

CHAPTER III

PERFORMANCE REVIEWS

This chapter presents five Performance Reviews and two long paragraphs. The performance reviews include reviews on the Performance of the Villupuram District Administration in selected areas, the regulating role of Government of Tamil Nadu in the implementation of the Child Labour (Prohibition and Regulation) Act, 1986, results of Integrated Audit of Backward classes, Most Backward classes and Minorities Welfare Department, performance of Puratchi Thalaivar MGR Nutritious Meal Programme and Indian Systems of Medicine and Homoeopathy. The two long paragraphs are on Integrated Sanitary Complexes for women and on the Drought Relief Measures in Animal Husbandry Department.

SCHOOL EDUCATION, HEALTH AND FAMILY WELFARE, MUNICIPAL ADMINISTRATION AND WATER SUPPLY AND SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENTS

3.1 Performance of the Villupuram District Administration in selected areas

Highlights

Villupuram District is one of the backward districts in the State and ranked 28th among the 29 districts in the State in terms of human development index. As district head, District Collector accords administrative sanction for the release of funds under various schemes and the monitoring authority for them. Even three years after the issue of guidelines by the State Planning Commission, neither District Development Plan nor the Annual Plans had been prepared. Though the target for enrolment in respect of primary classes was 100 per cent with no dropout under Sarva Shiksha Abhiyan, 4116 children were not enrolled in primary classes as of March 2004 and dropout rate was six per cent in 2003-04. The couple protection rate in the district stood at 43 per cent in 2003 as against the State level achievement of 50 per cent and Ninth Five Year Plan goal of 70 per cent. Government had not considered upgradation of more number of Primary Health Centres on priority basis despite the backwardness of the district in terms of health indicators. 68 per cent of the rural habitations, 75 per cent of the Town Panchayats and all the Municipalities in the district were not providing adequate quantity of safe water.

➤ Though the District Planning Cell and the District Planning Committee were established in the District in October 1999 and February 2002 respectively, neither the District Development Plan nor the Annual Plans were prepared till date resulting in specific need of the district not being adequately addressed.

(Paragraph 3.1.6)

➤ **Textbooks and uniforms were not provided to all the students who were covered under Nutritious Meal Programme. Shortfall in supply of textbooks ranged between five and nine *per cent* during 1999-2002 and in uniforms ranged between two to 23 *per cent* during the period 1999-2003 due to wrong assessment of requirement by Headmasters of the test-checked schools.**

(Paragraph 3.1.16)

➤ **Norms prescribed in the Ninth Plan document for opening new Primary schools and Middle schools in unserved habitations to provide easy access to Primary/Middle education were not adhered to.**

(Paragraphs 3.1.17 and 3.1.18)

➤ **No augmentation work was taken up in Villupuram Municipality to meet the increasing demand for water due to non-functioning of Municipal Council and non-approval of scheme formulated in August 2002.**

(Paragraphs 3.1.60 to 3.1.63)

➤ **The purpose for which the Baby Friendly Toilets were designed as early as in January 2002 was yet to be achieved, due to delay in release of funds by District Rural Development Agency. Only 54 toilets were completed and 14 toilets have been handed over as of September 2004, though the toilets were to be constructed within two months.**

(Paragraphs 3.1.69 and 3.1.70)

Introduction

3.1.1 Villupuram District was formed in 1993 by bifurcating the erstwhile South Arcot District. The district is divided into four sub divisions, eight taluks and 1490 revenue villages. There are 1104 village panchayats grouped into 22 panchayat unions, 16 town panchayats and two municipalities. Only 14 *per cent* of the population reside in urban areas. The District Collector is responsible for the co-ordination of all Plan schemes in the district.

Objective of the schemes reviewed

3.1.2 The main objectives of the selected areas are given below.

➤ **School Education:** The main objective of the schemes relating to primary education is to provide easy access to it for all children. The main objective of secondary and higher secondary education schemes is to improve ability, to apply knowledge, develop analytical skills and generally enable students to enter the world with sufficient skills as socially and economically active citizens.

➤ **Health Care:** The main objective of the schemes in this area is to improve the health status of the population.

➤ **Provision of safe drinking water:** The main objective of the scheme reviewed is to provide safe drinking water to cover all habitations.

➤ **Development of Women and Children:** The main objectives of the schemes reviewed are to ensure all children below the age group of six and pregnant and lactating mothers are healthy by providing adequate food and nutrition supplements.

Organisational set up

3.1.3 District Collector is in overall charge of implementing the various schemes and co-ordinates with other departments in the district. The details of organisational set up are given in Appendix XVII.

Audit objective

3.1.4 The objective of the review was to assess the overall development and shortfalls in respect of school education, public health care, provision of safe drinking water and women and child development activities in Villupuram District during the period 1999-2004.

Audit coverage

3.1.5 Records relating to implementation of various Plan and non-Plan schemes relating to the above activities were scrutinised in 28 district level offices and 21 unit offices under 12 departments as detailed in Appendix XVIII.

Implementation of development programmes

District Development Plan

3.1.6 Government ordered (August 1999) establishment of a District Planning Cell headed by a District Planning Officer to assist the District Planning Committee (DPC) in preparing the District Development Plan (DDP) for incorporation in the State Five Year Plan and Annual Plans covering 31 major activities in the Districts. Statistical information and details regarding existing Plan schemes of all departments were to be collected by the District Planning Cell. The draft DDP was to be prepared by the DPC by consolidating need based plan prepared by local bodies. The District Planning Cell and the DPC were established in the District in October 1999 and February 2002 respectively. The State Planning Commission issued guidelines for preparation of District Development Plan in January 2001. However, neither the District Development Plan nor the Annual Plans were prepared (September 2004). The absence of DDP resulted in specific needs of the district not being appropriately reflected in the State Plan and the resultant allocation of funds.

Neither the District Development Plan nor the Annual Plans were prepared even after a lapse of three years since issue of guidelines.

School Education

3.1.7 Review of this sector revealed (a) shortfall in enrolment in primary classes, (b) shortages in supply of text books and uniforms, (c) vacancies of teachers and (d) shortfalls in inspection of schools.

Primary and Middle Education

3.1.8 Ninth and Tenth Plan periods revolved around District Primary Education Programme (DPEP) and Sarva Shiksha Abhiyan (SSA) sponsored

by Government of India (GOI) for universalisation of elementary education in the age group six to 14.

3.1.9 The literacy level of Villupuram District as per census of 1991 and 2001 was 48 and 64 *per cent* only *vis-à-vis* 63 and 73 *per cent* respectively for the State. The District ranked 29th among 30 districts in this respect. The lowest female literacy rate ranged from one to eight *per cent* in 16 villages belonging to Sankarapuram taluk.

3.1.10 SSA aimed at getting (i) all children to be in school by 2003, (ii) all children to complete five years of primary schooling by 2007 and (iii) all children to complete eight years of elementary education by 2010 without dropouts.

Enrolment and dropout of children in Primary and Middle classes

Achievements fell short of the target of 100 per cent for enrolment with no dropout.

3.1.11 Though the target for enrolment in primary classes was 100 *per cent* with no dropout under SSA, 4116 children were not enrolled in Primary classes as of March 2004.

3.1.12 The dropout rate during 1999-2004 was as under:

	Dropout percentage				
	1999-2000	2000-01	2001-02	2002-03	2003-04
Primary classes	14	12	14	10	6
Middle Classes				13*	12

* Dropout rate was assessed only from 2002-03 for Middle classes.

3.1.13 In view of the above dropouts, the SSA goal of all children completing five years of primary schooling by 2007 and all children completing eight years elementary schooling by 2010 cannot be achieved. Assistant District Programme Coordinator, SSA, reported to Audit (March 2004) that migration of parents, engaging students in domestic, agriculture and other seasonal works and illiteracy /carelessness on the part of parents were the reasons for dropouts.

3.1.14 Government implemented five welfare schemes¹ to enrol all school-age children and to reduce the dropout rate in schools. The points noticed in the implementation of three of these schemes are discussed in the succeeding paragraphs.

¹ (i) Puratchi Thalaivar MGR Nutritious Meal Programme (PTMGRNMP), 1982.
(ii) Free supply of uniform to all children of Standard I to VIII covered under NMP.
(iii) Free supply of slates to students studying in Standard I from 1984-85.
(iv) Free supply of text books to all children of Standard I to V and children of Standard VI to VIII covered under NMP.
(v) Free supply of bicycles to girl students belonging to Scheduled Castes (SC)/ Scheduled Tribes (ST) and Scheduled Caste Converts studying in Standard XI and XII from 2001-02.

Non-provision of benefits under PTMGR NMP

The programme did not cover 12 primary schools and VI standard students of 56 middle schools.

3.1.15 In Villupuram District, Nutritious Meal Programme (NMP) was not introduced in 12 Panchayat Union primary schools newly opened during 2002-04 with strength of 429 students (204 students in three schools in September 2002 and 225 students in nine schools in October/November 2003) due to non-receipt of proposals from the Block Development Officers. Similarly, the programme did not cover 1353 students admitted to VI Standard as of September 2002 (619 students in 24 schools) and October 2003 (734 students in 32 schools) in 56 Panchayat Union upgraded Middle schools.

Supply of free textbooks and uniforms

3.1.16 Students studying in Standard VI to VIII and covered under NMP are eligible for free supply of textbooks and uniforms. Scrutiny of data in a few selected middle, high and higher secondary schools revealed that five to nine *per cent* students were not supplied with textbooks during 1999-2002. Uniforms were not supplied to two to 23 *per cent* of the students during 1999-2003 (Appendix XIX) due to incorrect assessment of requirements by the Headmasters of the schools. No student was given free uniform during 2003-04 due to non-issue of orders by the Government for the scheme.

Non-opening of required number of Primary and Middle schools

The norms prescribed in the Ninth Plan document for opening new primary schools and middle schools in unserved habitations to provide easy access to primary education was not adhered to.

3.1.17 To provide easy access, State Ninth Plan envisaged opening of new primary/middle school in the habitations where there was no other primary/middle school within a radius of one km/three km.

3.1.18 As of March 2004, five habitations in the district did not have Primary schools within a radius of one km and 38 habitations did not have a Middle school within a radius of three km. Thus the norms prescribed in the Ninth Plan document for opening new Primary schools and Middle schools in unserved habitations were not adhered to. The District Programme Coordinator, SSA, Villupuram, while admitting that non-opening of primary/middle schools may cause dropout among girl children reported to Audit (March 2004) that Primary schools and Middle schools were being opened in the district in a phased manner.

3.1.19 Number of Primary schools opened and number of Middle schools upgraded along with the posts sanctioned for the newly opened schools in the district is given below:

Year	Newly opened Primary schools	Primary school upgraded to Middle school	Posts sanctioned for each newly opened Primary school	
			Secondary Grade Teacher	Headmaster
2002-03	10	47	1	1
2003-04	11	47	2	-
Total	21	94	-	-

3.1.20 The posts sanctioned above (barring Headmasters) were not filled up through recruitment as required under SSA scheme. Instead, the classes were handled by teachers transferred from other Primary schools or by the existing teachers in upgraded schools. Director of Elementary Education (DEE) issued appointment orders based on selection made by Teachers Recruitment Board in June 2004 whereupon 29 out of 32 posts of Secondary

Grade Teachers and 133 out of 141 posts of Middle Grade Graduate Teachers were filled up (July 2004). Reimbursement of pay and allowances of 162 teachers² (excluding Headmasters) amounting to Rs 186.73 lakh for the period September 2002 to June 2004 from SSA funds, in respect of 21 newly opened primary schools and 94 upgraded schools during 2002-04 was irregular as these posts were not filled up by fresh recruitment. This interim arrangement had further eroded the teaching hours in the schools from which the teachers were transferred to newly opened primary schools. Further, it was noticed that the 11 primary schools opened in the year 2003-04 functioned with single teacher only during the period October 2003 - June 2004 as against the norm of at least two teachers in a Primary school under SSA. District Elementary Education Officer (DEEO), Villupuram stated (October 2004) that pending fresh recruitment of teachers through employment exchange, the newly opened (2003-04) primary schools were provided with single teacher only on deputation basis.

Secondary and Higher Secondary Education

Shortage/vacancy in posts of teachers in Government schools

The infrastructure created for spread of education suffered adversely due to non-creation of large number of posts and even the sanctioned posts remained vacant.

3.1.21 As per the norms prescribed by State Government (December 1997) for sanction of teaching posts effective from 1 June 1998, 4795 posts of Secondary Grade teachers were required in primary and middle schools against which 4768 posts were sanctioned till March 2004. Out of these sanctioned posts, 876 (18 per cent) posts were vacant as of March 2004. Further, all seven posts of Urdu teachers were vacant in seven Urdu teaching schools. DEEO, Villupuram, reported (September 2004) that out of 876 vacant post of Secondary Grade teacher, 67 posts were filled up and the remaining vacant posts would be filled up soon.

3.1.22 The details of additional posts required as per the above norms in 119 Government High schools and 80 Higher Secondary schools in Villupuram District as of March 2004 were as follows.

	High Schools			Higher Secondary Schools			
	Secondary Grade Teachers	Graduate Teachers	Tamil Pandits	Secondary Grade Teachers	Graduate Teachers	Tamil Pandits	Post Graduate Teachers
Actual requirement as per norms	987	414	300	1141	478	231	747
Sanctioned	525	297	160	622	314	222	628
Shortfall (percentage)	462 (47)	117 (28)	140 (47)	519 (45)	164 (34)	9 (4)	119 (16)
Men in position	425	251	149	580	279	210	530
Vacancy (percentage)	100 (19)	46 (15)	11 (7)	42 (7)	35 (11)	12 (5)	98 (16)

3.1.23 The infrastructure created for spread of education suffered adversely due to non-creation of large number of posts and even the sanctioned posts remaining vacant, as brought out in the table above.

² For ten primary schools opened in 2002-03 : 10 teachers
 For 11 primary schools opened in 2003-04 : 11 teachers
 For 47 middle schools opened in 2002-03 : 94 teachers
 For 47 middle schools opened in 2003-04 : 47 teachers
 Total : 162 teachers

Special Coaching for SC/ST students

3.1.24 Under non-plan scheme, special coaching classes are conducted every year for SC/ST students studying in Standards VIII to XII in subjects like Mathematics, Science, Commerce and Accountancy.

3.1.25 Though there were 47720 SC/ST students in 249 schools in 2002-03 and 49859 SC/ST students in 259 schools in 2003-04, only 10767 students (23 *per cent*) of 27 schools (11 *per cent*) in 2002-03 and 10922 students (22 *per cent*) of 29 schools (11 *per cent*) in 2003-04 were covered under the scheme.

3.1.26 Budget allotment was made on the basis of the projections made by the Chief Educational Officer (CEO). However, CEO did not take into account the entire SC/ST students of the district while sending proposals to Director of School Education (DSE). Hence, only number of schools/ students as proposed by CEO was covered.

3.1.27 Pass percentage of SC/ST students (X and XII standard) who were offered special coaching and those who were not covered under the scheme was as given below:

Year	Number of students covered under special coaching	Number of students passed	Percentage	Number of students not covered under special coaching	Number of students passed	Percentage
Tenth standard						
2002-03	2265	1562	69	3133	1700	54
2003-04	2454	1644	67	3785	1759	46
Twelfth standard						
2002-03	1286	848	66	1376	707	51
2003-04	1585	1030	65	2785	1005	36

3.1.28 As may be seen from the above table, the students who were given special coaching performed well, while the pass percentage of students who were denied the special coaching was less by 15 to 21 in respect of X standard and 15 to 29 in respect of XII standard.

3.1.29 CEO replied (February 2004) to audit that action would be taken from next year to seek allotment of funds from the Directorate to cover all eligible schools/ students under the scheme.

3.1.30 It was noted that though the number of SC/ST students enrolled increased from 28139 in 1999-2000 to 49859 in 2003-04, their number covered under the scheme increased marginally from 10011 to 10922. Consequently, the coverage of students declined from 36 *per cent* to 22 *per cent* during this period.

Basic amenities not provided in Government/private hostels for SC/ST students

3.1.31 Twenty seven out of 78 hostels for Scheduled Caste and Scheduled Tribe students were functioning in rented buildings with an annual rent of Rs 4.49 lakh.

Number of hostels without toilets and drinking water were as under:

	Boys Hostels		Girls Hostels	
	Government	Private	Government	Private
Number of hostels for SC/ST	35	25	16	2
Number of hostels with no toilet	8	23	1	1
Number of hostels with no drinking water facility	1	4	1	1

3.1.32 Though toilet facilities and drinking water were provided in 42 out of 51 and 49 out of 51 Government hostels respectively and work is in progress in respect of remaining hostels, no action has been taken to provide these facilities in the private hostels despite huge rent being paid to the hostels without these basic facilities.

Inspection of Schools

Shortfall in conduct of inspection was 63 per cent during 1999-2004.

3.1.33 As per the instructions of DSE, CEOs should inspect at least six Higher Secondary schools in a month and cover all the school in a span of two years. As such the CEO, Villupuram should have conducted at least 300 inspections during 1999-2004. However, CEO conducted only 112 inspections during the above period, the shortfall being 63 per cent. CEO replied (February 2004) that shortfall in inspection was due to frequent meetings with district collector and DSE and also his role as district programme co-ordinator to implement SSA.

