

# **CHAPTER III**

## **CIVIL DEPARTMENTS**



**SECTION – A**  
**AUDIT REVIEWS**



### **3.1 Integrated Audit of Education Department - Elementary Education (Education and Adi-draavidar Welfare Departments)**

#### ***Highlights***

*The objectives of 100 per cent enrolment of children between the age of 6 and 14, and their retention in elementary education had not been achieved due to lack of co-ordinated effort in implementing free supply schemes and provision of buildings and support services such as water and electricity. There was shortfall in enrolment; dropouts and failures were high in middle level. The quality of education imparted was not assessed.*

*The following are some of the important points noticed in Audit:*

- **The shortfall in enrolment in middle level was 15 to 23 per cent.**

*(Paragraph 3.1.5.1)*

- **Dropout ratio ranged between 0.4 and 2.5 at primary level and 12.4 and 17.6 at middle level.**

*(Paragraph 3.1.5.3)*

- **Minimum level of learning tests were not conducted to ensure the quality of education.**

*(Paragraph 3.1.5.4)*

- **Infrastructure facilities were inadequate in schools. 42 per cent of schools were not provided with pucca buildings and 87 per cent schools were without adequate sanitary facilities. Water, electricity and playground facilities were not available in 21, 18 and 54 per cent of schools respectively.**

*(Paragraph 3.1.6.1(i))*

- **The untimely decision to switch over to Terry-Cotton uniforms without considering the balance of cotton uniforms available resulted in wasteful expenditure of Rs 21.66 lakh.**

*(Paragraph 3.1.6.2(a)(i))*

- **Distribution of text books to the same beneficiaries varied widely between subjects.**

*(Paragraph 3.1.6.2(d)(iii))*

---

Abbreviations used in this review are listed in the Glossary at Appendix 49 (Page 224)

---

**- Although posts of Secondary Grade Teachers were in excess of the norms, further recruitment of teachers was made in 1999-2000 resulting in a recurring liability of Rs 80.52 lakh per annum.**

*(Paragraph 3.1.7.2)*

**- In contravention of Government of India orders, 293 posts of daily rated peons-cum-sanitary assistants and 177 posts of part-time meal carriers were created in September 1999 and December 1998 respectively resulting in a recurring expenditure of Rs 72.79 lakh per annum. Unnecessary expenditure of Rs 76.49 lakh was incurred by engaging part-time employees during summer vacation.**

*(Paragraph 3.1.7.3)*

### **3.1.1 Introduction**

The Education Department, headed by a Minister of Cabinet rank at political level and by a Secretary at Secretariat level is responsible for, among other things, fulfilling the constitutional obligation of providing free and compulsory education to all children until they complete the age of 14 years. Government of India evolved the 'National Policy on Education' (NPE) in 1986, to give priority to Universalisation of Elementary Education (UEE). To achieve this objective, the policy calls for a drive for substantial improvement of primary schools and provision of support services. To encourage enrolment of children and their retention, a comprehensive system of incentives and support services are contemplated.

In the Union Territory (UT) of Pondicherry, 9 plan schemes and 3 centrally sponsored schemes are being implemented to achieve the goal set in the NPE. The list of schemes implemented and their objectives are furnished in Appendix 12.

### **3.1.2 Organisational set up**

The implementation of the scheme at the field level is headed by the Director of Education who is assisted by two Joint Directors ('Elementary Education' and 'Youth and Sports'), one Deputy Director (Adult Education), one Officer on Special Duty-Planning (OSD), three Chief Educational Officers, one Delegate to Director of Education at Yanam, one Deputy Director of Education (Women) (DDE-W), seven Deputy Inspectors of schools for the seven zones in Pondicherry and Karaikal regions. The incentive schemes for Scheduled Caste (SC) students are implemented by Adi-draavidar Welfare Department.

### **3.1.3 Audit Coverage**

The records concerning the schemes during 1995-96 to 1999-2000 were looked at in the Secretariat, in the offices of Director of Education

(Director), OSD, Chief Educational Officers (CEOs) of Pondicherry and Karaikal, five Deputy Inspectors of Schools (DIS) in Pondicherry (3) and Karaikal (2) regions, 80 of 264 Government primary schools and 30 of 68 Government middle schools and Director of Adi-dravidar Welfare (ADW), Pondicherry during February 2000 to July 2000. The points noticed are discussed in the succeeding paragraphs.

### 3.1.4 Financial Management

The funds provided by the UT Government in the Revised estimate under plan and non-plan in the sectors 'Education', 'Public Works' and 'Social Welfare' towards elementary education and the expenditure incurred thereagainst are furnished in Appendix 13.

It was seen that the UT Government spent Rs 156.31 crore under non-plan and Rs 49.75 crore (Revenue : Rs 48.55 crore and Capital : Rs 1.20 crore) under plan during 1995-2000. The steep rise in plan expenditure from Rs 9.93 crore in 1998-99 to Rs 15.01 crore in 1999-2000 was mainly due to payment of bills relating to purchase of uniforms in the previous year, increase in the cost of diet and non-diet articles and payment of land compensation.

Following irregularities were detected in budget preparation.

#### Expenditure of Capital nature incurred under Revenue

(a) During 1996-2000, provision of Rs 2.20 crore was made under Revenue for construction of central kitchens, toilet blocks, etc., instead of under Capital. Against this provision, expenditure of Rs 2.16 crore was incurred.

(b) Government provided separate funds under 'Special Component Plan' (SCP) for UEE and booked expenditure under it though no exclusive benefit would be accruing to the SCs. Expenditure of Rs 2.63 crore incurred during 1995-99 under this head was, therefore, irregular and gave incorrect information.

(c) Under 'Salaries' component of the scheme, UEE and UEE (SCP), provision of funds to the extent of Rs 55.96 lakh and Rs 48.08 lakh respectively were made during 1996-2000 for posts which were not sanctioned, resulting in surrender of funds.

#### Ad hoc provision of funds in budget

(d) The Department operated a common head for all free supply schemes and made an *ad hoc* provision for all items based on expenditure during previous years. As a result, no funds were provided for free supply of footwear and notebooks during the five years 1995-2000, and this benefit was denied to the children.

(e) The scheme 'Non-formal education' was approved by Government only in March 1998. However, funds were provided in the Budget for

1995-96 (Rs 1.20 lakh), 1996-97 (Rs 5.50 lakh) and 1997-98 (Rs 5.50 lakh) and completely withdrawn by re-appropriation at the end of the year.

(f) The expenditure under '2202.A.01.101 – Boys and Girls – Primary Schools' under Non-plan included Rs 22.95 lakh on salaries incurred during 1997-2000 by two Government higher secondary schools where no elementary education was imparted.

### 3.1.5 Programme Achievements

In the UT, there were 356 primary schools (Government : 264; Government-aided: 4, Unaided private : 88) and 107 middle schools (Government : 68; Government aided : 3; Unaided private : 36) as of 1998-99. Besides, there were primary and middle level sections in certain high and higher secondary schools.

Universalisation of Elementary Education laid stress on (i) enrolment of all children upto the age of 14, (ii) retention of these children till they complete the education upto VIII standard and (iii) providing quality education to ensure the minimum level of learning to fulfil the constitutional obligation of providing free and compulsory education upto the age of 14. The achievements in this regard as of March 2000 were as follows.

#### 3.1.5.1 Enrolment

**100 per cent enrolment not achieved in middle level**

The data of projected population of children in the age group of 6-11 for primary level and 11-14 for middle level and actual enrolment in Government and Private schools, as compiled by the statistics wing of Education Department revealed more than 100 per cent enrolment in primary level and shortfall of 15 to 23 per cent in the middle level during 1995-2000 as shown below:

Year	(in numbers)			
	Projected Population 6-11 (Primary)	Number of students in primary level	Projected population 11-14 (Middle)	Number of students in middle level
1995-96	92,840	1,02,347	75,366	64,154
1996-97	93,768	1,03,201	76,873	64,617
1997-98	94,705	1,02,431	78,410	62,188
1998-99	95,652	1,03,095	79,979	63,598
1999-2000	96,609	1,04,143	81,578	63,086

(i) The enrolment in both primary and middle levels included students from bordering states of four regions of the UT. A test-check of the data compiled by the OSD for 1998-99 revealed that the enrolment in the primary and middle level after excluding the students from adjoining states was only 94,424 and 56,882 as against 1,03,095 and 63,598 students shown



as enrolled. This led to the conclusion that between the primary classes and middle classes the dropout rate increased tremendously.

(ii) It was observed that 93 of the 264 Government primary schools had a class strength of 2 to 19 during 1995-99. The Director did not prepare school mapping to identify the cause of poor strength and take remedial action like merging of nearby schools thereby saving establishment expenditure and utilise the saving for providing better facilities in schools.

(iii) The OSD has not compiled the details of SC population in the age group of 6-14 to verify the shortfall in enrolment of SC children.

Thus, the shortfall in enrolment in the middle level clearly indicated the non-achievement of the objective of providing compulsory education to all the children upto the age of 14 years.

#### 3.1.5.2 *Provision of free education*

**Decrease in enrolment  
in Government  
schools**

NPE, *inter alia* provides greatest emphasis on elimination of disparities in the educational system and in improvement in quality of publicly funded schools so that ordinary parents may not feel the need to send their children to private high-fee charging institutions. It was, however, observed that the enrolment in Government schools both primary and middle levels was decreasing year after year whereas it increased in private schools. Further, the number of private schools in primary level increased from 75 to 92 indicating increased preference for private schools, thus defeating the aim of providing free and quality education to children upto the age of 14.

#### 3.1.5.3 *Retention*

**Higher dropout ratio  
in middle level**

The NPE laid stress on retention of all children enrolled by providing incentives and support services. Under UEE, the UT Government provided infrastructure facilities to schools and under free supply scheme, text books, uniforms, stationery and footwear were supplied to children. In spite of implementation of these schemes, the dropout ratio, worked out by the Department, ranged between 0.4 to 2.5 at primary level (0.1 to 4.5 for SCs) and 12.4 to 17.6 at middle level (13.8 to 24.9 for SCs) during 1995-99. The continuance of dropouts indicated that the measures taken by the Department for retention of children in school were not adequate as discussed in the paragraph on 'Implementation of schemes'. Further, of the 264 Government primary schools, 37 provided education only upto II standard, 25 upto III standard and 10 upto IV standard indicating non-availability of access to primary education upto the level of V standard.

#### 3.1.5.4 *Quality of education*

**Minimum level of learning not tested**

NPE envisaged laying down Minimum Level of Learning (MLL) for each stage to evaluate the quality of education imparted in schools. The National Council of Educational Research and Training (NCERT) also prescribed the MLL for each standard and for each subject. The Education Department, however, had not conducted any evaluation study to assess the quality of education based on these levels. The Director stated (May 2000) that as the text books were prescribed based on the MLL, the monthly tests and terminal examinations in the schools itself indicated the level of learning. This contention is not tenable, since in the absence of evaluation based on MLL, the quality of education imparted could not be assessed. However, the following parameters indicated that the quality of education imparted was not satisfactory.

(i) According to the guidelines issued by NCERT, all Secondary Grade Teachers (SGT) working in primary and middle schools should be imparted in-service training in such a way as to cover all teachers in 5 years. It was, however, seen that only 128 teachers were trained during 1995-96 (74) and 1996-97 (54) out of over 3000 teachers in position. Test-check of the yearly teacher assessment made by the DISs/CEOs/DDE-W revealed that the teaching capability of most of the teachers was assessed as average, thus pointing to the need for training.

(ii) The percentage of students who failed during 1995-2000 ranged from 3.6 to 4.9 in primary and 8.3 to 11.3 in middle schools.

#### 3.1.6 *Implementation of schemes*

The records relating to the implementation of schemes 'UEE' and 'Free supply of uniforms, text books, stationery, footwear' were scrutinised and the following points were noticed.

##### 3.1.6.1 *Universalisation of Elementary Education*

**No programme of action to provide infrastructure facilities**

(i) The target set in eighth plan for various components under the scheme and the achievement during the first three years (1992-95) were not taken into account while fixing the annual plan target for 1995-96 and 1996-97. Many construction works which were not contemplated in the annual plans were taken up during 1995-97. In the ninth plan and in the annual plans for 1997-98 to 1999-2000, no specific target was fixed for any of the components. Thus, the Department had not prepared any action plan to provide the facilities. Test-check revealed that the infrastructure facilities were inadequate to the extent of 42 *per cent* in buildings, 87 *per cent* in sanitary facilities, 21 *per cent* in water, 18 *per cent* in electricity and 54 *per cent* in playgrounds as of February 2000 as detailed in Appendix 14.

**Under-utilisation of central kitchens**

(ii) Two central kitchens with a capacity to provide food for 8000 students per day constructed (January 1999) in Karaikal region were underutilised. These kitchens cater to 2046 students only, due to non-availability of vehicles for transporting the meals to schools.

3.1.6.2 *Free supply of uniform, stationery, footwear and text books*

(a) *Uniform*

The Education Department was purchasing and supplying two sets of uniforms to non-SC students whose parental income was less than Rs 12,000 per annum (p.a.) (Rs 15,000 p.a. from 1999-2000). In respect of SC students, ADW Department purchases and supplies two sets of uniforms. Both the Departments purchased stitched uniforms from Pondicherry Textile Corporation Limited (PTC), a Government Undertaking. The uniforms purchased by the Education Department were distributed to schools through Zonal Officers. The ADW Department distributed the uniforms directly to schools till 1996-97 and through Zonal Officers of Education Department thereafter. In this connection, the following observations are made:

**Unutilised stock of cotton uniforms costing Rs 21.66 lakh rendered wasteful**

(i) The decision of the Director to supply Terry Cotton uniforms instead of cotton uniforms, without assessing the balance of old stock available in the Education Department and in ADW Department led to idle stock of cotton uniforms numbering 1,04,528 pieces (value : Rs 28.61 lakh) as of March 1997. After disposing off 25,420 pieces by distribution to students in Karaikal, flood victims (during 1995-99) and to aided schools (by DISs, of Zone I and III during 1998-99 without any orders of the Government) there was still a stock of 79,108 pieces valued at Rs 21.66 lakh left undisposed as of March 2000.

**Extra expenditure due to revision of rates**

(ii) In January 1997, the Director obtained quotation from PTC for stitched uniforms. The Director, however, decided to revise the specifications for girls' skirts and called for a revised quotation. PTC increased the rates by Rs 10 per two sets for both boys and girls and purchase orders were placed at the higher rates. As the revision of specification was only for girls' uniform, the Director should not have called fresh quotations for boys' uniform. The Director's error caused the Government avoidable expenditure of Rs 5.17 lakh on the purchase of boys' uniform (excluding Mahe and Yanam regions) at higher rate.

**Delay in receipt of uniforms**

(iii) Due to belated orders for supply of uniforms each year with a long time schedule of 4 to 6 months for supply, the supplies were received during November to February of next financial year. Resultantly, uniforms were issued at the fag end of the year to students defeating the very purpose of the free supply.

