jointed rock in the foundation by grouting.

19. *Surge Shaft.*—The Surge Shaft was inspected to examine the nature of the rock exposed. It was found that the gneissic rock exposed in the walls of the shaft is highly jointed. The joints are generally dipping at 60° to 70° towards east. A prominent weathered band of biotite gneiss is found trending S 55°E—N 55° W and dipping at about 80° towards S 35° W. Its thickness varies from 2 to 4 feet (.60 to 1.21 m) with the presence of a few horizontal joints with seams down below the shaft, the possibility of the blocks along the jointed zones sliding down cannot be overlooked. Necessary protection such as rock bolting will have to be provided to guard against any slipping.

20. *Conclusions and Recommendations.*—(1) Land slips occurred in the area adjoining the proposed tail race and switch gear yard of the Sabarigiri Power Station at Moozhier on the 7th June 1963.

(2) The project area recorded heavy rain fall for the season on the 5th, 6th and 7th June 1963.

(3) The slips in the switch yard area covered an area of 150' x 110' (45.72 x 33.52 m) and above the switch yard area to the north of feeder bay an area of 40' x 30' (12.19 x 9.14 m) and to its west an area of 70' x 40' (21.33 x 12.19 m) were also affected.

(4) In addition to the conspicuous slips nine prominent cracks gradually forming furrows developed in the area. These have been responsible for lateral movement, as well as upheavals in the tail race portion.

(5) The slide history indicates many probable causes of which, the increase in pore pressure in the soil due to heavy rains, cutting of the toe for excavating the tail race and blasting in the tunnels nearby appear to have contributed to the slide.

(6) The proposal to improve the slopes in the switch gear yard and higher above, provision of filter blanket and rubble and rubble cushion with a retaining wall appear to meet the requirement.

(7) The foundation of retaining wall will be on weathered and jointed gneiss. The subsurface data available with the engineers in-

dicade that excavations up to a depth of 18' (5.48 m) would be necessary. Further, the highly jointed rock would have to be consolidated by grouting.

(8) In the surge shaft a 2 to 4 foot thick (0.60 to 1.21 m) wide weathered band of biotite gneiss dips 80° westerly. The charnockite gneiss is closely jointed and fractured, as such, these are loose blocks.

Protection is recommended against collapse of individual blocks by bolting.

Engineering Geology Division, Sd/- G. SETHUMADHAVA RAO,
Southern Region, Hyderabad-28. Geological Survey of India.

(TRUE COPY)

ANNEXURE II
SABARIGIRI HYDRO-ELECTRIC PROJECT.
REVISED PROJECT ESTIMATE
AMOUNT Rs. 35.3 Crores.

CONTENTS:

1. Forwarding letter.
2. Estimate Report.
3. Abstract of Estimate.
4. Comparative Statement.
5. Revised Financial Forecast.
6. Revised Salient Features of the Project.

November, 1964

KERALA STATE ELECTRICITY BOARD

Post Box No. 21,
TRIVANDRUM-1,
Dated: -11-1964.

No. D3-FD-4/64:

From

The Chief Engineer, Civil,
Kerala State Electricity Board.

To

The Chairman,
Kerala State Electricity Board,
TRIVANDRUM-1.

SUB:—*Sabarigiri Hydro-Electric Project—Revised estimate—*

REF:—*Board's Order No. BS4-133/59, dated 8th February, 1961—*

Sir,

I am forwarding herewith a revised estimate amounting to Rs. 35.30 crores for the Sabarigiri Hydro-Electric Project. This estimate is in revision of the Project estimate amounting to Rs. 24.91 crores sanctioned in the above order and is in excess by Rs. 10.39 crores over the sanctioned estimate.

2. The main items under which considerable excess has occurred are:—

- (a) Kakki Dam;
- (b) Flanking Dam; and
- (c) Generating Sets, transformers etc.

(a) Under Kakki Dam, the excess is due to conversion of the dam from masonry to a concrete one, excess of 57 lakhs cft. in the volume of the dam on account of increase in the height of dam by 10' and the increase in cost of cement. The excess cost over the original estimate is Rs. 341 lakhs due to all the above factors.

(b) There were difficulties in locating the Flanking Dam owing to a band of poor foundation rock running across the dam line. The dam line was realigned so as to avoid the maximum amount of this poor foundation area. Deeper excavation has also been necessary. On account of these the masonry quantity has increased from 40 lakhs cft. to 63 lakhs Cft. The accepted tender rates were also higher than the estimate rates. These have contributed to increase

the cost of the Flanking Dam by about Rs. 89 lakhs over the project estimate figure of Rs. 111.4 lakhs.

(c) The accepted bid for the generating sets, transformers and connected machinery is considerably higher than the estimate. The cost under this item has therefore gone upto Rs. 610 lakhs against the original estimate amount of Rs. 420 lakhs. The item wise details of the increase are given in the report accompanying estimate.

In addition to the above three items which have contributed to an excess of 6.2 crores of Rupees, there is an allround increase in cost on account of increase in cost of labour and materials and changes in designs.

3. The Project as envisaged originally provided for only an effective storage of 14,880 M.Cft (Pamba 780 + Kakki 14,100 MCft.) and continuous Power draft of 830 cusec. generating 135.5 M.W. firm power at 100 per cent load factor. But the total effective storage has now been increased to 16,900 M.Cft (Pamba 1100 M.Cft + Kakki 15,800 M.Cft.) ensuring a firm power draft of 916 cusecs to generate 152.6 M.W. firm power at 100 per cent load factor by raising the height of Kakki Dam by 10 ft. and Pamba dam by 6 ft.

4. The revised estimate includes a provision of Rs. 100 lakhs for diverting the run off from some of the neighbouring catchments. The increase in Power Draft by 86 cusecs over the 830 Cusecs proposed originally is taken into account in working out the revenue return. The net revenue return from the scheme works out to nearly 6 per cent as given in the accompanying "Review of Estimate of Cost and Benefit" against 7.75 per cent provided in the project estimate, retaining the price of energy at busbar as the same.

I request that early sanction for the revised project estimate may please be accorded.

Yours faithfully,

Sd/-

Chief Engineer, Civil.

Acc :

- (1) Estimate Report.
- (2) Salient Features of the Project.
- (3) Abstract of Estimate.
- (4) Comparative Statement.
- (5) Revised financial forecast.

KERALA STATE ELECTRICITY BOARD
REPORT TO ACCOMPANY THE REVISED ESTIMATE FOR
SABARIGIRI HYDRO-ELECTRIC PROJECT
AMOUNT OF ESTIMATE—Rs. 35,30,00,000

(Administrative sanction has been accorded by Kerala State Electricity Board for an estimate amounting to Rs. 2,491 lakhs in Board order No. BS4/133/59/8-2-1961. This report is to accompany the revised estimate amounting to Rs. 35.30 lakhs).

1. *Preliminaries.*—The provision under the sanctioned estimate is only Rs. 3 lakhs. But the actual expenditure under this item has exceeded the sanctioned provision by about Rs. 3 lakhs. Hence a provision of Rs. 6 lakhs is provided in the revised estimate.

2. *Compensation for Lands and Forests.*—The sanctioned provision of Rs. 10 lakhs is retained.

3. *Kakki Dam:*—

Original Cost—Rs. 429 lakhs.

Revised Cost—Rs. 790 lakhs.

In the original estimate, the dam was to be constructed of rubble in cement. But subsequently the dam has been converted to concrete. The volume of masonry originally proposed was 208 lakhs Cft. But owing to the deeper foundations and the height of the dam being increased by 10' the quantity has also increased to 265 lakhs Cft. The corresponding increase in the cost of the work, (on the basis of the agreed rates of the contract for the dam) works out to approximately 315 lakhs of rupees. The increase in cost of cement also has contributed considerably to the increase in cost by about 26 lakhs of rupees. A provision of only 4 lakhs of rupees was originally given for the outlet arrangements in the dam. But as finalised now the cost of the outlet pipes emergency gates and dispersers comes to approximately 24 lakhs, the increase on this account being thus 20 lakhs of Rupees.

4. *Pamba Dam:*—

Original Cost—Rs. 118·6 lakhs.

Revised Cost—Rs. 133·0 lakhs.

The quantity of masonry in the dam has increased from 50 lakhs Cft. to 56 lakhs Cft. due to increase in height of the dam by 6 ft. Increase in foundation excavation has also occurred and hence cost of construction has also increased. Owing to lack of natural sand, the entire construction is now being carried out with crushed sand, which is costlier than natural sand.

5. Flanking Dam:—

Original Cost—Rs. 11.4 lakhs.

Revised Cost—Rs. 200.0 lakhs.

Due to the difficulties in foundation, the nature of construction of the Flanking Dam was under consideration for a long time. It was finally decided to have the dam constructed in rubble masonry as originally proposed. But due to the longer length of the dam as per realignment for avoiding the poor foundation area and due to the deeper foundations now required, the masonry in the dam has increased from 40 lakhs Cft. to 63 lakhs Cft. The masonry rates quoted for the dam were higher than the estimate rates. The above 2 factors have contributed to the excess under this item of work.

6. Interconnecting Tunnel:—

Original Cost—Rs. 51 lakhs.

Revised Cost—Rs. 55 lakhs.

The provision in the Project estimate is 51.00 lakhs. But based on the rates of the accepted bid for the works, the cost of construction will be slightly higher. The increase over estimate is Rs. 4 lakhs.

7. Intake Arrangements:—

Original Cost—Rs. 10.0 lakhs.

Revised Cost—Rs. 22.5 lakhs.

Sanctioned provision is Rs. 10 lakhs. This provision is actually found to be quite inadequate. Based on the rates of the accepted bid and providing for the cost of intake gates ordered a total expenditure of Rs. 22.5 lakhs is anticipated. Cost of gates, trash rack structures, Civil works for both interconnecting tunnel and Power tunnel are included in the revised cost.

8. Power Tunnel:—

Original Cost—Rs. 165 lakhs.

Revised Cost—Rs. 188 lakhs.

Portions of the tunnel particularly on the exit side passed through comparatively bad and stratified rock. This has resulted in some over-breakages and required extra quantity of lining, some portions with reinforcement also. This has resulted in the increase in cost.

9. Surge Shaft:—

Original Cost—Rs. 16 lakhs.

Revised Cost—Rs. 40 lakhs.

It was expected originally that the surge shaft would pass through good rock. But during actual driving it was found there were large number of seams and fractured rock in the strata through which the shaft was driven. This require very heavy reinforcements and concrete lining throughout the depth of the shaft in addition to the extra thickness of the lining due to over-breakages caused by the poor quality of rock. Hence the increase in cost under this item.

10. Penstock and Valves:—

Original Cost—Rs. 350 lakhs.

Revised Cost—Rs. 386 lakhs.

The entire penstock was originally proposed to be of Mild Steel construction. But latter on it was decided that Mild Steel should be confined to the top portion of the penstocks and for the lower portions high tensile steel would be more suitable. The Mild Steel and high tensile steel are imported from America under AID programme. The imported steel costs about Rs. 600 per ton more than the indigenous one and we have to pay customs duty also to the tune of Rs. 200 per ton. This together with the increase in cost of specials and butterfly valves has contributed to the increase under this item.

11. Track Cutting and Anchors:—

Original Cost—Rs. 30 lakhs.

Revised Cost—Rs. 74 lakhs.

Original Project estimate provided for penstock for a length of only 6050 ft. During actual execution the pipeline length increased to 8563 ft. The depth of cutting is also considerably more and these facts have increased the cost of track cutting by 18 lakhs of rupees. The provision under anchor blocks and saddle construction provided in the original estimate has also gone up by about 19 lakhs of rupees. This is due to the very much heavier anchors decided upon after detailed study.

12. *Power House Building and Appurtenant Works:—*

Original Cost—Rs. 48 lakhs.

Revised Cost—Rs. 76 lakhs.

During excavation for the Power House a heavy slip of the switchyard side hill occurred due to which large scale revisions had to be made in the location of the various structures. Heavy protection works also have been arranged so as to prevent future slips of the hill on which the switchyard is being located. As a result of the re-location of the structures, all the transformers have now to be supported on heavy R.C. decking over the tail race channel. These factors have contributed to the extra cost under this item.

13. *Generating Sets, Transformer Sets Etc:—*

Original Cost—Rs. 420 lakhs.

Revised Cost—Rs. 610 lakhs.

The increase is mainly due to the high quoted price of the machinery suppliers Messrs. Allis Chalmers and Company of America.

14. *Transformer Yard:—*

The total sanctioned provision for this item, including switchyard and feeder bay is Rs. 5 lakhs only. Additional expenditure is required, due to rectification works and protective works necessitated by earth slips on the hill slopes. Considerable sloping back of the cuttings also had to be done to protect future slips. A total expenditure of Rs. 28 lakhs is anticipated under this item.

15. *Roads and Bridges:—*

Original Estimate—Rs. 99 lakhs.

Revised Cost—Rs. 165 lakhs.

Sanctioned provision is Rs. 99 lakhs. Increased provision is required to meet additional expenditures. Reasons for the additional expenditure are given below.

The road from Vandiperiyar to Pamba (23 miles) has been improved to 1st class standards instead of 2nd class proposed in Project Report in view of the heavy traffic in this route, for transportation of timber and cement. Besides this instead of improving the road through Mount Estate a fresh shorter route has been adopted for the portion from Vandiperiyar to Mount Vallakkadavu, reducing the distance between Vandiperiyar and Mount Vallakkadavu by about 5 miles. Black topping has been done for the entries 81½

miles of 1st class roads which was not fully contemplated in the original project estimate. Cost of cutting roads has increased due to general increase in the proportion of rock blasting especially for "Kakki Dam—Power House Road". The increase in the cost of labour and materials also contributed for additional expenditure. The requirements under the item of Roads and Buildings is estimated as Rs. 165 lakhs.