Vocational Training Institute for Scheduled Tribes

Assistance of Rs 14.78 lakh provided by GOI for starting VTI remained unproductive and the benefits expected of the scheme did not reach the STs even after eleven years.

3.1.34 GOI released (March 1993) Rs 14.78 lakh for constructing and running a Vocational Training Institute (VTI) at Kalrayan Hills in Villupuram District for STs. Government in March 1995 ordered the Director of Employment and Training to implement the scheme. Later, Government decided (December 1999) to entrust the scheme of constructing and running the VTI to a non-Governmental organisation (NGO). Only one NGO, Danish Mission Higher Secondary School, came forward (May 2000) and the same was communicated to Commissioner of Tribal Welfare (CTW), Chennai. CTW, Chennai took no decision till November 2003. As there was no response from CTW, Chennai, NGO expressed (November 2003) its inability to start VTI as the buildings earmarked for this purpose were utilised for regular schools. In December 2003, consent to run VTI was obtained from another NGO, World Vision India, and the application/project proposals obtained from the NGO were forwarded (February 2004) to the CTW for approval which was awaited. Thus, even after 11 years of receipt of funds from GOI, the VTI had not started functioning. Consequently, assistance of Rs 14.78 lakh provided by GOI remained unproductive and the benefits expected of the scheme did not reach the Scheduled Tribes.

Public Health Care

3.1.35 Review of this sector revealed: (a) family planning target fixed was not achieved and (b) adequate attention was not given for providing sufficient manpower, infrastructure and increasing the bed strength.

Vital health indicators

3.1.36 In terms of vital health indicators Villupuram District had not achieved the goals fixed in Ninth Five Year Plan (1997-2002). A comparative

statement of vital health indicators of Villupuram District and the State at the beginning and end of Ninth Five Year Plan period and March 2003 is as given below:

Sl. No.	Vital Indicators	1997		Ninth Five Year Plan Goal (State)	Achievement			
		State	Villupuram		2002		2003	
					State	Villupuram	State	Villupuram
1	Birth rate	17.6	16.5	15/1000 population	18.4	18.4	17.7	18.8
2	Death rate	6.5	6.8	6/1000 population	3.9	4.9	4.5	5.6
3	Still birth rate	16.0	17.0	10/1000 live birth	16.4	23.0	15.2	22.5
4	Infant Mortality rate	31.8	30.7	20/1000 live birth	25.3	31.2	22.6	28.2
5	Maternal Mortality rate	1.3	1.6	<1 per 1000	1.5	1.5	1.3	1.7
6	Couple protection rate (Percentage)	53	46	70 per cent of eligible couples	51	43	50	43

Birth rate

3.1.37 The birth rate³ in the District had increased from 16.5 in 1997 to the present level of 18.8 as against the goal of 15 to be achieved by 2002.

3.1.38 The couple protection rate⁴ in the district stood at 43 per cent in 2003 as against the State level achievement of 50 per cent and Ninth Five Year Plan goal of 70 per cent. It was further noticed that even the low couple protection rate was achieved largely due to disproportionately higher achievement under temporary methods of couple protection like IUD, distribution of condoms and oral pills (70 to 78 per cent) rather than sterilisation (22 to 30 per cent) which is the permanent way for couple protection.

3.1.39 Among various methods adopted for couple protection, achievement under vasectomy remained very low. The number of vasectomies done during the period from 1999-2004 was only six, compared to 51313 tubectomies during the same period.

3.1.40 There was high rate of infant mortality and still birth in Villupuram District as indicated in the table above. Ninth plan envisaged only ten per cent domiciliary deliveries. However, the percentage of domiciliary deliveries was 26 to 49 in the district during 1996-2003.

3.1.41 Government of India estimated that about 15 per cent of the deliveries would involve higher risk. Proper medical care facilities in close proximity should be ensured to avoid maternal mortality. However, only three out of the 22 Primary Health Centres (PHCs) and four out of ten Government hospitals (GHs) were conducting Caesarean deliveries. Further, in 15 out of 22 main PHCs and two out of ten GHs, the operation theatres were not functioning for various reasons such as repairs to doors, windows and exhaust fan, non-availability of water supply, etc.

Only three out of the 22 main PHCs and four out of ten GHs were conducting caesarean deliveries and in 15 out of 22 main PHCs and two out of ten GHs the operation theatres were not functioning.

Manpower and infrastructure

3.1.42 Adequate attention was not given for providing sufficient manpower, infrastructure and increasing the bed strength as discussed hereunder.

³ Birth rate: Number of births per thousand population per year

⁴ Couple Protection rate: $\frac{\text{Number of couples protected}}{\text{Number of eligible couples below 40 years}} \times 100$

Shortage of manpower

3.1.43 Posting of required number of medical and para-medical staff (PMS) is essential for the effective implementation of public health activities. However, 23 to 27 per cent of the sanctioned posts of Medical Officers (MOs) and 16 to 18 per cent of PMS in the district remained vacant as of January 2004 as detailed below:

Institution	Category of staff	Sanctioned strength	Men in position	Vacancy (percentage)
Government hospitals (10) and dispensaries (2)	Medical officers	88	68	20 (23)
	Para-medical staff	454	383	71 (16)
PHCs (80)	Medical officers	160	117	43 (27)
	Para-medical staff	1411	1155	256 (18)

3.1.44 An analysis of vacancy position in seven Government hospitals and 80 PHCs revealed that 25, 27 and two posts of MOs and 83, 168 and 56 posts of PMS were vacant upto one year, one to five years and more than five years respectively.

3.1.45 As against the sanctioned strength of eight medical officers, in the four PHCs⁵ of Vallimalai tribal block, only three medical officers were in position (January 2004) to cover a total population of 50230. Even the only upgraded PHC in Kariyalur block had only one medical officer as against the sanctioned strength of four and vacancy of three posts ranged from 15 to 39 months. Joint Director of Medical and Rural Health Services and Family Welfare, Villupuram stated (November 2004) that most of the vacancies of doctors arose due to transfer and frequent leave availed by doctors.

Non-posting of staff to newly upgraded Government Hospital

3.1.46 Government Hospital, Sankarapuram was upgraded from PHC level in January 1997. MO of the hospital submitted (August 1999) a proposal to Joint Director of Health Services (JDHS), Villupuram for creation of 17 new posts including two MOs and 15 other staff. The JDHS recommended the proposal to Director of Medical and Rural Health Services (DM&RHS), in October 1999. However, no new posts were created and the hospital functioned with the limited staff as of January 2004. As a result, the average bed occupancy during 1999-2004 ranged between four to eleven patients per day as against the sanctioned bed strength of 32. The JDHS, Villupuram also concurred (December 2003) with Audit that unless required number of medical/para-medical staff are provided, it would be difficult to justify service to the people in the area. Thus, the very purpose of upgrading the hospital was defeated.

Public health activities in municipalities

3.1.47 Public health activities, mainly outreach services like ante-natal registration, immunisation, vector control, family welfare activities etc., for the people living in urban areas are to be provided by the public health wing of the municipality concerned.

3.1.48 In the two Maternity homes of Tindivanam Municipality, there is no sanctioned post of MO and only three out of eleven other staff sanctioned are in position. Due to the huge shortage in manpower, activities such as

⁵ Kariyalur, Keelakkadu, Mottampatti and Serapattu.

(i) distribution of condoms and oral pills, (ii) IUD insertion and family planning promotional activities were not carried out in the Municipality during the period covered by audit. Further, the ante-natal registrations of pregnant women in the municipal area, which was 1520 in 2001 came down to 91 in 2001-02, 51 in 2002-03 and nil during the year 2003-04. Commissioner, Tindivanam Municipality replied to Audit that the vacant posts were not filled up due to the ban imposed by Government on new recruitments.

Infrastructure facilities

Insufficient medical facilities in Blocks

Government had not considered up-gradation of more number of PHCs on priority basis despite the backwardness of the district in terms of health indicators.

3.1.49 According to the policy declared by Government in March 2001, every block should be provided with one public medical institution with bed strength of at least 30. Only nine out of twenty two blocks (41 *per cent*) in the district had 30 or more beds (Headquarters hospital: one, Taluk hospital: seven, PHC: one each in 22 blocks) as of March 2001. In spite of the above, Government sanctioned (October 2001 and February 2002) upgradation of only three PHCs as 30 bedded institutions during the three year period from 2001 to 2003. Only one out of the three upgraded PHCs (at Kachirapalayam) started functioning and building works were in progress in the other two PHCs (Mailam and Siruvanthadu) as of December 2003. Government had not considered upgradation of more number of PHCs on priority basis despite the backwardness of the district in terms of health indicators.

Non-utilisation of Hospital Maintenance Fund

3.1.50 Government sanctioned (September 1996) a sum of Rs five lakh to each Headquarters hospital in the State to establish 'Hospital Maintenance Fund' (HMF) to provide amenities to patients in the hospital premises and towards maintenance of hospital building. Income by way of entrance fee and charges paid by Tamil Nadu Medical Services Corporation in respect of CT Scan equipment operated by them inside the hospital premises were also to be credited to the HMF. There was a closing balance of Rs 16.33 lakh and only Rs 1.91 lakh had been utilised so far from the fund as on 31 March 2003.

3.1.51 Hospital Advisory Committee meetings held in April, May 2002 and March 2003 and Law and Order Review meeting held at Collectorate in July 2003 discussed the shortcomings in the hospital maintenance like non availability of public toilets; acute water shortage in the hospital; pending electrical repairs for several years; misuse of hospital premises by anti-social elements due to non-availability of security guards; over-grown shrubs in the hospital premises in the absence of periodical clearance and non-provision of cattle trap to prevent entry of animals.

3.1.52 However, no remedial action was taken by utilising the available funds in the HMF. On this being pointed out (May 2004), JDHS, Villupuram stated (November 2004) that HMF available was distributed to other taluk and non-taluk hospitals of the district in July 2004 and details of the expenditure would be submitted later.

Non-utilisation of Eleventh Finance Commission Grant by Villupuram Municipality

3.1.53 The Eleventh Finance Commission recommended grants to urban local bodies to finance core civic services such as improvement to hospitals, maternity centres, provision of safe drinking water, street lights etc. The grant was to meet 50 *per cent* of the cost of works to be taken up by municipalities. The Villupuram Municipality identified health care projects for Rs 32.30 lakh (the grant portion being Rs 16.15 lakh). Only a sum of Rs 2.30 lakh was utilised till February 2004 towards health care facilities and the remaining grant of Rs 13.85 lakh was kept unutilised. The unspent balance was kept in the General Fund Account only, in contravention of the guidelines issued by Commissioner of Municipal Administration to keep the funds of Eleventh Finance Commission in separate account. The Commissioner, Villupuram Municipality informed (March 2004) to Audit that the fund was not utilised for want of Municipal Council's approval.

Provision of safe drinking water

3.1.54 Review of this sector revealed (a) 68 *per cent* of Rural Habitations, 75 *per cent* of Town Panchayats and all Municipalities in the district did not provide required quantity of safe water and (b) no augmentation work was taken up to meet the increasing demand due to rapid growth of population and diminishing yield of water in the existing sources, as discussed in the succeeding paragraphs.

3.1.55 Ninth Five Year Plan envisaged provision of safe drinking water to cover all habitations including all the water quality-affected habitations and to monitor the water quality under surveillance system. According to the existing national norms, all rural habitations, Town Panchayats and Municipalities were to be provided with safe water at the rate of 40,70 and 90 litres per capita per day (LPCD) respectively.

3.1.56 The numbers of rural habitations in the district and availability of safe drinking water therein, as of March 2004, were as follows:

Total number of habitations	Water supply position		
	Habitations covered with less than 10 LPCD	Habitations covered with 10 to 40 LPCD	Habitations covered with more than 40 LPCD
4190	492 (12 <i>per cent</i>)	2362 (56 <i>per cent</i>)	1336 (32 <i>per cent</i>)

3.1.57 As seen from the above, 68 *per cent* of the rural habitations in the district were not provided with safe drinking water at the existing national norms.

3.1.58 Similarly, in respect of urban areas the achievements by the local bodies as of December 2003 were as follows:

Category of local body	Number of local bodies in the district	Norms for water supply	Number of local bodies providing water supply in the range of		
			Up to 39 LPCD	40 to 69 LPCD	70 LPCD and above
Municipalities	2	90 LPCD	2	Nil	Nil
Town Panchayats	16	70 LPCD	2	10	4

3.1.59 As seen from the above, 75 per cent Town Panchayats and all Municipalities did not provide the required quantity of safe drinking water (September 2004). Government stated (January 2005) that water supply improvement schemes are now under execution in urban areas and on their completion all the towns in the district will be provided with the required quantity of safe drinking water.

Provision of Safe Drinking Water in urban areas

3.1.60 In Villupuram municipal area the quantity of water supply ranged from 25 to 45 LPCD against the norm of 90 LPCD.

3.1.61 A major augmentation work was carried out in 1968 at a cost of Rs 26.05 lakh in Villupuram municipal area. However, no major augmentation work was taken up subsequently to meet the increasing demand due to rapid growth of population and diminishing yield of water in the existing sources.

3.1.62 Tamil Nadu Water Supply and Drainage (TWAD) Board prepared a project proposal (October 1997) at a cost of Rs 12.23 crore to augment water supply by one crore litres per day without ascertaining the capability of the municipality to bear the expenditure. The Municipal Council, which discussed the proposal (March 1998), resolved to approach Government for 100 per cent grant to implement the scheme, as the Municipality did not have enough resources to meet the project cost and the recurring expenditure towards maintenance and repayment of loans. The proposal was dropped after four years and a new proposal with lower cost (Rs 6.84 crore) was prepared and approved by TWAD Board in August 2002. As the Municipal Council did not meet for more than two years, no decision was taken on the above Scheme as of February 2004.

3.1.63 Government stated (January 2005) that the matter is being perused to ensure early implementation of the scheme.

Development of women and children

3.1.64 Review of this sector revealed: (a) supplementary nutrition was not provided on Sundays and Government holidays at some centres, (b) delay in release of funds led to delay in starting/completing baby friendly toilets, and (c) funds provided for carrying out repairs to Integrated Child Development Services (ICDS) and PTMGR Nutritious Meal Centres remained unutilised.

Implementation of World Bank assisted Integrated Child Development Services – III Project

3.1.65 World Bank assisted Integrated Child Development Services – III Project (WBA ICDS – III Project) was under implementation from 1998-2004 in 24 districts of Tamil Nadu including Villupuram. The main objective of the scheme is to improve the nutritional and health status of children in the age group of zero - six years through various sub-programmes such as supplementary nutrition to children and mothers.

3.1.66 After the closure of Tamil Nadu Integrated Nutrition Project II (TNIP), 318 TNIP II blocks were taken over under WBA ICDS – III Project with effect from 1998-99. While wheat-based supplementary nutrition was provided on all the days in 1644 rural centres, the same was not provided on Sundays and Government holidays in 85 urban centres and 61 tribal centres in Kalrayan hills. Thus, there was no uniformity in rural and urban/tribal centres

after converting TNIP II centres into Anganwadi Centres in accordance with the ICDS pattern.

3.1.67 For want of stock (weaning food), supplementary nutrition was not provided on all the days in a year during 1999-2004 in centres as detailed below.

Year	Weaning food not provided for			
	16-30 days	31-90 days	91-150 days	More than 150 days
(Number of centres)				
1999-2000	6	1	-	-
2000-01	84	9	-	-
2001-02	4	30	269	121
2002-03	10	339	97	-
2003-04	70	47	-	-

3.1.68 The non-supply of weaning food, had a direct impact on the nutritional and health status of children and mothers. In this context Audit noted the prevalence of moderate/severe malnourishment (11209 to 18008 children) and relapse cases (921 to 1174 children) during 2001-03.

Construction of Baby Friendly Toilets in Anganwadi Centres

3.1.69 Government sanctioned (January 2002) construction of 1575 Baby Friendly Toilets in 21 districts at an estimated cost of Rs 4500 per toilet. Seventy five toilets had been proposed for construction in three blocks of Villupuram District at the rate of 25 toilets per Block. The construction of toilets was to be completed within two months from the date of release of funds. The execution of the work was entrusted to the concerned Block Development Officers (BDOs). The Project Co-ordinator WBA ICDS-III Project released (May 2002) to the District Collector, Villupuram Rs 1.69 lakh as 50 per cent advance for construction of 75 toilets in the above three Blocks and the amount was kept in Savings Bank Account. After a delay of more than a year, the amount was distributed (June 2003) equally (Rs 56250 each) to the three Blocks by the Project Officer, District Rural Development Agency (DRDA) for execution of works. The balance amount of Rs 1.69 lakh was released in June 2004. Thus, delay in release of funds had led to delay in starting/completing the works.