**Excess issue than student strength**

(iv) The supply of uniforms by ADW Department to SC students during 1995-97 were as under:

Year	Number of SC students		Uniforms supplied (in pieces)			
	Boys	Girls	Boys		Girls	
			Pant	Shirt	Skirt	Shirt
1995-96	13,947	14,140	27,575	29,375	27,320	26,551
1996-97	14,026	14,330	47,775	37,619	62,375	58,035

The distribution was abnormally high when compared to the student strength. During 1996-97, 2,05,804 pieces were shown as distributed to both boys and girls against the requirement of 1,13,424 pieces. Thus, there was an excess issue of 92,380 pieces valued at Rs 25.29 lakh. As the issues were far in excess of the number of SC children, there is possibility of fraud, which needs to be probed thoroughly.

(v) Though there was a stock of 15,828 and 11,442 sets of boys and girls uniforms available with CEO, Pondicherry and DDE-W, Pondicherry and ADW Department as of March 1999, 4865 students studying in I to V standard in Karaikal were provided with only one set of uniform due to short supply to CEO, Karaikal.

(vi) Test-check revealed that though 3076 uniforms were returned by DIS (Zone V) in 1996-97, the CEO, Pondicherry accounted for only 1559 numbers as receipt. The reply of CEO, Pondicherry was awaited (November 2000).

(b) *Stationery*

Notebooks were not supplied in any of the years due to non-supply by the Stationery Department. Though the Director recommended the lowest tenders for the purchase of slate, slate pencil, school bag, pencil, eraser, etc., for distribution to poor students of classes I to V in August 1997, Government approved the tender only in February 1998. This was due to delay in taking decision on the cloth to be purchased for school bag and delay by Government in obtaining 'No Objection Certificate' from the Stationery Department for purchasing the article in open market. Consequently, the stationery articles were not supplied during 1997-98.

(c) *Footwear*

Footwear was not supplied during 1997-2000. While Government rejected the tender called for in 1997-98 as technical specification was not prescribed in the tender by the Director, there was delay in assessment of requirement resulting in non-procurement during 1998-99. The Director failed to provide funds for this sub-scheme during 1999-2000 and hence did not procure chappals.

**Non-supply of chappals**

*(d) Text books*

Text books were supplied free of cost to all SC students by ADW Department and to poor students whose parental income was less than Rs 15,000 p.a. (Rs 6000 till 1998-99) by Education Department. The requirement of text books is worked out by the Zonal Officers based on the eligible student strength furnished by the schools. Based on this, Indenting Officers compile the overall requirement. A review conducted on the purchase and distribution of text books revealed the following:

**Short supply of Text books**

(i) Tamil Nadu Text Book Society (Society), which was to supply the required text books for students in UT, requested for advance intimation in October 1994. It was noticed that the Indenting Officers placed supply orders only in March for distribution in the next academic year. Though there was no delay in supply of text books by the Society, there was short supply against orders thereby depriving the students the benefit of free supply of books. The extent of short supply is given in Appendix 15.

(ii) The Director failed to take into account the stock available with schools, Zonal Officers and with the Indenting Officers and purchased text books as per indents. Consequently, there was heavy closing stock which was distributed in the subsequent years. It was seen that 19,749 books of Standard I, IV, V and VIII valued at Rs 1.80 lakh purchased during 1995-99, kept in stock as of March 2000, could not be distributed due to change of syllabus.

(iii) The distribution of books to all Tamil medium students studying in VI to VIII standards under the control of CEO and DDE-W, Pondicherry during 1996-97 to 1999-2000 were as under:

Books	CEO				DDE-W			
	1996-97	1997-98	1998-99	1999-2000	1996-97	1997-98	1998-99	1999-2000
Tamil	9821	14,856	19,573	14,675	10,694	8655	10,474	10,297
English	7253	16,438	22,051	15,055	9509	9792	2066	10,895
Maths	1030	15,474	19,723	15,501	7661	10,024	10,312	10,744
Science	7016	10,355	18,666	16,527	7974	10,571	8641	11,131
Social	10,310	16,124	19,269	15,258	7503	10,802	8721	10,990

**Erratic distribution of text books to students**

Though the number of beneficiaries in a year was the same for all subjects, the number of books supplied in each subject varied widely. The CEO and DDE-W did not collect the details of receipt, issue and closing stock of books from schools. It was seen that CEO, Pondicherry issued 15,474 Mathematics books during 1997-98 whereas only 10,355 Science books were issued during that year. During 1998-99 also more Mathematics books than Science books were issued. As there was no system to monitor the

issue of text books, the abnormal variations in free issue of books requires thorough scrutiny to ensure that there was no misuse.

It may be seen from the above observations that the free supply schemes were implemented without co-ordinated efforts to ensure the achievement of the objective.

### 3.1.7 Personnel Management

3.1.7.1 The sanctioned strength and men in position of teaching staff at elementary level as of March 2000 were as under:

	Headmaster (Primary)	Headmaster (Grade II)	School Assistant (Grade II)	SGT
Sanctioned strength	160	75	684	3054
Men in position	152	64	646	2614

**Sanctioned strength more than requirement**

It was seen that while the teaching staff in position (School Assistant and SGT) which was 3444 in 1995-96 was reduced to 3326 in 1998-1999, the teacher pupil ratio which stood at 1:27 and 1:29 in 1995-96 at primary and middle level had increased to 1:26 and 1:27 in 1998-99 due to reduction of enrolment in Government schools. As the men in position was far higher than norm of 1:40 prescribed in NPE, the sanctioned strength was much higher than requirement.

**Excess creation of post of Secondary Grade Teachers**

3.1.7.2 Prior to May 2000, the Education Department had no norms prescribed for teaching staff. Government in May 2000 prescribed the norm for creation of posts in teaching and non-teaching cadres upto higher secondary school level. According to these guidelines, a school having classes upto VIII standard was entitled to one SGT or one School Assistant (Grade II) per section. It was seen in Pondicherry and Karaikal region that there were 1157 primary sections for which only 1078 SGTs were available whereas against 1501 middle level sections there were 1926 SGTs and School Assistants (Grade II) during 1998-99. Despite the excess strength of 346 teachers, 122 posts of School Assistants (Grade-II) were filled in 1999-2000, resulting in recurring liability of Rs 80.52 lakh per annum (based on the minimum of the basic pay alone).

**Unnecessary expenditure due to creation of daily rated and part-time posts**

3.1.7.3 There were 522 regular Group D, 15 daily-rated employees and 832 part-time employees in the Department as of February 1997. In addition, 156 meal carriers were engaged for carrying meal from canteen to schools on payment of transport charges of Rs 5 to 40 per day.

(i) The part-time employees were employed to keep the school premises clean and cook the midday meal and were paid Rs 885 per month in 1995-96 to Rs 1747 in 1999-2000. Though the schools were closed for summer vacation for a period of 46 days in a year and their services were not required, the Director continued to engage them for attending to

gardening work and cleaning premises of various offices of Education Department where 522 Group D were already available. The unnecessary expenditure for engaging the part-time employees during vacation from 1995-96 to 1999-2000 worked out to Rs 76.49 lakh.

(ii) GOI, in June 1988 issued orders not to engage casual labourers for attending to work of regular nature and accordingly the UT Government in September 1989 instructed that no person on daily wages or on consolidated pay should be engaged for full time work which was normally done by a regular employee. Government, however, created 293 posts of daily rated peons-cum-sanitary assistants (September 1999) and 177 posts of part-time meal carriers (December 1998) under elementary education without any actual requirement resulting in a recurring expenditure of Rs 72.79 lakh per annum.

The above points were referred to Government in August 2000; reply had not been received (February 2001).

### **3.2 Implementation of Prevention of Food Adulteration Act, 1954 (Health Department)**

#### **Highlights**

*There was lack of co-ordination between the Food (Health) Authority and local authorities in issuing and renewing licences and no system was evolved to ensure that all food establishments were brought within the purview of licencing. The reasons for shortfall in collection of samples were not analysed for remedial action. This shortfall contributed to low capacity utilisation of the Food Testing Laboratory. No norms were prescribed for the number of Food Inspectors required either in terms of population or area covered. No prosecution was initiated in 53 per cent of the cases of adulteration noticed. No programme for increasing consumer awareness was drawn up. Thus, the implementation of the Prevention of Food Adulteration Act was deficient and was just carried on through the years without any programme for improvement.*

*Some major points noticed were as follows:*

**- Licences were issued by the Municipalities as and when applications were received and no action was taken to cover all food establishments under licencing.**

*(Paragraph 3.2.5(i))*

**- Wide variations were noticed in the issue and renewal of licences during the years 1995-96 to 1999-2000. There was a decline in number of licences issued during 1998-99 and 1999-2000 in Pondicherry and Karaikal regions as compared to 1995-96.**

*(Paragraph 3.2.5(ii))*

**- Delay in issue of licences defeated the objective of licencing in 33 cases in Villianur Commune Panchayat and Pondicherry Municipality.**

*(Paragraph 3.2.5(iv))*

**- Frequency of visit to licenced establishments by Food Inspector was not fixed by Food (Health) Authority.**

*(Paragraph 3.2.6(ii))*

**- Heavy shortfall in collection of samples of food articles was noticed in Pondicherry and Karaikal.**

*(Paragraph 3.2.6(iii))*

---

Abbreviations used in this review are listed in the Glossary at Appendix 49 (Page 224)

---



---

---

**Prosecution was not initiated in 53 per cent of cases found adulterated/misbranded.**

*(Paragraph 3.2.6(vi))*

**- Capacity utilisation of Food Testing Laboratory ranged from 30.3 to 53.2 per cent during 1995-96 to 1999-2000 due to poor performance of Food Inspectors in collection and sending samples to the Laboratory.**

*(Paragraph 3.2.7(ii))*

**- Issue of notice under the Act by an authority other than the designated authority and failure to produce the sample intact by Local (Health) Authority resulted in dismissal of the case by court.**

*(Paragraph 3.2.7(iii))*

**- No programme was drawn up to create consumer awareness.**

*(Paragraph 3.2.8)*

### **3.2.1 Introduction**

In order to ensure availability of unadulterated food articles and drinks (other than drugs) to consumers, protecting them from fraudulent trade practices and providing guidance/norms to manufacturers/dealers of food articles, Government of India (GOI) enacted the Prevention of Food Adulteration Act, 1954 (Act). By virtue of the power conferred under the Act, Union Territory (UT) Government framed the Pondicherry Prevention of Food Adulteration Rules, 1970 (Rules). The implementation of the Act and the Rules made thereunder, was to be made through the following means:

- (i) Compliance of licencing provision of the Act in regard to manufacture for sale, storage and distribution of food articles.
- (ii) Adequate surveillance of seller, manufacturer and agents for deliveries of food items.
- (iii) Analysis and follow up on the testing of samples done by the Central/State Food laboratory.
- (iv) Imparting consumer education in creation of awareness against the menace of adulteration.

The UT Government implemented the following schemes (i) Prevention of food adulteration (Non-plan) (ii) Improvements to food and drug administration (Plan) (iii) Centrally Sponsored Scheme 'Strengthening of food testing laboratory'.

### **3.2.2 Organisational set up**

The Director, Health and Family Welfare, Pondicherry, was the Food (Health) Authority who implemented the Act with the assistance of four Local (Health) Authorities, one for each region, and nine Food Inspectors. The powers to issue licence under the Act and Rules rest with five Municipalities and ten Commune Panchayats, subject to overall control by Food (Health) Authority. One Food Testing Laboratory attached to Public Health Laboratory at Pondicherry headed by one Senior Public Analyst and assisted by ten Scientific Assistants and technicians, analysed the food samples collected by the Food Inspectors.

### **3.2.3 Audit coverage**

The implementation of the Act and Rules, for the period from 1995-96 to 1999-2000 was reviewed in the offices of the Food (Health) Authority, Food Testing Laboratory, Local (Health) Authority and licencing authorities of Pondicherry and Karaikal regions (2 Municipalities<sup>1</sup> and 4 Commune Panchayats<sup>2</sup>) during January to April 2000. The points noticed are discussed in the succeeding paragraphs.

### **3.2.4 Resource allocation**

During the years 1995-2000, the Government provided under 'Prevention of food adulteration' and 'Improvement to food and drug administration', Rs 54.61 lakh of which Rs 53.98 lakh was spent. Of this, Rs 50.93 lakh (94 per cent) was spent on salaries, Rs 0.62 lakh (1 per cent) on travel expenses and Rs 2.43 lakh (5 per cent) on office expenses and other administrative charges. Under the Centrally Sponsored Scheme 'Strengthening of food testing laboratory', GOI released funds for purchase of equipment. During 1993-94 to 1999-2000, GOI released Rs 49.40 lakh against which Rs 47.89 lakh was spent by UT Government leaving a balance of Rs 1.51 lakh.

### **3.2.5 Licencing**

In accordance with the Rules, the Mayor of Municipal Commune is the executive authority competent to issue licence for the manufacture, sale, storage and distribution of articles of food specified therein or any specified article of food or class of article of food. Further, the executive authority should not grant or renew a licence until such officer as may be specified by him by general or special order has inspected the place in respect of which the licence is applied for and has recommended the grant or renewal of licence. In the Union Territory, an application for licence or renewal of licence received by the Commissioner of Municipality or the Executive Officer of the Commune Panchayat, was sent to the Food Inspector of that

---

1 Pondicherry and Karaikal Municipalities

2 Villianur, Nettapaakkam, Bahour and Ariyankuppam Commune Panchayats

area for verification and upon his recommendation licence was issued. The details of licences issued including renewals during the years 1995-96 to 1999-2000 collected from 2 Municipalities and 10 Commune Panchayats in Pondicherry and Karaikal regions are furnished in Appendix 16.

In this connection the following points were noticed:

**Lack of system for monitoring the issue and renewal of licences**

(i) There was no prescribed system for monitoring the issue and renewal of licences in the Municipalities/Commune Panchayats. Details regarding the number of licenced dealers and the number of licences due for renewal, etc., was not available. Applications for issue and renewal of licence as and when received were acted upon based on the recommendation of the Food Inspectors. The Municipalities/Commune Panchayats stated in March and April 2000 that no separate staff had been sanctioned for this purpose and the work was attended to by existing staff in addition to their duties. Thus, there was no effort to identify those operating without licence and bring them under the purview of licence.

(ii) It may be seen from the Appendix 16 that the number of licences issued, fresh as well as renewal, in the Municipalities and Commune Panchayats varied widely over the five years and also declined steeply during 1998-99 and 1999-2000 as compared to 1995-96. In Pondicherry region (population : 4.48 lakh), the licences issued ranged between 29 and 61 during 1995-96 to 1999-2000, whereas in Karaikal region (population : 1.46 lakh), 178 to 334 licences were issued during this period.