16. *Buildings:—*

Original Cost—Rs. 98 lakhs.

Revised Cost—Rs. 120 lakhs.

Rs. 98 lakhs is provided in the sanctioned estimate. But a higher expenditure is required since additional temporary accommodation facilities have to be provided at Moozhiyar to meet the requirement during the period when the construction, erection and operation staff have to be stationed simultaneously at Moozhiyar. Increase in the cost of labour and materials also increased the expenditure under this item. An amount of Rs. 120 lakhs is provided in the revised estimate.

17. *Water Supply and Sanitation:—*

Original Cost—Rs. 15 lakhs.

Revised Cost—Rs. 35 lakhs.

Sanctioned provision is Rs. 15 lakhs. But based on the actual expenditure so far incurred and considering the increase in cost and labour and materials an expenditure of Rs. 35 lakhs is anticipated and provided for in the revised estimate.

18. *Electrification and Power Supply:—*

Original Cost—Rs. 25 lakhs.

Revised Cost—Rs. 60 lakhs.

Amount provided in the sanctioned project estimate is Rs. 25 lakhs. Additional provision is required to meet the cost of the extra length of 66 kV lines power supply for construction and the cost of two diesel generating units (Rs. 20 lakhs) purchased under the A.I.D. loan which was not included in the project estimate. Rs. 60 lakhs is provided in the revised estimate.

19. *Insurance of Labour:—*

The sanctioned provision of Rs. 2 lakhs is retained.

20. *Construction Tools and Plants—*

Sanctioned provision in the project estimate is Rs. 120 lakhs. But since, part of cost of tools and plant is included in the unit of rates of the works for Dam across Kakki, Power Tunnel etc. only a reduced amount of Rs. 90 lakhs is provided in the revised estimate.

21. *Consultation Charges:—*

Original Cost—Rs. 5 lakhs.

Revised Cost—Rs. 20 lakhs.

Sanctioned provision is Rs. 5 lakhs. But increased provision is needed to meet the expenditure on account of the visits of the Board of Consultants, Rs. 20 lakhs is provided in the revised estimate.

22. *Providing Telegraph and Inter Communication Facilities—* The sanctioned provision of Rs. 5 lakhs is retained.

23. *Supervision Charges.*—Amount sanctioned is Rs. 130 lakhs. But it is anticipated that the expenditure will be only about Rs. 119·5 lakhs.

24. *Petty Supervision & Contingency.*—Though the sanctioned amount Rs. 67 lakhs, an expenditure of only Rs. 25·00 lakhs is anticipated.

The credit for tools and plant given in the sanctioned project estimate is Rs. 90 lakhs. But only an amount of Rs. 80 lakhs is expected now, consequent on lower provision for Tools and Plant.

PART—II

Cost of Transmission Line.—The sanctioned amount of Rs. 248 lakhs is retained.

Cost Augmentation Scheme.—An amount of Rs. 100 lakhs is provided in the revised estimate for the augmentation schemes proposed for utilising the run off from adjacent catchments. Separate project estimate is being forwarded for this item.

The salient features of Sabarigiri H. E. Project incorporating the various changes made since preparation of the Project Report is enclosed.

Other enclosures are Abstract of Revised Estimate for the project, comparative Statement and Revised Financial Forecast.

Early sanction to the Revised project estimate is requested.

Sd/-

Chief Engineer, Civil.

SABARIGIRI HYDRO-ELECTRIC PROJECT—REVISED

ESTIMATE

ABSTRACT

No.	Particulars	Amount (Rs. in lakhs)
PART-I		
1	Preliminaries	6.00
2	Compensation for lands & forests	10.00
3	Dam across Kakki	790.00
4	Dam across Pamba	135.00
5	Flanking dam for Kakki Reservoir	200.00
6	Inter connecting Tunnel	55.00
7	Intake arrangements	22.50
8	Power Tunnel	188.00
9	Sugar Shaft	40.00
10	Penstocks and Valves	386.00
11	Track cutting and enchorers	74.00
12	Power House building and appurtenant works	76.00
13	Generating Sets, Transformers etc.	610.00
14	Transformer yard	28.00
15	Roads and Bridges	165.00
16	Buildings	120.00
17	Water supply and sanitation	35.00
18	Electrification & Power supply	60.00
19	Insurance of Labour	2.00
20	Construction Tools and Plant	90.00
21	Consultation Charges	20.00
22	Providing Telegraphic lines and inter-communication facilities	5.00
23	Supervision charges	119.50
24	Petty Supervision and contingency	25.00
TOTAL		3262.00
Deduct Credit for Tools & Plant & Buildings		80.00
		3182.00

No.	Particulars	Amount (Rs. in lakhs)
PART-II		
	Cost of Transmission line	248.00
		<u>3430.00</u>
	Cost of Augmentation Scheme	100.00
		<u>3530.00</u>
	Total cost of the Project including augmentation scheme	3530.00

Sd/-
Chief Engineer, Civil.

SABARIGIRI HYDRO-ELECTRIC PROJECT

REVISED ESTIMATE

Comparative Statement

..

S.No.	Items	Amount as per Original Estimate	Amount as per Revised Estimate	Difference		Explanation
				Excess.	Savings	
1	2	3	4	5	6	7

(Rupees in lakhs)

PART-I						Vide esti- mate re- port attached
1.	Prelimanaries.	3.00	6.00	3.00	..	
2.	Compensation for land & forest . .	10.00	10.00	..	..	Do.
3.	Dam Across Kakki. .	429.00	790.00	361.00	..	Do.
4.	Dam Across Pamba . .	118.60	135.00	16.40	..	Do.
5.	Flanking Dam for Kakki re- servoir . .	111.40	200.00	88.60	..	Do.
6.	Interconnecting Tunnel . .	51.00	55.00	4.00	..	Do.
7.	Intake arrange- ments . .	10.00	22.50	12.50	..	Do.
8.	Power Tunnel	165.00	188.00	23.00	..	Do.
9.	Surge shaft .	16.00	40.00	24.00	..	Do.
10.	Penstocks & Valves . .	350.00	386.00	36.00	..	Do.
11.	Track cutting and anchors .	30.00	74.00	44.00	..	Do.
12.	Power House Buildings & appurtenant works . .	48.00	76.00	28.00	..	Do.
13.	Generating sets, transformers etc.	420.00	610.00	190.00	..	Do.
14.	Transformer yard . .	5.00	28.00	23.00	..	Do.

1	2	3	4	5	6	7
15. Roads & Bridges . . .	99.00	165.00	66.00	..		Do.
16. Buildings . . .	98.00	120.00	22.00	..		Do.
17. Water Supply and Sanitation . . .	15.00	35.00	20.00	..		Do.
18. Electrification and Power supply . . .	25.00	60.00	35.00	..		Do.
19. Insurance of labour . . .	2.00	2.00	..	..		Do.
20. Construction T & P . . .	120.00	90.00	..	30.00		Do.
21. Consultation Charges . . .	5.00	20.00	15.00	..		Do.
22. Providing tele-graphic lines and Intercommunication facilities . . .	5.00	5.00	..	..		Do.
23. Supervision charges . . .	130.00	119.50	..	10.50		Do.
24. Petty supervision & contingency . . .	67.00	25.00	..	42.00		Do.
Total . . .	2333.00	3262.00				
Credit towards T & P & Buildings . . .	90.00	80.00				
	2243.00	3182.00				
PART-II . . .						
Cost of transmission line . . .	248.00	248.00				
Total for Part I & II . . .	2491.00	3430.00				
Cost of Augmentation Schemes . . .		100.00				
Total cost of project including augmentation . . .		3530.00				

Revised Financial Forecast.

Capital cost including augmentation Scheme	Rs. 35.30 Crores.
Installed Capacity	6X50 M. W.
Firm Power generation at 100 % L. F.	152.6 M. W.
Annual generation	1337 Million Units.
Gross revenue by sale of energy at 2.2 P per KWL (as in project estimate)	Rs. 294 lakhs
Depreciation at 1½% on the capital per year	Rs. 52.95 lakhs.
Operation and maintenance at Rs. 10/- K W installed capacity per year	Rs. 30 lakhs.
Total working expenses	Rs. 82.95 laksh.
Net Revenue	Rs. 211.05 lakhs.
Percentage return	211.05X100

$$= \frac{3500}{211.05} = 5.98\% \text{ say } 6\%$$

NOTE.—This forecast is for purposes of comparison with the project estimate and only a very low selling rate of energy is provided. Actually, under present day conditions a higher rate is certainly admissible and the percentage return will increase correspondingly.

Sd/-

Chief Engineer, Civil.

KERALA STATE ELECTRICITY BOARD

SABARIGIRI (PAMBA) HYDRO-ELECTRIC PROJECT

SALIENT FEATURES.

(REVISED)

15-1-1965

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SABARIGIRI (PAMBA) HYDRO-ELECTRIC PROJECT

1. *Project in Brief.*—The Sabarigiri Hydro-Electric Project taken up for execution by the Kerala State Electricity Board proposes to utilise the waters of 122.06 sq. Miles of the upper drainage basin of Pamba and Kakki rivers over an average head of 2,499 ft. for the generation of 254 M.W. at 60 per cent Load Factor. The project comprises of the construction of two dams across the river Pamba and its tributary Kakki, a flanking dam for Kakki reservoir, a—10,524 feet long interconnecting tunnel to connect Pamba and Kakki reservoirs a 18,200 feet long head race tunnel (including L.P.P.) and a set of three penstocks 8,562.4 ft. long leading the waters to a power house with an installed capacity of 300 M.W. All items of work are in progress.

The Scheme catchment receives heavy rainfall of about 180 inches annually. The annual run off from 122.06 sq. miles of Pamba catchment is assessed to be of the order of 29,100 M.Cft. The entire yield is proposed to be utilised for power generation and the regulated releases will be used for irrigating about 33,000 acres lower down in Pamba Valley.

The dam across Pamba will have a height of 171 feet above river bed and will form a storage reservoir with an effective capacity of 1100 M.Cft. The dam across Kakki will have a height of 360 feet with an effective impounding capacity of 15,800 M. Cft. The waters of the Pamba reservoir will be led into the Kakki reservoir situated at a lower level through the interconnecting tunnel and the head race tunnel will conduct water from the lower reservoir to the penstocks and power house situated on the bank of Muzhiyar, another tributary of Pambayar.

2. *Salient Features of the Scheme:*

2.1. *Hydrology and Power Potential:*

1	Total catchment area	112 Sq. Miles + 10.06 = 122.06 Miles. Sq. M.*
2	Average annual rainfall	180 inches.
3	Average annual runoff	26400 M. Cft. + *2700 M. Cft. = 29100 M. Cft.

(* These relate to diversion catchments).

4	Firm Power Draft	916	Cusecs.
5	Average Gross head available	2499	feet.
6	Firm Power at 100% L.F.	152.6	M. W.
7	Power generation at 60% L.F.	254	M. W.

2.2 Dam Across Pamba :

1	Bed level	+3070	
2	F.R.L.	+3236	
3	M.W.L.	+3236	
4	Top of Dam	+3241	
5	Effective storage above +3160	1100	M. Cft.
6	Length of Dam at top.	910	feet.
7	Volume of masonry	5.36	M. Cft.
8	(a) Catchment area at Pamba Dam site	28	Sq. Miles.
	(b) Diversion Catchment	7.06	"
9	Design flood discharge	32200	Cusecs.
10	No. and size of radial gates	6 of 23' × 16'	
11	Length of spillway	178	feet.
12	Height of Dam above river bed	171	feet.
13	No. and dia. of outlet	1 No. 6' dia.	
14	Discharge through outlets	600 Cusecs at 49.2' head.	
15	El. of sill of outlet	+3144	
16	El. of sill of interconnecting tunnel	3160	
17	Dead Storage below 3160	285	M. Cft.
18	No. of adits to foundation gallery	2 Nos. one on each Flank.	

2.3 Flanking Dam for Kakki Reservoir at Anathode :

(1)	Lowest Level of saddle	+3115	
(2)	F.R.L.	+3220	
(3)	M.W.L.	+3222.3	
(4)	Top of Dam	+3230	
(5)	Length of Dam at top	1234'	
(6)	Volume of masonry and concrete in Dam	6.3	M. Cft.
(7)	Height of Dam above saddle	115	ft.
(8)	No. of adits to foundation gallery	2, one on each flank	
(9)	Catchment area for Kakki Reservoir at kakki Damsite	84	Sq. Miles
(10)	Width of road way at top of dam	12	ft.
(11)	Width of footpath	3'-3"	

2.4 Spillway for Kakki Reservoir near Flanking Dam at Anathode]:

(1) Flood discharge	63,000 Cusecs
(2) Width of Spillway]	194'
(3) Width of Spillway Channel	490'
(4) No. and size of radial gates	4 Nos. of 42' × 20'
(5) Slope of spillway channel]	1/100
(6) El. of spillway crest	+3200
(7) Clear Road way at spillway bridge	15'0"
(8) El. of the top of Hoist Bridge]	+3236.5
(9) Total width of hoist bridge	12 ft.