3.1.70 Out of 75 toilets, 54 had been completed, 15 were under progress and six were not commenced as of September 2004. Programme Officer, WBA ICDS-III Project, Villupuram reported (September 2004) that out of 54 completed toilets, 14 toilets constructed in one block (Tiruvonnainallur) have alone been taken over by Anganwadi Centres and the balance 40 completed toilets had not been taken over due to incomplete/defective construction (seven), non provision of water facilities (19) and not handed over by the BDO (14). Thus, the scheme sanctioned in January 2002 was yet to be completed fully (September 2004).

Repairs to ICDS and PTMGRNMP Centers

3.1.71 Commissioner of Municipal Administration (CMA) released (October 2002) Rs 13.10 lakh to District Collector for carrying out repairs to 26 ICDS and nine Nutritious meal centres functioning in Villupuram Municipal area. This amount had not yet been released to the Municipality by District Collector and the amount with accumulated interest of Rs 1.11 lakh

had been kept in a Nationalised Bank. Thus, Rs 13.10 lakh provided for carrying out repairs as early as in October 2002 remained unutilised and the centres were functioning without repairs.

Conclusions

3.1.72 The review identifies several constraints in the promotion of school education especially at the primary and middle level. These include not opening of schools as required under the norms in inadequately served habitations and inadequate number of coaching classes for SC/ST students. Despite the backwardness of the district as per various health indicators, action was not taken to upgrade the Primary Health Centres (PHC) on priority basis and to provide adequate manpower in hospitals and PHCs. No major augmentation work for drinking water was taken up though the required quantity of water was not provided in most of the rural habitations and Town Panchayats and all the Municipalities of the District.

Recommendations

- The District Planning Cell and the Planning Committee should prepare the District's Annual Plan without further delay.
- Coverage of special coaching classes for SC/ST students should be increased.
- Special emphasis should be given for safe drinking water to meet the increasing demand due to rapid growth of population both in rural and urban areas.
- Government should consider provision of funds to the Villupuram Municipality to augment water supply in view of acute scarcity there.

The above points were referred to Government in July 2004. Replies were not received (January 2005) from the concerned departments of the Government except Municipal Administration and Water Supply Department.

LABOUR AND EMPLOYMENT DEPARTMENT

3.2 Implementation of the Child Labour (Prohibition and Regulation) Act, 1986

Highlights

The Child Labour (Prohibition and Regulation) Act, 1986 bans the employment of children of less than 14 years age in specified occupations and processes and lays down penalties for their employers.

A review of the implementation of the Act in Tamil Nadu revealed wide variations in data on estimation of child labour identified through various surveys; infirmities in the provisions of the Act enabling employers to escape penal provisions; failure of the system to reach out to the child labour in unorganised sector; low level of achievement of 'National Child Labour Project' schools and under Child Labour Rehabilitation Project in Chennai slums; failure in carrying out directions of the Supreme Court and absence of efforts to bridge the gap between the number of children identified through survey and those actually rehabilitated.

➤ Available data on child labour were unreliable; child labourers could not be rescued from hazardous processes like weaving, beedi making etc. as these activities are carried out as family units to which prohibitory provisions of the Act do not apply.

(Paragraphs 3.2.7 and 3.2.8)

➤ Lack of data of unregistered factories hinders inspection agencies from prosecuting employment of child labour in them.

(Paragraphs 3.2.10 and 3.2.14)

➤ Majority of the cases filed for violations/non-compliance with the provisions of the Act did not result in conviction. Failure to adopt a legally acceptable method for determining the age of children resulted in acquittal of many cases.

(Paragraphs 3.2.16 and 3.2.18)

➤ National Child Labour Project could not fully achieve its objective mainly due to shortage of vocational instructors and closure of special schools.

(Paragraphs 3.2.29 and 3.2.30)

➤ Under Child Labour Rehabilitation Project in Chennai slums, enrolment was poor and there was no follow up after mainstreaming children to monitor their relapsing into child labour.

(Paragraph 3.2.41)

➤ **Despite the judgement of the Supreme Court, the State Government could not rehabilitate 9485 children working in hazardous occupations.**

(Paragraphs 3.2.43 to 3.2.48)

Introduction

3.2.1 The Child Labour (Prohibition and Regulation) Act, 1986, enacted by Parliament (hereinafter referred to as the Act) and rules framed thereunder in 1988 regulate various aspects relating to child labour. Through a notification issued in May 1993, the working condition of children was sought to be regulated in all employments which are not prohibited under the Act. Details of other Acts in force for prohibition of child labour are given in Appendix XX. The Contract Labour Act, 1970 is silent about engaging child labour on contract basis. Supreme Court of India in a landmark judgement (December 1996) issued a number of directions to Government of India/State Governments regarding elimination of child labour. National Child Labour Policy formulated in 1987 stresses on (i) Legal Action Plan on strict enforcement of various laws relating to child labour; (ii) focussing of general development programmes for the benefit of child labour and (iii) project based plan of action for the welfare of working children in areas of high concentration of child labour. In pursuance of this policy, Ministry of Labour has been implementing, since 1988, a scheme of National Child Labour Projects (NCLPs). International Labour Organisation (ILO) implemented ‘International Programme on Elimination of Child Labour (IPEC)’ in Tiruppur region of Coimbatore District and Sivakasi region of Virudhunagar District from February 2000 to June 2003 with the aim of eliminating child labour in the hazardous industries existing in these regions.

Programme objectives

3.2.2 The main programme objectives are detailed as under:

- The Act bans the employment of children who have not completed their fourteenth year in specified occupations and processes and lays down penalties for employment of children.
- Special schools were established under NCLP to provide a package of welfare measures including non-formal education, skill/craft training, supplementary nutrition, stipend, health care etc.

Organisational setup

3.2.3 The various Acts prohibiting child labour are implemented at the field level by Assistant/Deputy Inspectors of Labour, Inspectors of Labour, Assistant Inspector of Factories and Inspector of Factories. No additional staff has been sanctioned by Government.

A Child Labour Monitoring Cell headed by the Additional Commissioner of Labour (ACOL) is functioning to monitor activities originating from the directions of the Supreme Court. This Cell also oversees the functioning of the NCLPs in the State.

At the District level, where NCLP is operated, a registered project society under the chairmanship of District Collector implements the project. A Project Director administers the society with the grants-in-aid released by Ministry of Labour. These projects run special schools for imparting non-formal education to the children withdrawn from employment.

Audit objective

3.2.4 The Audit objectives were:

- to examine the difficulties in implementation of certain provisions of the Act and Rules;
- to examine the regulatory and prohibitory functions and the enforcement machinery functions under the Act;
- to examine the rehabilitation measures undertaken under various projects;
- to check progress of implementation of Supreme Court Judgement and
- to examine the adequacy of monitoring and evaluation mechanism.

Audit coverage

3.2.5 The review covers the five year period of 1999-2004. Eleven out of 30 districts in the State were selected in the sample for audit coverage including six¹ of the nine NCLP districts. Out of 16 Non-Governmental Organisations (NGOs) which received grant from Government of India (GOI) during 1999-2001, records of four NGOs² were scrutinised.

Financial Management

3.2.6 Details of grants received from GOI by the NCLP societies and the expenditure incurred during 1999-2004 are furnished in Appendix XXI. An amount of Rs 35.91 lakh was incurred on the Child Labour Monitoring Cell during 1999-2004. State Government sanctioned Rs 25 lakh in May 2003 for conducting awareness campaigns and training programme and to provide assistance for education to the child labourers rescued. Commissioner of Labour (COL) reported that Rs 17.06 lakh were spent upto March 2004.

Statistical data on child labour

3.2.7 Number of child labourers in the State identified through various sources till the year 2000 is listed in Appendix XXII. A survey conducted in 2001 revealed that there were 3.49 lakh child labourers in the State. A house to house survey conducted in September 2002 under 'Sarva Siksha Abhiyan' (SSA) revealed that 2.26 lakh children of school-going age are not attending school. A supplementary survey conducted in March 2003 revealed that 70344 child labourers were working in hazardous (17385) and non-hazardous occupations (52959). This survey did not cover the child labourers who were staying in accommodation arranged by the employers.

3.2.8 Owing to different methods of estimation and sources of collection of data for such surveys, compounded by the vast unorganised, informal and unregulated sectors, the identification/estimation of child labour has not been accurate. Wide variations in the number of identified child labour by various surveys clearly indicated the unreliability of the available data. A streamlined and well designed procedure for conducting a survey in the State for identification of child labour should be planned. In the revised scheme of NCLP in 2003, provision of Rs 2.75 lakh per survey has been made

Wide variation in data on estimation of child labour

¹ NCLP districts : Coimbatore, Dharmapuri, Salem, Tirunelveli, Vellore and Virudhunagar.

² Madurai Multipurpose Social Service Society, Madurai; Tamil Nadu Rural Reconstruction, Madurai; YMCA Sattur and Women's Voluntary Service, Satchiapuram.

to conduct district-wise surveys of working children twice during the Tenth Plan period. So far no survey has been undertaken.

Legislative framework and its adequacy

Difficulties in implementing certain provisions of the Act and Rules

Implication of non-prohibition of child labour employed as a family unit

3.2.9 Section 3 of the Act prohibits employment of children in certain occupations and processes. This prohibition does not apply to any workshop wherein any process is carried on by the occupier with the aid of his family. In the consultative meeting on Indicative Law on Child Labour (November 2002) it was apprehended that many employers escape the penal provisions under the guise of family activities. Further, children employed in hazardous processes like weaving, beedi making etc. could not be rescued and rehabilitated since they are generally carried on as a family unit.

Non-prevention of child labour in unregistered factories and unorganised sectors

3.2.10 In Tamil Nadu, 64 *per cent* of child labour was accounted for by agriculture and allied activities and the balance 36 *per cent* by manufacturing and service sectors³. As unregistered factories and unorganised/informal/ unregulated sectors do not come under the active purview of inspection, substantial child labour employed in these sectors could not be prevented easily.

Non-prevention of child labour engaged in hazardous silver ornaments units

3.2.11 Silver chain ornaments manufacturers in Salem District employ children. Out of 220 units inspected 59 children were noticed working in 22 units. SSA survey of 2003 also revealed that out of 7947 child labourers identified in the district, 650 were employed in silver ornaments units. Though the State Government proposed (January 2000) to GOI the inclusion of silver chain making process in Part B of the schedule to the Act of 1986 on the ground that it was a hazardous process, no such inclusion was made. Thus, engagement of child labour could not be prohibited in this hazardous process.

Programme Management

Regulatory and prohibitory functions under the Act

3.2.12 As discussed below, the present trend of enforcing the regulatory and prohibitory functions of the Act indicates that the goal of complete elimination of child labour by 2007 would be difficult to achieve.

Non-fixing of jurisdiction for inspections to designated Inspectors

3.2.13 State Government has framed “The Tamil Nadu Child Labour (Prohibition and Regulation) Rules, 1994 in August 1994. Prior to that in July 1993, it earmarked 161 categories of posts in different departments, as “Inspectors” for this purpose and directed the district authorities to assign to each of them appropriate jurisdiction. While the District Collectors of Pudukottai and Nagapattinam stated that necessary orders were issued in March 2004 and May 2004 respectively, none of the other districts took required action in this regard. Non-fixing of jurisdiction could result in omission of some areas from inspection.

³ Source : Workshop sponsored by UNICEF during 2003.

Non-furnishing of required details by establishments which employed or permit any child to work

3.2.14 Section 9 of the Act stipulated that every occupier in relation to an establishment which employs or permits any child to work should, within a period of 30 days send to the Inspector, within whose local limits the establishment is situated, various particulars including the name and address of the establishment and the nature of the occupation or process carried out. However, in all the ten sample districts⁴ no such particulars were received though there were 46711 child labourers in these districts as recorded by SSA survey of 2003. As in all the ten districts, local limits of the inspectors have not been defined by the District Collectors, this section of the Act remained unenforced.

Absence of a reliable method for determining the age of the child

3.2.15 According to Section 10 of the Act, in case of dispute regarding the age of any child, a certificate should be obtained from a prescribed medical authority. Audit scrutiny indicated that the main reason for acquittal in cases of employment of child labour was that the medical certificates of age were based on the dental formula which the courts were reluctant to accept. The courts desired age to be determined by X-ray tests which the Department found difficult to furnish.

Prosecutions launched against employment of child labour

3.2.16 If any child labour was found working in any shop or establishment, prosecution was launched invoking the prohibitory sections under the relevant Acts *eg.* Tamil Nadu Shops and Establishment Act, 1947, etc. Government in Labour and Employment Department also clarified (December 1999) that wherever these Acts apply, prosecution should be launched against employment of child labour. Perusal of connected records revealed that 1420 cases resulted in conviction for violation and a fine of Rs 32.56 lakh was collected under various Acts during 1996-2004 (upto March 2004), as indicated below:

Name of the Act	Number of inspections	Number of cases in which violations noticed	Number of cases filed	Number of cases disposed		Fine amount collected (Rs in lakh)
				By acquittal	By conviction	
Tamil Nadu Shops and Establishment Act, 1948	904082	3778	2016	143	866	1.08
Tamil Nadu Catering Establishments Act, 1958	158267	2280	1255	103	538	0.55
Factories Act, 1948	167516	725	826	123	16	30.93
Total	1229865	6783	4097	369	1420	32.56

Year-wise break-up details are furnished in Appendix XXIII. Perusal of details revealed that violations noticed were on the increasing trend since 2002, indicating that the existing system is grossly inadequate in elimination and prohibition of child labour.

3.2.17 According to Section 14 of the Act, whoever employs any child or permits any child to work in contravention of the provisions of Section 3 shall be punishable with imprisonment for a term ranging from three months to one year or with fine which shall not be less than Rs 10000 but may extend to Rs 20000 or with both. In addition there are penal provisions arising from failure to notify Inspector, maintain the required register etc.

⁴ Chennai, Coimbatore, Dharmapuri, Erode, Kancheepuram, Namakkal, Salem, Thiruvallur, Vellore and Virudhunagar.

Cases filed against violations/non-compliance with provisions of the Act

3.2.18 Connected records revealed that 604107 establishments were inspected under the Act by both the Labour and Factories Departments and violations were noticed in 7803 cases. Of the 7435 cases filed for such violations, 586 cases resulted in conviction and Rs 10.66 lakh were collected as fine. Year-wise break-up details regarding the cases filed and disposed are furnished in Appendix XXIV.

3.2.19 An unusual feature of the data exhibited in Appendices XXIII and XXIV is that no violation regarding child labour was noticed in 2001 in any of the four Acts though the inspections carried out during this year were of the same order as in the years preceding or succeeding it. As the violations noticed during 1999, 2000, 2002 and 2003 were 6975, 224, 860 and 4168 respectively, the absence of any violation noticed during the year 2001 appears incredible. Reply of the COL regarding the anomalous figures of this year is awaited. Further, the fact that 6754 violations under the Child Labour Act were noticed during 1999 while in no other year this number exceeded 400 indicates that there was laxity in enforcement during other years.

Action Plan for elimination of child labour by 2007

3.2.20 Government approved an action plan in May 2003 for the elimination of child labour in hazardous occupations by 2005 and in all non-hazardous occupations by 2007. The strategies planned to achieve the goals were (a) surveying and identifying working children, (b) rescuing child workers and admitting them in special schools and mainstreaming them into formal schools, (c) conducting special drives to enrol all children in the age group five to seven years, (d) strengthening formal education, (e) providing skill training to children in age group 14 to 16 years, (f) enforcing strictly laws prohibiting child labour, (g) targeting implementation of development schemes to benefit families of rescued child labour and (h) achieving convergence of services of departments and NGOs. Government proposed the implementation of this action plan through NCLPs in nine project districts and through other District's Child Labour rehabilitation-cum-welfare societies and at State level through State Child Labour Rehabilitation-cum-Welfare Society.

3.2.21 However, as discussed in the preceding paragraphs, (i) the fact that a majority of the detected cases went without conviction and even most of the convicted cases were penalised with fines only, (ii) absence of reliable data on the number of child labour prevalent in the State and (iii) existing infirmities in the Act and non-enforcement of prohibition of child labour in the unorganised sector indicate that the objective of eliminating child labour by 2007 would be difficult.

Enforcement machinery

3.2.22 Though the Act was passed in 1986 and the rules framed in 1988, a separate manual for enforcement officials on child labour was prepared by the Labour Department belatedly in 2003.

Conducting of joint raids by district level prevention squad

3.2.23 Between June and December 2003, 53 joint raids were conducted by District Level Prevention squad comprising Inspectors of Labour, Factories and Plantations, volunteers from NGOs and Civil Assistant Surgeon during which 412 child labourers were identified. However, only 70 of these children were rehabilitated. This indicated poor follow-up by the enforcement machinery. In ten districts test checked special squads identified 168 child labourers between January and March 2004 of whom only 95 were rehabilitated (June 2004).

Labour department's perception of difficulties in enforcement.

3.2.24 Some of the major difficulties faced during enforcement as identified by the Labour Department (June 2003) were (i) non-cooperation from parents and owners of shops/establishments, (ii) lack of coordination/convergence between departments during enforcement and for rehabilitation, (iii) slow processing of cases in courts, (iv) unwillingness of some of the rescued child labourers to study in schools and (v) difficulty in collecting documentary evidence. Government needs to address these problems effectively if the objective of elimination of child labour in all sectors by 2007 is to be realised.