**Failure to insist on licence under the Act; establishments were run without licences**

(iii)(a) Test-check of the records of Villianur Commune Panchayat revealed that out of 84 trade licences issued during 1999-2000, 4 establishments dealt with food stuff such as processed honey, edible oil, bun, biscuits, bread, etc. However, no licence under the Act was issued during the year to any of these four establishments.

(b) In Nettapakkam Commune Panchayat, no licence was issued during the period from 1995-96 to 1999-2000. However, it was seen that five oil mills dealing in edible oil were issued trade licence and were operating during these years (two oil mills from 1995-96, two from 1996-97 and one from 1998-99 onwards).

Thus, there was no co-ordinated effort on the part of the licencing authority to ensure that sellers of food articles obtain a licence under the Act also.

**Delay in issue of licences defeated the objective of licencing**

(iv) The Rules, while specifying the conditions of issue of licence, had not prescribed any time limit for the issue of licence. Government had also not prescribed any time limit for the local authorities for issue of licence. Consequently, delay in procedure resulted in non-issue of licence in the following cases.

(a) In Villianur Commune Panchayat, 23 applications for licence (fresh and renewal) for 1997-98 were sent to Food Inspector in May 1997. The

applications were returned with recommendations by the Food Inspector only in February 1998 and no licence was issued in 1997-98 defeating the very objective of licencing.

(b) In Pondicherry Municipality, 18 applications (14 for fresh licence and 4 for renewal) for the year 1999-2000 were sent to the Food Inspector in March 1999, with the request to return the applications with remarks within 15 days. It was seen that ten applications (8 fresh and 2 renewal) were not returned by the Food Inspector and, therefore, licences were not issued for the ten cases during the year.

**Non-revision of  
licence fee**

(v) The licence fee of Rs 3 to 25 for fresh licence and Rs 1 to 15 for renewal fixed in 1970 had not been revised as of March 2000. Government prescribed in January 1972 that the Municipality was eligible for compensation for the execution of the provisions of the Act, at the rate of 10 paise for every rupee of fee levied under the Act. However, the compensation was not released to the Municipalities.

Government accepted (October 2000) that there was no proper co-ordination between the local bodies and the administration and assured to streamline the system of licencing, inspection, supervision, etc. Government also proposed to enhance the licence fee and transfer the amount due to local bodies.

**3.2.6 Surveillance**

The main duties of Food Inspectors as specified under the Act and Rules were as follows:

**Duties of Food  
Inspectors**

(a) to inspect as frequently as may be prescribed by the Food (Health) Authority or the Local (Health) Authority, all establishments licensed for the manufacture, storage or sale of an article of food within the area assigned to him;

(b) to procure and send for analysis, if necessary, samples of any articles of food which he has reason to suspect are being manufactured, stocked, or sold or exhibited for sale in contravention of the provisions of the Act, or Rules framed thereunder;

In this connection, the following points were noticed:

(i) Government had not prescribed any norms for the posts of Food Inspectors in terms of population or area. Consequently, Audit could not verify the adequacy or otherwise of the staff strength. As against the sanctioned strength of 9 Food Inspectors, two posts were vacant during 1997-98 and 1999-2000 due to transfer and promotion respectively. No separate staff was sanctioned for the office of the Local (Health) Authority.

**Frequency of inspection of food establishments by the Food Inspector not fixed by Food (Health) Authority**

(ii) Food (Health) Authority had not prescribed the frequency of inspection of licenced establishments by the Food Inspectors. As such no details were available to show how frequently the establishments were visited and whether the entire area had been covered by the Food Inspectors. The Authority had also not obtained details of establishments visited by the Food Inspectors.

**Shortfall in targets set for collection of samples**

(iii) The Food Inspector should procure and send for analysis, if necessary, samples of food, which he had reason(s) to suspect, were being manufactured, stocked and sold or exhibited in contravention of the provisions of the Act. In August 1994, the Food (Health) Authority fixed monthly target of 12 samples comprising various items of food to be collected by the Food Inspector, on the ground that there was a sharp decline in the number of samples collected and sent for analysis under the Act. The total number of samples to be procured and sent for analysis as per the target fixed and achievement in respect of Pondicherry and Karaikal as reported by the Local (Health) authority were as follows:

(Samples in numbers)

Year	Pondicherry			Karaikal		
	Number of Food Inspectors	Target	Achievement	Number of Food Inspectors	Target	Achievement
1995-96	6	864	262	2	288	82
1996-97	6	864	47	2	288	98
1997-98	5	720	3	2	288	102
1998-99	5	720	40	2	288	157
1999-2000	5	720	29	1	144	91

(a) No reason for shortfall was furnished by the Local (Health) Authority, Karaikal. In respect of Pondicherry, it was noticed that the Food Inspectors were under the control of Assistant Commissioner, Food and Drug Administration. The shortfall in Pondicherry was attributed in June 2000 by the Assistant Commissioner to (i) filing cases and court duty (ii) inspection work, attending complaint (iii) non-availability of sample packers and peons. The reply of the Assistant Commissioner was not tenable as all these items form part of normal duties of a Food Inspector and target was fixed taking into account all these factors. Thus, the objective of setting target to improve the collection of samples was not achieved. The Food (Health) Authority had not taken any remedial action.

**Non-procurement of samples in Mahe and Yanam regions**

(b) No sample was procured in Mahe region during 1996-97 to 1999-2000 and the Food Inspector of that region stayed away from duty from September 1997. There was no post of Food Inspector for Yanam region. One Food Inspector for Pondicherry who was to cover Yanam region visited Yanam only during March 2000 under the direction of Food (Health) Authority.

Over 9 per cent of the samples tested were found adulterated

(iv) The samples collected by the Food Inspectors were sent to Food Testing Laboratory for analysis. The number of samples analysed and the number of samples found adulterated/ misbranded as seen from the records of Food Testing Laboratory were as under:

**(Samples in numbers)**

Region	1995-96		1996-97		1997-98		1998-99		1999-2000	
	S	A	S	A	S	A	S	A	S	A
Pondicherry	262	11	47	12	3	--	40	7	29	10
Karaikal	82	1	98	18	102	11	157	10	91	10
Mahe	53	1	--	--	--	--	--	--	--	--
Yanam	--	--	--	--	--	--	--	--	5	--
<b>Total</b>	<b>397</b>	<b>13</b>	<b>145</b>	<b>30</b>	<b>105</b>	<b>11</b>	<b>197</b>	<b>17</b>	<b>125</b>	<b>20</b>

S - Samples analysed; A - Adulterated/Misbranded

It could be seen that out of 969 samples analysed during this period, 91 samples (9.4 per cent) were found adulterated.

(v) The commodity-wise results of testing of samples by the Food Testing Laboratory during the years 1995 to 1999 were as under:

Commodity		Samples tested	Samples found adulterated or misbranded
(i)	Beverages	38	5
(ii)	Spices	128	8
(iii)	Sweetening agents	75	3
(iv)	Tea, Coffee	101	5
(v)	Milk	64	24
(vi)	Milk products	18	3
(vii)	Edible oils	93	7
(viii)	Cereals and its products	433	16
(ix)	Fruit products	10	2
(x)	Infant food	7	--
(xi)	Other miscellaneous food articles	96	6
<b>Total</b>		<b>1063</b>	<b>79</b>

It may be seen from the above that the Food Inspectors took more samples of cereals, pulses, spices, tea, coffee, etc., and fewer samples of milk and milk products, where adulteration was more pronounced.

Prosecution was not initiated in 53 per cent of the samples found adulterated

(vi) The Government, in September 1976, authorised the Food (Health) Authority to permit the Food Inspectors to initiate prosecution for the violation of the Act. However, of 91 cases of adulteration/misbranding detected during 1995-2000, prosecution was initiated only in 43 cases. Of these, 7 cases led to conviction, 6 cases in acquittal and 30 cases were pending. The reasons for not initiating prosecution in respect of the

remaining 48 cases (53 per cent) were not furnished by the Food (Health) Authority.

**No action taken on the survey samples**

(vii) Samples were also drawn from food articles supplied to Government Institutions, Anganwadis and Balwadis on their request. These samples, called survey samples, were tested in the Food Testing Laboratory. The total number of samples sent for analysis to the Laboratory during the year 1995-96 to 1999-2000 and the number of samples reported as not satisfactory were as under:

Year	Number of samples tested	Number of samples found not satisfactory
1995-96	92	4
1996-97	245	25
1997-98	252	28
1998-99	223	42
1999-2000	137	38

The details of number of such samples collected and sent to the Laboratory were not available with the Local (Health) Authority at Pondicherry. No action had been taken on the results of the survey sample tests since these were not strictly covered under the Act.

Government stated (October 2000) that necessary action would be taken to fill up vacant posts, increase the frequency of visits by Food Inspectors to achieve the targets and take more samples of milk and milk products in future. While assuring that immediate action would be taken to file prosecution against all cases, Government further stated that prosecuting food adulteration cases was difficult as the food samples were perishable and the survey samples were not legally valid for initiating prosecution. Government should provide suitable mechanism, in the light of court orders in the cases of adulterated, perishable food articles, to carry out alternate testing of the samples. Besides, the Local (Health) Authority also failed to use the feedback from the result of survey samples and collect samples as per the prescribed procedure under the Act and take appropriate action.

### 3.2.7 Testing of samples

**Capacity utilisation of Food Testing Laboratory ranged from 30 to 53 per cent**

(i) The Food Testing Laboratory is attached to the Public Health Laboratory and functions under the Senior Public Analyst. The Food Testing Laboratory analyses the samples sent by the Food Inspectors under the Act, survey samples and other samples furnished by Pondicherry Co-operative Consumers Federation and Pondicherry Agro Products, Food and Civil Supplies Corporation Limited.

(ii) The Senior Public Analyst stated in April 2000 that the laboratory has a capacity to test 1500 samples per year. The capacity utilisation was as under:

Year	Number of samples tested	Percentage of utilisation
1995-96	798	53.2
1996-97	698	46.5
1997-98	519	34.6
1998-99	682	45.5
1999-2000	454	30.3

**Decline in the capacity utilisation**

The decline in the capacity utilisation of the lab was mostly attributed to the poor performance of the Food Inspectors who failed to contribute atleast 1296 samples they ought to have picked up for their strength. Government stated that majority of the equipment was purchased only in 1999-2000 and optimum capacity utilisation would be ensured. The reply is not tenable as the annual capacity of the lab was 1500 samples even as of 1995-96 as stated by the Analyst.

(iii) It was seen that in the following cases where records were made available, the failure of the Food (Health) Authority had resulted in the dismissal of the case for adulteration instituted under the Act by the court.

**Failure to issue notice by Local (Health) Authority**

(a) According to the provisions of the Act, only the Local (Health) Authority is empowered to issue notice to the accused whose food sample was found adulterated. In Mahe, the Chief Medical Officer was notified as Local (Health) Authority in September 1976. However, in one case the Deputy Director (Immunisation) issued the notice required under the Act and as he was not the Local (Health) Authority the notice was held null and void and the person was acquitted.

**Failure to preserve samples intact**

(b) In another case, the Local (Health) Authority, Pondicherry was required by the court to produce a second sample for analysis. As the Local (Health) Authority could not produce the sample, the case was dismissed. Government stated that the article was perishable and hence could not be produced to court.

**Delay in according sanction for prosecution**

(iv) In accordance with the Act, the prosecution for an offence under the Act should be instituted under the written permission of Government or by the persons authorised for such task. Though Food (Health) Authority was authorised to permit the prosecution, no time limit was prescribed. Consequently, delay in according consent was noticed ranging from four to twenty two months in respect of 9 cases during 1995-2000.

Government accepted that no time limit was prescribed and assured to initiate action without delay.



### 3.2.8 Consumer awareness

**No programme evolved to create consumer awareness**

One of the means to achieve the objective of the Act was to create consumer awareness on the menace of adulteration. The Assistant Commissioner, Pondicherry stated in April 2000 that no programme was drawn up for creating consumer awareness. It was seen that of four cases taken to the consumer court by individuals, compensation was awarded in two cases. Government assured to take action for increasing consumer awareness.

### 3.2.9 Monitoring

**Non-monitoring of the implementation of the Act**

The Food (Health) Authority was responsible for the implementation of the provisions of the Act. Though he prescribed target for collection of food sample, there was no follow up action to analyse the shortfall and take remedial action. Further he was empowered by the Act to inspect and supervise the functioning of local authorities in the implementation of the Act, especially issue and renewal of licences. Yet the Food (Health) Authority had not collected any details nor conducted any supervision. The details furnished in the annual return by the Food Testing Laboratory and the monthly return furnished by the Food Inspectors were also not put to use to create necessary database for monitoring and evaluation. Government assured to improve the monitoring system.

### 3.2.10 Conclusion

It would be evident from the review that, by and large, the provisions of the Act and the Rules have not been implemented effectively. A major outcome of the review relates to the ineffectiveness of the present system wherein the Food (Health) Authority who is also the Director, Health and Family Welfare, Pondicherry was not able to devote enough attention towards efficient and quick implementation of the provisions of the Act/Rules. This could be because he is a very busy person in his mainline job *viz.*, medical profession. A case, therefore, exists for a relook into the provision of the Act which prescribes that only the Director of Health Services shall be the Food (Health) Authority.

### **3.3 National Family Welfare Programme (Health Department)**

#### **Highlights**

*The infrastructural facilities in Primary Health Centres and Community Health Centres were very poor and the rural people had to depend on district hospitals for their health care. The motivation of the community to adopt small family norms was not effective and there was a decline in the number of acceptors. The implementation of the Programme was not as envisaged by Government of India. There were deficiencies in the health care services provided to expectant mothers and children. Consequently, the national goal of below 2 per 1000 for Maternal Mortality Rate was not achieved in 4 out of 5 years in Post Partum centres and the Union Territory Government goal of achieving Infant Mortality Rate of less than 25 per 1000 by year 2000 was not achieved.*

*Some major points noticed were as follows:*

- Though Government of India released funds in instalments provisionally every year, the Union Territory Government had not worked out the eligible assistance as per the prescribed pattern of assistance for intimation to Government of India to enable adjustment of the excess or shortfall in future releases. There was an excess expenditure of Rs 47.82 lakh over the norms in the Post Partum centres at Pondicherry and Karaikal.

*(Paragraph 3.3.4 (i))*

- Medical Officers in charge of Post Partum centres had spent less amount on payment of compensation to acceptors than the prescribed norms would warrant, even though enough funds were released by Government of India.

*(Paragraph 3.3.4 (ii))*

- Though there were more number of Rural Family Welfare centres established than the norms prescribed, the rural population had to depend only on District Hospitals for their emergency obstetric needs as specialist posts were not created in Community Health Centres.