2.5 Kakki Dam:

(1) Bed level	+2870
(2) F.R.L.	+3220
(3) M.W.L.	+3222.3
(4) Top of Dam	+3230
(5) Height of Dam above River Bed	360 ft.
(6) Effective storage above El. 2980	15800 M. Cft.
(7) Dead Storage below 2980	269 M. Cft.
(8) (a) Catchment area at Kakki Dam site	84 Sq. Miles
(b) Diversion Catchment	3 Sq. Miles
(9) Length at top of Dam	1070 ft.
(10) Volume of Concrete in Dam	26.5 M. Cft.
(11) No. of outlets	2
(12) Size and type of gates for each outlet	9'6" × 5'0" Emergency Gates
(13) El. of sill of outlets.	—2940
(14) Max. computed combined discharge through two outlets under F.R.L. conditions	4840 Cusecs
(15) Width of roadway over top of Dam	12 ft.
(16) Width of footpath over top of Dam	3 ft.
(17) Size of elevator shaft	7:1" × 8'4"
(18) No. of adits to foundation gallery	3—2 on the right flank and one on the left flank.
(19) No. of drifts driven on the banks	4—2 on each flank

2.6 Inter-connecting Tunnel:

(1) Length of Tunnel	10524 ft.
(2) Excavated area	170 Sq. ft.
(3) Finished area	130 Sq. ft.
(4) Sill level of tunnel at inlet	+3160.00
(5) Sill level of tunnel at Exit	+3135.00

- | | | | | |
|--------------------------------|---|---|---|------------------|
| (6) Maximum discharge capacity | . | . | . | 2500 Cusecs |
| (7) Lining thickness | 1 | . | . | 8 inches minimum |

2.7 Power Tunnel :

- | | | | | | |
|-------------------------|---|---|---|---|-----------------------------|
| (1) Length of Tunnel | . | . | . | . | 16858 ft. upto Surge Shaft. |
| (2) Area of excavation | . | . | . | . | 245.1 Sq. ft. |
| (3) Finished area | . | . | . | . | 176.7 Sq. ft. |
| (4) Sill level at inlet | . | . | . | . | +2955.00 ft. |
| (5) Lining thickness | . | . | . | . | 12 inches Minimum |

2.8 Surge Shaft :**(1) Main Barrel :**

- | | | | | | |
|--------------|---|---|---|---|---------|
| (a) Diameter | . | . | . | . | 25 ft. |
| (b) Depth | . | . | . | . | 350 ft. |

(2) Top of expansion chamber :

- | | | | | | |
|--------------|---|---|---|---|--------|
| (a) Diameter | . | . | . | . | 45 ft. |
| (b) Depth | . | . | . | . | 85 ft. |

(3) Bottom of Surge Gallery :

- | | | | | | |
|---------------------------|---|---|---|---|-------------|
| (a) Area of Cross Section | . | . | . | . | 177 Sq. ft. |
| (b) Length | . | . | . | . | 800 feet. |

2.9 Penstocks:**(1) L.P.P.**

- | | | | | | |
|-------------------------|---|---|---|---|------------|
| (a) No. of Pipes | . | . | . | . | 1 |
| (b) Diameter (external) | . | . | . | . | 3750 mm. |
| (c) Length of Pipe | . | . | . | . | 1345.6 ft. |
| (d) Gradient | . | . | . | . | 1 in 100 |

(2) H.P.P.

- | | | | | | |
|---|---|---|---|---|---|
| (a) Number of pipe lines | . | . | . | . | 3 |
| (b) Diameter of each pipe (external) | . | . | . | . | Varying from 2100 mm in the upper reaches to 1950 mms in the lower reaches. |
| (c) Length of each | . | . | . | . | 8562.4 ft. |
| (d) Quantity of steel required for both L.P.P. and H.P.P. | . | . | . | . | 14000 Tonnes (approx.) |

2.10 Power House :

- | | | | | | |
|---------------------------|---|---|---|---|-------------|
| 1 Power House floor level | . | . | . | . | +656.00 ft. |
| 2 Centre line of runners | . | . | . | . | +641.00 ft. |
| 3 Generator sets capacity | . | . | . | . | 6 × 50 M.W. |

3. *Sanction to the Project.*—Sanction to the Project then estimated to cost Rs. 24.91 Crores was accorded by the Planning Commission, Government of India in their letter No. NR-10(26)/59, dated 24/25th August, 1960.

4. *Programme of Completion.*—According to the present day progress of the various component works as reviewed on 15th January 1965, the first two generating sets each of 50 M.W. could be put into commercial operation by 12/65 and the remaining four units will follow.

5. *Costs and Benefits.*—The project is now estimated to cost Rs. 35.30 Crores (including the cost of augmentation proposals estimated at Rs. One Crore including the cost of the 100 Mile long 220 kV Transmission line required to transmit power to the important load centres of the State.

The Project will, on completion, yield a financial return of about 6.00 per cent on the Capital investment.

6. *Foreign Aid.*—The project is entirely being financed by a loan under U.S. AID with a provision of Rs. 9.6 Crores for foreign exchange component.

ANNEXURE III

A. Statement showing cases where Lowest Tenders were not accepted with reasons therefor.

SABARIGIRI HYDRO-ELECTRIC PROJECT

Sl. Reference or File No.	Name of work	Name of lowest tenderer and his probable amount of contract	Name of tenderer to whom the work was awarded with probable Amount of Contract	Reasons for not awarding the work to the lowest tenderer	Remarks
	Construction of Power Tunnel.	N. Chellappan Contractor, Trivandrum Probable amount of contract : Rs. 158.63 lakhs.	Work was split up between 2nd and lowest Shri P.M. Paily Pillai & M/s. Hindustan Construction Co. Ltd., whose Probable Amounts of Contract were Rs. 175.34 lakhs, and Rs. 213.83 lakhs respectively.	The lowest and other two tenderers, viz. items 3 and 4 were not having any experience in Tunnel Driving. Hence work was split up among 2nd and 5th lowest tenderers.	

ANNEXURE III (Contd.)

B. Statement Showing cases where the contracts were entered into regarding Sabarigiri project with any higher tender than the lowest.

Sl. No.	File No.	Name of works.	Name of lowest tender and probable amount of contract.	Name of tenderer to whom the work was awarded.	Reasons for not awarding the contract to the lowest Tenderer.	Remarks.
2	PSB. 654/63-64.	Sabarigiri H.E. project Transport of cement from Theni Railway Station and/or the Factory of M/s. Ramco Cement Distribution Co. Rajapalayam for the Kakki Flanking Dam works Agreement No. 134/C.E. C/64-65. probable amount of contract for Rs. 6,64,050/-	M/s. Auto Services, Trivandrum.	M/s. Kerala Goods Transport Co-operation Ltd., Trivandrum. (2nd lowest).	The lowest tenderer did not furnish the required Earnest Money Deposit and rates quoted were rather unworkable.	
3	Order No. PS (C) 2-140/61-62/7-12-1962 for Rs. 2,08,200/-	Supply of prefabricated steel tubular structures.	1. Lowest : M/s K. D Engineering Co. Calcutta. 2. 2nd lowest : M/s. Metro Trading Syndicate, Cochin.	M/s Stewards and Lloyds of India private Ltd., 41, Chowringhee Road, Post Box No. 270, Calcutta-16.	Since the lowest Tenderers did not furnish the necessary earnest money deposit, this was passed over. The 3rd lowest offer has been accepted since the design details specification etc. are better than the 2nd lowest.	

ANNEXURE III—(contd.)

C. Statement showing cases where purchases of Machineries for Sabarigiri H.E. Project made with Higher Tenderer than the Lowest.

Serial No.	File No. and amount of order	Name of machinery purchased	Lowest Tenderer	Name of the firm to whom order awarded	Reasons for not giving to the lowest tendered.	Remarks.
4	Order No. PS (C) 1-1131/59-60 dt. 27-10-61 for Rs. 2,22,482/-.	100 Nos. Jack Hammers and spares.		M/s. Consolidated Pneumatic Tool Co. Ltd., Bombay.	This was the only indigenous offer. All the other offers were for imported equipments and hence not accepted.	
5	Order No. PS (C) 1-1131/59-60 dt. 4-10-'60 for Rs. 4,45,060/-.	200 Nos. Jack Hammers and spares.		Do.	Do.	
6	Order No. PS (A) 337/59-60 dt. 8-9-'60 for Rs. 2,82,240.	3 Nos. Sand Processing Plants and spares.		M/s. Marshall sons & Co. Madras.	The equipments offered did not involve any Foreign Exchange and import licence.	
7	Order No. PS (A) 1205/- 59-60 dt. 1-11-'60 for Rs. 1,83,400/-.	Air Compressors	I. J. N. Marshall & Co.	M/s. Voltas, Bangalore.	The first lowest offer not accepted since the offer did not conform to the specifications. The second lowest accepted.	
8	Order No. PS (B) 1093/59-60 dt. 22-8-'60 for Rs. 1,38,661/-.	24 lbs. Rails (5 track Miles)		M/s. Parry & Co. Madras.	The offer which did not require licence only was accepted.	
9	Order No. PS (B) 1093/59-60 dt. 22-8-'60 for Rs. 78,012/-.	Steel Sleepers for 24 lb. rails.		M/s. Electric Power Services.	The lowest not accepted. Since it required import licence. Hence the second lowest accepted.	

10 Order No. PS (C) 1/1051/59-60 12 Nos. Concrete Mixers. dt. 16-7-60 for Rs. 1,36,400/- M/s. Bhai Sundar Das & Sons Delhi. Machinery M/s. Lyn Calcutta. The lowest not accepted since it did not conform to the specifications. The 2nd lowest was accepted.

ANNEXURE IV

Data Sheet

Item No. of Esti- mate	Quan- tity	Description	Rate Rs. Ps.	Per Unit	Amount Rs. Ps.	Remarks
1	2	3	4	5	6	7

(a)	100 Cft.	Crushed sand 100 cft. Hard granite 3" to 6" ring at quarry.				
	100 Cft.	Blasted rubble at quarry (10.90 + 1.50) + 1.80)	14.20	100 Cft.	14.20	
	1 No.	Man for breaking to 3" to 6" ring 10% profit on labour	2.10	Each	2.10	
					0.21	
		TOTAL			16.51	

*Cost/hour of
crusher :*

Working hours/ 8 × 25 × 8 = 1600 hrs.
year

Cost/year = 31,666.66

Operation :

1 Driver	2,400.00
@ 200.00/month	
1 Cleaner @	
100.00/month .	1,200.00
Leave allowance, etc.	100.00
TOTAL	3,700.00

1	2	3	4	5	6	7
<i>Cost of fuel assuming</i>						
60 H.P.						
Current charge 44.80 unit/hour @ .05 Rs./Unit or 2.25 Rs/hour.						
Total current charges/year = 1600 × 2.25 = Rs. 3600.00						
Lubricating oil						
$\frac{60 \times 0.6 \times .006}{7.4} + \frac{4}{100} = .069 \text{ gal/hour}$						
Cost/hour @ Rs. 7/gallon $7 \times .69 = .482$ or say 0.5 Rs./hour.						
For 1600 hours = 1600 × .5 = 800						
Total cost per year = 31,666.66						
3,700.00						
3,600.00						
800.00						
<hr/>						
39,766.66						
<hr/>						
Total cost/hour = $\frac{39,766.66}{1600} = 24.80$						
Outturn of crusher/hour (assuming 1 Ton = 20 Cft.) 6 tons.						
6 × 20 = 120 Cft.						
Expenses for operating crusher $\frac{24.80 \times 1000}{120} = 206.40$						
for 1000 Cft.						
1000 Cft. crushed sand at sand bin :						
		Rs. Ps.	Per Unit		Rs. Ps.	
910 Cft.	Cost of 3" to 6" metal at quarry		16.51 100 Cft.		150.20	
910 Cft.	Conveyance through track line using manual labour		2.10 100 Cft.		5.73	
300 rft.				1000 rft.		
L. S.	Hire charges and working charges for winch			L. S.	20.00	
910 Cft.	Conveyance using loco	2.10	100 Cft.		5.73	
600 rft.		2	1000 rft.			
1000 Cft.	Hire and operation charges of crusher	206.40	1000 Cft.		206.40	
2 Nos.	Men for feeding	2.10	Each		4.20	
4 Nos.	Men for loading and unloading crushed sand	2.10	Each		8.40	
1000 Cft.	Conveyance by track line to bin	2.10	100 Cft.		6.30	
600 rft.		2	1000 rft.			

1	2	3	4	5	6	7
L. S.	Screening, washing, etc.				L.S.	10.00
L. S.	Proportionate cost of sand bin . . .				L.S.	5.00
2 Nos.	Men for stacking at sand bin . . .		2.10		Each	4.20
L. S.	Laying and maintaining track lines . . .				L.S.	3.00
L. S.	Hire charges of locos tipping wagons etc.				L.S.	12.00
	100 % profit on labour					3.46
					Rs.	444.62/ 1000 Cft

For 100 Cft. 444.62 = 44.46

19
Adding Tender excess of 4 % the rate of crushed
sand for recovery is fixed as 44.46 +
1.78

Rs. 46.24

A detailed Note showing the action taken on the draft Audit Para.

The Draft Audit Para was forwarded by the Accountant General to the Accounts Member in his letter No. AAIV/DP.42/65-66/33, dated 13th May 1965. The same was forwarded by the Accounts Member to Chief Accounts Officer on 14th May, 1965 and through him to the Chief Engineer, Civil, Kerala State Electricity Board on 31st May, 1965.

The Chief Engineer, Civil, after collecting the details required from the Field, furnished the replies to all the points raised in the Draft para, with his letter C4A. 108/65-66/M. dated 31st January, 1966 to the Chief Accounts Officer.

Some details required by the Chief Accounts Officer on 15th March, 1966 and 7th May, 1966 are also seen furnished by the Chief Engineer, Civil on 27th June, 1966.

The Chief Accounts Officer in his letter No. EBA/Tender/60-61 dt. 21st July, 1966 call for certain further remarks from the Chief Engineer, Civil and the matter was under correspondence. By then the Draft para had been included in the Audit Report of 1966 as para 95.

What was the amount of claims preferred against the Suppliers for the defective crushers supplied by the Firm?

An amount of Rs. 33,599-39 had been claimed and recovered from M/s. Marshall & Sons, the Suppliers of the two crushers, towards the losses sustained by the Board by way of dismantling two other crushers from Panniar Project, conveying and re-erecting at Pamba Dam site necessitated by the belated supply and failure of Marshall Crushers in giving the specified output.