Rehabilitation through National Child Labour Project

Implementation of National Child Labour Projects for rehabilitation

3.2.25 National Child Labour Projects (NCLPs) are being implemented in the State in nine districts⁵ for rehabilitating the child labourers identified. The main components of these projects are survey for identification of child labour, awareness campaigns, running of special schools for imparting non-formal education and mainstreaming of special school children to formal schools etc. The entire funding of NCLP is provided by the Ministry of Labour, GOI which releases the earmarked funds to the Project Societies and NGOs concerned directly. Special schools are run by the Project Societies in three Project districts viz. Vellore, Salem and Dharmapuri and in other NCLP districts by NGOs and Project Societies. A monthly stipend of Rs 100 per child is also sanctioned under the Project.

3.2.26 The special schools under NCLP have two academic instructors and one vocational instructor. 466 special schools were functioning in the State and 19958 children were studying as of March 2004. Upto March 2004, 22254 children were reported to have been mainstreamed into formal schools in the State from the time of commencement of NCLP Projects. A review of the working of the Project Societies in sample districts and the Special schools functioning under them revealed problems such as inaccurate reporting, vacant posts of vocational instructors, closure of schools and non-follow up of mainstreamed children as detailed in the succeeding paragraphs.

Deficiencies noticed in implementing the projects

3.2.27 During 1999-2004, the total number of children mainstreamed as reported by the Project Directors was 15148. However, according to the details gathered by Audit from the special schools the number of mainstreamed children was 13518 only. There was thus an excess reporting of 1630 children.

3.2.28 During the same period, the number of students who had discontinued their studies in special schools (dropouts) as furnished by the Project Directors to Audit was 9454. However, an independent verification of the schools' records by Audit revealed that the number of dropouts was 17145.

3.2.29 In Salem, out of 40 schools functioning, the post of vocational instructors was vacant in 14 schools, out of which in five schools the vacancy was for more than five years. 23 schools were closed without imparting any vocational training since the posts were not filled up. In 29 schools functioning in Dharmapuri District the posts of vocational instructors were vacant for periods ranging from one year to seven years. The Project Directors concerned attributed these vacancies to (a) non-posting of instructors

⁵ Coimbatore, Dharmapuri, Pudukottai, Salem, Tiruchirappalli, Tirunelveli, Thoothukudi, Virudhunagar and Vellore

due to poor student strength and (b) non-availability of suitable candidate in the locality.

3.2.30 In the test-checked districts, between 1999 and 2004 (March 2004), 387 schools⁶ were closed. Of this, 103 schools functioned for less than six months, 44 schools for less than a year, 29 schools for less than two years and 50 schools for less than three years. 161 schools functioned for more than three years. The Project Directors stated that the schools were closed mainly due to migration of parents of the child labourers. This clearly indicates that convergence of various schemes for poverty alleviation to enable steady income of labourers in a place to check their seasonal migration has not occurred.

Non-availability of adequate special schools in sample districts.

3.2.31 As against the 165379 child labourers identified in four districts (Dharmapuri, Salem, Tirunelveli and Vellore) in the survey in 1996, the special schools of the four districts could enrol 27721 children only (17 *per cent*) up to March 2004. In all, 449 NCLP schools were run in these districts upto March 2004 which according to norms had an optimum capacity of 18000 children only. The Department decided (February 2004) to reduce the number of schools in Pudukottai to 50 *per cent* so that the resultant savings could be utilised for opening more schools in Dharmapuri District. Similar relocation of projects to cover all the 17 districts which reported more than 1000 child labourers is under consideration (September 2004).

Absence of follow-up of mainstreamed children from special school

3.2.32 As per reports of the Commissionerate of Labour, 22254 children were mainstreamed into formal schools in the State till March 2004. In the six NCLP districts⁷ test-checked, records did not indicate that the Project Directors had ascertained the continuance of studies of the children mainstreamed. The Project itself did not contemplate such monitoring, paving the way for the dropout children relapsing into child labour. As the number of children who continued their education could not be correctly ascertained, the impact of the Projects could not be assessed. As a test check, in Salem District, the Head Masters of 130 formal schools were requested to confirm the continuance of around 2000 mainstreamed children in their schools. 55 schools reported that 268 children did not join the schools and 114 children did not continue their studies. This reveals that the data furnished by the NCLP schools was not reliable.

Non-adoption of uniform procedure in payment of stipends

3.2.33 The manual for implementation of NCLPs issued by GOI was silent about minimum attendance necessary for disbursing stipends of Rs100 per month to children. Thus, the minimum required attendance varied from 80 *per cent* in Salem District to 60 *per cent* in Dharmapuri District. In Pudukottai District, 50 *per cent* of attendance was insisted upto 2002-03 and from 2003-04, it was raised to 60 *per cent*. Children with attendance ranging from 25 to 59 *per cent* were paid half of the stipend. In Virudhunagar District for attending 21 days in a month, full stipend was released and for attendance less than 21 days, only half of the stipend was paid.

Though stipend was to be disbursed every month, in Dharmapuri District, stipend was disbursed to the special school children on quarterly basis, through Post Office Savings Account / Bank Account. It was also noticed that in nine schools of Thoothukudi District stipend was disbursed after a delay of

⁶ Upto 1999: 134; 1999: 71; 2000: 78; 2001:39; 2002: 22 and 2003: 43.

⁷ Coimbatore, Dharmapuri, Salem, Tirunelveli, Vellore and Virudhunagar.

one to 20 months and in one school (closed in November 2001) the stipend was not disbursed for the entire period of seven months (as of March 2004).

3.2.34 Main reason for adoption of different criteria for disbursing incentive was the absence of specific guidelines. However, as per revised guidelines issued by GOI (December 2003), monthly stipend is to be disbursed only after the child is successfully mainstreamed.

Lack of infrastructure in special schools of three districts.

3.2.35 In Dharmapuri, Tirunelveli and Virudhunagar, the information gathered from 309 schools revealed that (a) drinking water was not available in 15 schools, (b) toilet facilities were not provided in 140 schools, (c) furniture for teachers was not available in 24 schools and (d) 164 schools functioned without running water. Thus, children were not provided with environment conducive for education. Efforts have to be taken for dovetailing the existing similar schemes in School Education and Rural Development Departments to fill such gaps in infrastructure.

Non-supply of uniforms to special school children

3.2.36 Despite Government's order of October 2000 free uniforms were not provided to the special school children (February 2004). This non-compliance is attributable to lack of coordination between three departments viz., Education, Social Welfare and Labour.

Elimination of child labour in Chennai slums

Implementation of child labour rehabilitation project in Chennai slums.

3.2.37 With a view to eliminate child labour in slums of Chennai city, State Government nominated Tamil Nadu Slum Clearance Board (TNSCB) as nodal agency to conduct a "Child Labour Rehabilitation Project" and sanctioned (March 1996) Rs one crore as grant for this purpose. Details of utilisation of grant by TNSCB along with the physical targets and achievements are given in Appendix XXV. The activities which were planned to be completed by December 1998, were continued till March 2002. Out of the grant of Rs one crore, Rs 96.65 lakh was spent during 1997-2002. A review of the implementation of the scheme revealed poor enrolment of identified child labour in schools and non-follow up of mainstreamed children as detailed in the succeeding paragraphs.

Non-taking up of two main components under the project

3.2.38 Two main activities were not taken up for implementation. 'Income generation programme for mothers of child labourers' proposed at a cost of Rs 35 lakh was not taken up, as TNSCB decided (May 1999) that by sheer motivation and counselling it was possible to bring the desired number of child labourers for education in transit schools⁸. Secondly, 'Construction/reconstruction and upgradation of shelter homes for 1000 children' proposed at a cost of Rs 15 lakh was not taken up due to the apprehension of TNSCB that such homes would become a liability once the project was closed after the completion of the project. The resultant savings were used for augmenting (a) Transit schools and Child Development Activities and (b) Support to NGOs.

Poor enrolment of identified child labour

3.2.39 The household survey conducted by TNSCB, covering all the slums in Chennai city had identified 13057 child labourers living in 10596 slum households as of March 1997 of which 10699 were in the age group of 11-14. As per the report of TNSCB, out of 13057 only 6050 children (46 per cent) were admitted to transit schools. The shortfall in enrolment was

⁸ Transit school has been defined as a preparatory school for child labourers where they can be trained and motivated for a year before enrolment with a regular school.

attributed to (a) children's disinterest in formal education due to economic independence in the early age, (b) the dependence of the family on the income of the child and (c) the parents' apathy towards childrens' education.

3.2.40 Percentage of children enrolled against the identified child labourers in each of the ten zones of the Corporation of Chennai ranged between 33 and 100. Only two Zones (Zones V and VII) had the percentage of enrolment above 60. In two Zones (Zones I and III) which had been identified with high child labourers, the percentage of enrolment was poor at 36 and 38 respectively.

Non-follow up of mainstreamed children

3.2.41 Scrutiny of records revealed that during 1997-2002, 4713 children (78 *per cent* of the enrolled and 36 *per cent* of the identified) were mainstreamed into formal schools; the balance 1337 children did not continue their studies till the end of academic year. As TNSCB did not follow-up further education of such mainstreamed children, the education level of such children could not be assessed to ensure the impact of the programme. Proper follow-up of such children for atleast three years would be necessary for assessing impact.

Constraints faced in the implementation of the project

3.2.42 TNSCB stated that the following constraints and problems were faced in the implementation of the project:

- Regular corporation schools with meagre amenities are not attractive enough to retain the children admitted from transit schools
- Most of the occupations carried out by children among slum population in Chennai city are classified as non-hazardous and hence could not be strictly covered under the existing laws
- Inadequate legal actions against the employers of child labourers.

The above constraints have not been adequately addressed by the State Government.

Implementation of Supreme Court Judgement

3.2.43 The Supreme Court, with a view to withdraw the children working in hazardous occupations and regulate the working conditions of the children in non-hazardous occupations, directed in their judgement (December 1996) that a survey of child labour be conducted and that compensation of Rs 20000 per child be collected from the employer and the child be withdrawn from the occupation. The State Government was to contribute Rs 5000 per child if it was not able to provide a job to one adult member of the family of the child. Interest accrued on the invested corpus should be utilised towards education of the children concerned.

3.2.44 A survey was accordingly conducted in April 1997 and 9493 children⁹ in 20 districts were identified as working in hazardous occupations and 8828 children in non-hazardous occupations in 27 districts. Government constituted (March 1997 and October 1997) a State Child Labour Rehabilitation-*cum*-Welfare Fund (SCLRW) and District Child Labour Rehabilitation-*cum*-Welfare Fund (DCLRW) in each of the 20 districts

⁹ This was later revised as 8970 following re-categorisation of occupation as hazardous and non-hazardous during January 1999.

wherein child labourers in hazardous occupations were identified. Government sanctioned Rs 4.75 crore for the State Fund as its contribution for 9493 children and credited it to the deposit head in March 1999.

3.2.45 Out of Rs 4.75 crore, only Rs 7.85 lakh (two *per cent*) were released to the District Fund of six districts¹⁰ for 157 children. However, the employers' compensation of Rs 1.60 lakh was collected only for eight children in four districts and transferred to the District Funds. For the remaining 9485 children, employers' contribution to the tune of Rs 18.97 crore was due but remained uncollected.

3.2.46 The non-collection of the employers' compensation was mainly attributed to (a) employers denying the age of children, as reflected in the legal notices issued, (b) employers claiming that the children identified in the survey were not actually workers and (c) compensation amount of Rs 20000 per child could be collected only after conviction by criminal courts, which was time consuming.

Government failed to implement the directions of the Supreme Court

3.2.47 Audit scrutiny revealed that (i) Government did not make any efforts to find employment for an adult member of the family to which the child labourer belonged, (ii) only the District Collectors of Pudukottai and Tiruchirappalli utilised interest from the investments made out of State contribution for educating one child and eight children respectively. In other cases the same was not utilised due to factors such as children dropping out of schools and lack of information on the whereabouts of the children and (iii) other than nine children, no child labourers were released from hazardous occupations.

Rupees 4.67 crore were prematurely transferred and kept in PD account for four years without use.

3.2.48 Government accepted these facts and stated (April 2003) that as the child labourers in the survey conducted in April 1997 might have crossed the age of 14 years by this time and most of the children could not be located and withdrawn from employment, the amount of Rs 4.67 crore lying in Personal Deposit (PD) Account in the name of State Fund was withdrawn and credited to Government account. Thus, the failure of the State Government in implementing the directions of Supreme Court resulted in non-utilisation of Rs 4.67 crore released for the rehabilitation of identified child labourers in hazardous occupations.

Implementation of an International Programme

Implementation of International Programme of Elimination of Child Labour in Tiruppur and Sivakasi regions

3.2.49 An International Programme on Elimination of Child Labour (IPEC) in Tiruppur region of Coimbatore District and Sivakasi region of Virudhunagar District was implemented by the International Labour Organisation (ILO) from February 2000 to June 2003. The major aim of the project was to eliminate child labour in the hazardous hosiery and power loom industries of Tiruppur region and match-work and fire-work industries of Sivakasi region. The programme was implemented through NCLP societies of those districts.

¹⁰ Chennai: 1, Madurai:4, Pudukottai:1, Tiruchirappalli:112, Virudhunagar:37 and Thoothukudi:2.

3.2.50 Audit scrutiny of the records of ILO-IPEC, Tiruppur revealed that 4962 children were enrolled in special schools during the project period out of which 1661 children dropped out in the middle due to migration and 2128 children only could be mainstreamed. The balance 1173 children who stayed in the special schools till their closure did not get mainstreamed. Out of 2128 children mainstreamed, 958 were stated to be continuing their education in formal schools, 213 were dropouts and information was not made available in respect of 957 students. The evaluation report of the project attributed this to (i) migration and (ii) disinterest in education. As indicated earlier (paragraph 3.2.30) convergence of various schemes for poverty alleviation could check seasonal migration.

Monitoring

3.2.51 The following committees were functioning for monitoring implementation of the Act in the State.

Nature of committee	Constitution	Remarks
State Level Advisory Board on Child Labour	Formed in 1995. Headed by Minister of Labour with representatives from all departments concerned. Chief Inspector of Factories is the convenor.	The Board met on six occasions during 1995-2000.
State Authority on Elimination of Child Labour	Formed in 1995. Chaired by Chief Secretary with representatives from all concerned departments.	The Committee met once in 1999 and once in 2003.
State Monitoring Committee	Formed in 1999. Chaired by Principal Secretary, Labour and Employment Department for monitoring progress of NCLPs.	The committee is required to meet twice a year; it met only once a year in 2003 and 2004.

3.2.52 Minutes of the Meetings of all these Committees did not indicate any steps suggested to identify the bottlenecks and bridge the gap between the total number of child labourers identified in surveys and those actually mainstreamed.

Conclusions

3.2.53 Rehabilitation of child labourers gained momentum only after the approval of the Action Plan by State Government in May 2003. However, the pace of progress indicates that the target of elimination of child labour by 2007 is unlikely to be achieved.

Recommendations

- Accurate database on number of children working in different sectors should be created.

- State Government should pursue with GOI to make a suitable provision in Contract Labour Act, 1970 prohibiting child labour
- Existing enforcement machinery should be geared up for prohibiting employment of child labour in unorganised sector
- A system should be evolved by State Government for following up the mainstreamed children as mere enrolment in a formal school is only the beginning rather than the end of a meaningful future for the child.

The above points were referred to Government in August 2004. The reply of Government in the Labour and Employment Department (December 2004) was not specific or complete on many vital issues such as

- action taken for alleviating the infirmities in various Acts
- action taken to define specific jurisdiction among various “Inspectors”
- steps taken for elimination of child labour in family activities
- rehabilitation of identified child labour and
- explanations on differences in child labour data reported under various surveys.

Reply to a rejoinder issued in January 2005 is awaited. Moreover no replies were received from (a) School Education Department and (b) Housing and Urban Development Department and (c) Tamil Nadu Slum Clearance Board.

BACKWARD CLASSES, MOST BACKWARD CLASSES AND MINORITIES WELFARE DEPARTMENT

3.3 Integrated Audit of Backward Classes, Most Backward Classes and Minorities Welfare Department

Highlights

A review of the functioning of the Department revealed (a) belated payment of pre-matric/post-matric scholarships, (b) non-supply of special guides at the beginning of each year, (c) short supply/non-supply of textbooks to eligible students, (d) delayed allotment of funds under the incentive scheme to girl students resulting in belated distribution, (e) absence of feedback regarding employment secured by trainees of heavy vehicle driving course and (f) negligible construction of houses by beneficiaries of free house 'pattas'.

➤ Inaccurate estimation resulted in variation of actual expenditure vis-à-vis provision voted by Legislature ranging up to 75 per cent under various schemes for scholarships.

(Paragraph 3.3.8)

➤ Addition of project period interest with the estimated cost calculated for raising loans for constructing hostels resulted in additional liability of Rs 2.69 crore as interest.