*(Paragraph 3.3.5.1)*

- There was deficiency in the health care services provided to expectant mothers; consequently the Maternal Mortality Rate exceeded the national goal of 'below 2 per 1000' during 1995-99. The declining trend noticed in the number of acceptors of small family norms

---

Abbreviations used in this review are listed in the Glossary at Appendix 49 (Page 224)

---

**indicated that motivation under Post Partum Programme was not effective.**

*(Paragraph 3.3.5.3 (i) & (iii))*

**- Of infants to whom BCG vaccine was provided during 1995-2000, only 52 to 60 per cent were provided with other vaccines, though adequate quantity of vaccines was available.**

*(Paragraph 3.3.5.4(a)(i))*

### 3.3.1 Introduction

With a view to stabilising population at a level consistent with the needs of national development, Government of India (GOI) introduced Family Welfare Programme as a cent *per cent* Centrally Sponsored Scheme. The programme aimed at bringing down the birth and death rates through various family planning measures and temporary methods of birth control, persuading people to adopt small family norms by popularising the use of conventional contraceptive devices or oral pills etc., and providing medical services, medicines, incentives free of cost at the doorsteps of the acceptor.

The goals set by the National Health Policy (NHP) and Union Territory (UT) Government for achievement by 2000 AD and achievement by the UT Government by 1999 as reported by the Registrar General, India adopting Sample Registration System are as under:

Items	Targets		Achievements 1999
	National Goal	Union Territory Goal	
Crude Birth Rate (CBR)(per 1000)	21	Less than 20	17.7
Crude Death Rate (per 1000)	9	8	6.9
Infant Mortality Rate (IMR) (per 1000)	Less than 60	Less than 25	22.0
Couple Protection Rate ( <i>per cent</i> )	More than 60	More than 60	59.2 **
Maternal Mortality Rate (MMR) (per 1000)	Below 2	NA	NA
Net reproductive rate	1	NA	NA
Annual Growth Rate of population	1.2	1.05	1.08
Life Expectancy	64 years	NA	NA

\*\* Relates to 1995

NA Not available

To achieve these goals, UT Government implements the following programmes/schemes:

- (i) Minimum Needs Programme (MNP)
- (ii) Post Partum PAP Smear Test Facility (PAP) Programme
- (iii) All India Hospital Post Partum (PP) Programme
- (iv) Child Survival and Safe Motherhood Programme (CSSM) redesigned as Reproductive and Child Health Programme (RCH)

### 3.3.2 Organisational set up

The Secretary to Government (Health) is the administrative head. The Director of Health and Family Welfare Services, Pondicherry (Director) with the assistance of eight Deputy Directors (DDs) implements the Family Welfare (FW) Programme through four District level hospitals – three with Post Partum Centres, 4 Community Health Centres (CHC), 39 Primary Health Centres (PHC) and 75 sub-centres. The programme is also implemented in Jawaharlal Nehru Institute for Post Graduate Medical Education and Research (JIPMER), a teaching hospital with Post Partum Centre directly funded by GOI.

### 3.3.3 Audit coverage

The implementation of the FW programme for the period from 1995-96 to 1999-2000 was reviewed in the office of the Director, eight DDs and 37 out of 123 implementing units where Rs 7.22 crore out of Rs 9.20 crore were spent. The results are discussed in the succeeding paragraphs. The services of the ORG Centre for Social Research, a division of ORG-Marg Research Limited, was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-Marg carried out survey over a sample of 920 households and 747 eligible women determined on the basis of socio-cultural characteristics and development status. Findings of the survey on matters discussed in the report have been included in this review at appropriate places.

### 3.3.4 Resource allocation

GOI provides funds in the budget for drawal by JIPMER to implement the PAP and PP Programmes. For implementing the PP Programme in three District Hospitals and CSSM/RCH in the UT, GOI released grants for various components of these programmes to the UT Government. Funds released were provided in the UT budget and expenditure incurred thereagainst. From 1998-99, GOI released funds also to State Committee on Voluntary Action (SCOVA), a registered Society, for implementing certain components of RCH through the Government implementing units. Funds received from GOI through the above three sources and expenditure incurred thereagainst are as under:

(Rupees in lakh)

Year	Amount released by Government of India to				Expenditure			
	UT Government	JIPMER	SCOVA	Total	UT Government	JIPMER	SCOVA	Total
1995-96	134.01	12.19	--	146.20	96.33	12.19	--	108.52
1996-97	111.04	13.68	--	124.72	129.15	13.68	--	142.83
1997-98	193.92	19.67	--	213.59	145.01	19.67	--	164.68
1998-99	168.71	21.52	94.77	285.00	168.22	21.52	30.22	219.96
1999-2000	170.51	24.10	55.52	250.13	201.67	24.10	58.09	283.86
<b>Total</b>	<b>778.19</b>	<b>91.16</b>	<b>150.29</b>	<b>1019.64</b>	<b>740.38</b>	<b>91.16</b>	<b>88.31</b>	<b>919.85</b>

The amount received by the UT Government from GOI and expenditure incurred thereagainst included Rs 182.26 lakh being the value of supplies in kind. The UT Government had not maintained the details of funds received for implementing various components, funds actually utilised and the balance, if any, available for utilisation during the succeeding year. The component-wise receipts during 1995-2000 as compiled by Audit based on GOI sanctions and expenditure as per accounts are furnished in Appendix 17.

In this connection, the following observations were made:

**Eligible assistance not worked out**

(i) The entire expenditure incurred by the UT Government under the FW programme was reimbursable by GOI in strict conformity with the approved pattern of assistance. It was seen that though GOI released funds in instalments provisionally every year, the UT Government had not worked out the eligible assistance as per the prescribed pattern of assistance for intimation to GOI to enable them to adjust the excess or shortfall in future releases. In the following components, the expenditure did not conform to the prescribed pattern of assistance.

**Excess expenditure incurred over eligible assistance**

For the PP programme, the UT Government was eligible for reimbursement of expenditure on salary as per prescribed sanctioned strength of staff and at prescribed rates for other components. It was, however, seen that the UT Government incurred expenditure of Rs 47.82 lakh in respect of PP centres at Pondicherry and Karaikal in excess of eligible assistance, as per Appendix 18. In respect of PP centre at Mahe, there was an excess expenditure of Rs 0.50 lakh during 1998-99.

Government contended (September 2000) that the bed strength in the PP centres was not enough for the volume of operations conducted and expenditure was incurred on supplies and materials by accommodating patients in other wards. Government's contention was not tenable as FW programme provides for reimbursement of expenditure as per prescribed pattern of assistance only.

(ii) GOI provided Rs 1.02 crore towards compensation to the acceptors of small family norms during 1995-2000 and released Rs 99.22 lakh. However, the Medical Officers in charge of PP centres spent only Rs 75.36 lakh as against Rs 103.38 lakh to be spent as per the prescribed norm. This was due to non-payment of compensation to all the acceptors and less expenditure under drugs and dressings and non-creation of Miscellaneous Purpose Fund.

**Compensation was not paid to all the acceptors of Tubectomy**

It was observed that in the two PP centres at Pondicherry, out of 36,639 acceptors of Tubectomy only 29,703 were paid compensation during 1995-2000. Government attributed the lapse to non-receipt of compensation by acceptors of adjoining states for want of necessary certificates from their PHCs and purchase of dressing materials from UT funds. The reply was not tenable since the administrative problem should have been sorted out.

Beneficiary survey indicated that delayed receipt of incentives and lack of information about the incentives were some of the problems faced by the acceptors.

**Unnecessary release of funds**

(iii) Though Yanam region had no PHC, the UT Government sought for and obtained Rs 10 lakh from GOI for improvement of PHCs in Yanam. Government stated that the repair work of sub-centres was taken up at a cost of Rs 2.70 lakh. The fact, however, remains that the budget proposal made by UT Government was far in excess of actual requirement.

**No training was provided to health workers**

(iv) Though the UT Government sought Rs 38.98 lakh for training Auxiliary Nurse Midwives (ANM) and Lady Health Visitors (LHV) in Intra Uterine Device insertion during 1995-2000 and obtained Rs 37.70 lakh from GOI, it provided only Rs 1.68 lakh in the budget for this component during 1998-2000 and only Rs 0.89 lakh was spent. Government stated that the training programme was restricted to 50 ANMs as per the guidelines. Government, thus, accepted that they sought for more funds than required.

**Funds for Mass Education not fully utilised**

(v) Under Mass Education, the UT Government spent only Rs 10.22 lakh as against Rs 22.59 lakh released by GOI during 1995-2000. Government stated that vital national programme like Polio immunisation, Leprosy elimination, AIDS control were given priority over Mass Education and, therefore, this programme could not be implemented fully. The fact remains that Mass Education, which is the main tool for proper implementation of FW programmes, was neglected.

**Delay in release of funds**

(vi) The UT Government provides only token provision for all components of the programme in the budget and allows the drawing officers to incur expenditure on FW programme to the extent of funds received from GOI from time to time in instalments for various components. The expenditure incurred is finally regularised by providing funds under supplementary grants in March every year. Thus, the availability of funds in time for implementing the programme was uncertain. Government stated that the Department had not experienced any difficulty in following this procedure. This was not correct as the Medical Officer of PP centre at Pondicherry paid compensation for the persons who underwent Tubectomy operation during November 1998 to February 1999 only in April 1999 and JIPMER expressed difficulties in getting funds from the Director.

Thus, by not utilising the grants provided by GOI for Training, Mass Education and Compensation, the objectives of providing facilities at the doorsteps of the rural population, educating and motivating the public to adopt small family norms have suffered.

### 3.3.5 Programme output

#### 3.3.5.1 Minimum Needs Programme

**Health centres not established as per norms**

Family Welfare Services are provided to the community through a network of Rural Family Welfare Centres (RFWCs) – viz., Sub-centres, PHCs and CHCs in the rural areas and hospitals and dispensaries supported by PP centres in the urban areas. Under the MNP, one Sub-centre for every 5000 population, one PHC for every 30,000 population and one CHC for every one lakh population was to be set up in a phased manner.

Test-check revealed that the population covered by Sub-centres in rural areas ranged between 2585 and 4454. It was also seen that 26 out of 39 PHCs covered a population of less than 15,000 each. As to the CHC, the population coverage was between 7502 and 19,053. Thus, the norm was not followed for establishing RFWCs. Government stated that centres were established based on rural population at that time and excess over norm was due to declaration of rural areas as urban areas. However, while the CHCs covered less population, their functioning was far from satisfactory as brought out below due to vacancy in critical positions.

(i) Government of India prescribed the staff strength and facilities to be provided in RFWCs. The Director had not furnished to audit the details of staff sanctioned and the staff in position in the RFWCs. Consequently, the shortfall in staff and its impact on the FW programme could not be assessed. Test-check revealed that 18 out of 20 Sub-centres were managed by only one female health worker as against two health workers and one voluntary worker to be employed on honorarium basis.

(ii) Similarly, the posts of specialists viz., Gynaecologist, Surgeon, Pediatrician, Anaesthetist, etc., were not created in all the 4 CHCs in the UT, which were meant to be First Referral Units (FRU). Consequently, the District Hospital functioned as the First Referral Centre and the CHCs were only on par with PHCs, with 13 Sub-centres functioning under each.

Thus, though more number of Sub-centres and PHCs were set up in the UT than warranted by the norms, rural population had to depend only on District Hospitals for their emergency obstetric care. Government stated that the posts of male health workers would be created and GOI approval was awaited for creation of specialist posts.

The Beneficiary survey also confirmed that PHCs and SCs covered less population than the norms. The survey revealed that 19 per cent of households did not avail the services of Government institutions due to poor service and non-availability of doctors and medicines.

### 3.3.5.2 PAP Programme

This programme was introduced by GOI for early detection of Cervical Cancer among women. In JIPMER where this programme was implemented in the UT, the post of Cyto-technician was not filled up during 1995-2000. It was noticed that out of 32,840 smears examined with the help of Pathology Department of JIPMER, 434 were found positive for cancer. Government stated that the post would be filled up.

### 3.3.5.3 Post Partum Programme

This programme was introduced by GOI to motivate women in the reproductive age group (15 to 44) and their husbands for adopting small family norms through education and motivation during pre-natal, natal and post-natal period and after Medical Termination of Pregnancy (MTP). The programme aims to provide health service training to staff, outreach services, promotion of spacing methods to reduce IMR and MMR rate and to create awareness.

In this connection, the following points were noticed:

**Deficiency in providing health care to expectant mothers**

(i) One of the objectives of the PP centre is to provide health services to expectant mothers including outreach services. The health package includes Tetanus Toxoid (TT) immunisation, prevention and treatment of Anaemia, ante-natal care and early identification of maternal complications, promotion of institutional deliveries, etc. The table below gives the picture:

Year	Expectant mothers registered	TT administered in UT of Pondicherry	TT administered in PP Centres	Number of deliveries in hospital	Number of deaths	Causes of death		MMR (per thousand)
						Anaemia	P. Sepsis	
1995-96	27,328	17,624	4765	24,729	65	13	4	2.63
1996-97	29,947	18,265	4882	25,414	67	10	7	2.64
1997-98	29,597	16,625	5948	26,322	75	16	9	2.85
1998-99	30,120	19,308	5642	26,477	58	15	6	2.19
1999-2000	35,495	19,519	8417	33,155	51	8	1	1.54

Tetanus was administered only to the extent of 16 to 24 *per cent* of expectant mothers in the PP Centres. Although some of the expectant mothers were immunised in PHCs and sub-centres, the percentage of immunisation against TT in the UT was only 55 to 64 during 1995-2000 confirming that there was still a shortfall of over 36 *per cent*.

Death due to Anaemia and P.Sepsis, which were preventable, ranged from 18 to 36 *per cent* of total deaths. Further, Iron Folic Acid (IFA) which was to be given to expectant mothers to prevent anaemia was not available in 13 out of 20 quarters during 1995-96 to 1999-2000 in 3 centres test-checked. The card system required to be followed to keep track of the health care provided to the expectant mothers was not followed in any of the



4 PP centres. There was shortfall of 3 to 8 *per cent* in tests conducted on expectant mothers for early detection of complications in 2 PP centres. Thus, there was deficiency in the health services to be provided to expectant mothers. Consequently, the MMR was more than the national goal of 2 per 1000 during 1995-1999.

Government stated that there was no shortfall in administering TT as 30 *per cent* of deliveries in PP centres of the UT related to neighbouring states. Government accepted that higher incidence of Anaemia was due to shortage of IFA but stated that majority of P. Sepsis cases were from neighbouring states. Government claimed MMR of UT as below 2 per 1000 only. The reply was not tenable as the PP centres had to ensure ante-natal care to all pregnant women registered with them and this was not done.