As per terms of their agreement, the guarantee period of the crushers was only for 6 months from the date of putting them into operation. Also they were liable to repair or replace any parts that might be found to be defective, exclusive of fair wear and tear.

The defects noticed in the crushers were rectified by the service Engineers of the Firm and the machines were found to work satisfactorily during the guarantee period.

Later, the crushers were seen to develop further troubles due to excessive wearing of the parts requiring frequent replacements and

consequent high cost of maintenance. The output was also going down due to the breakdowns and delay caused for replacing the spares.

As the Guarantee period was only for 6 months and as the defects found during that period had been got attended to by their Service Engineers no further claims could be preferred against the Suppliers for the unsatisfactory performance of the Crushers later.

Sd/-

*Chairman,
Kerala State Electricity Board.*

To what extent audit objections are attended to and disposed of (Finance Department)?

In the course of examination of paragraph 95 of Audit Report, 1966 it was pointed out that the Kerala State Electricity Board had not sent a reply to the Accountant General to the above draft paragraph and in that context the Committee raised the question quoted above. The reference to "audit objections" in the question is therefore taken to mean "audit paras".

A special note explaining the action taken by the Finance Department to see that timely replies are sent to the audit paragraphs is submitted to the Committee separately with reference to recommendation No. 94 (Paragraph 8.24) of 47th Report of the Committee and also to the direction of the Central Public Accounts Committee in their sittings on 23rd September, 1966.

The draft paras relating to Kerala State Electricity Board are forwarded by the Accountant General direct to the Accounts Member of the K.S.E. Board with copy to the Secretaries to Government, Public Works Department and Finance Department. Copies of the general instructions issued by the Government for sending prompt replies to draft paras are forwarded to the Kerala State Electricity Board also. Further, when copies of draft paras relating to Electricity Board are received by Government, the attention of the Accounts Member of the Board is invited to the draft para and he is requested to send the reply to the Accountant General at the earliest.

Regarding audit objections, the position is, however explained below:

Article 72 of Kerala Financial Code, Volume I lays down that every Government servant should give proper attention to all objections and orders received from the Accountant General without any avoidable delay. In case any objection is not replied to within one month from the date of the issue, the Audit Officer will have authority to direct the treasury to refuse encashment of further bills of the same class presented by the Officer concerned or of a different class if the bill in respect of which the objection has been issued is an occasional one. The names of the officers who keep the objections for which they are responsible unremedied for more than 3 months will be reported to Government by the Audit Officer. Maintenance

of a register in the prescribed form in each office for recording the objections communicated by the Accountant General is also essential as per the provision in the above article. In spite of the above provisions in the Code, audit objections had been accumulating in various offices without proper attention in the past.

In October 1964, the Government constituted an Inspection Wing in the Finance Department to conduct surprise inspection of Government offices and report to Government cases of irregularity, slackness or indifference shown by Heads of Departments or offices in the matter of Financial control. Copy of G.O. (P)723/64, dated 19th October, 1964 is enclosed (Annexure I). During the course of inspection of various offices, the staff of the Inspection Wing specially looks into the position of audit objections pending clearance and gives proper directions to the Head of Office for speedy clearance of pending objections. A representative of audit office also accompanies the staff of the Inspection Wing to help them to scrutinise the replies collected on the spot for the various pending audit objections and also to render advice on the adequacy of the replies furnished for final clearance of the objections. Further, in June 1965, the Government issued comprehensive instructions for the proper maintenance of register of audit objections and timely clearance of objections—Vide Circular No. 25 65 Fin.(Ins. 3) dated 9th June, 1965 (Annexure II). The necessity for timely clearance of audit objections and for conducting critical review of the register of audit objections pending for more than three months should be submitted by the Government in Paragraph 2 of Circular Memorandum No. 57374/Ins. 2 65 Fin. dated 15th November, 1965. (Annexure III). In March 1966, the Government issued further instructions—Vide Memorandum No. 12301 Ins. 3 66 Fin. dated 1st March, 1966 (Annexure IV)—to the effect that a monthly statement showing the objections pending for more than three months should be submitted to Government by the Heads of Department to enable the Government to watch the progress in the clearance of audit objections. The Departments of the Secretariat were requested to conduct monthly review of audit objections on the basis of statements received from the Heads of Department. Further, the Accountant General forwards to Government periodically list of outstanding audit objections and action is taken on such lists by addressing the officers concerned with instruction to clear the objections early.

As a result of the measures detailed above, there has been improvement in the clearance of audit objections.

According to the Audit Report 1964 (Paragraph 77) the number of audit objections raised in Central audit (other than those reported

through inspection reports) pertaining to the period upto 31st March, 1963, awaiting settlement from the departmental officers on the 30th November, 1963, was 36322 items involving a total amount of Rs. 10.93 crores. According to Paragraph 125 of Audit Report 1966, the number of audit objections pertaining to the period upto 31st March, 1965 awaiting settlement by departmental officers as on 31st December, 1965 was 8917 involving a total amount of Rs. 1.94 crores. The number of objections relating to the period upto 31st March, 1966, outstanding clearance as on 31st July, 1966 is 12949 and the amount involved is Rs. 3.44 crores. Of these, 9323 items involving Rs. 2.63 crores relate to the year 1965-66. It may be seen from the above that during the last two years there had been considerable improvement in the clearance of audit objections.

Sd./-

Joint Secretary (Finance)

ANNEXURE I

GOVERNMENT OF KERALA

ABSTRACT

Finance Control—Rules and procedure—Observance of—Constitution of an Inspection Wing in the Finance Department—Further orders—Issued.

FINANCE DEPARTMENT

G.O. (P) 723/64/Fin. Dated, Trivandrum, 19th October, 1964.

Read: G. O. Rt. 2068 PD (Spl.) dated 24-9-1964.

ORDER

Government view with grave concern the general laxity in financial control shown by Departmental officers particularly in the matter of recovery of loans, reconciliation of accounts, collection of revenue, clearance of audit objections and inspection reports, maintenance of stock accounts and verification of stores. Time and again, these subjects have come up for adverse comments by the Public Accounts Committee. Instructions issued from time to time for greater vigilance on the part of the Departmental Officers have not improved matters. Government therefore feel that, apart from mere issue of instructions, some effective method should be devised to see that financial rules and procedure are scrupulously followed by the Departmental Officers.

2. Accordingly, Government have constituted an Inspection Wing in the Finance Department consisting of One Assistant Secretary, One Superintendent and 4 Assistants. The inspection party will conduct surprise inspection of Government Offices and report to Government cases of irregularity, slackness or indifference shown by Heads of Departments or offices in the matter of financial control. They are empowered to scrutinise all files and registers relating to Accounts, Stores and other allied matters. They are also empowered to conduct physical verification of cash and stores wherever deemed necessary. All Heads of Departments and Offices are directed to give the inspection staff necessary co-operation and facilities for the proper discharge of their functions.

3. The inspecting party will have with them identity cards and also an authorisation from the Finance Secretary. The Head of the Office or in his absence, the member of the staff next in rank should make available to them such files, registers, and other documents demanded by them and also such facilities as are required for conducting the inspection.

4. The Inspection Party will submit their reports to the Secretary to Government in the Finance Department who will decide the follow-up action to be taken on the reports.

5. Government wish to impress on all Heads of Departments and Offices that Government will not hesitate to take disciplinary action on Officers who are reported to be negligent, slack or indifferent in the observance of prescribed rules and procedure in financial matters and that any laxity in this regard will not be tolerated.

By order of the Governor,

N. M. PATNAIK,

Chief Secretary to Government.

To

The Accountant General, Kerala.

The Registrar, Kerala High Court (with C. L.)

The Registrar, Kerala University (with C. L.)

The Secretary, Kerala Public Service Commission (with C. L.)

The Secretary, Kerala State Electricity Board (with C. L.)

All Heads of Departments and Offices.

All Departments and Sections of the Secretariat.

The Director of Public Relations.

The Secretary to the Governor.

The Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries, Under Secretaries and Assistant Secretaries to Government.

The Personal Clerk to the Chief Secretary.

ANNEXURE II
GOVERNMENT OF KERALA
FINANCE DEPARTMENT
CIRCULAR

No. 25/65/Fin. (Ins-3). Dated, Trivandrum, 9th June, 1965.

SUB.—Audit objections—Register of audit objections—Maintenance of—General instructions—Issued.

It has been laid down in para 72 of the Kerala Financial Code that the objection slips received from the audit office should be replied to without any avoidable delay and that a register of audit objections should be maintained in Form 4 to watch whether this is being done. Time and again instructions have been given to the Heads of Offices from this department drawing their attention to the provision in the Kerala Financial Code referred to above and stressing the need for the proper maintenance of the Register of Audit Objections. A scrutiny of the register by the Inspection Wing of this Department when it visited various offices revealed several defects in the maintenance of the register. The following are some of the important defects noticed:

- (i) The register maintained is not in the form prescribed.
- (ii) The register is not written up-to-date.
- (iii) Audit objections are not replied to promptly as required under the rules.
- (iv) Particulars of reply are not noted in the register.
- (v) The register is not reviewed periodically by the Head of Office or any other responsible officer.
- (vi) The prescribed returns of pending audit objections are not sent with reference to this register.

2. Obviously, these defects show a lack of appreciation of the need for the proper maintenance of the register on the part of the departmental officers. The primary object in insisting on the maintenance of audit objection register is to ensure that the audit objections are promptly replied to. Its very purpose will be defeated unless (a) the register is maintained correctly and (b) reviewed by the heads of offices at regular intervals. Comprehensive instructions for the maintenance and check of the audit objection register are given below for the information and guidance of all departmental officers.

3. Instructions

- (1) The register should be maintained in the following form (Form No. 4 of Kerala Financial Code Volume II).

Sl. No.	Date of receipt	From whom received	A. G's Office objection slip	No.	Date	Document to which objection relates	Nature of objection	Amount objected to	From whom recoverable	Subordinate Officer to whom sent	No. and date of reference	Date of return of the slip by the subordinate Officer	Date of return to the A. G's office	Particulars of reply	Amount recovered	Reference to bills or Treasury receipts	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		

(2) When an objection slip (or letter) received from the Accountant General is registered as a new case in the personal register simultaneously, it should be entered in the audit objection register also. (In some offices the objection slips or letter received from the Accountant General are entered only in the audit objection register and not in the personal register. This is not correct. Each letter or objection slip from the Accountant General should be given a current number and entered in the Personal Register. It should be treated as any other current received in the office and action pursued in files).

(3) All the audit objections received in a calendar year should be serially numbered and these serial numbers should be entered in column 1 of the register. (It has been noted that in some offices, Accountant General's letter number is entered in this column).

(4) Each item of objection should be given a serial number. If there are two or more items of objections in the same objection slip received from the Accountant General separate serial numbers should be given for each item.

(5) Sufficient space should be left between two serial numbers to make all the entries in the register.

(6) *The reference No. of the Accountant General's objection slip, date of receipt, date of reply, particulars of reply* (here only the gist of the reply need be entered) should invariably be noted in the respective columns of the register.

(7) The objections should be replied within a fortnight of its receipt.

(8) When a reply is sent, the Head of the Office should initial in the remarks column.

(9) An item should be treated as closed when final reply is given to the Accountant General without waiting for the clearance from the Accountant General. When Accountant General's intimation of acceptance of the reply is received subsequently, this fact may be noted in the remarks column where the current number of the paper as well as the Accountant General's reference No. and date may also be noted.

(10) Items which are cleared should be rounded off in red ink.

(11) There should be only one register for the whole office and one clerk should be made responsible for the maintenance of the register. If the paper has to be dealt with in another section, the

clerk responsible for the maintenance of the register will register the paper and hand it over to the concerned section and that section will return the slip with the reply thereto within a week to the clerk who will note the gist of the reply in the register and will transmit the reply (objection slip) to the Accountant General. While handing over the paper to the other section and receiving back the paper from that section, necessary entries should be made in columns 9 to 11 of the register.

(12) The register should be reviewed monthly by the Head of Office and every fortnight by the Head Clerk or Personal Assistant or such other intermediary supervising officer, if there is one. It should be ensured that prompt action is taken to clear the objection within a fortnight of its receipt.

(13) After the close of each month a monthly abstract of audit objections in the following form may be recorded in the register.

<i>Month</i>	<i>No. pending till the end of previous month.</i>	<i>No. received during the month.</i>	<i>Total No. of objections.</i>	<i>No. dispos- ed of during the month.</i>	<i>No. pending at the close of the month.</i>	<i>Initial of the head of office.</i>
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The prescribed returns of audit objections should be sent with reference to this statement.

(14) This circular may be pasted on the front page of the audit objection register.

4. The Heads of Departments and Offices are requested to adhere to the above instructions scrupulously.

By Order of the Governor,
C. THOMAS,
Finance Secretary.

To

All Heads of Departments and Offices.

All Departments of the Secretariat.

The Registrar, High Court of Kerala, Ernakulam (with C. L.)

The Secretary, Kerala Public Service Commission (with C. L.)

The Registrar, University of Kerala (with C. L.)

The Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries, and Assistant Secretaries to Government.

The Secretary to Governor.

The Private Secretaries to the Advisers.

The Personal Clerk to the Chief Secretary.

Copy to the Accountant General for information.

ANNEXURE III
GOVERNMENT OF KERALA
FINANCE DEPARTMENT
CIRCULAR MEMORANDUM

No. 57374/Ins. 2/65/Fin. Dated, Trivandrum, 15th November, 1965.

SUB.—Financial control—Action to be taken regarding Audit objections, Inspection Reports and audit paras and appearance of officers as witnesses before Public Accounts Committee—Consolidated instructions—Issued.

From time to time, Government have issued instructions to the departments on the action to be taken regarding audit objections, Inspection reports and audit paras and the appearance of officers as witnesses before the Public Accounts Committee. These consolidated instructions are issued for the guidance of Secretaries to Government and Heads of Departments and Offices.