(Paragraph 3.3.14)

➤ Schemes with high emphasis on education of the Backward Classes/Most Backward Classes/Denotified Communities suffered due to belated disbursement of (a) scholarship of Rs 11.96 crore and (b) incentives of Rs 12 crore to rural girls.

(Paragraphs 3.3.18 and 3.3.29)

➤ Data on trainees who secured employment was not ascertained though 5515 were trained in heavy vehicles driving during 1996-2000 at a cost of Rs 7.89 crore. This led to non-continuance of the scheme after 2001-02. Rupees 64 lakh were not got refunded from Institute of Road Transport.

(Paragraphs 3.3.41 and 3.3.43)

➤ During 1981-2004, 1.93 lakh 'pattas' for house sites were distributed free but approximately 5000 houses only were constructed in the State though they were to be constructed within six months of distribution. Further, 4176 plots acquired at a cost of Rs 84.76 lakh remained undistributed in 16 districts as of April 2004. Only in December 2001 did Government decide to provide infrastructure facilities in the areas of free 'pattas'.

(Paragraphs 3.3.53, 3.3.56 and 3.3.58)

➤ **The administrative structure of the Department from Government to the grass root level has inbuilt inconsistencies that require to be addressed.**

(Paragraphs 3.3.63 to 3.3.65)

Introduction

3.3.1 Backward classes and Other Backward classes (OBC) comprise castes and communities listed in the Report of the Mandal Commission and in the list of State Government. Community-wise population figures as of 1985 in Tamil Nadu were reported by Amba Sankar Backward Class Commission which estimated the population of Backward Classes (BCs)/Most Backward Classes (MBCs) and Denotified Communities (DNCs). Thereafter the population of these communities has been projected from time to time. The projected population of these communities in Tamil Nadu as per census 2001 (provisional) was 67 per cent of the total population of 6.21 crore of the State *i.e.* 4.16 crore¹.

Objectives of the Department

3.3.2 Educational and economic backwardness were identified by Government as the root causes for the overall backwardness of these people. Hence, Government allotted major chunk of funds for

- the implementation of educational programmes through provision of scholarships, text books, guides, uniforms, incentives to girl students etc.,
- imparting skill training for economic development and
- schemes on housing activities.

Organisational set up

3.3.3 Policy matters regarding the welfare of BC/MBC/DNCs are looked after by the Secretary, Backward Classes, Most Backward Classes and Minorities Welfare Department. The Director of Backward Classes and Minorities Welfare (DBC & MW) and the Special Commissioner of Most Backward Classes and Denotified Communities (CMBC & DNC) are responsible for implementing and monitoring the schemes intended for BCs and MBC/DNCs respectively at State level. At the district level, all schemes of the two Directorates are implemented through District Backward Classes and Minorities Welfare Officers (DBC & MWOs), functioning under the control of respective District Collectors. Schemes intended for the welfare of the Piramalai Kallar community in Madurai, Theni and Dindigul Districts are implemented through the Special Deputy Collector (Kallar Reclamation) (SDC/KR) headquartered at Madurai.

3.3.4 Tamil Nadu Backward Classes Economic Development Corporation (TABCEDCO) and Tamil Nadu Minorities Economic Development Corporation (TAMCO) are functioning in the State for the economic development of BC/MBC/DNCs and minority communities since 1982 and 1999 respectively.

¹ Backward Classes: 2.87 crore, Most Backward Classes: 1.08 crore and Denotified Communities: 0.21 crore.

Audit objective

3.3.5 The objective of assessment in audit was

- to examine the adequacy of financial management and control;
- to see the effectiveness of various schemes implemented for the benefit of the community under sectors such as education and housing and
- to examine the implementation of various programmes launched by Government for the economic development of the community with a view to assess the impact.

Audit coverage

3.3.6 Records relating to various schemes implemented during the period 2001-04 were test checked between February and June 2004 in the Secretariat, Directorate of BC & MW, Commissionerate of MBCs and DNCs, Office of the Chief Engineer (Buildings), Public Works Department (PWD) and the Offices of DBC & MWOs of six districts². Besides, particulars were also obtained from TABCEDCO and TAMCO and Divisional offices of PWD in the above districts. Important points noticed during the review are discussed in the succeeding paragraphs.

Financial Management and Control

3.3.7 Total resources that were available to the Department through Final Modified Appropriation and expenditure incurred against such provision under Non-plan and Plan schemes during 2001-04 were as tabulated below:

(Rupees in crore)

Year	Revenue Expenditure				Capital Expenditure				Total	
	Non Plan		Plan		Non Plan		Plan		P	E
	P	E	P	E	P	E	P	E		
2001-02	65.02	64.87	55.86	55.47	0.38	0.38	4.29	4.26	125.55	124.98
2002-03	66.77	66.51	53.24	53.43	8.60	8.71	128.61	128.65
2003-04 ³	48.76	47.57	122.89	119.90	4.01	4.01	175.66	171.48

P: Provision through original and supplementary estimates voted by Legislature and funds made available through Final Modified Appropriation; E: Expenditure

Though the overall position revealed utilisation of resources fully as above, shortcomings such as excessive/inadequate budget provision, irregular utilisation of grants from Government of India (GOI) and off-budget borrowings were noticed by Audit in the budgetary process adopted and expenditure control as discussed below.

² Chennai, Coimbatore, Madurai, Salem, Thanjavur and Vellore.

³ The decrease under Non-plan schemes during 2003-04 was mainly due to reclassification of scheme heads for construction of Hostels for BC, MBCs, payment of scholarships from Non-plan to plan. The increase in expenditure under Plan schemes was mainly due to additional expenditure on Incentive Scheme for rural girl students (Rs 11.93 crore); Free education to MBCs/BCs doing B.A., B.Sc., etc. courses (Rs 14.16 crore); Free Education to BC students for polytechnics (Rs 1.62 crore); and Implementation of Centrally sponsored schemes for post matric scholarship to OBCs (Rs 3.52 crore).

Budgetary Process

Percentage of variation of actual expenditure with the Budget provision ranged between 18 and 75

3.3.8 Budgetary rules stipulate that estimates should be made as accurately as possible to avoid huge surrender of funds and excess expenditure over provision. Scrutiny revealed that under the schemes for providing scholarships, variation of actual expenditure with the provision voted by Legislature ranged from 18 to 75 *per cent* as given in Appendix XXVI.

3.3.9 Provision/withdrawal of funds through reappropriation at the year end proved excessive or inadequate as shown in Appendix XXVI. As early as in July 1982 (when Social Welfare Department was implementing the scholarship schemes) Government ordered that all applications for scholarships were to be received by September every year. The Director of BC and MW ordered (June 2002) that scholarships were to be disbursed latest by the end of October every year. Despite these orders, incorrect estimates of requirement of funds even at the end of the year resulted in excess provision (ranging from Rs 0.38 lakh to Rs 64.09 lakh) and inadequate provision (ranging from Rs 12.72 lakh to Rs 61.59 lakh) under these schemes (Appendix XXVI). This indicated inadequate control over expenditure.

Irregular utilisation of GOI grants

Irregular utilisation of GOI grants

3.3.10 GOI released (February 2003) Rs 2.40 crore to the Government of Tamil Nadu (GTN) towards its 50 *per cent* share of scholarship to 36000 OBC students. Though GOI specifically stipulated that its share should not be utilised for supplementing ongoing State schemes, Government adjusted the entire grant towards the State schemes during 2003-04. An incorrect Utilisation Certificate (UC) was furnished (June 2004) by CMBC & DNC to GOI assuring that all the conditions of the grant were duly fulfilled.

Off-Budget borrowings, additional interest burden and irregular deduction of R & D charges

Off-budget borrowing of Rs 19.98 crore by Government for construction of hostels

3.3.11 Government proposed (July 2001) construction of 770 hostels that were functioning in rented buildings in a phased manner. During 2001-02 construction of 114 hostels was taken up in Phase I at estimated cost of Rs 36.99 crore. Construction of another 100 hostels was taken up during 2003-04 at an estimated cost of Rs 31.50 crore in Phase II.

3.3.12 Cost of construction was to be shared by Central and State Governments. The State share was to be met from MLACDS⁴ and loan from Housing and Urban Development Corporation (HUDCO). TABCEDCO availed loan of Rs 27.22 crore from HUDCO for Phase I and drew Rs 19.98 crore in three instalments between March 2002 and March 2003. The fourth instalment is yet to be drawn (May 2004). For the Phase II, Chief Engineer (Buildings)/Public Works Department (CE/PWD) obtained loan from HUDCO.

3.3.13 The loan for the Phase I was obtained with Government guarantee and payment of interest and repayment of principal were also supported by budgetary provisions. The loan transactions were operated through Personal Deposit Account of TABCEDCO and thus escaped being

⁴ Member of Legislative Assembly Constituency Development Scheme.

shown as borrowings of GTN. This resulted in understatement of Government's debt and liability position each year till repayment.

Avoidable interest liability of Rs 2.69 crore.

3.3.14 The project is not for earning revenue. Against the requirement of Rs 24.07 crore (Phase I) and Rs 26.77 crore (Phase II), agreements were completed for loans of Rs 27.22 crore (Phase I) and Rs 28.79 crore (Phase II) with HUDCO. This was mainly due to addition of the interest accrued during project period for calculating the loan amount from HUDCO. Interest on loan availed by TABCEDCO and PWD was Rs 2.17 crore and Rs 1.71 crore for the two phases. Addition of this accrued interest resulted in additional interest liability of Rs 2.69 crore (Rs 1.66 crore for Phase I loan and Rs 1.03 crore for Phase II) to Government.

Deduction of Rs 7.20 lakh towards R & D charges by HUDCO not provided for in the agreement.

3.3.15 For the Phase II, the loan was to be drawn in four instalments. While releasing the first instalment of Rs 6.92 crore, drawn in December 2003, HUDCO deducted Rs 7.20 lakh towards R & D charges @ 0.25 per cent of the loan though this was neither contemplated in the agreement nor in the sanction order of HUDCO. The CE, PWD had not responded to the Audit observations that the deduction by HUDCO was irregular.

Programme Management

3.3.16 Education, economic upliftment and housing are three important sectors for alleviating the conditions of BCs, MBCs and DNCs. Government accounts reflect the following expenditure in these sectors during the last three years viz. 2001-04.

(Rupees in crore)

Expenditure on ⁵	2001-02	2002-03	2003-04
Education	104.51	103.26	156.51
Economic Upliftment	2.29	2.32	1.01
Housing	3.77	6.06	1.10
Others	9.76	8.30	8.95
Total	120.33	119.94	167.57

Audit scrutiny of selected schemes in the above sectors revealed (i) allotment of inadequate funds resulting in delay in disbursement of scholarships/incentives to students, non-supply/short supply of text-books/ guides and (ii) distribution of house sites without adequate infrastructure facilities as discussed in the following paragraphs.

Education

Scholarship payments

3.3.17 About Rs 44 crore were disbursed on scholarships annually to the eligible students during 2001-04. However, non-allotment of sufficient funds resulting in postponement of benefits and non-obtaining of Disbursement Certificates (DCs) indicating absence of evidence of actual disbursement to the beneficiaries were noticed as discussed below:

⁵ Includes Non-plan and plan expenditure (except capital expenditure).

Non-allotment of sufficient funds during 2001-04 resulted in postponement of scholarships to subsequent years

3.3.18 Due to non-allotment of sufficient funds during the period 2001-04, scholarship claims were kept in abeyance and paid in the subsequent years against those years' allotment. Arrears of Rs 11.96 crore in payment of scholarships for 2002-03 was cleared only in 2003-04 but this led to pendency of claims for 2003-04.

3.3.19 Test-check revealed that scholarship of Rs 1.20 crore for 2003-04 was not paid in three districts⁶ as of May 2004 resulting in postponement of benefit to 20813 students.

3.3.20 Though DCs which constitute proof of payment of scholarship to students by Heads of Institutions are to be obtained within two weeks of drawal of funds, they were not obtained by district officers. Test-check revealed that DCs were not obtained from 379 institutions in Chennai and Vellore Districts in respect of scholarship of Rs 1.64 crore disbursed during 2000-04.

Excess payment of scholarships

3.3.21 Scrutiny of scholarship claims for 2001-2003 admitted by the DBC & MWOs of two districts viz. Tiruvallur and Tiruvannamalai revealed that the special fees were reimbursed to the students at the rates ranging between Rs 26 and Rs 47 per student against Rs 23.50 per student stipulated resulting in excess payment of Rs 3.93 lakh.

3.3.22 Scrutiny in Tiruvallur⁷ (11 schools) and Vellore⁸ (three colleges) districts revealed payment of scholarship to students at rates higher than that stipulated⁹ resulting in excess payment of Rs 4.07 lakh during 2001-2003.

Supply of text books and special guides

Belated supply of special guides

3.3.23 With a view to improve the pass percentage in public examination, hostel students belonging to BC/MBC/DNC of "Tenth Standard" and "Plus two" are supplied with special guides. Scrutiny of records revealed that the guides for academic years 2001-02, 2002-03 and 2003-04 costing Rs 11.65 lakh were supplied in February 2002, January 2003 and February 2004 respectively with the result the students could not benefit in time. Also, such belated supply is against the Government order for providing the guides at the beginning of the academic year. In one test-checked district (Madurai) shortage ranging between seven and 78 per cent was noticed in supply of special guides to hostel students.

Short supply of text books

3.3.24 Text books are supplied to hostel students of BC/MBC communities studying in sixth to eighth standards. The indents for this supply were placed by DBC & MWOs based on previous years' supply. However, due to admission of more new students, the indented supply fell short. Records in Madurai District revealed that the short supply of text books during

⁶ Madurai, Thanjavur and Vellore.

⁷ Between Rs 73 and Rs 302 per school student.

⁸ Between Rs 715 and Rs 1300 per college student.

⁹ Each eligible BC student of eleventh and twelfth standards was to be paid special fees/book money @ Rs 65 for non-science group and Rs 85 for science group per annum under Post-Matric scholarship; the BC students hailing from non-graduate families undergoing graduate course were also entitled to scholarship under Post-Matric Scholarship Scheme @ Rs 120.50 or Rs 133.50 per annum as per the norms prescribed in State Scholarship notification.

2001–04 to students of sixth, seventh and eighth standards ranged between 54 and 63 *per cent* (368 students), 44 and 53 *per cent* (305 students) and 12 and 27 *per cent* (125 students) respectively. Out of 90 sets each containing six text books supplied to sixth standard students in Madurai District during 2003-04, only seven sets were complete and the remaining 83 sets did not have the mathematics book.

3.3.25 In Vellore District during 2001-02 and 2002-03, 7183 and 7585 MBC students of ninth standard and 7475 and 4675 MBC students of tenth standard respectively were not supplied with text books. The shortage was due to assessment of requirement based on ten *per cent* addition to the supplies made during the previous year.

3.3.26 Neither the district offices placed additional indents nor the Directorate directed the district offices to submit additional indents to meet the shortage. As the hostel strength was pre-fixed and students' strength in each class was known by August each year, supplementary indents should be made before September each year to ensure that all the eligible students get text books.

Incentive to girl students

3.3.27 Government introduced (June 1999) a scheme of providing incentive to girl students belonging to MBC & DNC studying in third to sixth standards in Government/Government aided schools in village panchayats. The main aim of the scheme is to prevent dropouts among MBC/DNC girls. The scheme proposed to provide Rs 500 per annum to each student at Rs 50 per month for ten months to 60000 girls (third to fifth standards) and Rs 1000 per annum (Rs 100 per month for ten months) to 30000 girls (sixth standard). Girls whose parental income is below Rs 25000 per annum are eligible for the incentive. The guidelines for implementing the scheme were issued in January 2000. Scrutiny of claims relating to the scheme revealed the following.

Belated payment of incentives in violation of Government instructions

3.3.28 Though the Commissionerate of MBC & DNC instructed (June 2001) that pending claims for incentives for 1999-2001 should not be paid out of the allotment made for 2001-02, the DBC & MWO, Madurai paid Rs 16.41 lakh during 2001-02 against the pending claims of 174 institutions relating to the year 2000-01. Payment of such pending claims did not help to prevent dropouts and deprived the fresh claims of current students (6731) for the year 2001-02 to that extent.

Incentive to girls (third to sixth standards) not paid in time for want of funds during 2002-03; delayed allotment during 2003-04

3.3.29 During 2002-03, the scheme was not implemented for want of Government orders on procedural changes contemplated. Due to delayed allotment¹⁰ of funds between June 2003 and February 2004, payment of incentive of Rs 12 crore was delayed (Rs six crore for more than a year for 2002-03 and Rs six crore paid only at the end of the academic year 2003-04) defeating the scheme's objective.

3.3.30 Contrary to the Government stipulation of implementing the scheme in rural schools, incentive to the tune of Rs 3.90 lakh was paid to 554

¹⁰ June 2003: Rs three crore, January 2004: Rs four crore and February 2004: Rs five crore.

girls studying in schools situated in Town Panchayat and Municipal areas of five districts¹¹.