**Neo-natal death more than the goal**

(ii) The deficiency in the ante-natal care of the expectant mothers would result in neo-natal deaths. The details of neo-natal deaths in the 4 PP Centres during the five years are as under:

Year	Total delivery/ live births	Death during 0-7 days of birth	Death during 8-28 days of birth	Total	Number of deaths per 1000 live births
1995-96	24,729	642	61	703	28.4
1996-97	25,414	522	78	600	23.6
1997-98	26,322	547	91	638	24.2
1998-99	26,477	549	94	643	24.2
1999-2000	33,155	661	181	842	25.4

The large number of neo-natal deaths indicates the deficiency in the health care of expectant mothers. In fact, after an initial decline in 1996-97, there was consistent increase of neo-natal deaths upto 1999-2000. As the neo-natal death rate itself was over 23 per 1000, the IMR which is the number of deaths of infants within a year per thousand live births would be more and the claim of achievement of IMR of 22 by the Director was not correct. Government, however, maintained that the neo-natal mortality was relatively high in patients coming from adjoining states.

**Motivation not effective**

(iii) The main objective of PP programme is to motivate people to adopt small family norms. The details of acceptors of small family norms in 4 PP centres are furnished below:

Year	Total cases admitted for deliveries/abortion	Number of acceptors of Tubectomy	Percentage of acceptors
1995-96	26,266	8972	34
1996-97	26,976	9217	34
1997-98	27,804	9252	33
1998-99	27,967	8940	32
1999-2000	34,927	10,604	30

The declining trend noticed in Tubectomy indicated that motivation was not effective. The PD of PP centre, Pondicherry observed (September 1999) that the sterilisation could not be done as the patients were anaemic. In JIPMER,

the percentage of acceptors ranged between 27 and 33 and the PD, JIPMER attributed the shortfall to non-availability of qualified anaesthetist on a regular basis. It was also observed that the staff in position ranged between 29 and 31 against 48 required as per norms, during 1995-2000 in the four PP centres.

Government attributed the declining percentage to increase in number of deliveries of first and second order births. It was, however, seen that 61 *per cent* of the total number of acceptors of permanent family planning methods had 2 or less children. Besides, only 5 *per cent* (7059 out of 1,43,940) of expectant mothers admitted in the PP Centres opted for temporary methods, indicating poor motivation.

**Defective contraceptives distributed**

(iv) 2.94 lakh Nirodh received from Medical Stores Depot, Guwahati in February 1997 were found defective during the sample testing done in July 1997. However, 1.89 lakh pieces of defective Nirodh were distributed during February 1997 to January 2000. Government stated that no testing was to be done at State level before issuing to centres.

**Facilities provided more than the requirement in Mahe**

(v) Though the entire UT constitutes only one district, the four regions were considered as separate districts and the 4 PP centres established in Pondicherry, Karaikal and Mahe were categorised as District level PP centres. The average urban population covered by these centres, their category, the average number of expectant mothers registered and the average number of deliveries during the 5 years are as under:

Region	Number of PP centres	Category	Average urban population (in lakh)	Average number of expectant mothers registered per annum	Average number of deliveries per annum
Pondicherry	2	A-Teaching A-Non-teaching	5.01	24,347	22,731
Karaikal	1	B	0.71	5295	3580
Mahe	1	C	0.38	855	813

The UT Government classified Mahe as 'C' category District level PP centre and provided with 10 bedded ward. As the number of confinements per annum was poor in Mahe, it should have been classified as sub-district level PP centre where an operation theatre with a six bedded ward was to be provided. It was also seen that the occupancy rate was poor (38 per bed per annum). Government stated that PP centres having less than 1500 obstetrics and abortion cases per annum were to be classified as 'C' category District level PP centre. However, Government had not furnished the norm for sub-district level centres and the fact was that there was poor occupancy of beds in Mahe.

Beneficiary survey revealed that 74 *per cent* of expectant mothers surveyed took their ante-natal care from Government health institutions and almost all

women received two doses of TT Vaccine. While 15 *per cent* faced obstetrics complications during their deliveries, only 55 *per cent* of the mothers who received ante-natal services were advised on family planning. 41 *per cent* of the women who had delivered in the last two years visited health providers for post-natal check-ups.

#### 3.3.5.4 *Child Survival and Safe Motherhood/Reproductive and Child Health Programme*

Government of India implemented CSSM programme from August 1992 by integrating all earlier programmes related to maternal and child health. In October 1997, GOI launched the RCH programme which included all components of CSSM and two new services *viz.*, special facility for Sexually Transmitted Infection (STI) and Reproductive Tract Infection (RTI) in all PHCs. This programme aims at stabilising the population, by assuring the parents about the health and longevity of children so that they will readily adopt small family norms. The programme categorises the districts into A, B and C based on CBR and Female Literacy Rate, so that the basic facilities could be strengthened in weaker districts (B and C) and sophisticated facilities provided in advanced districts (A).

The implementation of the CSSM and RCH programmes in the UT of Pondicherry in respect of various components for which central assistance was provided are discussed below:

##### (a) *Immunisation*

Under this component, vaccines for TT for expectant mothers, Diphtheria, Pertusis and Tetanus Toxoid (DPT), Polio, Baccillus Calmette and Gurein (BCG) and Measles for infants, Diphtheria and Tetanus Toxoid (DT) for 5-6 year old children and TT for 10 and 16 year old children were provided by GOI for administration to the beneficiaries to achieve 100 *per cent* coverage for all vaccine preventable diseases. Under the target-free approach, the programme contemplates preparation of action plans by Sub-centres, PHCs, etc., to assess the requirements of vaccines.

The performance of the UT Government under this component was as below:

Year	(Number of beneficiaries)					
	Performance				DT for Children (Age 5 -6)	TT for Children (Age 10 and 16)
	DPT	Polio	BCG	Measles		
	(For infants)					
1995-96	18,875	18,895	23,665	15,876	16,806	34,866
1996-97	18,465	18,435	30,290	15,810	18,250	35,855
1997-98	17,011	17,011	36,412	15,213	15,885	30,623

Year	Performance					
	DPT	Polio	BCG	Measles	DT for Children (Age 5-6)	TT for Children (Age 10 and 16)
	(For infants)					
1998-99	19,584	19,584	30,164	16,531	16,742	39,360
1999-2000	18,103	18,103	32,068	16,245	24,555	54,029
<b>Total</b>	<b>92,038</b>	<b>92,028</b>	<b>1,52,599</b>	<b>79,675</b>	<b>92,238</b>	<b>1,94,733</b>

The following observations are made:

**Immunisation not provided to all infants**

(i) The infants were to be provided with three doses of DPT and Polio vaccine and one dose of BCG vaccine between 6 weeks and 9 months, and one dose of Measles vaccine between 9 and 12 months. Though BCG vaccine was administered to all 1.53 lakh infants during 1995-2000, the administration of other three vaccines ranged from 0.80 lakh to 0.92 lakh infants (52 to 60 *per cent*) only during this period indicating that immunisation was not provided to all infants. There was no shortfall in the availability of any of the vaccines. Government stated that 40 *per cent* of children born in PP Centres belonged to adjoining states but did not explain the wide variation in administering different vaccines. Beneficiary survey also indicated that all the children in the sample had received BCG but the coverage of DPT, Polio and Measles vaccines were 78, 82 and 86 *per cent* only.

(ii) It was seen that 17,600 doses of DT vaccine and 23,580 doses of DPT vaccine were discarded during 1999-2000 as life expired, as GOI supplied huge quantity (DT : 54,000 doses and DPT : 46,000 doses) of vaccine with short life period. The UT Government had not taken any action to report to GOI the excess quantity not required, for distribution to other States.

(b) *Emergency Obstetric Care*

**No facilities to handle complicated cases in CHCs**

This component lays stress on management of complicated cases by the CHCs for preventing maternal mortality and morbidity. In the three test-checked CHCs, there were no specialist staff and obstetric care drugs, which were required in a FRU. Thus, the facility for handling complicated cases was not available in CHCs, due to which they could not function as FRU. Government stated that GOI sanction for creation of posts was awaited.

(c) *Other components under RCH Programme*

**Facilities required to be provided under RCH not available in Health Centres**

(i) The RCH programme provided for engaging two lab technicians for conducting blood, urine and RTI/STI tests at CHCs. As against the norms of 8 technicians, only 3 technicians were available in test-checked 3 CHCs\*

\* Karikalampakkam, Thirunallar and Pallur

and the RTI/STI tests were not conducted by them. Government accepted the shortfall.

(ii) Under RCH, laparoscopes and tubalrings for promoting tubectomy operations were to be provided. It was seen that in Karikalampakkam and Pallur CHCs these were not available. Government stated that laparoscopic sterilisation was not preferred in the UT.

(iii) The new-born care equipment like 'Infant resuscitation bag with mask-mounted leap' and 'Paddle-operated suction machine' were not supplied by GOI to any of the test-checked PHCs and CHCs.

(iv) Under the component 'Minor Civil Works', GOI released Rs 40 lakh to SCOVA for upgrading the facilities in PHCs in the four regions of the UT treating each region as one district. The classification of the four districts of UT under 'A' was based on CBR and Female Literacy Rate. As the entire UT constituted only one district, the classification of the four regions as individual districts, without any reference to population covered and number of centres available in these areas was not in order. The Mahe and Yanam regions of the UT are only urban areas with a population of less than 35,000 and 20,000 respectively and though RFWCs were not admissible in urban areas, there were one CHC and one PHC in Mahe and 4 sub-centres in Yanam. Hence, the classification of these regions into 'A' districts and provision of huge funds for these regions for upgrading PHCs is unjustified. Government contended that the classification was due to geographical location of the regions and the funds released for Mahe would be utilised for improving Government Hospital. The reply was not tenable as Mahe and Yanam could only be classified as sub-districts and RCH had separate component for improving hospitals.

(v) Out of 183 ANMs and 25 LHVs to be trained in IUD insertions, training was imparted only to 50 ANMs thereby defeating the objective of providing facilities at the doorsteps of beneficiaries. Government stated that the training was not conducted as per GOI instructions issued in July 1997. The reply is not correct since training in UT was actually started only after July 1997.

(vi) The facility for MTP is available only in district hospitals, although CHCs were to be provided with infrastructure for such facility. Government stated that the facility would be provided on receipt of GOI sanction for creation of specialist posts.

### **3.3.6 Monitoring and evaluation**

**Reporting not made  
as prescribed**

The formats for the report to be submitted under RCH at various levels were to be prescribed by GOI so that the required information could be consolidated at district level and sent to State Headquarters and National level through National Informatics Centre (NIC) network by 20<sup>th</sup> of every month. It was seen that the GOI prescribed in October 1997 a format for

reporting every month through NIC network. The UT Government had sent the particulars required in this format only from 1999-2000 onwards. Government attributed the delay to problems in software in NIC network.

**Ineffective monitoring**

There was wide variation between the statistics reported by the Director to GOI and that furnished by the PP centres to Audit (*vide* Appendix 19). The large disparity between the statistics given by PP Centres and that reported to GOI needs investigation. Government contended that the statistics furnished by the Director to GOI were correct. The contention of Government was not tenable as Audit had found that the statistics furnished by the Director differed widely from the basic records maintained at PP centres.

**Ineffective Mass Education and lack of facilities in health centres**

The survey conducted in Pondicherry and Karaikal in June 1998 by Gandhigram Institute, Dindigul revealed that the married women in the reproductive age were aware of effective contraceptive methods but the knowledge of STI was found to be poor. 40 *per cent* of males and 50 *per cent* of females were not aware of STI and 14 *per cent* of female respondents were not aware of mode of transmission of STI. The survey, however, did not assess the level of confidence amongst illiterate mothers from poor families, that their children would survive.

Another survey conducted in June 1999 by Administrative Staff College of India, Hyderabad to assess the availability and utilisation of the RCH facilities in Pondicherry District, covering 2 CHCs, one District Hospital and 26 PHCs revealed poor toilet facilities in PHCs/CHCs, non availability of Medical Officers trained for deliveries and laparotomy/caesarian, non-availability of facility for treatment of RTI/STI, sterilisation and MTP in PHCs, non-availability of basic infrastructure for conducting deliveries in PHCs and non-availability of Disposable Delivery Kits, Vitamin A solution and booster doses of TT in PHCs. Government stated that the follow up action was taken during monthly review meetings and the facilities were improved in PHCs.

Beneficiary survey reported that none of the four PHCs visited had vaccine storage, auto claving boiling equipment, operation theatre as well as adequate equipments required for conducting operations. Of the 8 SCs, 4 had inadequate supply of Disposable Delivery Kits while the remaining were not supplied with the kits at all.

**3.3.7 Impact assessment**

The infrastructural facilities in PHCs and CHCs to be provided under 'Minimum Needs Programme' were very poor and the rural people had to depend on district hospitals for their health care. The Maternal and Child Health Services provided in district hospitals were also not adequate and the motivation of the community to adopt small family norms was not effective. While the PAP programme could be implemented only in Pondicherry region where the Medical College is situated, the RCH programme is yet to

take off. The UT Government claimed that the targeted national goals had been achieved. It was, however, seen that the CBR based on number of live births in the PP Centres exceeded 25 per 1000 against the claim of 18 by the Director. Further, the MMR in the PP Centres was more than 2 per 1000 in four out of the five years. The claim of achievement of IMR of 22 per 1000 was also doubtful as the neo-natal death rate itself ranged between 23.6 and 28.4 during 1995-2000.

### **3.4 Slum Clearance and Improvement Schemes (Town and Country Planning Department)**

#### **Highlights**

*Despite the creation of Pondicherry Slum Clearance Board for the specific purpose of improving slums, funds were provided only as deposits by Town and Country Planning Department instead of providing as grants or loans. The areas requiring clearance were not declared. Improvement works and construction of tenements were taken up without any master plan and overall objective. Consequently, 258 slums out of 304 identified were not provided with all facilities.*

*The following significant points were noticed:*

- The unspent balance of deposit with Pondicherry Slum Clearance Board which was Rs 1.22 crore at the beginning of 1995-96 increased to Rs 5.74 crore at the end of 1999-2000.

*(Paragraph 3.4.5)*

- Inordinate delay in completing preliminary works was noticed due to non-availability of Technical Officer above the rank of Executive Engineer in Pondicherry Slum Clearance Board and the vacancy of the post of Chairman for over one year.

*(Paragraph 3.4.6.1(iii))*

- Though 304 slums were identified, no comprehensive Master Plan has been prepared for improvement. Only 46 slums were provided with all facilities as of March 2000.

*(Paragraph 3.4.6.2(i))*

- Funds were released to Pondicherry Slum Clearance Board as deposits for implementation of the schemes as deposit works in contravention of the provisions of the Slum Areas (Improvement and Clearance) (Pondicherry Amendment) Act, 1986.

*(Paragraph 3.4.7(i))*

- Funds were provided in the budget without reference to sanctioned estimates.