(i) Audit Objections.

2. The normal time limit fixed for sending replies to audit objections is a fortnight from the date of receipt of the objections. The heads of offices should try to adhere to the above time limit. Recently the Government have issued instructions (*vide* Circular No. 25/65/Fin dated 9th June, 1965) for the maintenance of an "Audit Objection Register" in each office. It is laid down therein that the register should be reviewed once a month by the head of the office and once in a fortnight by an intermediary supervisory officer, if there is one. The review should be critical and detailed and special attention should be given for the clearance of old objections remaining undisposed of. The Government are of the view that, if the head of the office bestows proper attention on the monthly review of the register, there will not be any occasion for accumulation of audit objection. The head of the office should also ensure that where a particular type of payment has been objected to by 'Audit', a similar payment is not made thereafter before the audit objection is finally cleared.

(ii) Inspection Reports.

3. During the course of local inspection, the Audit staff will be issuing 'memos' calling for information on various points. It should

be ensured that the particulars given in reply to such memos are correct with reference to the records so that, at a later stage, the accuracy of the figures and statements of facts contained in the Inspection Reports should not be called to question. To ensure this, the head of the office should make necessary arrangements to see that the replies to audit memos are furnished only after approval by proper authority. Further, before finalising the Inspection Report, the audit officer generally discusses the more important irregularities noticed during the course of audit with the head of the office. This opportunity should be taken advantage of by the head of the office to see whether all the relevant materials have been made available to audit to enable them to bring out the full facts of each case in the Inspection Report. Simultaneously, action should be initiated to rectify irregularities, defects, omissions, etc., which came to light during the course of the audit, without waiting for the receipt of the Inspection Report. Such a step will, besides keeping timely rectification of defects, enable early disposal of Inspection Reports. For example, if during the course of local audit, it is discovered that a sanction issued by the head of the office was in excess of the powers delegated to him, he can immediately take steps to address the proper authority for ratifying his action. The normal time limit fixed for sending first replies to inspection reports is *four weeks from the date of receipt of the inspection report*. This time limit should be strictly adhered to. Even if final replies to certain paras in Inspection Report could not be furnished to the Accountant General within the time limit, the first replies to the inspection reports should not be delayed on that account. In respect of those particular paras, an interim reply may be given indicating the action taken to rectify the defects pointed out. Here again, the head of the office should ensure that the replies to the inspection reports are factually correct and that proper steps have been taken to avoid recurrence of such defects.

(iii) Draft paras for inclusion in the audit report

4. The draft of a "para" proposed for inclusion in the "Audit Report" is forwarded by the Accountant General to the Secretary to Government and the head of the department concerned with a demi-official letter. This is to ensure that the irregularity commented upon in the "para" is brought to the personal notice of the officers who will have to appear as witnesses before the Public Accounts Committee when the audit report is taken up for consideration by the Committee. The draft para is forwarded to the officer concerned for verification of the facts contained therein and the result of the

verification is to be communicated to the Accountant General *within six weeks* from the date of receipt of the draft. Very often what happens is that a reply to the draft para is sent to the Accountant General without examining all the aspects of the case and in some cases the reply is even sent without the specific approval of the Secretary to Government or the head of the department concerned. There have been instances where the facts mentioned in the audit para were challenged only when the audit report was taken up for consideration by the Public Accounts Committee. This is a sad reflection on the manner in which the audit paras are handled by the departments. To avoid such lapses the Government would like to impress upon the Secretaries to Government and Heads of Departments that a reply to a draft para received from the Accountant General should be sent only after their personal approval. Before sending a reply, they should collect all the facts which have a direct or indirect bearing on the irregularity commented upon in the draft para and see that the audit para portrays a true account of the alleged irregularity or lapse. If the draft para proposed by the Accountant General requires modification to bring-forth the facts of the case, they should suggest so in their replies. As a rule, the reply to the draft para should be sent in a demi-official from the officer to whom it was referred to by the Accountant General for verification. This will ensure that the reply is sent by the proper authority after careful examination of all the aspects of the case. In case, the final reply to the draft para could not be given within the time limit of six weeks referred to above, an interim reply should be given to the Accountant General indicating the time by which the final reply could be sent and that too by the officer himself to whom the draft para was forwarded for verification. In any case, the final reply should be sent within three months from the date of receipt of the draft para.

5. To ensure prompt replies to draft paragraphs received from Audit, Secretaries to Government and Heads of Departments may open a separate register to note date of receipt of paragraphs and date of reply to Audit. The register should be personally verified by the Officers on the first working day of each month.

(iv) Rectification of defects, irregularities, lapse etc., commented upon in the audit paras.

6. Normally it has to be presumed that a draft para forwarded to the Secretary to Government for verification will find a place in the Audit Report which will be placed on the table of the Legislature. The Audit Report so placed will be examined by the Public Accounts

Committee and the concerned Secretary to Government and the Head of Department will have to appear as witness before the Committee when it examines the particular para in the Audit Report. There will be a time lag ranging from six months to one year between the date of which draft para is forwarded by the Accountant General for verification and the date on which the particular para is taken up for consideration by the Public Accounts Committee. One of the questions which the Public Accounts Committees generally put to the witnesses is whether, at least after the receipt of the draft para, the irregularity commented upon in the Audit para has been rectified (wherever possible), whether adequate steps have been taken to see that such irregularities do not recur and also whether in cases of loss to Government, necessary action against those responsible had been taken. If the Secretary to Government and the head of the department concerned take prompt action immediately on receipt of the draft para to rectify the defects and to proceed against the officers responsible to make good the losses, if any, incurred by the Government due to their negligence also to issue detailed instructions for the avoidance of repetition of such irregularities, it should be possible to depose before the Committee that the irregularity has since been rectified and that action has also been taken to avoid recurrence of such things in future. Hence the Secretary to Government and the head of the department should, on receipt of a draft para, examine among other thing the following aspects and take suitable remedial measures immediately.

1. Whether the irregularity committed was due to negligence or culpability on the part of any Government Servant. (If so, suitable action should be initiated against him).
2. Whether there was lack of proper instructions or defect in the organisational set up (if so, steps should be taken to rectify such defects).
3. If there was a loss to the Government, the responsibility for the same should be fixed and steps taken to recover the loss.
4. If the irregularity committed was due to lack of proper supervision or ambiguity in the rules, steps should be taken to enforce adequate supervision or to amend the rules.

In other words all possible ways should be thought of to prevent recurrence of such an irregularity and also to make amends for the irregularity committed.

(v) Appearance of officers as witnesses before the Public Accounts Committee

7. The Public Accounts Committee examines the Secretary to Government head of the department in order to ascertain the full facts relating to the case covered by the audit para. The officer who is called upon to appear as a witness before the Committee should have studied thoroughly all the papers and files connected with the subject, including the original records relating to the case of the subordinate offices as well as the file in which the draft para forwarded by the Accountant General was examined and reply given. These records should be available with the officer at the time of examination by the Public Accounts Committee. A comprehensive note covering all the aspects of the case should also be prepared indicating clearly the chronological order of the action taken in the case. Whether a similar irregularity had found place in any of the earlier Audit Reports should also be verified and, if there was such a case, the relevant papers relating to that case, the recommendations of the Public Accounts Committee on that subject and the action taken by the Government on the recommendations should also be looked into and full information on this should also be available at the time of examination by the Committee. The Committee expects the replies by witness to be precise and to the point. Every statement that is made by a witness should be capable of being proved with reference to the records. If information on any point raised by the Committee is not readily available, the fact should be admitted and time for furnishing it requested for. Vague and generalised replies by witnesses and expressions of opinions and presumptions in replying to questions by the Committee are not proper and should be avoided. Secretaries to Government and heads of departments should bear this in mind.

(vi) Prompt action to be taken on the recommendations of the Public Accounts Committee

8. The Report of the Public Accounts Committee presented to the Legislature would contain various recommendations and observations of the Committee on which the Departments have to take proper action. There should not be any delay in taking action on such recommendations and observations and issuing suitable orders. As soon as copies of the Report are circulated the Secretary to Government and the head of the department should personally examine whether the rules require amendment or whether a change in procedure is necessitated to implement the recommendations of the Committee. Expeditious action should be taken in all such cases and

the Secretary to Government should look into this aspect while passing orders on files in which the recommendations and observations of the Committee are examined.

9. The Government expect that the Secretaries to Government and Heads of Departments and Offices will strictly adhere to the instructions detailed above.

Sd/-
Chief Secretary.

To

The Secretaries

Additional Secretaries, and Joint Secretaries, to Government.

Heads of Departments and Offices.

ANNEXURE IV
GOVERNMENT OF KERALA

No. 12301|Ins.3|66|Fin.

Finance Department,
Trivandrum,
Dated, 7-3-1966.

MEMORANDUM

SUB.—Audit objections pending for more than 3 months—Monthly statement to be submitted to the Governor.

The Accountant-General has pointed out that the response from the Departmental Officers in the matter of clearing Audit objections is not satisfactory and that old items relating to the period from 1960 onwards are still pending with the Departments. The Governor is anxious to see that better progress is achieved in clearing the audit objections. With a view to watching this, the Governor has ordered that monthly statement showing the objections pending in each Department for more than 3 months, number of objections cleared and number of objections added on during the month should be prepared and sent for the information of the Governor every month before the 10th by the concerned Secretaries to Government.

The.....
is requested to arrange for the information being furnished in the proforma enclosed to the Secretary to Government in the Administrative Department on or before the 5th of every month. The first statement for 2/66 (showing the latest position) should reach the Administrative Department of the Secretariat by 5-3-1966 positively.

Sd/-
Assistant Secretary.

Forwarded/By order,
Superintendent.

Statement showing the number of Audit Objections pending for more than three months.....Department

Name of Department	No. of audit objections pending for more than three months as on 1-2-66.	Amount involved	No. of objections cleared out of audit objections pending for more than three months during Feb. 1966.	Amount involved	No. of audit objections which have become 3 months old during February, 1966.	Amount involved	Total number of audit objections (more than 3 months old) outstanding at the end of the month	Amount involved	Remarks
		Rs.		Rs.		Rs.		Rs.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
..

APPENDIX LII

(Para No. 10.39 of this Report)

A detailed note showing the number of widows who have applied for pension after the death of their husbands.

Para 132 of the Audit Report, 1966 mentions the delay in the receipt of pension cases in the Audit Office during the year 1964-65. Out of the 3549 cases referred to in the para only 6 cases are awaiting settlement as on 1st October 1966. 5 of these pending cases relate to officers who retired from service and who are alive and whose pensions could not be settled awaiting fixation of liabilities. The 6th case relates to a Midwife who died while in service and who is reported to have no claimants.

Out of 342 pension cases reported to Audit and awaiting settlement as on 1st October, 1966 and other cases in respect of retirements for the period ending August, 1966 pending with the Departments only in 2 cases the claims of retired officers could not be settled during their lifetime and consequently the widows had to apply for the pension.

The particulars of these 2 cases are given below:—

1. K. P. Ummer	Retired on	Died on
L.D. Clerk	1-7-1959	26-12-1959

Shri K. P. Ummer was a District Board employee not eligible for pension. The District Board employees were however brought under the pension scheme by a Government order dated 4th May, 1959. Shri Ummer retired on 1st July, 1959 and his pension papers were forwarded by the Director of Public Instruction to the Accountant General for verification on 20th October, 1959. As the procedure for verification of the service of the District Board employees brought under the pension scheme was not finalised by Government, the Accountant General returned the pension papers on 16th November, 1959 for retransmission after orders of Government are issued in the matter. Shri Ummer died on 26th December, 1959. Final orders permitting the category of officers to which Shri Ummer belonged to opt for the unified rules in the Kerala

Service Rules were issued by Government on 1st August, 1962. In the meanwhile, a decree was passed against the deceased and his wife on the 21st day of December 1960, in suit No. O.S.673 of 1960 in favour of decree holder for Rs. 1,837.03. As the debtors failed to satisfy the decree a prohibitory order was passed on 5th September, 1961 prohibiting and restraining the widow until the further order of the court of the Munsiff, Kozhikode from receiving from the garnishee the Director of Public Instruction, Trivandrum, prohibiting and restraining the garnishee also until the further order of the Court from delivering the amount to any person or persons whomsoever. The Court did not however issue any order in the matter till 7th April, 1964 when the court issued a summons as an execution petition for the attachment of the moveable properties of the District Educational Officer, Kozhikode in E.P.210/64. This execution petition was dismissed by the Court in 3/65. But the prohibitory order is still in force. The party aggrieved is to move the court for lifting the prohibitory order. This has not been done. The question whether the prohibitory order is to be got vacated by the Government is now under consideration.

2. K. Gopala Menon.	Retired on	Died on
Municipal Commissioner.	12-8-1962	10-1-1964

The Officer was a Municipal Commissioner allotted from Madras on States Reorganisation, not eligible for pension.

Orders admitting the Municipal Commissioners (the cadre to which Shri Menon belonged) to the pension scheme were issued on 31st October, 1964. However as he had not been confirmed in service he could not earn pension even under these orders. On 23rd December, 1965 Government issued orders confirming him as II grade Municipal Commissioner with retrospective effect from 1st November, 1956 thereby making him eligible for pension. The claim for pension in this case arose thus only in December 1965. The orders of 23rd December, 1965 were not accepted by audit pending receipt of certain particulars of vacancy in which Shri Menon was confirmed, called for from the Health and Labour Department of Government on 16th March, 1966. The matter is still under the consideration of Government.

In the meantime, to avoid further delay the Director of Municipalities forwarded the pension papers of Shri Gopala Menon to the Accountant General on 15th September, 1966 taking into account the emoluments admissible to him in the post of III grade Municipal Commissioner. As the revised pension papers did not also contain

Information regarding the probable date of the vacancy on which he would have been confirmed as III Grade Municipal Commissioner, the Accountant General returned them on 30th September, 1966. This information is being ascertained.