3.3.31 Though the objective of the scheme was to eliminate dropout among girls of third to sixth standards, Government/ Department had not issued any instructions to district offices to collect data regarding the position of dropouts in these standards among the targeted girl students. A review to be conducted after three years as contemplated in the Government order of January 2000 had not been conducted so far (May 2004).

3.3.32 Anomalies in the administrative structure of the department caused by absence of effective manpower deployment (as discussed in paragraphs 3.3.63 to 3.3.65) contributed to the above review not being taken up.

Supply of Uniforms

3.3.33 Till 2002-03, two sets of stitched uniforms were supplied every year to students studying upto eighth standard in KR schools and to boarders of hostels for BCs, MBCs and DNCs studying upto tenth standard. Due to complaints received regarding unsuitable sizes of stitched uniforms, Government ordered (September 2003) that from 2003-04 polycotton cloth would be procured based on indents placed and District Offices would arrange the stitching of the uniforms. About 19175 boarders of BC hostels, 20000 boarders of MBC/DNC hostels and 45000 students of KR schools were covered under the scheme during 2003-04. Results of review of the scheme are discussed below.

Delay in supply of uniforms

3.3.34 For 2003-04, DBC & MW and CMBC & DNC placed their indents with the Director of Handlooms (DOH) in May and June 2003. Due to delay in Government's decision taken in September 2003 (when almost half the academic year was over) and subsequent delay in receipt of cloth, distribution of uniforms to students (cost Rs 1.35 crore) was made belatedly in February 2004.

3.3.35 Against the supplies for 2003-04, SDC (KR) informed (March 2004) the CMBC & DNC that due to clerical error 90500 meters of khaki cloth and 10500 meters of blue cloth were excess. The CMBC & DNC had to retain 33800 meters of Khaki cloth for adjusting the advance payment already made (75 per cent cost of total requirement calculated). He returned the balance 56700 meters of khaki cloth and 10500 meters of blue cloth to the supplier. This resulted in procurement of khaki cloth worth Rs 14.50 lakh in advance of requirement.

3.3.36 In Vellore District, cloth for uniforms was not supplied to nine out of 28 MBC (boys:6; girls:3) hostels resulting in deprival of benefits to 271 students during 2003-04.

3.3.37 At the end of March 2003, cloth valuing Rs 0.71 lakh comprising 1818 meters of white cloth, 420 meters of khaki cloth, 363 meters of blue casement and 205 meters of half-saree, were lying in stock in

¹¹ Coimbatore: Rs 2.04 lakh to 191 students, Salem: Rs 0.40 lakh to 60 students, Thanjavur: Rs 0.37 lakh to 79 students, Madurai : Rs 0.43 lakh to 86 students and Vellore : Rs 0.76 lakh to 148 students.

Coimbatore District; no further details regarding their utilisation were on record.

3.3.38 In Madurai District, uniforms were not given to 94 out of 150 students during 2001-02 and to 56 students during 2002-03 due to shortage. During 2003-04, there was excess supply of 162 sets of stitched uniforms. Nevertheless, 234 shirts and 251 pants were lying in stock with six wardens of BC hostels undistributed.

Economic Development

3.3.39 Employment oriented trainings such as Heavy Vehicle Driver training, automobile mechanic, plastic processing machine operators, leather goods manufacture, lab technician, High level computer training etc. were conducted mostly through Government institutions and wherever such institutions are not available, through recognised private institutions. State Government incurred expenditure of Rs 12.36 crore towards various training programmes for BC/MBC/DNCs during 2000-2004. Important observations on some of the training programmes were as follows:

Job Oriented Training Programmes

3.3.40 Heavy Vehicles Driver Training (HVDT) was given through Institute of Road Transport, Chennai (IRT) and full payment was made in advance. During 1996-2001, 5515 candidates were trained under HVDT at a cost of Rs 7.89 crore (paid towards course fee) as indicated below:

Period	Targeted Number for training	Funds advanced to IRT (Rs in lakh)	Number trained
1996-97	250	-	250
1997-98	2000	191.58	1990
1998-99	205	-	180
1999-2000 ¹²	3795	596.96	3095
Total	6250	788.54	5515

Rupees 64 lakh not got refunded from IRT.

3.3.41 Out of the unutilised amount available, IRT withheld Rs 64 lakh towards arrears on account of enhancement of training fee by Rs 3200 in respect of 2000 trained candidates during 1997-98. However, Government rejected the claims of IRT and the Directorate of BC & Minorities Welfare addressed (January 2002) IRT to refund the withheld and unutilised amounts. IRT is yet (June 2004) to refund this amount of Rs 64 lakh along with the accrued interest.

Shortfall in achievement

3.3.42 There was also a shortfall in achievement under the number of candidates trained to the extent of 12 per cent (735 persons out of the targeted number of 6250) during 1996-2000.

Feedback data on employment of trainees not ascertained

3.3.43 Before continuing the HVD training further, Government desired (November 2002) to know the effectiveness of the training and the number of trainees placed in employment. Despite 5515 candidates trained at a cost of Rs 7.89 crore during 1996-2000, the actual number of trained

¹² Out of 3640 sponsored for training, 3095 joined the course; 434 did not join the course; 17 did not complete the course; 53 candidates were rejected and 58 were not admitted.

candidates who secured employment was not compiled by the Directorate. Consequently, Government discontinued the scheme.

High Level Computer Training

3.3.44 Government ordered (July 2000) training of 5000 BC/MBC/DNC candidates in High Level Computer Training course during 2000-01 and Electronics Corporation of Tamil Nadu (ELCOT) was nominated as nodal agency for training. ELCOT was paid service charges at five *per cent* of the training fees. The training was conducted through SSI Limited, Chennai in two batches (February 2001 to February 2002 and May 2001 to May 2002) at a cost of Rs 9700 per candidate.

Non-recovery of amount spent on dropouts

3.3.45 Of the 4077 candidates enrolled, 3798 completed training and the remaining 279 (seven *per cent*) dropped out of the course midway. The total expenditure of Rs 4.04 crore incurred towards this training also included expenditure of Rs 17.65 lakh on dropped out candidates. Despite the department stipulation that fees in respect of dropped out candidates would be recovered in full, even after a lapse of two years from the date of completion of training, only Rs 0.24 lakh was recovered by ELCOT from four candidates and the same was yet to be refunded to Government. Rupees 17.41 lakh were due to be recovered as of June 2004.

3.3.46 Despite expenditure of Rs 4.04 crore, Government did not obtain feedback on the number of candidates who obtained employment on the completion of the training. The benefit of the training was therefore not determined.

Role of Corporations

3.3.47 TABCEDCO and TAMCO were providing loans at low rates of interest to the targeted BC/MBC/DNCs and minorities groups for financially viable schemes by obtaining funds from the National Backward Classes Finance and Development Corporation (NBCFDC) and National Minorities Finance and Development Corporation (NMFDC). State Government's role was limited to providing share capital and extending guarantee to these corporations for obtaining loans. The corporations could not reach out to the targeted beneficiaries due to non/poor implementation of the formulated schemes. TABCEDCO was booking profit by deploying funds mobilised from national corporations in short term deposits and also had huge amounts uncollected which if ploughed back could have assisted beneficiaries as discussed in the succeeding paragraphs.

Investment of borrowed funds in short term deposits

3.3.48 Though huge funds were given by Government/National Corporations to TABCEDCO for welfare schemes it was investing huge funds in short term/long term deposits in financial institutions/nationalised banks and the interest accrued from such deposits mainly contributed to its profit, indicating the absence of concerted efforts for formulating and implementing schemes to utilise such borrowed funds for the welfare of BC/MBC/DNCs. About Rs 29.69 crore was found to have been invested and an interest of Rs 94.05 lakh was earned during 2001-04.

3.3.49 Government ordered formation of Industrial Co-operative Societies for Muslim Youth in three districts *viz.* Vellore, Coimbatore and Tirunelveli and distribution of loan to 470 members of these societies @ Rs 25000 each during 2002-03. The scheme sanctioned at a total outlay of Rs 1.17 crore had not been implemented (April 2004) though the Directorate

of Industries and Commerce and the District Collectors concerned had been requested (October 2003) to arrange the formation of Industrial Production Units/Common Service Centres by availing the services of NGOs/Trust/Other agencies and to help the beneficiaries to avail TAMCO loans through co-operative banks.

Non-establishment of industrial co-operative societies

3.3.50 Government permitted (November 2002) TAMCO to obtain Rs 2.50 crore as financial assistance from NMFDC and loan it further to 1000 Muslim youth @ Rs 25000 each during 2002-03 for self-employment under “Entrepreneurs Development Programme” (EDP). Government also sanctioned Rs 3.85 lakh for imparting seven days EDP training to one thousand beneficiaries at the cost of Rs 385 per trainee. While 745 persons were trained at a cost of Rs 2.87 lakh, only 194 trained persons were provided with loan of Rs 63.59 lakh. TAMCO attributed the poor performance to the reluctance on the part of the co-operative banks who were to provide loan beyond the first Rs 25000 in participating in the schemes, due to Government insistence (August 1999) that the banks had to pay instalments on the due dates irrespective of recoveries made from the existing beneficiaries. Government had not initiated any further action to overcome the impediment.

Poor recovery of loans

3.3.51 The Demand, Collection and Balance (DCB) statement of TABCEDCO also revealed that Rs 10.37 crore was pending recovery as of March 2004. This amount was due to be collected from Handloom Development Corporation, Co-operative banks, Fishermen Co-operatives, Fisherwomen Co-operatives, AAVIN¹³ etc. The other major defaulters are ICS Auto Societies (Rs 2.36 crore), Co-operative Banks (Rs 2.22 crore), Handloom Development Corporation (Rs 1.71 crore) and TAICO¹⁴ Bank (Rs 1.48 crore). Timely collection would enable the Corporation to assist more BC/MBCs through fresh loans.

Free supply of sewing machines

3.3.52 Government introduced (September 2001) in 2001-02 a scheme for free supply of sewing machines to 4000 persons belonging to BC/MBC/DNC. Audit scrutiny revealed 54 sewing machines were lying undistributed (for 12 to 24 months) in Madurai District, though 84 eligible persons were in the waiting list for delivery of machines as of March 2004. In two other districts¹⁵ 75 machines were lying undistributed for 12 to 24 months, as of March 2004.

Housing

Distribution of free house sites

Though 1.93 lakh free house ‘pattas’ were distributed (1981-2004) only 5000 were constructed.

3.3.53 The department is implementing a scheme of providing free sites for houses to BC/MBC/DNCs by acquiring private lands. During 1981-82 to 2003-04 about Rs 62 crore were spent under this scheme and 1.93 lakh ‘pattas’ were issued to the beneficiaries. Against this approximately 5000 houses (three *per cent*) only were constructed in the State.

¹³ Tamil Nadu Co-operative Milk Producers Federation.

¹⁴ Tamil Nadu Industrial Co-operative Bank.

¹⁵ Chennai (37) and Coimbatore (38).

3.3.54 CMBC & DNC had observed (August 2001) that (i) the DBC & MWOs did not maintain records of plots distributed and houses constructed thereon and (ii) the beneficiaries had not utilised the free sites due to lack of infrastructural facilities.

3.3.55 In response to the instruction (December 2002) of the CMBC & DNC, seeking details of distribution of free site 'pattas' and their utilisation, particulars were compiled and furnished only by 16 district officers; the remaining 12 district officers did not respond (June 2004).

3.3.56 The reports of the 16 district¹⁶ officers revealed that 4176 plots acquired during 1991-2003 at a cost of Rs 84.76 lakh were lying undistributed in 11 districts. Test-check revealed that in Coimbatore District, 409 plots acquired during 1998-2002 (cost: Rs 15.14 lakh) remained undistributed as of April 2004, but the district officer did not report this to CMBC & DNC. The utilisation of only three *per cent* of the free sites indicated inadequate monitoring and direction by the Directorates. The reason for the non-distribution in two districts was absence of conscientious efforts to identify beneficiaries (The Nilgiris) and litigation regarding distribution (Vellore).

3.3.57 According to the norms of the scheme, the beneficiaries were required to construct houses within six months from the date of allotment failing which the 'pattas' would be cancelled. Records did not indicate if such cancellation had ever been invoked. A few such cancellations may have had an impact in getting the beneficiaries to start construction.

Infrastructural facilities for housing

3.3.58 Noting that paucity of funds and lack of infrastructural facility were the main reasons for the non-construction of houses by the beneficiaries, the Department decided (December 2001) that further acquisition of lands may be stopped and instead infrastructural facilities such as roads, street lights, drinking water facilities etc., may be provided in the first phase. In the second phase, it proposed to construct houses on behalf of the beneficiaries. Accordingly, expenditure of Rs 19.77 crore was incurred for land acquisition and infrastructure till April 2004. Connected records in sample districts revealed the following:

3.3.59 Government sanctioned Rs 33.21 lakh for Madurai District in January 2002. DBC & MWO, Madurai released it belatedly to District Rural Development Agency, Madurai, in August 2002 who in turn distributed the funds belatedly in February 2003 to six Panchayat Unions for execution of works. Of this, only Rs 25.84 lakh were utilised during 2002-2004. The shortfall in utilisation was due to non-provision of street lights in six habitations as Tamil Nadu Electricity Board refused to furnish estimates for the works citing non-payment of electricity charges by the Panchayats concerned.

3.3.60 In Thanjavur District, land acquired at a cost of Rs 7.74 lakh was distributed to 62 beneficiaries belonging to different communities @ *five*

Deficiencies in utilisation of funds provided for infrastructure facilities in sample districts

¹⁶ Erode, Kanyakumari, Madurai, The Nilgiris, Perambalur, Pudukottai, Salem, Sivaganga, Thiruvarur, Thiruvannamalai, Tirunelveli, Theni, Thanjavur, Thoothukudi, Thiruvallur and Vellore.

cent per beneficiary under Samathuvapuram¹⁷ scheme. As the free ‘patta’ scheme was for distribution of plots of three cents to each of the beneficiaries belonging to BC/ MBC/DNC, distribution of bigger sized plots resulted in covering fewer beneficiaries.

3.3.61 Even though the plots acquired during earlier years were lying undistributed, 94.95 acres of lands costing Rs 21.49 lakh were acquired in two districts during 2002-04 as shown below:

District	Land acquired (acres)	Period	Cost (Rs in lakh)	Number of Plots		
				Purchased	Distributed	Undistributed
Coimbatore	13.08	March 2003	12.55	391	251	140
Madurai	81.87	2002-2004	8.94	667	172	495
Total	94.95		21.49	1058	423	635

Thus, 635 plots acquired during 2002-2004 were remaining undistributed in the two districts. No construction of houses was taken up in the assigned plots.

Manpower deployment

3.3.62 Review of manpower deployment by the department revealed the following:

Government did not take decision on streamlining of staff deployment

3.3.63 Though two separate Directorates were functioning, one for BCs and Minorities and the other for MBCs and DNCs, there was only one office at district level looking after the programmes of both the Directorates. The district office, in turn, was functioning under the control of the District Collector with staff deployed from Revenue Department. The staff in the district were subject to frequent transfers on being assigned works connected with election, drought relief etc., by District Collector. This contributed to delay in submission of required details to Directorates/Government and consequent delay in implementation of various programmes. Director BC and MW Department proposed (June 2003) to Government to bring the district offices under his control to ensure accountability, efficiency, continuity, development and retention of experienced staff. Earlier, after constitution of Staff and Expenditure Commission for reviewing the staffing and administrative expenditure of Government departments, a proposal for merger of the Directorates was also sought (March 2002) from Government by the Director of BC and MW, as most of the schemes were of similar nature. He followed up the proposals with additional details as required by Government in April 2002, February 2003 and October 2003. Government had not taken any decision on these proposals as of April 2004.

Other pending proposals on staff

3.3.64 Consequent to a review meeting of District officers in February 2002, both the Directorates submitted four proposals in March 2002 to Government requesting abolition of posts identified as unnecessary in the district offices. While two proposals seeking abolition of three posts of Special Tahsildars in three districts and abolition of 13 posts of Investigators (one each in 13 districts) involving total cost savings of Rs 20.93 lakh per annum were accepted by Government and implemented, two other proposals involving

¹⁷ A scheme under which house sites of five cents each in a area are distributed to beneficiaries of all communities with all infrastructure. Government also gave subsidy for construction of houses.

total abolition of 20 posts with a resultant savings of Rs 29.38 lakh per annum were pending with Government (June 2004).

3.3.65 Thus, the administrative structure for implementing programmes for the benefit of BCs, MBCs and DNCs was (a) not consistent with the principle of one functionary reporting to only one superior and (b) the district level functionaries and the Directorates not under the same Department of the Government.

Conclusions

3.3.66 Delay in obtaining claims from institutions resulted in belated distribution of scholarships and in pendency of claims. Distribution of uniforms, special guides and disbursement of incentive amounts to girl students were also delayed. Feedback data on securing of employment by trainees and other beneficiaries under various schemes were not obtained. Plots lying undistributed and non-construction of houses on sites distributed since 1981 by 97 per cent of beneficiaries indicate weaknesses in the department to direct and monitor the scheme appropriately.