*(Paragraph 3.4.7(ii))*

---

Abbreviations used in this review are listed in the Glossary at Appendix 49 (Page 224)

---



---

---

**- No action was taken to evict unauthorised occupants from the tenements/plots in spite of recommendations by the Public Accounts Committee to evict the encroachers and avoid encroachments in future. On the other hand, Government has decided to allot the tenements on lease-cum-sale basis by charging market value from the unauthorised occupants.**

*(Paragraph 3.4.8(i))*

### **3.4.1 Introduction**

According to the Slum Areas (Improvement and Clearance) (Pondicherry Amendment) Act, 1986 (Act), any area which is a source of danger to the health, safety or convenience of public of that area or its neighbourhood by reason of its being low lying, insanitary, squalid, overcrowded or otherwise or any building by virtue of it being unfit for human inhabitation due to dilapidation, overcrowding was to be notified as slum area. In order to improve such areas in the Union Territory, and for the protection of those living in such areas from eviction, the Pondicherry Slum Clearance Board (PSCB) was established in 1986. As of March 2000, PSCB identified 304 slum areas by conducting survey and notified 118 of them as 'slum area' under the Act. Proposals made by PSCB in July and September 1998 to notify 46 more slums were pending with Government.

Town and Country Planning Department of the Union Territory implements two schemes 'Slum Upgradation Programme (SUP) and Environmental Improvements in Urban Slums (EIUS)' through PSCB. The SUP launched in 1962 aimed at acquisition and development of land in urban areas for allotment to eligible slum dwellers free of cost, to enable them to construct low cost houses at their initiative. The objective was later enlarged in 1995-96 for construction and allotment of tenements and to provide facilities in the existing slums. The EIUS, originally sponsored by Government of India (GOI) in 1972 as part of Minimum Needs Programme, aimed at provision of amenities like internal roads, street lights, drains, drinking water, community bathrooms and latrines in the existing urban slums. Though this scheme was implemented as a State scheme from 1974, GOI had issued guidelines to ensure a uniform pattern in all States.

In August 1996, GOI introduced 'National Slum Development Programme' (NSDP) with a view to providing amenities including community and health centres to the existing slums. GOI provided additional plan assistance to the States for implementing this Programme.

### **3.4.2 Organisational set up**

The Chief Town Planner of the Town and Country Planning Department (CTP) with the assistance of one Senior Town Planner and four Junior Town Planners implemented SUP and EIUS by executing the works through PSCB and the Municipalities of Mahe and Yanam. The Secretary, Town and

Country Planning Department, who is the Administrative Head, monitors the implementation of the schemes.

### **3.4.3 Audit coverage**

The implementation of the two Union Territory (UT) schemes and the NSDP for the years 1995-96 to 1999-2000 was reviewed in the offices of CTP and PSCB during March and April 2000. The points noticed are discussed in succeeding paragraphs.

### **3.4.4 Programme activities**

The following activities were undertaken to improve the slum areas during 1995-2000.

#### ***Slum Upgradation Programme***

No land was acquired/developed, but 116 plots acquired prior to 1995-96 were allotted during 1995-96 (88) and 1998-99 (28). Twenty five works for constructing 900 tenements were sanctioned and 11 works (246 tenements) were completed. Besides, improvement works in the existing tenements were executed.

#### ***Environmental Improvements in Urban Slums***

One hundred and twelve works (PSCB : 94 and Municipalities : 18) of improvements to slum areas, the assets of which belonged to the Municipalities, were undertaken under this scheme.

#### ***National Slum Development Programme***

This programme provides for construction of shelter and its upgradation by providing loan and subsidy to the beneficiaries. The scheme was to be implemented by Community Development Societies formed under Urban Basic Services Programme and should be monitored by respective urban local bodies under the overall control of the State Urban Development Agency. Though plan assistance was provided by GOI from 1996-97 for implementing this programme, the Pondicherry Urban Development Agency (PUDA) was formed only in August 1998 and no financial assistance was provided to slum dwellers as envisaged under the programme as of March 2000.

### **3.4.5 Resources**

The CTP released funds required for various works under SUP and EIUS to PSCB. During 1995-96, PSCB received Rs 11.44 crore from CTP but spent only Rs 6.92 crore (60 per cent). The unspent balance which stood at Rs 1.22 crore at the beginning of 1995-96 increased to Rs 5.74 crore at the end of 1999-2000. The scheme-wise and year-wise breakup is given in Appendix 20. The amount of Rs 3.66 crore received from GOI as additional

plan assistance during 1996-97 to 1999-2000 for implementing NSDP was not released to PUDA till March 2000 and of this, the UT Government diverted Rupees one crore for construction of tenements under SUP.

### 3.4.6 Programme implementation

#### 3.4.6.1 Slum Upgradation Programme

The number of tenements sanctioned for construction and number completed during 1995-2000 were as under:

Year	Sanctioned during the year		Constructed during the year		Pending completion at the end of the year (cumulative)	
	Works	Tenements	Works	Tenements	Works	Tenements
1995-96	8	170	--	--	8	170
1996-97	3	54	--	--	11	224
1997-98	4	116	4	108	11	232
1998-99	6	274	4	78	13	428
1999-2000	4	286	3	60	14	654
<b>Total</b>	<b>25</b>	<b>900</b>	<b>11</b>	<b>246</b>		

#### Non-declaration of clearance area

(i) In accordance with the Act, any slum area which is hazardous to the residents and neighbourhood and could not be improved has to be declared as clearance area in order to enable the demolition of existing building and construction of tenements for rehabilitating those slum dwellers. Seven slums having a population of 1190 which were in existence for more than 25 years could not be improved for the reason that they were adjacent to railway tracks, or they encroached on public roads. Further, there were 253 fire accidents in the slum areas of Pondicherry region affecting 1556 families during 1995-2000. PSCB had failed to declare these slums as clearance area for construction of tenements to provide a permanent solution to these slum dwellers.

(ii) Though PSCB had not declared any area as slum clearance area as of March 2000, CTP sanctioned the construction of 900 tenements under SUP during 1995-2000 in five areas, which were not slum areas. Government accepted (August 2000) that PSCB failed to declare any area as Slum Clearance area as provided under the Act, but instead implemented housing schemes.

#### Inordinate delay in finalising preliminary works

(iii) Out of 14 works (654 tenements) pending completion as of March 2000, 8 works (230 tenements) were in progress and 2 works (138 tenements) for which detailed estimates were sanctioned could not be taken up due to encroachments. In respect of the remaining 4 works comprising 286 tenements sanctioned during 1999-2000, detailed estimates were to be approved by Public Works Department (PWD). There was inordinate delay even in completing the preliminary works like preparation and approval of

the detailed estimates, finalisation of tender, etc., which ranged from 7 to 47 months as detailed below:

Period of delay (in months)	Number of works
7 to 12	10
13 to 24	9
24 to 36	1
36 to 47	1

As the Executive Engineer (EE) who is the highest technical officer in PSCB, had powers to sanction works valuing Rs 7 lakh only, the detailed estimates were got approved by officers of PWD resulting in inordinate delay of 7 to 47 months. Further, administrative sanction for the works could not be issued by the Board as the post of Chairman was vacant between April 1996 and October 1997. To obviate this impediment, PSCB obtained sanctions directly from Government in July 1997. Government stated that the delegation of financial powers to the EE of PSCB would be enhanced to speed up the execution of works.

(iv) According to the rules framed by Government in August 1975 for allotment of developed plots/tenements to slum dwellers, those who do not own a house within a radius of 5 km from the slum colony and whose monthly income from all sources is below Rs 350 are eligible for allotment under the scheme. The eligible beneficiaries included those living in the clearance area as well as those living in the nearby area and different parts of the town.

**Rules for allotment  
not framed to  
conform to the  
provisions of the Act**

(a) Even though the Board was formed in 1986 to implement the provisions of the Act, no separate rules for allotment of plots and tenements conforming to the provisions of the Act were framed. The PSCB followed the rules framed in August 1975. Government assured (August 2000) to prepare comprehensive rules.

(b) The income ceiling limit of Rs 350 per month was increased to Rs 1000 per month from January 1994 by PSCB without the approval of the Government. Government accepted the audit point.

(c) In November 1994, PSCB reserved 25 per cent of the plots/tenements, developed/constructed, for allotment by Chairman. The reservation was not approved by Government. It was seen that, while allotting 102 tenements built at Sakkilipalayam and 72 tenements built at Boomianpet to rehabilitate the fire victims of the slum areas, the Chairman allotted 10 and 18 tenements to persons other than the fire victims of these areas respectively. Government had not furnished any reply for the deviation made by the Chairman.

**Delay in allotment of tenements**

(ii) The 186 tenements constructed during 1997-98 and 1998-99 were allotted only during February to April 1999 due to delay in completing the electrical works and the remaining 60 tenements completed during May 2000 were not allotted as of August 2000.

3.4.6.2 *Environmental Improvements in Urban Slums*

Out of 94 works sanctioned during 1995-2000, PSCB completed 77 works as of March 2000, while 6 works were in progress, estimate for 8 works were under preparation and the remaining 3 works were dropped.

The following points were noticed:

**Master plan was not prepared**

(i) Soon after its establishment in 1986, PSCB took up the survey for identifying slum areas and ascertaining the facilities available so as to prepare a master plan for improving the slums after notifying them. Though 304 slums were identified and 118 slums notified as early as in November 1988, no master plan was prepared. As of March 2000, only 46 out of 304 identified slums were provided with all the facilities. Government assured that all identified slums would be notified by December 2000 and perspective plan would be prepared for taking up improvement works in phases.

**Non-monitoring of provision of facilities**

(ii) Water facility was not available in 28 slums having a population of 6892 and street lights were not available in 46 slums with a population of 13,146. The CTP stated that these provisions were not made by PSCB as they were to be made by Electricity Department and PWD. The Government assured (August 2000) to formulate schemes to provide these facilities.

**No records maintained to show coverage of SC population**

(iii) The annual plan provided that 50 *per cent* coverage should be for SC population. However, the CTP had not maintained any records for the coverage of SC population. Government stated that no records are maintained in terms of individual beneficiary as the schemes benefit the whole slum. In view of the reply, provision made in the annual plan was superfluous.

(iv) Though Mettacur Indira Awaas Yojana colony, Yanam was not found in the list of slum areas identified by PSCB, CTP sanctioned (March 1998) Rs 3 lakh to Yanam Municipality for undertaking improvement work in that area on the ground that environmental conditions of the area were in consonance with the definition of a slum. Government accepted that the area was not an identified slum and stated that the works were taken up as the residents of the area belonged to economically weaker sections of society.

### 3.4.7 Financial performance

**Funds were not released as grants to PSCB as per the provisions of the Act**

(i) According to the Act, the two schemes, SUP and EIUS, were to be implemented by the PSCB from its own funds by receiving grants, loans, etc., from the Government. Contrary to these provisions, CTP treated the works under these two schemes as deposit works and released funds as deposits with the condition that the accounts be rendered within one year from the date of release. Government agreed to examine the suggestion of Audit.

**Provision of funds in budget was not made with reference to sanctioned estimates**

(ii) CTP provided funds in the budget for SUP and EIUS without reference to sanctioned estimate and received proposals from PSCB for utilising the budget provisions. Government accepted that funds provided in the Budget were not based on sanctioned estimates and attributed administrative reasons for the delay in sanctioning the works.

**Release of funds in excess of requirement**

(iii) The funds were released in one lump sum even in respect of major works. Rupees 1.49 crore was released to PSCB during March 2000 for construction of 128 tenements at Kumaragurupallam. Government justified the release of full estimated cost of the works on the ground that no delay was expected in execution. The reply was not acceptable, as the balance with PSCB at the end of each year was much more than the amount released during the year and such excess release could have been avoided if funds were released in instalments.

(iv) Rupees 40.99 lakh, being the balance refundable on 34 completed/cancelled works, were retained by PSCB as of March 2000. It was also seen that in respect of three works under execution, the detailed estimate (Rs 19.98 lakh) was less than the preliminary estimate (Rs 25.14 lakh) based on which funds were released. Government attributed the savings to encroachments in the roads proposed for improvement.

**Excess centage charges booked to works**

(v) Though Central Public Works Department (CPWD) Manual provide for levying centage charges at 10.75 *per cent* for establishment expenditure in respect of works costing between Rs 1 lakh and Rs 2 crore, the PSCB charged 17.5 *per cent* centage for EIUS works and 10.75 *per cent* for SUP works till 1998-99. During 1999-2000, the centage charge was levied at the uniform rate of 10.75 *per cent* for both the schemes. The excess centage charges booked as expenditure during 1995-99 for EIUS works worked out to Rs 11.72 lakh. Government stated that the procedure of levying centage charges from inception of the PSCB was revised only in 1999-2000 based on CPWD provisions. Government, however, did not furnish the authority for levying higher centage for EIUS works.

(vi) The unspent balances were kept in Fixed Deposits in Nationalised, Scheduled and Co-operative Banks by PSCB and interest of Rs 1.09 crore was earned during the period from 1995-96 to 1998-99. This was an unintended benefit to PSCB. Government stated that the interest was utilised for meeting establishment expenditure and for construction of temporary

sheds to fire victims. The fact remains that there was huge interest receipt due to indiscriminate release of funds to PSCB and centage charges were being paid to PSCB for each work for meeting the establishment expenditure.

### **3.4.8 Other points of interest**

**Unauthorised occupation of plots/tenements by persons other than allottees**

(i) According to a survey conducted by CTP in July 1986, 265 plots allotted to slum dwellers in Savanapet area were occupied by persons other than allottees. When the matter was included in the Report of the Comptroller and Auditor General of India for 1986-87 (Paragraph 4.9), the Town and Country Planning Department informed the Public Accounts Committee that there was no provision in the Act to evict the encroachers and the Act required to be amended. The Committee recommended (July 1991) to evict the unauthorised persons and that the Department should take action to avoid such encroachment in future. Neither the Department nor PSCB had taken any concrete action, and by August 1997, 452 out of 777 plots in Savanapet were occupied by unauthorised persons. In addition, there were 159 unauthorised occupants in other three areas. The PSCB proposed (June 1998) to give conditional pattas to all the 777 slum dwellers in Savanapet on lease-cum-sale basis, charging the current value of land from the unauthorised occupants. Government approved (October 1999) the proposal but the modalities were not yet finalised. No action was initiated to evict the unauthorised occupants in other areas.

In as much as the plots were allotted on rental basis, with the condition that the allottees would be evicted if the conditions of allotment were not met, the PSCB should have taken action to evict the unauthorised persons instead of regularizing the allotment. The inaction on the part of PSCB had resulted in the increase in encroachment.

**Expenditure without Government sanction**

(ii) In respect of 24 works executed during 1993-2000 under SUP and EIUS, Rs 42.37 lakh was spent in excess of the deposit received by PSCB. This expenditure was incurred without Government sanction and not got reimbursed as of March 2000. Government stated that additional amount for 4 works has been sanctioned and funds for the remaining works would be sanctioned shortly.

### **3.4.9 Monitoring and Evaluation**

Though the construction of tenements was regularly monitored by CTP, there was inaction in planning the improvement of existing slums. No evaluation of EIUS was conducted by Government or outside agency. Though GOI instructed (February 1995) that review be conducted on the implementation of SUP, the Planning and Research Department of UT had not undertaken such a review as of March 2000.