Sd/-

Joint Secretary (Finance)

APPENDIX LIII

(Para No. 11.4 of this Report)

How many cases out of disposed of cases, Government Servants have been dismissed or reinstated.

In para 131 of the Audit Report, 1966, 119 cases of suspensions were reported to be pending as on 1st April, 1965. These 119 cases did not include the cases of Dr. Unniram and Dr. J. Perira who were also remaining under suspension then. Including these two cases also the total number comes to 121. Out of this, 99 cases have been finally decided and 22 cases remain to be disposed of.

Out of the 99 cases decided, 58 officers were reinstated and the remaining 41 officers were either dismissed or removed or compulsorily retired from service.

Note showing the details of 22 cases:

1. *Shri R. Madhavan, Panchayat Inspector.*—The charge against him is that he misappropriated Panchayat funds. He was placed under suspension from 1st May, 1963 pending enquiry by the X-Branch Police. In the light of the enquiry report the Director of Panchayats who was the competent authority, was directed to issue necessary sanction to prosecute the accused officer. It was issued on 3rd August, 1965. The case is now pending with the Special Judge.

2. *Shri K. K. Nair, Regional Transport Officer.*—The charge against him is that he falsified and fabricated Government records with ulterior motives. The matter was referred to the X-Branch Police for enquiry. As the enquiry report disclosed a *prima facie* case of grave misconduct, he was placed under suspension from 10th April, 1961. The case was referred to the Tribunal for Disciplinary Proceedings for a detailed enquiry. Finally after observing all the procedural formalities he was compulsorily retired on 27th February, 1963. Against this order he filed an O.P. in the High Court. In August 1963 the High Court quashed the order of compulsory retirement with direction that it will be open to the State Government to issue a fresh show cause, if they deem fit.

As the judgment of the High Court contained certain legal points regarding the procedure to be followed, the case could be proceeded further only after obtaining clarifications on the legal points. The Public Service Commission had to be consulted twice thereafter. In the light of the advice of the Commission, the question was examined *denovo* and a fresh show cause notice was issued on 9th September, 1966. His explanation is awaited.

3. *Shri C. C. Kunjan, (Special Officer for Panchayats)—formerly Director of Harijan Welfare.*—There are three cases pending against Shri C. C. Kunjan—E.C. Nos. 16/62, 24/62 and 7/63. He was suspended on 29th November, 1960. The details of the three cases are given below:—

The charges against Sri Kunjan are that he did not call for tenders for supply of furniture worth Rs. 16,000 and due to non-observance of procedural matters he caused loss to Government; that he passed orders for payment of lump sum grant to certain students involving a financial commitment of Rs. 6,600 and by irregular action caused financial loss to Government; and that he ordered the construction of 40 houses without inviting tenders and caused financial loss.

There were also 12 other counts of charges such as he claimed false T.A., paid grants to unregistered Associations, made appointments irregularly, failed to supervise properly Colonisation Schemes etc. etc.

The cases were referred to the Tribunal for Disciplinary Proceedings during July, 1960 to March 1963.

Shri Kunjan had filed an O.P. No. 2785/62 before the High Court and the High Court stayed the proceedings before the Tribunal. The O.P. was disposed of by the High Court on 25th February, 1963 with certain directions and the Tribunal was asked to proceed further in the case after observing the directions of the High Court.

On receipt of the reports of the Tribunal in all the three cases, viz. 16/62, 24/62 and 7/63 they were considered together as ordered on 19th August, 1963 by the then Home Minister. A provision decision regarding the punishment to be imposed was then taken. As the Officer had a permanent lien in the Judiciary the High Court had to be consulted (June 1966) and the reply received from the High Court (in August 1966) is under consideration of Government.

4. *Shri S. Govinda Menon, First Member, Board of Revenue.*—The charges against Sri S. Govinda Menon were briefly that while

he was functioning as Commissioner, Hindu Religious and Charitable Endowments (Admn.) he issued sanctions granting leases of extensive forest lands belonging to Pulpally, Kottiyoor etc. Devaswoms in utter disregard of the provisions of the Hindu Religious and Charitable Endowment Act and Rules, that he fixed premia etc. for the lease arbitrarily, that he initiated proposals and committed other irregularities in sanctioning the lease, that he sanctioned leases to his relatives and friends, that he abused his official position in occupying Devaswom Buildings without payment of rent, in the matter of appointment of one Unni Raja and in locking up for the use of the officers of the Hindu Religious and Charitable Endowment Department, a room belonging to the Guruvayoor Devaswom, that he delayed the disposal of a disciplinary case against one P. K. M. Kunhianandan causing unnecessary loss on account of payment of subsistence allowance, that he refused to attend an important conference on 29th October, 1962 convened by the Chief Secretary and that he failed to report the full value of the building constructed by him at Ernakulam and did not take previous sanction of the Government for the contribution for the construction of a house in his wife's name in Trivandrum. His action in the above instances disclose misconduct and gross recklessness in the discharge of official duties.

He was suspended on 8th March, 1963, under Rule 7 of the All India Services (Disciplinary and Appeal) Rules. Immediately after the issue of the suspension order Sri Menon filed O.P. No. 485/63 in the High Court for quashing the suspension order. The O.P. was dismissed by the High Court. He filed appeal against this order before the Division Bench of the High Court. The Division Bench confirmed the judgment of the Single Judge. Charge Memo was issued to Shri Menon on 6th June, 1963. He filed written statement of defence. The Government found the explanation unacceptable. Thereupon formal enquiry by Sri T. N. S. Raghavan, Retd. Chief Secretary of Madras Government was ordered. Sri Menon again filed O.P. 1164 before the High Court against the Charge Memo. However the Inquiry Officer proceeded with the enquiry. He submitted his report on 23rd March, 1964 finding Sri Menon guilty on five charges and recommending his removal from service. Government accepted his findings and recommended to the Government of India in April 1964 for further action under Rule 4(2) of the All India Services (Disciplinary and Appeal) Rules. The Government of India also accepted the findings of the Inquiry officer and decided provisionally to award the punishment of dismissal. They issued the show cause notice to Sri Menon on 29th September, 1964.

The High Court dismissed Sri Menon's O.P. 1/64 in January 1966. He was, however, allowed leave of appeal to the Supreme Court. The Court has also granted stay of the disciplinary proceedings. The appeal is pending before the Supreme Court and is expected to be heard in October 1966.

5. *Shri K. P. Gopalan, Grama Sevak, Tuneri Block.*—The charges against him are misappropriation of Government Stores and money and irregularities in the maintenance of records. Pending detailed audit by the staff of the office of the Accountant General Shri Gopalan was placed under suspension on 14th August, 1963. The Government on receipt of the audit report suggested to the District Collector, Kozhikode deterrent disciplinary action. The Personal Assistant to the Collector was authorised to conduct a detailed enquiry. On finalisation of the enquiry, the enquiring officer recommended dismissal and also prosecution. On the advice of the Government Pleader the matter was reported to the Police on 16th May, 1966 and Crime No. 54/66 was registered by the Nadapuram Police. The case is under investigation.

6. *Shri K. Ahammed, formerly Head Clerk, Government College, Madappally.*—The charge against Sri Ahammed was misappropriation of Government money. He was suspended on 1st August 1960. Certain other cases of irregularities against Sri Ahammed were reported to Government and the matter was referred to the X-Branch Police for enquiry.

On receipt of the enquiry report in January 1964 charge Memo was issued to the delinquent officer. He did not furnish any explanation. The case was referred to the Tribunal for Disciplinary Proceedings in November, 1964 for enquiry assuming that he has no explanation to offer. The enquiry report of the Tribunal was received in September 1965 and considered by the Government.

A Show Cause Notice was issued and his explanation was considered by Government. But as it was found that there was some legal flaw in the Show Cause Notice in the light of the High Court decision a fresh Show Cause Notice was issued to him. His explanation was received on 11th August, 1966 and considered by the Government.

The matter has been referred to the Public Service Commission for advice in September 1966. The Commission's advice is awaited.

7. *Case against Smt. K. Gomathy Amma, Clerk, Women's College, Triandrum.*—The charge against Smt. Gomathy Amma is misappropriation. (a) LS—21.

priation of Government money and falsification of accounts and other serious irregularities. The Director of Collegiate Education placed her under suspension on 19th August, 1961. The X-Branch was directed to conduct an enquiry.

A case was registered by the X-Branch on 16th February, 1962. The X-Branch Police found it necessary to conduct a detailed audit of the accounts by the Audit staff of the Accountant General's office. Audit work commenced on 20th February, 1962. The Auditor audited the accounts relating to 4 years from 1957-58 to 1960-61. Thereafter regular investigation by the X-Branch was conducted.

On the basis of the X-Branch report sanction was accorded by Government on 8th January, 1965 for the prosecution of Smt. R. Gomathy Amma.

The crime case is still pending before the Special Judge, Trivandrum.

8. *Shri Upendran, Clerk.*—The charge against him is that he misappropriated U.N.I.C.E.F. Milk powder and manipulated accounts. The case was referred to the X-Branch for enquiry. He was suspended on 20th June, 1963. The report of the X-Branch was forwarded to the Director of Health Services for further action on 4th August, 1965.

The charges were issued to Sri Upendran on 14th September, 1965. The accused requested for copies of certain documents for submitting his explanation. The records had to be collected from different offices. He submitted his explanation on 4th November, 1965. He also wanted to peruse the records in case the further action is proposed to be pursued. He was given time. But he finally stated that he did not want to peruse records. Explanation to the charges is under consideration by the Director of Health Services.

9. *Shri T. P. Devassia, Laboratory Technical Assistant, Health Services Department.*—The charge against Sri Devassia is demand and receipt of illegal gratification. He was suspended on 3rd March, 1964. On the basis of the Final Report of the X-Branch, prosecution was ordered on 18th September, 1964. The case is still pending before the Special Judge.

10. *Shri P. R. Damodaran Nair, Compounder, Health Services Department.*—The charge against Sri Damodaran Nair is receipt of illegal gratification. On receipt of preliminary report he was placed under suspension on 7th March, 1964. On consideration of the final

report of enquiry dated 1st January, 1965 the case was referred to the Tribunal for Disciplinary Proceedings on 23rd November, 1965. It is now pending with the Tribunal for Disciplinary Proceedings.

11. *Shri B. T. Chacko, Head Master.*—The allegation against Shri Chacko is that he seduced one girl student for illicit connection. The Director of Public Instruction recommended that Shri Chacko should be placed under suspension and he was suspended on 7th October, 1961. Based on the enquiry report of the Director of Public Instruction, Shri Chacko was asked to show cause why he should not be dismissed from service. Before submitting his explanation Shri Chacko wanted certified extracts of all statements in the case. The request was declined. But he was allowed to peruse the statements and to take extracts, if necessary. On receipt of his explanation dated 12th October, 1964 which was considered by the Government, the case was referred to the Public Service Commission. The Public Service Commission pointed out procedural irregularities, on the basis of which the proceedings were cancelled and fresh charges framed and explanation obtained. The case was then remitted on 18th January, 1966 for enquiry by the Deputy Director of Public Instruction. Against this fresh proceedings, Shri Chacko filed a writ petition in the High Court in April, 1966. The High Court stayed the proceedings in April, 1966. The judgment of the High Court on the writ petition is awaited for further action.

12. *Shri P. Raveendram, formerly Lower Division Clerk, Taluk Office, Attingal.*—The charge against Shri Raveendran is that he issued excess quantity of rice with corrupt motives. He was placed under suspension on 20th October, 1962 by the District Collector. The case was referred to the X-Branch for enquiry. In order to fix up the financial liability, the X-Branch Police suggested in March 1963 that an audit of the accounts of the Civil Supplies Section of the Taluk Office, Chirayinkil and the accounts of the retailers was absolutely essential. Instructions were issued on 3rd April, 1963 to the Board of Revenue (Civil Supplies) to conduct an audit of the accounts. The audit of accounts is not yet over. However the Additional Secretary, Board of Revenue (Civil Supplies) was asked on 16th October, 1965 to take steps to realise from Shri Raveendran the loss caused to the Government. The exact liability can be fixed only after completion of audit. The X-Branch enquiry was over in July 1965, after examining 246 witnesses. The records to be seized, and scrutinised in connection with the enquiry were voluminous. Based on the enquiry report, charge Memo was issued to him. His explanation was considered by Government. The Vigilance Commission was consulted and based on the advice of the Commission,

the case was referred to the Tribunal for Disciplinary Proceedings in March 1966 for detailed enquiry. The Tribunal for Disciplinary Proceedings has registered a case No. 6 of 1966 against Shri Raveendran. The case is pending with the Tribunal for Disciplinary Proceedings.

13. *Shri T. K. Vasudevan Pillai, Head Constable No. 6159.*—The charge against Shri T. K. Vasudevan Pillai is that he used abusive language and assaulted a superior officer and falsified mess accounts. He was dismissed from service by the District Superintendent of Police (Armed Reserve) by his proceedings dated 28th September 1950. The Inspector General of Police cancelled the order and issued fresh orders on 14th August 1956 dismissing him from service with effect from 12th June 1950. He filed an O.P. in 1956. The O.P. was allowed by the High Court on 8th November 1957. Fresh enquiry was conducted in October and on the basis of the fresh enquiry he was dismissed from service by Government as per G.O. dated 12th October, 1959 with effect from 12th June 1950. He filed a Civil Suit (O.S. No. 57/61). The Court declared the dismissal order as illegal and void in 1963. The Inspector General of Police was directed on 16th March 1963 to conduct a *de novo* enquiry. The Personal Assistant to the Superintendent of Police, Trivandrum was authorised to conduct the enquiry. The enquiry was transferred to the Assistant Commissioner (Crime), Trivandrum City on the request of the delinquent. The Inspector General of Police on receipt of enquiry report issued a show cause notice and the delinquent submitted his explanation. Subsequently, the Inspector General of Police cancelled the show cause notice as it was found that he was not competent to impose the proposed punishment and forwarded on 30th October 1965 the records to Government. Government examined the entire records and provisionally decided to dismiss him from service. The Public Service Commission was then consulted on 1st June 1966 as required under the Rules. The advice of the Public Service Commission was received on 23rd September 1966 and the matter is under consideration of the Government.