Recommendations

- Annual requirement of funds for scholarships based on the eligible students should be worked out and allotted by October every year to ensure timely disbursement.
- Feedback regarding dropout of girl students from third to sixth standard should be collected as desired by Government to assess impact of the incentive scheme.
- Action should be taken by August each year to assess the requirements of text books, special guides, uniforms etc., so that children obtain the intended benefits in time.
- Feedback on employment of persons trained under various schemes should be obtained periodically to assess the impact of the schemes.
- Viability of providing infrastructural facilities in areas where house-site 'pattas' were distributed should be examined.
- Anomalies in the existing administration structure of the department should be addressed and rectified.

The above points were referred to Government in August 2004; reply had not been received (December 2004).

SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT

3.4 Puratchi Thalaivar MGR Nutritious Meal Programme

Highlights

Puratchi Thalaivar MGR Nutritious Meal Programme was launched in 1982 with a view to providing adequate nutrition to economically disadvantaged children of age group two to five years and was later extended to students of age up to 15 years. Audit observed (a) though fine rice was received from Government of India under National Programme of Nutritional Support to Primary Education, it was substituted by common rice, (b) Double Fortified Salt was supplied in seven goitre prone districts during 2002-04 against the recommendations of UNICEF and National Institute of Nutrition, (c) non-supply of eggs by Tamil Nadu Poultry Development Corporation during 1999-2000 and (d) shortfall in conducting of inspections during 2002-04.

➤ **Fine rice supplied (38820 MT) by Government of India free of cost for children of I to V standard during 1999-2003 was substituted by common rice.**

(Paragraphs 3.4.14 and 3.4.15)

➤ **Supply and use of Double Fortified Salt in seven goitre prone districts against the recommendations of UNICEF and National Institute of Nutrition resulted in extra expenditure of Rs 27.15 lakh during 2002-04.**

(Paragraphs 3.4.16 to 3.4.20)

➤ **Despite recommendation of the Committee on Public Accounts, measuring devices had not been provided at the Nutritious Meal Centres.**

(Paragraphs 3.4.25 to 3.4.28)

➤ **Though 23712 excess staff existed in anganwadis, they were not redeployed to Nutritious Meal Centres despite 5535 vacancies and the programme had to bear expenditure of Rs 13.06 crore on a portion of the excess staff.**

(Paragraphs 3.4.29 to 3.4.32)

Introduction

3.4.1 With a view to providing adequate nutrition to economically disadvantaged children, the Government of Tamil Nadu launched Puratchi Thalaivar MGR Nutritious Meal Programme (PTMGRNMP) with effect from 1 July 1982. Initially, noon meal was provided only to pre-school children (age group 2-5 years) and primary school children (age group 5-9 years) in rural areas. It was extended to urban areas from September 1982, to old age pensioners (OAP) from January 1983, to school students in the age group of 10-15 years from September 1984 and to pregnant women from December 1995. Under the programme, one meal during noon was provided free of cost

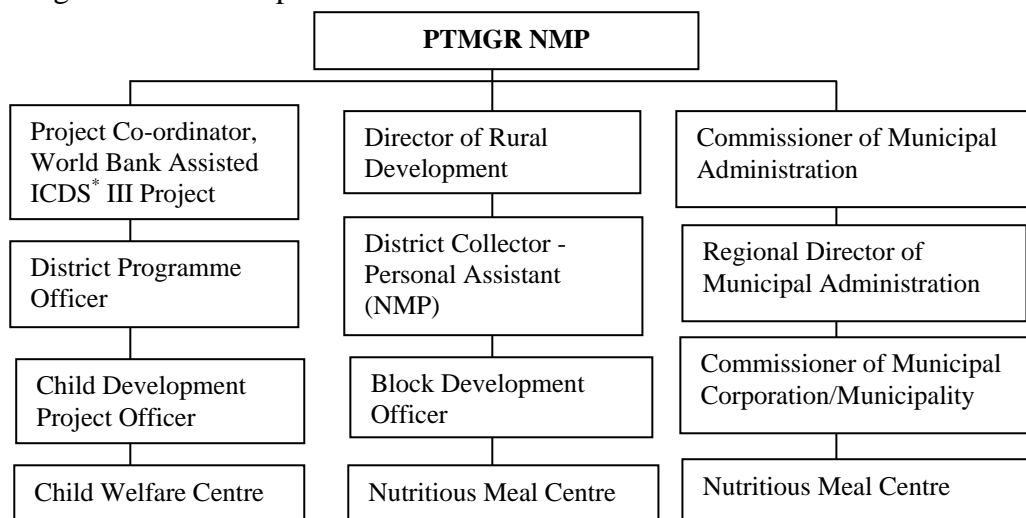
to school-going children at Nutritious Meal Centres (NMC) and to pre-school children, OAPs and other beneficiaries at Child Welfare Centres (CWC).

Programme objective

3.4.2 The programme sought to provide adequate nutrition to economically disadvantaged children with the objective of (a) combating malnutrition and (b) to act as an incentive for increasing enrolment in schools and reducing dropouts.

Organisational set up

3.4.3 At the apex level, the Secretary, Social Welfare and Nutritious Meal Programme (SW&NMP) Department implemented the programme. The organisational set up is as furnished in the chart below.



* Integrated Child Development Services

3.4.4 At the District level, the Collectors of respective districts (except Chennai city) are responsible for the implementation of the programme.

Audit objective

3.4.5 Audit objective was to examine the implementation of the programme especially with reference to ingredients supplied, staffing of NMCs and adequacy of mechanism evolved for monitoring and evaluation.

Audit coverage

3.4.6 The review was conducted between September 2003 and April 2004 in Chennai Corporation and six selected districts¹ covering the period 1999-2004. Records of Social Welfare and Nutritious Meal Programme Department, Co-operation, Food and Consumer Protection Department, four Directorates², two Commissionerates³, District Collectorates, District

¹ Coimbatore, Cuddalore, Dharmapuri, Kancheepuram, Madurai and Vellore.

² Social Welfare and Nutritious Meal Programme, Rural Development, Elementary Education and School Education.

³ Municipal Administration and Civil supplies

Programme Officers, offices of Regional Director of Municipal Administration, offices of the District Elementary Education and District Education in sample districts, office of the Project Co-ordinator, World Bank assisted ICDS Project – III, 26 Panchayat Unions, eight municipalities, three municipal corporations and 33 Project Offices of ICDS in the test checked districts and 623 NMCs and 325 CWCs were perused. In addition, particulars were also obtained from the Head Office as well as Regional Offices of Tamil Nadu Civil Supplies Corporation (TNCSC).

Financial Management

3.4.7 The department-wise expenditure *vis-à-vis* the final modified grant (FMG) during the years 1999-2004 is tabulated below.

(Rupees in crore)

Name of the Department	Final Modified Grant	Expenditure
Rural Development	848.81	873.95
Social Welfare and Nutritious Meal Programme	415.06	399.28
Co-operation, Food and Consumer Protection	541.14	480.67
Municipal Administration	44.92	40.50
Total	1849.93	1794.40

3.4.8 Based on indents of the centres, TNCSC supplied rice, *dhall*, Bengal gram, green gram, salt and oil. District Collectors were authorised to make payment to the Regional Offices of TNCSC for the food commodities supplied to the centres at the economic cost fixed by the Government/TNCSC. They were also authorised (February 2001 and January 2002) to release quarterly advance grant to Panchayat Unions for payment of honorarium to NMC workers, contingent charges (Rs 20 / Rs 30 per month where number of beneficiaries is less than 500/more than 500) and feeding charges for the children towards cost of vegetables, condiments and fuel.

Programme implementation

Data of the Programme

3.4.9 The number of centres and beneficiaries during 1999-2004 are depicted below:

Year	Number of Centres		Number of Beneficiaries	
	Child Welfare Centres	School Nutritious Meal Centres	Child Welfare Centres	School Nutritious Meal Centres
1999-2000	29723	39807	1144538	6463957
2000-01	30701	40437	1425969	6389589
2001-02	30664	41057	1364493	6460223
2002-03	30638	41012	1275998	6491662
2003-04	30639	41118	1303161	6504642

3.4.10 Audit noticed non-supply of commodities, diversion of fine rice supplied by Government of India (GOI), supply of Double Fortified Salt against the recommendations of UNICEF and non-implementation of recommendations of Committee on Public Accounts (PAC) as discussed in the succeeding paragraphs.

Non-supply of *dhall* and eggs

Dhall and eggs were not supplied depriving the prescribed nutrition to children

3.4.11 The programme envisaged supply of *dhall* of ten grams per day to two to five age group and 15 grams to other beneficiaries. However, it was noticed that during 1999-2004, *dhall* was not supplied to beneficiaries in Dharmapuri, Madurai, Vellore and Kancheepuram districts as depicted below:

Sl. No.	District	<i>Dhall</i> was not supplied		
		NMC	Number of days	Number of feeds without <i>dhall</i> (in lakh)
1.	Madurai (3 Blocks)	29	803	2.82
2.	Vellore (3 Blocks)	16	363	0.83
3.	Kancheepuram (2 Blocks)	37	1771	1.27
4.	Dharmapuri (5 Blocks)	75	3142	2.87

3.4.12 Due to non-supply of *dhall* the beneficiaries were deprived of its protein value.

3.4.13 District Collector, Vellore, entered (November 1999) into an agreement with a poultry farm in Vellore, for supply of eggs to centres for the period November 1999-October 2000 at Rs 1.12 per egg. The contractor did not supply eggs to one to 18 Blocks for one to three weeks between November 1999 and February 2000 and stopped supply of eggs from fourth week of February 2000 to all the 20 Blocks. The District Collector procured eggs locally and supplied to centres from March 2000. The extra expenditure for March and April 2000 worked out to Rs 5.56 lakh. Though the agreement with the contractor stipulated that in case of non-supply of eggs, the Collector could procure them from the open market and the additional cost, if any, would be borne by the contractor, the Collector did not enforce this condition. The Collector merely retained the security deposit of Rs one lakh of the contractor and black listed him.

➤ In Dharmapuri District, the extra expenditure for the period March-April 2000 worked to Rs 6.92 lakh.

➤ Similarly, in Cuddalore District, eggs were not supplied during third and fourth week of February 2000 and the first week of March 2000, depriving 1.36 lakh to 2.70 lakh beneficiaries. The non-supply of eggs has resulted in deprivation of nutrition to the beneficiaries.

Diversion of free fine rice supplied under National Programme of Nutritional Support to Primary Education (NP-NSPE)

3.4.14 GOI supplied fine rice @ 100 grams per beneficiary per school day for children in I to V standard for ten months in an academic year. In ten out of 29 Regions of TNCSC, while fine rice (77878.058 MT) was lifted from Food Corporation of India (FCI) under the above programme, BR Common rice (inferior to fine rice) was substituted to the extent of 38820.305 MT during 1999-2003.

3.4.15 Due to the above substitution children were fed with rice of inferior quality during 1999-2003. Further, the State Government gained to the extent of Rs 6.81 crore on 20355.742 MT of fine rice substituted during 1999-2000 in the ten Regions of TNCSC as the rates of reimbursement for fine rice was more than that of common rice supplied by TNCSC in 1999-

2000⁴. TNCSC stated (September 2004) that the fine rice, so substituted, was diverted to Public Distribution System (PDS).

Supply and use of Double Fortified Salt against the recommendations of National Institute of Nutrition and UNICEF

Supply of DFS was made against the recommendations of UNICEF and NIN

3.4.16 Government started supplying Double Fortified Salt (DFS) containing iron and iodine in seven goitre prone districts⁵ under the scheme from May 2002 onwards. Prior to this, Government had solicited the opinion of UNICEF and National Institute of Nutrition (NIN), Hyderabad on supply and use of DFS.

3.4.17 Project Officer (Health and Nutrition), UNICEF stated (November 2001) that iron supplementation through DFS was insignificant when considering the amount of iron finally reaching the child and recommended (November 2001) supply of iodised salt throughout the State in preference to supply of DFS or Iron Fortified Salt.

3.4.18 NIN also advised (January 2002) against DFS being used as a public health measure to combat Iodine deficiency disorders and Iron-deficiency Anaemia. They also recommended the use of iodised salt along with supplementation of Iron Folic Acid (IFA) tablets till the efficacy of DFS was established.

3.4.19 In spite of the above observations, State Government ordered (May 2002) supply of DFS to seven goitre prone districts.

3.4.20 While procurement and supply of DFS to centres was not warranted as it was not recommended by NIN or UNICEF, it also resulted in extra expenditure of Rs 27.15 lakh⁶ on procurement of 810.50 MT of DFS between April 2002 and March 2004.

Extra expenditure due to re-tendering for purchase of eggs

3.4.21 To improve nutritional status of children covered under the programme, the Government augmented the scheme with supply of eggs once in a fortnight from June 1989 and once a week from June 1998. Commissioner of Social Welfare (CSW) called for tenders (March 1999) for supply of eggs to Nutritious Meal Centres for each district of the State for the year 1999-2000. The contract was awarded (March 1999) to the lowest bidder, Tamil Nadu Poultry Development Corporation (TAPCO) for supply of eggs till March 2000 to 26 districts and two Corporations⁷ at rates varying from Rs 1.11 to Rs 1.26 per egg. The District Collectors were (March 1999) to execute the agreement with TAPCO and pay for the supplies made by TAPCO.

3.4.22 TAPCO had an accumulated loss of Rs 4.24 crore till the end of March 1998 against a paid up capital of Rs 1.27 crore. A committee set up by

⁴ The gain of Rs 6.81 crore has been calculated with reference to the difference in price at which GOI reimburses FCI for supply of fine rice and the price of common rice charged by TNCSC. Such gain has not been calculated for other years because the latter price was higher.

⁵ Coimbatore, Karur, Namakkal, The Nilgiris, Perambalur, Salem and Tiruchirappalli.

⁶ Calculated on the basis of prices of Iodised Salt (Rs 2150/MT) and DFS (Rs 5500/MT) effective from April 2001 as notified by Government.

⁷ Chennai and Madurai.

the Government in January 1997 had recommended its closure and Animal Husbandry and Fisheries Department issued an order accepting this in April 1999. In this background, the decision of the CSW to award the contract to TAPCO was ill conceived.

3.4.23 TAPCO supplied eggs during April and May 1999 and expressed (May 1999) their inability to supply eggs thereafter as their own suppliers failed. The District Collectors purchased the eggs locally between 30 May 1999 and 7 November 1999 at rates in the range of Rs 1.10 to Rs 1.40 per egg as instructed by CSW. The CSW identified (October 1999) suppliers through a fresh tender for supply of eggs from 8 November 1999 onwards. The Government issued orders (January 2000) terminating the contract with TAPCO retrospectively with effect from 29 May 1999.

3.4.24 Government provided (April 1999) Rs one crore as ways and means advance to TAPCO for procurement and supply of eggs. TAPCO returned (May 1999) Rs 50 lakh and adjusted (July and August 1999) Rs 25.85 lakh towards service charges for supervising the supply of eggs for 1998-99 (Rs 18.22 lakh) and supply of eggs to NMCs in Chennai Corporation (Rs 7.63 lakh). The remaining amount of Rs 24.15 lakh, was neither refunded nor adjusted by TAPCO as of March 2004.

Recommendations of Committee on Public Accounts not implemented

Recommendations of PAC were not acted upon

3.4.25 Supply of weights and measures to centres were discussed in the Report of the Comptroller and Auditor General of India (Civil) – Government of Tamil Nadu for the years 1983-84 and 1994-95. PAC in its 54th Report (12th Assembly) presented to the Assembly on 22 April 2002 stated that it was distressed to note that its recommendations issued in 1987 regarding the necessity of providing measuring devices at NMP centres had not been acted upon by the department even after a lapse of 12 years. The Committee viewed the delay seriously.

3.4.26 Government in SW&NMP Department stated (September and December 2004) that Finance Department did not agree to their repeated proposals (2001-03) of providing weights and measures due to financial constraints.

3.4.27 Considering that the average annual expenditure on the scheme is about Rs 360 crore and the benefit of weighing the food ingredients at the time of their delivery to the centres, the expenditure on weights and measures would appear to be well deserved.

3.4.28 In this context, Audit noted that shortages in supply by TNCSC had been reported from time to time by some District Collectors. Government had also noted (February and June 2002) that short supplies get covered up because the number of children actually fed is less than the strength reported.

Other points of interest

Posts of organisers, cooks and helpers in NMCs not filled up with the surplus staff in CWCs

Surplus staff in ICDS centres were not re-deployed to NMCs and CWCs

3.4.29 One hundred eleven projects (67 rural; 42 urban and two tribal projects) were being implemented under Integrated Child Development Services (ICDS) scheme during 1997-98. Of these 47 projects were assisted by Swedish International Development Authority (SIDA) up to June 1998.

The staffing pattern at each centre under SIDA-ICDS consisted, among others, of two Anganwadi Workers (AWW) and two Anganwadi Helpers (AWH). These centres were merged with General ICDS on completion of the project period. With effect from 31 December 1997, the World Bank Assisted (WBA) Tamil Nadu Integrated Nutrition Project II (TINP), implemented in 318 Blocks, was closed and the CWCs under TINP II were taken over under WBA-ICDS III.