**3.4.10 Conclusion**

PSCB did not function as an autonomous body as envisaged in the Act. Slum improvement works were taken up without any master plan and tenements for slum dwellers were constructed without declaring clearance areas. NSDP is yet to take off.

**3.4.11 Recommendation**

As the survey of slums had been completed and 304 slums were identified, PSCB should prepare a master plan to improve the slum areas systematically and to implement the NSDP launched by GOI by availing central assistance. Periodic monitoring should be done to prevent encroachment and increase in the number of slums.



**SECTION – B**  
**AUDIT PARAGRAPHS**



---

---

**ADI-DRAVIDAR WELFARE DEPARTMENT**

**3.5 Blocking of central grants due to non-adherence to guidelines issued by Government of India**

**The delay in clearing the encroachment and failure to adhere to the cost ceiling and estimate furnished by Government of India resulted in non-achievement of objective of providing hostel facilities to girl students for over 8 years.**

According to the guidelines issued by Government of India (GOI) for implementing the Centrally Sponsored Scheme 'Construction of hostel building for Scheduled Castes and Tribes girls and boys', the ceiling on construction was Rs 20,220 per student. GOI furnished a model estimate providing an area of 1104 square metre (Sq.m.) for 100 inmates and stipulated that the excess cost over and above the ceiling had to be met by the UT Government.

In January 1992, GOI released Rs 20.22 lakh for construction of girls hostel at Karaikal for 100 inmates. As the site acquired was under encroachment, the Director, Adi-draavidar Welfare Department drew (March 1992) the amount and deposited (November 1992) with Pondicherry Adi-draavidar Development Corporation Limited, Pondicherry (PADCO) for use by Public Works Department (PWD) as and when the work was taken up. The Revenue Department cleared the encroachment and the Director handed over the site to PWD in December 1993. The Director, however, had not intimated PWD the cost ceiling fixed by GOI.

PWD obtained plan approval from Karaikal Planning Authority in December 1994 and the amount of Rs 20.22 lakh was transferred (March 1995) from PADCO to PWD for taking up the work as deposit work. PWD prepared an estimate for Rs 78.13 lakh for an area of 1919 Sq.m and requested for an assurance from the Director for depositing the balance amount before commencing the work.

As the funds could not be provided from the Union Territory budget sources and the Superintending Engineer, Buildings and Roads Circle I, PWD insisted (November 1998) for an assurance of the Government to release the balance amount in two equal instalments within a year before calling for tenders for the execution of the work, the Director sent proposals (December 1999) to GOI for sanction of Rs 1.23 crore during 1999-2000. Meanwhile, PWD revised the estimate to Rs 1.44 crore in November 1998 based on current schedule of rates. Pending receipt of funds from GOI, the Director got back the amount from PWD and remitted to GOI in June 2000 for obtaining fresh sanction of Rs 1.44 crore from GOI. The work was not taken up as of July 2000.

Thus, the Director failed to take prompt action for finalisation of the plans and estimates for the work with due regard to the stipulation of GOI. This led to unnecessary delay in the execution of the work, which has been pending for the past 8 years, and also in manifold cost escalation. Further, though the work was to be executed by PWD, the amount was deposited with PADCO for 26 months, which earned interest by depositing the amount in fixed deposit.

The matter was referred to Government in June 2000. Government accepted (July 2000) that PWD prepared the estimate based on prevailing cost without any reference to cost ceiling fixed by GOI and the work could not be taken up for want of funds. Government also stated that the interest of Rs 3.19 lakh earned by PADCO would be adjusted against the managerial assistance. The fact, however, remains that the funds of GOI, borrowed at huge cost, were kept outside Government account for 26 months. Further the objective of providing hostel facility to the girls was not achieved and the department incurred Rs 3.95 lakh towards rent for housing the girls in private buildings during March 1992 to February 2000.

## **CO-OPERATION DEPARTMENT**

### **3.6 Extra expenditure to Government due to procurement of lungies at higher rate**

**The acceptance of higher rates in the purchase of lungies from Co-operative Societies by the Registrar of Co-operative Societies resulted in extra expenditure of Rs 26.97 lakh.**

The Registrar of Co-operative Societies (Registrar) informed (March 1998) the Government that there was an accumulated stock of about 4 lakh lungies meant for export market in both Pondicherry State Weavers' Co-operative Society Limited (PONTEX) and the Pondicherry Co-operative Handloom Export Development Project Limited (PONFAB) and suggested that the departments like Social Welfare, Adi-dravidar Welfare, Fisheries, etc., which were implementing the scheme of free supply of clothes might be requested to place orders for the lungies at the minimum price of Rs 68 per lungi which would leave no profit to the societies except off-setting overhead charges. PONTEX and PONFAB, while sending quotations (April 1998) for free distribution of cloth scheme implemented by Adi-dravidar Welfare Department reiterated the request and stated (April 1998) that the rate of Rs 68 was the net rate after offering rebate eligible for that variety. Accordingly, Government, in June 1998, ordered that all departments implementing the free supply of clothing scheme were

to buy these lungies instead of dhothies. During October 1998 to March 1999, 1.74 lakh lungies were purchased by Social Welfare and Child Welfare, Adi-draavidar Welfare, Fisheries Departments from PONTEX for Rs 1.18 crore.

It was seen that PONTEX supplied lungies to all Government departments from their own stock as well as by transferring stock from PONFAB. PONTEX fixed the sale price (Gross) at Rs 121 per lungi and obtained Rs 30.25 per lungi from the Union Territory Government and Government of India (GOI) towards 25 *per cent* rebate eligible for Handloom cloth. After allowing Rs 22.75 as discount, the lungies were sold to Government departments at Rs 68. PONTEX intimated Audit in July 2000 that the procurement cost of these lungies was Rs 78.35 including 5 *per cent* overhead charges for the primary societies. Allowing 5 *per cent* overhead charges for PONTEX, the cost of lungies on no profit no loss basis works out to Rs 82.27 per lungi. Taking into account the rebate of Rs 30.25, the net rate is estimated at Rs 52.02. It was further seen that though PONTEX sold these lungies at a net rate of Rs 68 per lungi (Gross rate Rs 107) upto August 1998 to other customers, the net rate charged during October 1998 to March 1999 was only Rs 52.50 per lungi (Gross rate Rs 121 per lungi). Similarly, PONFAB charged PONTEX Rs 68 per lungi for the quantity transferred for effecting supply to Government departments, but it charged Rs 52.50 to Rs 55 only to other customers during that period.

It is, therefore, evident that the Registrar without verifying the records of PONTEX and PONFAB recommended the net rate of Rs 68 per lungi. This rate is inclusive of profit element as PONTEX had no system of fixing the sale price based on cost. Failure of the Registrar to arrive at the cost price of the lungi including overhead charges correctly resulted in PONTEX charging higher rates to Government departments than to the public and the extra expenditure to Government on this account worked out to Rs 26.97 lakh.

When the matter was referred, Government contended (September 2000) that the actual overhead charges for PONTEX was 16.5 *per cent* of sales turn over and not 5 *per cent* on production cost adopted by Audit and claimed that the rate of Rs 68 covered production cost and overhead charges only without any profit. This contention was not acceptable as PONTEX sold these lungies to private parties for export purposes in January 1998 at Rs 70 allowing 20 *per cent* rebate on the gross price of Rs 87.50. As PONTEX received Rs 30.25 as rebate the net sale price would be Rs 57.25 which included profit. The cost of the lungies on no-profit and no-loss basis would, therefore, be only Rs 52.02 as worked out by Audit.

## ELECTRICITY DEPARTMENT

### 3.7 Non-utilisation of materials for more than a decade

**Electricity Department retained materials costing Rs 13.95 lakh idle for 4 to 17 years while it resorted to purchase of the same materials for use on other works.**

In view of the road widening programme of Public Works Department (PWD), Government sanctioned (March 1983) Rs 27.49 lakh for conversion of 22 KV overhead lines into 11 KV underground cable system between Ajantha Theatre junction and Muthialpet border on the Mahatma Gandhi Road in Pondicherry, which involved erection of transformers in seven sites. The work was to be executed by Electricity Department (ED).

Even before the acquisition of land required for the work, the Superintending Engineer, ED accorded technical sanction to four estimates for Rs 27.49 lakh in March 1983. It was noticed that out of Rs 16.05 lakh shown as expenditure under these 4 estimates, the following materials costing Rs 13.95 lakh purchased for the above work were actually not used but were lying idle (February 2000).

Serial number	Materials	Year of purchase	Quantity	Amount (Rupees in lakh)
1.	11/0.415 KV, 315 KVA Distribution Transformers	1982-83 1995-96	2 Numbers 4 Numbers	1.01 4.63
2.	11 KV-XLPE cable 3 x 95	1987-88	535 metres	1.99
3.	11 KV-XLPE cable 3 x 50	1987-88	95 metres	0.42
4.	11 KV-XLPE cable 3 x 240	1986-87	952 metres	5.90
<b>Total</b>				<b>13.95</b>

The Executive Engineer II of the ED stated (February 2000) that the work was not taken up as PWD had not handed over three of the seven sites. It was seen that while two sites which were acquired during 1987 and 1993 could not be handed over due to encroachment, land acquisition proceedings in respect of remaining site were not completed (November 1999). When the details of purchase of transformers and cables made by the ED from 1982-83 onwards were called for, the Superintending Engineer I expressed (April 2000) his inability to produce old records and furnished the details of purchases from 1995-96 onwards. It was seen therefrom that 17 transformers (11 KV), 693 metres of 11 KV-3 x 50 cables and 623 metres of 11 KV-3 x 95 cables were purchased in 1995-96 and 1996-97 while similar items purchased for the work on the Mahatma Gandhi Road remained idle.

Thus, the ED failed to utilise the materials worth Rs 13.95 lakh lying idle for a period ranging from 4 to 17 years and resorted to fresh purchases of these items for use in other works.

When the matter was referred to Government, it stated (September 2000) that cables procured for a particular work were not normally used for other works unless the work was abandoned. As the materials were not available in stores, purchases were made for executing other works. The reply was not tenable, since the unutilised stores could be transferred to needy works instead of keeping them idle and blocking the funds.

## INDUSTRIES DEPARTMENT

### 3.8 Indiscriminate release of share capital assistance to Pondicherry Tourism and Transport Development Corporation Limited

**The Department failed to ensure that the amount released for purchase of buses was actually utilised to increase the fleet capacity and thereby to arrest the working loss of Pondicherry Tourism and Transport Development Corporation Limited.**

Government in 1997-98 decided to release share capital assistance to Pondicherry Tourism and Transport Development Corporation Limited (Corporation) for the purchase of additional buses to improve the transport wing and to improve tourism and catering activities with the condition that the amount released should not be used for any other purpose. The share capital released during 1997-98 to 1999-2000 for purchase of buses and its utilisation are detailed below:

(Amount - Rupees in crore)

Year	Amount released towards purchase of buses	Number of buses to be purchased	Utilisation		
			Number of buses purchased	Year	Amount
1997-98	1.40	16	5	1997-98	1.39
1997-98	1.00	10	10	1998-99	
1998-99	1.00	20	4	1999-2000	0.39
1999-2000	1.00	10	Nil	Nil	Nil
<b>Total</b>	<b>4.40</b>	<b>56</b>	<b>19</b>		<b>1.78</b>

It could be seen that as against 56 buses to be purchased at a cost of Rs 4.40 crore, only 19 have been purchased, spending Rs 1.78 crore. While

the balance amount of share capital released in 1997-98 was mainly used for payment of salary, fifth pay commission arrears and bonus, the unspent balance of the share capital released in 1998-99 and 1999-2000 has been spent mainly on administrative expenses and salaries. However, the Corporation had certified that the amount released in 1997-98 and 1998-99 had been spent for the purpose for which they were released. The Department had not verified the statement and continued to release the share capital. It was also seen from the provisional balance sheet that the accumulated loss in the transport wing of the Corporation increased from Rs 4.07 crore at the beginning of 1997-98 to Rs 6.04 crore at the end of 1998-99. Thus, the Department failed to ensure that the amount released for the purpose of purchase of buses had actually been utilised by the Corporation to improve its fleet capacity, which would have arrested its working loss.

Government while accepting the facts stated (August 2000) that the Corporation was forced to utilise the share capital for other purposes due to financial crisis and assured that the share capital would be used only for the specified purpose in future.

### **3.9 Unproductive investment in Pondicherry Textile Corporation Limited**

**In spite of non-utilisation of share capital assistance to implement the modernisation programme, Government continued to release funds under the scheme which was used to meet cash losses, resulting in unproductive investment.**

Pondicherry Textile Corporation Limited (PTC) which had an accumulated profit of Rs 7.42 crore at the end of 1992-93 incurred a loss of Rs 8.20 crore during 1993-94. The Government appointed (July 1994) an expert committee to examine the working of PTC and submit a report for effecting necessary changes to improve its performance. The committee, in its report in December 1994, stated that immediate renovation/modernisation of production facilities was of critical importance for its survival and growth and suggested setting up of two subsidiaries at a cost of Rs 106 crore and replacement of machinery at a cost of Rs 46 crore. The committee recommended that Government should contribute Rs 58.50 crore (Rs 42 crore for the subsidiaries and Rs 16.50 crore for replacement of machinery) and the balance requirement be met from long term loan from banks and other financial institutions. The committee also recommended that the short term and long term measures should go concurrently and a Task Force should be formed at management level and Government level to monitor the progress and solve implementation problems. Accordingly, Government released Rs 52.30 crore under a separate plan head *viz.*,



“Modernisation and diversification of PTC” from 1995-96 onwards. (Rs 6 crore in 1995-96; Rs 11.50 crore in 1996-97; Rs 14.65 crore in 1997-98 and Rs 20.15 crore in 1998-99).

A scrutiny of the records of PTC and the Director of Industries revealed the following:

(i) The two subsidiaries contemplated in the report of the expert committee were not set up. For the replacement of machinery, Government released Rs 52.30 crore as against Rs 16.50 crore suggested by the committee whereas PTC incurred an expenditure of only Rs 4.72 crore on modernisation till March 1999. The accumulated loss which stood at Rs 1.99 crore as of 31 March 1994 had steeply increased to Rs 105.93 crore as of 31 March 1999.

(ii) PTC had been furnishing status report on its functioning each year to Government. It was seen from these reports for 1996-97, 1997-98 and 1998-99 that factors such as high cost of material and labour and general recession in the industry contributed to the loss and the share capital assistance of Government was used for offsetting cash losses. Though the status report indicated that the funds spent on modernisation had been meagre, Government continued to release share capital assistance every year under the scheme of modernisation.

(iii) The accumulated loss in 1998-99 was Rs 105.93 crore as against the paid-up share capital of Rs 98.42 crore and the Government investment was not represented by adequate assets.