14 and 21. *Dr. Unniram, Demonstrator, Medical College, Trivandrum, and Shri Madhavan Pillai, P.C. No. T. 909.*—The charge against Dr. Unniram is that he misused his official position and cheated certain persons by obtaining money and jewels from them promising to secure jobs. The charge against Shri Madhavan Pillai, Constable is that he by misusing his official position derived pecuniary advantage from certain persons promising to secure jobs and ultimately cheated them.

An enquiry by the X-Branch was ordered in March 1963. The Officers were placed under suspension on 17-6-1963. On receipt of the enquiry report in June 1964, charges were issued to the officers. Explanations of the officers were considered and an enquiry by the Tribunal for Disciplinary Proceedings was ordered in November 1964. Based on the report from the Tribunal for Disciplinary Proceedings which was received in February 1966, it has been provisionally decided that Dr. Unniram should be removed from service and Shri Madhavan Pillai dismissed from service from the dates on which they were placed under suspension. Accordingly show cause notices were issued and their explanations received on 8-8-1966. The explanations are now under consideration.

15. *Shri Krishna Pillai, Head Constable No. 622.*—The charge against Shri Krishna Pillai is receipt of illegal gratification. He was placed under suspension from 6-4-1963. An enquiry by the X-Branch was conducted and based on the enquiry report, charges were framed against him and after obtaining his explanation and having found it unsatisfactory, the case was referred to the Tribunal for Disciplinary Proceedings.

Report of the Tribunal for Disciplinary Proceedings was received on 3-5-65. Show cause notice was issued. Explanation was received on 14-7-65, and the case was referred to the Public Service Commission after considering the explanation. The Commission pointed out that the show cause notice issued was legally defective. The Commission advised that fresh show cause notice should be issued. So a fresh show cause notice was issued. His explanation was received and it has been considered in detail and the matter has been referred to the Public Service Commission for advice on 29-9-66.

16. *Shri Thankappan Nair, Police Constable P.C. 1057.*—The charge against Shri Thankappan Nair is that he wilfully produced false certificates of age and qualification for enrolment. Police constable Thankappan Nair, a Reservist of the Army was enlisted in the Special Armed Police on 23-7-1959. He was removed from service with effect from 9-12-1959 by the Commandant, Special Armed Police for giving false information regarding date of birth and educational qualifications. He appealed to the Dy. Inspector General of Police and Government. The appeal was rejected and hence he filed a writ before the Honourable High Court in O.P. No. 1065/61. The writ was allowed on 30-7-1962 setting aside the orders of the dismissal. The High Court also observed that there was no bar to conduct fresh enquiry

As recommended by the Inspector General of Police, Government ordered in G.O. (MS) 187/Home (A) dated 4-4-1963 that the Police constable may be reinstated in service and simultaneously placed under suspension pending disposal of the Departmental Proceedings with retrospective effect from 9-12-1959.

The Commandant, Special Armed Police has stated that the order of reinstatement was served on the Police constable on 20-4-1963 but the Police constable represented that he was recalled for Military Service from 20th November, 1962 and would not be available for enquiry.

The question whether he can be reinstated in service was considered by Government and it was decided on 29-6-63 that he can be reinstated only after the enquiry against him is over and that he is not eligible for subsistence allowance from the date he joined the Army.

The above fact was reported to the Military authorities also on 1-10-1963.

Shri Thankappan Nair requested on 1-10-1965 to stop further proceedings till he is relieved of his duties in the Army. The enquiry is therefore deferred till his release from the Army. The original dismissal order of the Commandant, Special Armed Police was based exclusively on documentary evidence. This was not accepted by the High Court while ordering the dismissal of the O.P. The Court observed that it is open to the State Government to proceed, if they think it necessary against the petitioner, after framing proper charges and also conducting a proper inquiry according to law in which the petitioner must be given a full and effective opportunity to participate and also be permitted to adduce any evidence that he desired to place before the Tribunal and also should be given a right to cross examine the witnesses that may be examined by the prosecution. Therefore without his attending the enquiry the proceedings cannot be finalised. Military authorities are being contacted to find out if the delinquent has been released from the Army.

17. *Shri N. Gangadharan Thampi, Depot Officer, Forest Department.*—The charge against him is misappropriation of Government money being the balance of the value of timber logs auctioned from the Medical Depot and the Sales Tax thereon. He was placed under suspension on 9-11-1956.

Before obtaining prior sanction of Government the Magistrate thought that the offences were to be charged under S. 466 I.P.C.

which was triable only in the Sessions Court. He therefore committed the cases to the Sessions Court and this was registered in the Sessions Court as No. 43/57. The Sessions Judge found that the sanction obtained subsequent to the prosecution was defective and passed his order on 7-10-1958 and referred the case to the High Court for quashing the committal order. The High Court quashed the committal order in Criminal Reference No. 24/58 on 3-1-61. On getting copy of the High Court Judgment the matter was examined afresh in detail in the Law and Home Departments and fresh sanction issued for launching prosecution.

Fresh sanction was issued on 5-8-1961 (G.O. Rt. 1352/61/Agri.). Investigation was accordingly started again as per the advice of the Assistant Public Prosecutor. But the Police could file fresh charges only in 1963. The delay was due to the death of the Circle Inspector of Police who investigated the case and also due to the death of one of the prosecution witnesses. Five cases were charged before the Sub-Divisional Magistrate's Court, Alwaye. In two of the cases the accused officer was convicted on 23-10-1964 to undergo R.I. for 18 months and to pay a fine of Rs. 1000 and in default to R.I. for 6 months for the offence under 409 I.P.C. and R.I. for a term of one year and fine of Rs. 500 and in default R.I. for a further term of 3 months for the offence under 477-A—the sentences to be run concurrently. In appeal, the Additional Sessions Court, Parur set aside the above sentences and discharged the accused in January 1965 on the ground that the sanction for prosecution was defective. The Advocate General on 31-3-1965 advised that there was no scope for appeal but that fresh sanction could be issued for re-prosecution. The matter was referred to the District Collector on 30-4-1965. His report was received on 24-8-1965. Accordingly, fresh sanction was issued for prosecution in these two cases as per orders dated 24-9-1965. Investigation of the whereabouts of the prosecution witnesses is not over.

The three cases which were pending in the Magistrate's Court were also disposed of discharging the accused on the same ground.

18. *Shri A. Thrivikraman Nair, Poultry Assistant, Animal Husbandry Department.*—The charge against Shri Thrivikraman Nair is that there was a shortage of 1153 birds in his charge. Shri Thrivikraman Nair was placed under suspension with effect from the forenoon of 10-12-63 pending finalisation of the criminal proceedings instituted against him after the matter was referred to the City Police Commissioner on 9-12-63. The City Commissioner of Police advised in consultation with the Public Prosecutor that with the

materials available a criminal prosecution might not stand and that departmental action might be pursued or the matter referred to the Vigilance Division as might be decided.

Charges were therefore framed against Shri Thrivikraman Nair in response to which he had submitted his explanation denying all the charges levelled against him. A formal enquiry into the allegations was therefore ordered.

The enquiry commenced on 27-9-65 and continued till 8-10-65 and again from 27-10-65. The enquiry was completed on 12-11-65 when the enquiry officer had to proceed to Gujarat on other duty. A statement of defence from the accused was obtained and the final enquiry findings communicated on 19-3-66.

On 26-4-66 Shri Thrivikraman Nair was directed to show cause why the loss sustained by Government on account of the value of birds found missing to the estimated value of Rs. 4216 should not be recovered from him and his promotion barred for a minimum period of three years or reduced to a lower rank in the seniority list by a minimum number of 10 places. He was also informed that the question of his reinstatement as Poultry Assistant would be considered only after the loss as above was made good.

In his explanation dated 2-6-1966 to the above said Show Cause Notice, Shri Thrivikraman Nair had not brought forth any new point for consideration. On considering his explanation it was ordered on 18-7-1966 that the amount of loss sustained by Government would be recovered from him and his promotion be barred for a period of 1 year. It was also ordered that he should remit Rs. 4216 into any Government Treasury and forward the receipted chalan. No further communication has been received from him so far except an appeal addressed to Government.

Accordingly the Director on 6-9-1966 directed him to show cause, if any, why he should not be removed from service with retrospective effect from 18-7-1966 i.e. the date of the order in which he was directed to remit the loss sustained by Government. Shri Thrivikraman Nair has been allowed 15 days time from the date of receipt of communication by him i.e. 10-9-1966 for his reply. His reply is awaited.

19. *Sri. P. G. Sukumaran Nair, Steward, Agricultural College, Vellayani.*—The charge against Sri Sukumaran Nair is that he rendered active assistance to the Assistant Warden for misappropriation from

College Mess Funds. He was suspended on 22-12-1962. An X-Branch enquiry was ordered. During the course of enquiry the X-Branch felt that a detailed audit by the staff of the Accountant General's office should be conducted and with the Government's approval made arrangements for the same. The audit was over on 30-6-1964. The enquiry report was received on 16-10-1965. Based on this report, charges were issued and his explanation obtained. The Vigilance Commission was consulted and the Commission advised that the charges framed against him should be amended. Accordingly the charges were amended and issued on 8-9-1966. Explanation of Sri Sukumaran Nair is awaited for further action.

20. *Shri K. P. Padmanabhan Nair, Clerk, Sub-Registry Office, Payyoli.*—The charge against Sri K. P. Padmanabhan Nair is that he violated the Government Servants Conduct Rules by canvassing votes at the General elections held in 1960. He was placed under suspension with effect from 28-2-1964.

A petition dated 21-1-1960 was received by the Inspector General of Registration alleging that Sri Padmanabhan Nair, Clerk, Sub-Registry office, Payyoli and certain other Government servants participated in the General election works. The petition was forwarded to Government. An X-Branch enquiry was ordered by Government. The X-Branch report was received on 25-2-1960. It revealed that there was evidence to prove that Sri Padmanabhan Nair has taken part in election work and canvassed votes for an independent candidate sponsored by the Communist Party and that he was a Communist sympathiser. The case was therefore referred to the Tribunal for Disciplinary Proceedings on 11-5-1960. The Tribunal's report was received on 4-1-1961. A Memo asking him to show cause why he should not be dismissed from service was issued and his explanation was found unsatisfactory. He was dismissed from service as per Government order MS. No. 346/61/Home dated 28-6-1961. Sri Padmanabhan Nair filed an O.P. in 1962 as O.P. No. 1493/62. The High Court quashed the above Government order. Government decided to proceed afresh against him. The officer was re-instated in service and was placed under suspension simultaneously. Fresh charge was framed against him. He filed another O.P. as O.P. No. 1311/64 before the High Court. The High Court stayed further disciplinary proceedings until further orders. The O.P. was disposed of by the High Court on 23-8-1965 quashing the Government order. The Advocate General opined that an appeal need be filed in this case against the decision in the O.P. No. 1311/64. Accordingly a Writ Appeal was preferred to the Division Bench of the High Court. The Writ Appeal is pending before the High Court. On 20-4-1966 the Advocate Gene

ral reported that the result of the Writ Appeal would be intimated to the Government when the case was finally heard and disposed of.

22. *Dr. J. Pereira, formerly Superintendent, Public Health Laboratory, Trivandrum.*—The charge against Dr. Pereira is that he allowed Sri Sukumaran Nair (co-accused in this case) to misappropriate Government money to the tune of Rs. 2873 from the Public Health Laboratory during the period from 6-11-1956 to 15-7-1959. X-Branch enquiry was ordered and based on the report of the X-Branch the officer was placed under suspension on 9-8-1963. Based on the final enquiry report of the X-Branch and after consulting the Advocate General sanction was accorded to prosecute the officer on 15-3-1965. The case is now pending with the Special Judge.

Sd/-

Secretary to Government,
Home Department.

APPENDIX LIV

Statements showing action taken or proposed to be taken on the Outstanding Recommendations of the Public Accounts Committee 1965-66 (47th Report III Lok Sabha) relating to Revenue Department.

(Para No. 12.4, 12.6 of this Report)

Sl. No.	Reference to para number of the report.	Department concerned.	Particulars of the recommendation.	Remarks of the Department.
1	2	3	4	5
139	Para 10—16	Revenue Department/ Finance Department.	The Committee suggest that the Departmental Audit should be strengthened so that all such cases are detected by them. They also desire that necessary instructions be issued to all officers to be careful in their assessment work so as to avoid irregular grant of exemption.	<p>The Department has already an Internal Audit Staff consisting of 14 Assistant Sales Tax Officers working under the direction of the Deputy Commissioner of Intelligence. These Officers work in seven batches, each batch having two Assistant Sales Tax Officers. At a time one batch audits a Sales-tax office. Orders are also being issued sanctioning 4 more posts of Assistant Sales Tax Officers for Audit.</p> <p>The following steps have also been taken to guide the Officers to do assessment work in the correct way and avoid the pitfalls of granting irregular exemption.</p> <p>As and when any amendment is made to the Act or the Rules, copy of such amendment is being</p>

1	2	3	4	5
				<p>regularly sent to all officers with a gist of the amended provisions explaining the purpose of the amendment. In addition to the regular supply of 'Sales Tax Cases', copies of important decisions of the Tribunal, High Courts and Supreme Court are also being circulated to all Officers. Clarifications as to the correct rate of tax on certain commodities are also being issued whenever found necessary. In the matter of allowing exemptions very clear instructions have been issued on many occasions.</p> <p>From 1965 onwards the Department is publishing and Supplying to all Offices a bi-monthly bulletin containing short notes, gist of decisions of Law Courts and Tribunals, Notifications, Standing orders, amendments, memoranda etc., on Sales tax, Agricultura Income tax etc. A Hand Book containing all useful information on Sales tax and allied matters was printed and supplied to all Officers in 1965. A Departmental Manual was a long felt necessity for the department. Now Part I of Volume I of the Departmental</p>

1	2	3	4	5
				Manual has been printed and supplied to all Officers and the remaining volumes will also be supplied shortly. By these publications the required information on Sales tax, Agricultural Income tax etc. is furnished to the officers. The Board of Revenue has since issued detailed instructions to the assessing officers pointing out the irregularities that are generally committed by them, and the facilities now provided to them in discharging their duties and warning them against the commissions of irregularities hereafter. A copy of the instructions issued in Board's Standing Order No. 29/66 is given in Annexure I.
140	Para 10—20	Revenue Department <hr/> Finance department.	The Committee are unhappy to note that the case detected towards the end of 1964 is still in the process of revision. They hope that the matter would be expedited. The Sales Tax Officers should also be instructed to be careful in such matters.	A note is submitted— <i>Vide Annexure II.</i> An extract of the Board's letter No. C3-13036/66 TX dated 17-6-1966 based on which this is prepared is also given in Annexure III.

ANNEXURE I

Office of the Board of Revenue (Taxes), Trivandrum,
Dated: 19-7-1966

No. C3. 13036/66/TX.

STANDING ORDER NO. 29/66

Sub:—Taxes—Sales tax and Central Sales tax—Audit of the Sales tax Offices—defects and irregularities in assessment—preventing of—instructions issued.

The audit party of the Accountant General and the Asstt. Sales Tax Officers (Audit) of the Department have brought to light certain important defects and irregularities committed by certain assessing authorities in making assessments. The various defects pointed out are enumerated below:—

General Sales tax:

1. Irregular grant of exemptions under Section 9 of the General Sales-tax Act, 1125 and other exemptions in the case of single point taxable goods.
2. Omission to include the turnover reported in the returns.
3. Incorrect accounting of collections.
4. Failure to assess under Section 25A of the General Sales tax Act, 1125, the stock in hand of commodities newly brought under the single point scheme of taxation on 1-4-1962.
5. Grant of exemption to works contracts during the period 26-1-1960 to 31-3-1962.
6. Grant of wrong or excessive exemptions to Vydias, Pharmacies etc.
7. Mistakes in computation of taxable turnover and other miscellaneous omissions.
8. Incorrect in computation of taxable turnover and other mistakes in calculation of tax etc.
9. Irregular grant of concession under Section 6A of the General Sales tax Act, 1125 (i.e., concession being allowed to dealers whose gross turnover exceeded Rs. 25,000 a year).

10. Non/wrong levy of licence fee under rule 21 of the General Sales Tax Rules, 1950.

11. Failure to make assessments in time resulting in time-bar.

General Sales tax:

1. Irregular grant of concessions on inter-State sales.

2. Concessional rate of tax allowed without the production of valid C forms and on defective C forms.

It will be seen from the gist of the defects pointed out above, that there are some officers who do not know the correct rate of tax for certain commodities. Exemption is seen granted in an irregular manner without examining the eligibility of the assessee to such exemption in the case of goods taxable at single point and also in other cases. The benefit of composition under Section 7 is found to have been allowed even in cases where the total turnover has exceeded Rs. 25,000/- Under the Central Sales tax Act instances are not rare where the concessional rate of tax has been allowed even in the case of invalid C forms. The various defects pointed out are only illustrative and not exhaustive.

It is obvious from the various defects and irregularities pointed out that the assessing officers do not take pains to understand the provisions of the Acts and the Rules and the notifications and the instructions contained in the Standing Orders and Officials memoranda issued by the Board of Revenue from time to time and to apply them correctly while making assessments. Had they applied their minds properly, such irregularities and defects could have been avoided. These irregularities and defects indicate that the officers are not doing their duty properly as is desired and expected.

As and when any amendment is made to the Act or the Rules, copy of such amendment is being regularly sent to all Officers with a gist of the amended provisions explaining the purpose of the amendment. In addition to the regular supply of Sales Tax Cases, copies of important decisions of the Tribunal, High Courts and Supreme Court are also being circulated to all Officers. Clarifications as to the correct rate of tax on certain commodities are also being issued whenever found necessary. In the matter of allowing exemptions very clear instructions have been issued on many occasions, In spite of all these, serious irregularities and defects are found to be committed by some officers.

From 1963 onwards the Department is publishing and supplying to all Offices a bi-monthly bulletin containing short notes, gist of decisions of Law Courts and Tribunals, Notifications, Standing Orders,

amendments, memoranda etc., on Salestax, Agricultural Income tax etc. A Hand Book containing all useful information on Salestax and allied matters was printed and supplied to all Officers in 1965. Part I of Volume I of the Departmental Manual was printed and supplied to all Officers and the remaining volumes will also be supplied shortly. By these publications the required information on Salestax, Agricultural Income tax etc., is furnished to the Officers. The only thing that is now required of the Officers is to go through these publications carefully and to supply the knowledge so gained in making proper and correct assessments.

The Officers are therefore requested to make the best use of these publications. They are warned against committing hereafter irregularities and defects similar to those pointed out above. If any Officer is found to commit such irregularities in making assessments causing loss of revenue to the State, in spite of these instructions, the Board will be constrained to take suitable disciplinary action against him. The Deputy Commissioners and the Inspecting Assistant Commissioners are requested to see that these instructions are strictly followed by the Officers and lapses if any are brought to the notice of the Board then and there so that immediate action could be taken against the delinquents.

The receipt of this Standing Order should be acknowledged.

Sd./-
Secretary (Taxes)

All Sales-tax Officers, Agricultural Income-tax
Officers, Intelligence Officers, Check Posts.
etc.

Sd/-
Superintendent.

ANNEXURE II

Note on Para 10.20 of the Report of the Central Public Accounts Committee 1965-66

The details of the total amount of Rs. 3.28 lakhs pointed out as a result of test-check in Audit by the Accountant General, are as follows:—

1. M/s. C. V. Paul & Co., Kallar	Rs. 3,09,940.80
2. A. Raghavan Pillai & Co.,	Rs. 18,443.14
TOTAL	Rs. 3,28,383.94

The Sales-tax Officer (High Ranges), Devicolam, as a result of cross-check of the exemptions granted, has reported that the actual amount on which exemption was erroneously granted in the above two cases, amounted to only Rs. 2,22,175.15 as under.

1. M/s. C. V. Paul & Co.,	1959-60	Rs. 1,14,980.27
	1960-61	Rs. 1,06,026.38
2. A. Raghavan Pillai & Co.	1960-61	Rs. 1,168.50
TOTAL		Rs. 2,22,175.15

Further scrutiny of the records in respect of the other auctioneers by the Sales-tax Officer (High Ranges), Devicolam has disclosed that exemption granted to them is also not in order. The details of the amounts which escaped levy of tax as a result of irregular grant of exemption are as under:—

1. M/s. C. V. Paul & Co. Santhanpara	1960-61	Rs. 7,328.22
2. Cardamom Marketing Co., Vandamettu	1959-60	Rs. 31,271.90
3. Vandammettu Cardamom Marketing Co.	1959-60	Rs. 1,32,940.55
4. Vandammettu Cardamom Marketing Co.	1960-61	Rs. 1,31,105.44
5. M/s. C. U. Joseph & Co.,	1959-60	Rs. 2,861.87

Notices proposing revision have been issued in the above first four cases on 30-5-1966. In the 5th case (M/s. C. U. Joseph & Co.) notice has been issued on 18-5-1966. In respect of assessments for 1961-62 relating to Messrs. Vandammettu Cardamom Marketing Co., and Messrs. C. V. Paul & Co. Kallar, the investigations are pending.

It may be pointed out in this connection that though the Audit Report was received in August 1964, elaborate enquiries had to be made in all cases to ascertain the liability to tax and the turnover actually escaped assessment, before notices were issued proposing revision. The accounts of the principals and their assessments have to be examined to ensure whether the exempted turnover had actually suffered tax at the hands of the Principals.

Notices have already been issued proposing *suo Motu* revision in the above case, as stated above.

The case referred to in para 10-17 (2) relates to M/s. Vazhakkala Rubbers, in which exemption was erroneously allowed on second sales of rubber on the basis of defective declarations without any proof that the exempted turnover had actually suffered tax at the hands of the first sellers. This assessment order has already been revised by the Deputy Commissioner, Ernakulam as per his Order No. C2.5448/65 dated 30-5-1966.

Instructions issued by Board of Revenue in its standing order No. C3. 13036/66/TX, dated 19-7-1966 covers this point—Viz. the Sales Tax Officers being careful in deciding the tax liability of dealers.

Sd./-

Joint Secretary,
Revenue Department.

ANNEXURE III

Extracts of Board's letter No. C3-13036|66|TX dated 17-6-1966

The details of the total amount of Rs. 3.28 lakhs pointed out as a result of text-check in Audit by the Accountant General, are as follows:—

1. M/s C. V. Paul & Co., Kallar	Rs. 3,09,940·80
2. A Raghavan Pillai & Co.,	Rs. 18,443:14
TOTAL	Rs. 3,28,383:95

The Sales-tax Officer (High Ranges), Devicolam as a result of cross-check of the exemptions granted, has report that the actual amount on which exemptions was erroneously granted in the above two cases, amounted to only Rs. 2,22,175,15 as under:

1. M/s. C. V. Paul & Co.,	1959-60	Rs. 1,14,980·27
	1960-61	Rs. 1,06,026·38
2. A. Raghavan Pillai Co.,	1960-61	Rs. 1,168:50
TOTAL		Rs. 2,22,175:15

Notices have already been issued on 30-5-1966 proposing *Suo motu* Revision in the above cases.

Further scrutiny of the records in respect of the other auctioneers by the Sales tax Officer (High Ranges), Devicolam has disclosed that exemption granted to them is also not in order. The details of the amounts which escaped levy of tax as a result of irregular grant of exemption are as under:—

1. M/s. C. V. Paul & Co., Santhanpara	1960-61	Rs. 7,328·22
2. Cardamom Marketing Co. Vandanmettu	1959-60	Rs. 31,271:90
3. Vandanmettu Cardamom Marketing Co.,	1959-60	Rs. 1,32,940·55
4. Vandanmettu Cardamom Marketing Co.,	1960-61	Rs. 1,31,105·44
5. M/s. C. U. Joseph & Co.,	1959-60	Rs. 2,861·87

Notices proposing revision, have been issued in the above five cases also.

In respect of assessments for 1961-62 relating to Messrs. Vandanmettu Cardamom Marketing Co., and Messrs. C. V. Paul & Co., Kallar, the investigations are pending.

It may be pointed out in this connection that though the Audit Report was received in August 1964, elaborate enquiries had to be made in all cases to ascertain the liability to tax and the turnover actually escaped assessment, before notices were issued proposing revision. The accounts of the principals and their assessments have to be examined to ensure whether the exempted turnover had actually suffered tax at the hands of the Principals.

True extract.

Sd/-
Superintendent.

APPENDIX LV

(Para No. 12.9 of this Report)

SUB: *Expenditure on payment of grant to private bodies for repayment of loans sanctioned by Government—Criterion for 'New Service'—Consideration of.*

The Public Accounts Committee 1959-60 (Kerala Legislature) submitted a "Report on New Service" in June 1959. The State Government accepted the recommendations contained in the Report and issued general orders [G.O. (P) No. 486/59, dated 24-9-1959] laying down the criteria for determining whether an expenditure should be treated as on a 'New Service' or not.

(2) On the recommendation of the Central Public Accounts Committee [para 29 of the 29th Report (Third Lok Sabha) the Government of India, in consultation with the Comptroller and Auditor General of India, have decided (Office Memorandum No. F.8(21)-B/65 dated 5-1-1966] that major cases of payment of grant to a private body for repayment of a loan from Government should be treated as 'New Service'. They have accordingly ordered that all proposals for grants to private bodies for repayment of loans from Government involving individual payments of Rs. 1 lakh or more should be explained in the Explanatory Memorandum on Budget and that, if in the course of a year, new cases of such expenditure involving an amount of Rs. 1 lakh or more occur, such cases should be treated as on 'New Service' and a Supplementary Grant obtained. Further the Government of India have decided [O.M. No. F.10(33)-B/59, dated 2-12-1958] that all proposals involving individual cases of writes off of irrecoverable loans of Rs. 1 lakh or more for which provision is proposed in the Budget estimates have to be explained in the Explanatory Memorandum on the Budget and if in the course of a year new cases involving writes off of loans of Rs. 1 lakh or over occur, such cases have to be treated as expenditure on a 'New Service' and a supplementary grant obtained for the full amount or for a token Grant if the additional expenditure could be met from within the amount already voted by Parliament under the particular head.

(3) The Accountant General, Kerala has suggested that a similar criterion may be adopted by the State Government also after obtain-

ing the recommendation of the Public Accounts Committee. He has suggested that the monetary limit for 'expenditure for payment of grant to a private body for repayment of a loan from Government or for writes off of irrecoverable loans', for treating it as on 'New Service', may be fixed at Rs. 50,000 or more, which is the existing monetary limit for 'non-recurring grant'.

(4) The Government are agreeable to the suggestion of the Accountant General. The matter may kindly be placed before the Public Accounts Committee (Central) for consideration at their ensuing meeting proposed to be held at Trivandrum.

Sd/

Joint Finance Secretary.