Thus, the continued release of share capital assistance for specific purpose of modernisation, though the funds were actually utilised to meet cash losses, resulted in non-achievement of objective besides ending as a dead investment.

Government in reply accepted (August 2000) diversion of funds by PTC and stated that a comprehensive proposal for modernisation was under preparation.

**SCIENCE, TECHNOLOGY AND ENVIRONMENT  
DEPARTMENT**

**3.10 Implementation of Environmental Acts and Rules relating  
to Water Pollution**

**The objective of the Pondicherry Pollution Control Committee for the prevention, control or abatement of pollution of streams and wells in the Union Territory was not achieved.**

In order to prevent and control water pollution and to maintain or restore the wholesomeness of water, Government of India (GOI) enacted the Water (Prevention and Pollution Control) Act, 1974 (Water Act) and framed the necessary rules thereunder in 1975. For promoting cleanliness of streams and wells in different areas of the states, a Central Board for the Prevention and Control of Water Pollution (Central Board) was constituted by the GOI.

The Union Territory (UT) Government constituted Pondicherry Pollution Control Committee (PPCC) as an autonomous body in April 1992 for discharging the functions of the Central Board. The Secretary (Environment) to the Government of Pondicherry was the Chairman of PPCC. No staff was sanctioned for PPCC and the activities were carried out by the Director of the Department of Science, Technology and Environment assisted by 10 of his staff. The Public Works Department (PWD), Health Department and Agriculture Department assisted in testing water and soil.

The audit of the implementation of Water Act and rules framed thereunder revealed the following:

**No financial  
autonomy for PPCC  
till March 1999**

(i) Though the Water Act conferred autonomous status to PPCC, the UT Government accorded financial autonomy from April 1999. Despite this PPCC incurred expenditure on staff salary from UT Government Budget. During 1994-2000, PPCC incurred an expenditure of Rs 1.34 crore out of the budget allocation of Rs 1.37 crore.

**Poor quality of  
drinking water**

(ii) The analysis of water samples at random by Health Department in Pondicherry region during 1994-2000 revealed that 436 out of 5162 samples were not fit for drinking. Test result of the drinking water source at Thengaithittu pumping station during 1996-98 revealed existence of more Total Dissolved Solids (TDS) than the prescribed limit. The high TDS which might result in 'Gastro Intestinal Irritation' was attributed to lowering of water table resulting in intrusion of sea water. In March 1999, the people of Thuthipet village in Villianur Commune Panchayat were affected by diarrhoea due to poor quality of water supplied which was attributed to contamination of water due to illegal tapping, poor maintenance of water

supply arrangements and storage of industrial waste in open yard. In Karaikal region, the Bio-chemist of Water Testing Laboratory (PWD) repeatedly warned the local bodies about the poor quality of drinking water supply but no remedial action was taken.

The above instances disclosed that the quality of drinking water in UT was not satisfactory and there was no co-ordination between Health, PWD, PPCC and local bodies regarding maintaining the quality of drinking water supply. It was seen that 5.06 lakh persons were affected by water borne diseases like diarrhoea, dysentery, etc., during 1995-2000. Government stated (August 2000) that the PPCC is monitoring the drinking water supply whenever contamination is brought to its notice and assured to take co-ordinated action with other Departments after strengthening PPCC.

**Survey revealed poor quality of ground water**

(iii) Government entrusted (September 1995) the work of preparation of Industrial Estate Survey to M/s Envirocare Engineers and Consultants. During the survey the firm collected ground water samples from open well, bore well, etc., of all the four regions of the UT to have a comprehensive representation of the existing characteristics of the natural water system. Results of analysis of samples indicated the following parameters.

Region	Biochemical Oxygen Demand (BOD)				Total Dissolved Solids (TDS)			
	Prescribed Standard (mg/lit)	Number of samples tested	Number of samples exceeding the standard with range of excess in mg/lit		Prescribed Standard (mg/lit)	Number of samples tested	Number of samples exceeding the standard with range of excess in mg/lit	
Pondicherry	3	14	13	3.6 to 18.6	500	14	13	546 to 1890
Karaikal	3	6	6	4.2 to 12.6	500	6	4	640 to 845
Mahe	3	3	3	6.2 to 14.6	500	3	2	526 to 745
Yanam	3	2	2	6.1 to 9.2	500	2	2	640 to 712

**mg/lit : milligrams per litre**

The report also disclosed that the quality of surface water obtained from Thirumal River (TR Pattinam, Karaikal Region), Mahe river (Mahe region), Adivipolam Canal and Coringa river in Yanam region indicated pollution of surface water by industrial effluents.

PPCC stated (May 2000) that no action could be taken by it due to paucity of technical manpower and assured to take action when the staff strength adequately increased. Thus, the ground and surface water in all the four regions did not satisfy the prescribed standards. Government stated that PPCC would test water whenever complaints were received by it.

**Sewage and waste water not treated**

(iv) Out of the 60 million litre per day (mld) of ground water tapped in the urban areas of Pondicherry, 50 mld of waste water was produced. Of this, 10 mld only was received at the sewage plant functioning at Karuvadikuppam for treatment and 8 mld of water was treated in the sewage plant and used for agricultural purposes. The balance 2 mld was discharged into sea without proper treatment. The remaining 40 mld of waste water was

not treated by PWD and let into sea by means of open channel. The sewage water generated in other Municipalities and Commune Panchayats was also not treated. Thus, the possibility of contamination of ground water by percolation was not ruled out. PPCC had no action plan for the proper treatment and disposal of waste water. Government stated that PWD had been directed to evolve an action plan to treat the sewage water.

**Industries continued to discharge harmful effluents**

(v) One of the main reasons for pollution of surface and ground water is letting of untreated industrial effluents in water courses and non-treatment of sewages. In order to prevent this, PPCC has to ensure that industrial units do not discharge the effluents or dump industrial wastes without proper treatment as it would affect the ground water aquifer. The results of samples of industrial effluents tested by PPCC revealed that the samples of 13 out of 20 industries test-checked were continuously poor year after year (*vide* Appendix 21). It was also noticed that three industrial units, inspite of warning by PPCC on discharging untreated effluent, did not take any action to contain the discharge within the permissible limits.

Government stated that 4 units were closed, 7 units upgraded the 'Effluent Treatment Plant' (ETP) and the remaining units had taken steps to upgrade ETP and reported that the pollution of water by industrial units was kept under control. It was, however, seen that test results of samples taken during 1999-2000 were found to be adverse in respect of five units.

**Contamination of ground water in Mettupalayam area due to dumping of industrial wastes and effluents in open yard by industries**

(vi) The PWD and Agriculture Departments reported (August and September 1994) to PPCC that the quality of ground water in the Industrial Estate at Mettupalayam turned unfit for human consumption due to depositing of waste materials by a closed company which produced sulphuric acid and dumping of acid and chemicals in the open yard by a chemical factory. Consequently, PPCC requested (March 1995) the Agriculture Department to take up a study through National Geophysical Research Institute, Hyderabad to identify the sources of pollution of the ground water in the industrial estate. The Agriculture Department made advance payment to the Institute only in January 1998 and the report which was to be submitted within one year was not received as of March 2000. In the meantime, PWD reported (June 1999) to PPCC that the only borewell at Sanarapet near Mettupalayam had to be closed due to contamination of water by chemical industries. Thus, the source of pollution of the area was not identified and no remedial measures taken even after 6 years of reporting. Government replied that remedial action would be taken on receipt of the report.

**Common Effluent Treatment Plants not provided**

(vii) The survey report on 'Small Scale Industrial Estate' furnished by M/s Envirocare Engineers and Consultants in January 1997, had highlighted the necessity for construction of Common Effluent Treatment Plants (CETP) as the units in the industrial estates did not treat the effluents. Though World Bank and GOI have offered assistance for construction of CETPs, the Pondicherry Industrial Promotion, Development and Investment

Corporation Limited (PIPDIC) and the Director of Industries have not availed the assistance offered and no CETP was set up so far. Government stated that PIPDIC and Industries Department had been advised to consider construction of CETP.

**Poor inspection and monitoring**

(viii) The inspection of industries for which water consent were issued by PPCC ranged between 37 and 79 during 1994-2000. Though PPCC categorised (December 1998) 623 industrial units covered under Water Act as Red (213), Orange (172) and Green (238) to be monitored every year and once in two and three years respectively, only 99 units were monitored during 1999 indicating huge shortfall. PPCC attributed (May 2000) the poor monitoring to shortage of manpower.

**No scientific documentation on impact of industrialisation**

(ix) As per the Central Statistical Organisation publication, Pondicherry has been one of the highly polluted areas in the country. As there was no scientific documentation on environment impact of industrialisation, PPCC decided (November 1999)

(a) to prepare a zoning atlas to give a clear idea on zoning of different industries in the UT of Pondicherry.

(b) to initiate action for preparing a detailed Environment Impact Assessment and Environment Maintenance Plan for the industrial estates of Pondicherry as well as for the growth centre at Karaikal and

(c) to conduct a comprehensive study to decide on the issue of clearances to new pollution potential units.

Pending receipt of these reports, PPCC had stopped giving permission for highly polluting industries in this area.

**Conclusion**

Though PPCC was formed in April 1992 no separate staff was sanctioned. Consequently, PPCC instead of testing the ground and surface water at regular intervals, conducted tests whenever complaints were received by it. Test results of 167 effluent samples, 55 ground/sewage water samples and 121 coastal water samples collected during 1992-99 revealed sea water intrusion, high fluoride and sulphate and low PH content in the ground water sources, defeating the objective of formation of PPCC. In spite of warnings that the quality of drinking water in Karaikal region was poor, the local bodies had not taken any remedial action.

## SOCIAL WELFARE DEPARTMENT

### 3.11 Extra liability due to entrustment of Government works to Pondicherry Agro Service and Industries Corporation Limited instead of Public Works Department

**In order to avoid lapse of budget provision, the Director of Social Welfare entrusted special repair works to Pondicherry Agro Service and Industries Corporation Limited instead of executing them through Public Works Department resulting in extra liability of Rs 7.78 lakh.**

The Director of Social Welfare proposed to execute four special repair works through Public Works Department (PWD). Accordingly, the Executive Engineer, Buildings and Roads (North) Division prepared the detailed estimates for these works and forwarded to the Director of Social Welfare for obtaining administrative approval and expenditure sanction. The details are as under:

Name of the work	Estimated cost (Rupees in lakh)	Month of preparation of estimate
Conversion of existing tiled roof into Reinforced Cement Concrete (RCC) roof and providing toilet facilities to the staff at Ananda Rangapillai Government School for blind and deaf at Pillaichavady	32.60	July 1999
Special repairs and improvements to the Observation Home and Special School (OHSS) at Ariyankuppam	4.20	May 1999
Conversion of Asbestos Cement sheet roof of carpentry section into RCC roof with construction of a store room in the OHSS at Ariyankuppam	4.08	December 1999
Providing barbed wire fencing and internal roads in the OHSS	3.60	October 1998
<b>Total</b>	<b>44.48</b>	

While seeking expenditure sanction for the work at item (i), the Director of Social Welfare proposed (March 2000) to draw the entire amount in advance and to deposit with PWD. This proposal was turned down by the Secretary, Finance Department (March 2000) on the ground that depositing of funds with PWD for executing Government works had drawn adverse comment in the Public Accounts Committee. The Director of Social Welfare, to overcome this objection, obtained willingness of Pondicherry Agro Service and Industries Corporation Limited (PASIC) to execute the work with service charges of 17.5 per cent on the estimated cost and proposed to draw the money for depositing with PASIC. Government approved the proposal and an amount of Rs 32.12 lakh was drawn and deposited with PASIC on 31 March 2000.

In respect of the other three works, the Director of Social Welfare obtained consent from PASIC to take up the works on payment of service charges of 17.5 *per cent* on the estimated cost and sent proposals on 31 March 2000 for drawing the amount in advance for deposit with PASIC. Government approved the proposal and Rs 11.88 lakh was drawn on 31 March 2000 and deposited with PASIC in April 2000.

The drawal of funds in advance was done to avoid lapse of grant and to circumvent the normal procedure of providing funds through budget to PWD for execution. The decision to entrust the work with PASIC resulted in an extra liability of Rs 7.78 lakh at 17.5 *per cent* of the estimated cost of Rs 44.48 lakh.

Government in reply stated in August 2000 that in view of the urgent nature, the works were entrusted to PASIC and if the funds were not drawn and deposited with PASIC, the works would not have been completed even in 2000-2001 and the amount provided in 1999-2000 would have lapsed. The contention of Government was not tenable as the estimates for these works were prepared by PWD during October 1998 to December 1999 for execution and hence the works could have been executed by PWD without extra cost.

## GENERAL

### 3.12 Follow up on Audit Reports

The Committee on Public Accounts (PAC) accepted the recommendations of the Shakhder Committee wherein it was recommended that (i) Departments were to furnish replies to the audit observations included in the Audit Reports indicating the corrective/remedial action taken or proposed to be taken by them, within a period of 3 months of the presentation of the Reports to the Union Territory Legislature (ii) A time limit of 3 months was prescribed for submission of Action Taken Notes on the recommendations of the PAC by the Department.

A review of the position of outstanding paragraphs of the Audit Reports revealed the following:

(a) Out of 249 paragraphs/reviews included in the Audit Reports relating to the period 1992-93 to 1998-99 which had already been laid before the Union Territory Legislature, departmental replies in respect of 164 paragraphs/reviews, as detailed below, were not received as of March 2000.

<b>Year</b>	<b>Number of paragraphs/ reviews in the Audit Report</b>	<b>Number of paragraphs/reviews for which replies not received</b>
1992-93	39	12
1993-94	35	10
1994-95	34	20
1995-96	32	13
1996-97	34	34
1997-98	35	35
1998-99	40	40
<b>TOTAL</b>	<b>249</b>	<b>164</b>

(b) The Government Departments had not taken any action as of March 2000 on 298 recommendations made by PAC on the paragraphs/reviews included in the Audit Report of 1974-75 to 1990-91. Recommendations for the paragraphs/reviews included in the Audit Report 1991-92 has not been finalised. The Department-wise details of Action Taken notes pending are given in Appendix 22.

### **3.13 Misappropriation and losses**

Cases of misappropriation of Government money, stores, etc., reported to Audit till the end of March 2000, on which final action was pending at the end of June 2000, were as under:

<b>Serial number</b>		<b>Number of cases</b>	<b>Amount (Rupees in lakh)</b>
1.	Cases reported to end of March 1999 and outstanding at the end of June 1999	340	14.37
2.	Cases reported during the period from April 1999 to March 2000	29	5.72
3.	Cases closed during the period from July 1999 to June 2000	92	4.35
4.	Cases outstanding at the end of June 2000	277	15.74

The department-wise and year-wise analysis of the cases and their status as of June 2000 are indicated in the Appendix 23.