3.4.30 Government ordered that the staffing pattern in the CWCs would be one AWW and AWH with effect from January 1998. As a result about 40000 AWWs/AWHs working in WBA-ICDS III and erstwhile SIDA-ICDS were rendered surplus. Government further ordered (February 1998) that a seniority list of surplus workers/helpers in each district should be maintained in order to facilitate their redeployment in NMP centres. While the expenditure on surplus staff in WBA-ICDS III Project was met from that project, the pay and allowances of surplus staff under the erstwhile SIDA-ICDS were borne under NMP up to 2003-04. This expenditure worked out to Rs 13.06 crore⁸ (approximately) for 2002-03 and 2003-04.

3.4.31 According to DRD the vacancy position of organisers, cooks and helpers in NMP centres as on 31 March 2004 was as follows:

Sl No.	Name of the post	Number of posts sanctioned	Total vacancy	Percentage of vacancy
1	Organiser	39279	744	2
2	Cook	39947	1942	5
3	Helper	39914	2849	7
Total		119140	5535	5

The Commissioner of Municipal Administration (CMA) did not furnish the details of the vacancies in centres under his control.

3.4.32 As per the details furnished by the Project Coordinator, World Bank Assisted ICDS Project, as on 31 March 2004 the surplus staff was 23712 comprising 13920 Anganwadi workers and 9792 Anganwadi helpers. Thus, on one hand the benefit of redeployment of excess staff of Anganwadi centres in NMCs has not been fully realised, while on the other, substantial expenditure was incurred till March 2004 on surplus staff from the NMP scheme funds.

Monitoring

Constitution of Monitoring Committee

3.4.33 Government ordered (March 2002) the formation of Monitoring Committee in every school to ensure that rice, *dhall*, oil, vegetables, etc. are issued in correct quantity with reference to actual number of students consuming noon meal and also to ensure quality of meals served to the students.

School level monitoring committees did not carry out the functions assigned to them

Year	Number of surplus staff		Expenditure (Rupees in crore)
	AWW	AWH	
2002-03	2816	3181	5.98
2003-04	3004	3839	7.08
Total			13.06

3.4.34 Each committee was to comprise of four members including Headmaster of the concerned school and representative from the Parent-Teachers Association.

3.4.35 It was, however, seen in the sample districts that though the committees were formed, there was no evidence to show that the committees have carried out the functions assigned. Thus, the objective of forming the Monitoring Committee was not fulfilled.

Shortfall in inspection

Shortfall in quantum of inspection by PAs (NMP) to Collectors was noticed

3.4.36 To check over-reporting of number of students consuming meals at NMP centres, Government instructed (December 1986) that the Personal Assistant (PA) (NMP) to inspect 20 centres per month during feeding time. However, it was noticed that during 2002-04, inspections were not conducted by PA (NMP) in Kancheepuram (three months), Cuddalore (two months), Vellore (one month), Dharmapuri (four months) and Madurai (five months).

3.4.37 The following deficiencies were noticed in the inspections conducted.

- In ten districts⁹ the concerned PA (NMP) visited only seven to 18 centres during January 2000 as against the monthly target of 20 centres.
- Inspection of centres during August 2001 by PA (NMP) in nine districts¹⁰ averaged 14 (against 20) and varied between eight and 18.

Inspection by BDOs

3.4.38 The Block Development Officers (BDOs) are required to conduct ten inspections per month. The inspections conducted by BDOs in Vellore, Cuddalore and Madurai districts during 2002-2004 revealed shortfall as follows:

District	No. of Blocks	2002-03		2003-04	
		No. of months in which inspections were			
		Not conducted	Conducted in 1 to 4 centres	Not conducted	Conducted in 1 to 4 centres
Vellore	5	17	11	11	5
Cuddalore	4	3	8	3	7
Madurai	2	2	13	7	12
Total	11	22	32	21	24

The shortfall reflected above indicates inadequate monitoring.

Evaluation

3.4.39 Union Planning Commission suggested (February 2002) a comprehensive evaluation of the Midday Meal Scheme with special reference to literacy, school enrolment and retention. Though this evaluation was entrusted to Directorate of Economics and Statistics in April 2002, it has not been taken up so far (June 2004).

⁹ Kancheepuram, Madurai, Namakkal, Salem, Thanjavur, Thiruvarur, Tiruchirappalli, Tiruvannamalai, Tuticorin and Villupuram

¹⁰ Kancheepuram, The Nilgiris, Perambalur, Tiruvannamalai, Thiruvarur, Tuticorin, Vellore, Villupuram and Virudhunagar

Conclusions

3.4.40 The review indicates that there were deficiencies in the implementation of the scheme. These include non-supply of *dhall* and eggs during some periods, substitution of common rice in place of fine rice, non-supply of weights and measures to centres and vacancies in NMCs despite excess staff in anganwadis.

Recommendations

- Monitoring of inspections of centres should be carried out as per targets assigned.
- Evaluation of the scheme is to be conducted to improve the effectiveness of implementation.
- PAC recommendations regarding supply of weights and measures to centres should be acted upon urgently.

The above points were referred to Government in August 2004; Government generally accepted the facts (September – December 2004).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5 Review on Indian Systems of Medicine and Homoeopathy

Highlights

The Government of Tamil Nadu took initiatives to encourage Indian Systems of Medicine with the objective of popularising them and to bring out their benefits. However, the Indian Medicine and Homoeopathy Department did not maintain any statistics to prove their effectiveness in treatment of diseases. The vacancies in the posts of Assistant Medical Officers resulted in shortfall in providing services. Against 9604 in-patients admitted in Arignar Anna Government Hospital of Indian Medicines, Chennai, during 1999-2004, 4465 (46 per cent) patients either abandoned the treatment or got discharged against medical advice. Four Research Units established in the above hospital for cancer and AIDS, diabetes, infertility and fracture did not carry out any research activities due to lack of modern machineries/ equipments and staff. Grants from Government of India for procurement of equipments for Drug Testing Laboratory was utilised only partially.

➤ **Out of Rs 60 lakh released by Government of India as grant for procurement of equipments for Drug Testing Laboratory Rs 27.88 lakh were not utilised.**

(Paragraphs 3.5.8 to 3.5.10)

➤ **The statistical data available with the Department only indicated the number of visits by patients and no data was available to prove the effectiveness of the Indian Systems of Medicines in treating diseases.**

(Paragraph 3.5.16)

➤ **Out of 9604 patients admitted in the in-patient ward in Arignar Anna Government Hospital of Indian Medicines, Chennai, during 1999-2004, 4465 patients either abandoned the treatment or got discharged against medical advice.**

(Paragraph 3.5.18)

➤ **The attendance of Assistant Medical Officers was less than 15 days in a month in 56 per cent and 68 per cent of the months in Thiruvannamalai and Nagapattinam Districts respectively during the five years from 1999 to 2003.**

(Paragraph 3.5.22)

➤ **The four Research Units established in Arignar Anna Government Hospital of Indian Medicines, Chennai, did not carry out any research activity due to lack of modern equipments and staff.**

(Paragraphs 3.5.25 and 3.5.26)

➤ **A Regional Pharmacy (at Thirumayam, Pudukottai District) was defunct from April 2002 but Rs 11.59 lakh was spent towards staff of the defunct pharmacy.**

(Paragraph 3.5.30)

Introduction

3.5.1 With a view to encourage traditional systems of medicines, Government of Tamil Nadu (GTN), set up the Directorate of Indian Medicine and Homoeopathy (DIMH) in 1970, by separating it from Directorate of Medical Education. DIMH was expected to encourage Indian Systems of Medicines (ISM) comprising Siddha, Unani and Ayurveda with special emphasis on development of Siddha system, which is indigenous to and an integral part of Tamil culture.

Objectives of the Department

3.5.2 The functions of the Department included:

- providing health care in district/taluk/non-taluk hospitals and primary health centres (PHC) through wings of Siddha, Ayurveda, Unani, Homoeopathy, Naturopathy and Yoga;
- research, production, standardisation and quality control of herbs and drugs and
- teaching in Under Graduate and Post Graduate courses.

Organisational set up

3.5.3 The Department of Indian Medicine and Homoeopathy (IMH) is under the administrative control of Secretary, Health and Family Welfare (HFW) Department and headed by a Commissioner of Indian Medicine and Homoeopathy (CIMH). The State (except Chennai) has been divided into 22 districts, each headed by a District Siddha Medical Officer (DSMO), assisted by Assistant Medical Officers (AMO) of 704 IMH wings of hospitals (373) and PHCs (331). Arignar Anna Government Hospital of Indian Medicine (AAGHIM), Chennai, is the referral hospital for ISM. One National Institute of Siddha (NIS) was formed in January 1999. Tamil Nadu Board of Indian Medicines, Tamil Nadu Siddha Medical Council, Tamil Nadu Homoeopathy Council and Tamil Nadu Medicinal Plants Board were established for development of ISM and Homoeopathy.

Audit objectives

3.5.4 A review of the working of Department of IMH was conducted with a view to ascertaining:

- the achievement of the Government in popularising the ISM;
- effectiveness and quality of services rendered by the Department and
- sufficiency of manpower and infrastructure facilities.

Audit coverage

3.5.5 The review was conducted in the Health and Family Welfare Department of Secretariat, Commissionerate of Indian Medicine and Homoeopathy, AAGHIM, Chennai and its attached dispensaries (Siddha:

seven and Homoeopathy: four), three¹ Colleges in Chennai and DSMOs and IMH wings in four districts viz. Kancheepuram, Thiruvannamalai, Thanjavur and Nagapattinam from February 2004 to July 2004 and covering records pertaining to 1999-2004. Records of the Boards/Councils stated in paragraph 3.5.3 above were also reviewed.

Financial Management

3.5.6 The Budget allocation and expenditure of the Department during 1999-2004 were as follows:

(Rupees in crore)

Year	Plan		Non- Plan		Total		Savings	Percentage
	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure		
1999-2000	5.89	5.92	30.36	27.75	36.25	33.67	2.58	7
2000-01	6.94	6.82	32.85	28.51	39.79	35.33	4.46	11
2001-02	9.93	7.64	35.35	30.25	45.28	37.89	7.39	16
2002-03	7.93	7.97	34.67	31.10	42.61	39.07	3.54	8
2003-04	16.31	14.13	36.40	32.81	52.71	46.94	5.77	11
Total	47.01	42.47	169.63	150.43	216.64	192.90	23.70	11

3.5.7 Government of India (GOI) released grants amounting to Rs 5.30 crore during 1999-2004 (vide details in Appendix XXVII). The deficiencies noticed in utilisation of the grants are discussed in the succeeding paragraphs.

Utilisation of GOI grant for strengthening of DTL

GOI grant, Rs 27.88 lakh, towards procurement of equipment and Rs ten lakh for manpower for DTL was not utilised.

3.5.8 GOI sanctioned (March 2001) Rs 85 lakh and released Rs 50 lakh in March 2001 by Demand Draft to CIMH and Rs 35 lakh in March 2003 for strengthening of Drug Testing Laboratory (DTL) in AAGHIM. The grant included Rs 60 lakh for equipments and Rs ten lakh for manpower.

3.5.9 The CIMH placed (December 2001) orders for purchase of equipments on Hospital Services Consultancy Corporation (India) Ltd., (HSCC) a GOI undertaking, on the advise of GOI, but did not negotiate a time schedule for supply of equipments though 100 *per cent* advance payment of Rs 31.63 lakh was made in March 2002. The HSCC supplied three equipments (Total cost: Rs 2.75 lakh) in October/November 2002 and another three equipments (cost: Rs 26.91 lakh) in March 2004. For the only equipment pending supply, UV/Visible Spectrometer, the HSCC demanded (November 2003) additional payment of Rs 4.72 lakh towards special customs duty (Rs 1.74 lakh) and exchange rate fluctuation (Rs 2.98 lakh). These amounts were not paid as of June 2004. Out of the six equipments supplied so far, one autoclave (cost: Rs 2.51 lakh) supplied in November 2002 and one HPTLC² (cost Rs 17.57 lakh) supplied in March 2004 had not been installed so far (September 2004). The Superintendent, AAGHIM stated (September 2004) that the supplier had not installed the autoclave inspite of several reminders and as regards HPTLC, action was being taken for purchase of nitrogen cylinder for which the Government order was got revalidated in July 2004.

¹ Government Siddha Medical College, Government Unani Medical College and Government Naturopathy and Yoga College.

² High Pressure Thin Layer Chromatograph.

3.5.10 The delay in receipt of equipment could have been mitigated had CIMH entered into an agreement stipulating a time frame for supply with an appropriate clause for levy of liquidated damages. From the equipment/consumables component of Rs 34 lakh out of the Rs 50 lakh released by GOI in March 2001 the CIMH utilised Rs 32.12 lakh only as of September 2004. Out of the Rs 35 lakh received from GOI in March 2003, GTN released the equipment component of Rs 26 lakh to CIMH belatedly in March 2004 which remained unutilised (September 2004). Thus, Rs 27.88 lakh remained unutilised for more than a year.

3.5.11 The GOI grant of Rs ten lakh earmarked for engaging contractual manpower, remains unutilised as the State Government rejected (August 2002) the proposals of CIMH for creation of regular posts. The subsequent proposal (August 2004) of CIMH for posting of personnel on consolidated pay was pending with Government (September 2004). CIMH placed (June 2003) an Assistant Lecturer of Government Siddha Medical College (GSMC), Chennai in charge of DTL and two analyst diverted from DTL (Allopathy) joined the Laboratory in September 2003. As of June 2004 the DTL was engaged only in testing of samples of 15 raw drugs supplied by Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited (TAMPCOL) to AAGHIM pharmacy, for which alone pharmacopoeia specifications were available. No finished product was being tested. Thus, GOI grants to strengthen the DTL have been utilised only partially.

Non-utilisation of Computer Laboratory established with GOI Grant

Computer laboratory established with GOI grant was not used for the intended purposes for more than a year.

3.5.12 GOI released (March 2001) Rs ten lakh to GSMC for procuring Personal Computers (PC), LCD Projector and providing internet facility to enable the college and its students to update their knowledge on growth and development in the field of traditional and modern medicine in India and abroad. The Principal utilised (March 2002) Rs 8.22 lakh for purchase of the above equipments and refunded Rs 1.78 lakh (July 2003). The computers were installed in September 2002 and the Projector was received in March 2003. Though GOI had stated (January 2001) that necessary guidelines for use of the computer laboratory by faculty and students would be issued in due course they had not been received (June 2004). The Principal addressed (June 2004) GOI for the guidelines and called for application from students for basic computer training programme only after Audit pointed out (June 2004) the low levels of utilisation of the five PCs. This clearly indicates that the College did not make any effort to ensure optimum use of the PCs. Further, no records were produced to Audit to prove that the LCD projector was being put to the intended use.

Operational performance

Provision of health care

3.5.13 Poor outpatient services, inadequate in-patient services, shortfall in services, non-creation of posts and delay in commissioning of new wings were noticed in Audit as discussed in succeeding paragraphs.

Out-patient Services

3.5.14 Services to patients are being delivered by the 704 wings of ISM and Homoeopathy. The census of out-patients (OP) and in-patients (IP) treated by the IMH wings in the State during 1999-2003 (calendar years) was as follows:

(Number in thousands)

Type	1999		2000		2001		2002		2003	
	Old	New	Old	New	Old	New	Old	New	Old	New
OP	6246	2585	6491	2589	7354	3246	9057	3826	10761	4593
IP	127	11	138	10	128	9	149	12	169	14

New: the number of patients who were seen by AMOs for the first time

Old: the number of subsequent visits all such patients make to the hospital for continued treatment

The Department did not have any data to indicate the effectiveness of its services.

3.5.15 The IPs were earlier attended to in OP Department and hence included in OP census also. On admission as IP, the OP census should have been decreased accordingly to show the correct number of OP and IP. The non-deletion of IPs from OP boosted the OPs census.

3.5.16 In respect of old cases, the department have details only of number of visits by patients and not for number of patients treated. The Department did not also have any statistical data to indicate the effectiveness of its services. CIMH stated (June 2004) that in as much as the department did not do research activities, such statistics were not being collected. This reply is not tenable as popularising IMH envisaged in Tenth Five Year Plan would require documentation of the effectiveness of ISM to make it fact-based. Therefore, the CIMH's stand was not in keeping with the Plan's objectives.

In-patient services

3.5.17 The Department has IP wards in 22 districts for various systems with 965 beds. There was no IP ward for any ISM in six districts viz. The Nilgiris, Perambalur, Pudukottai, Theni, Thiruvallur and Thiruvannamalai. When Audit required (May 2004) details regarding staff provided, services to be provided in IP ward and infrastructure facilities available in wards in the State, CIMH called for the details from field offices. The absence of this important information with CIMH indicated lack of monitoring. The information collected by CIMH indicated that the following single posts in some units had been lying vacant during 1999-2004. These included Male and Female Nursing Attendants in seven District Headquarter Hospitals (DHHs)³; Male Nursing Attendant at DHH, Villupuram and Masseur at non-taluk hospital, Kadayanallur and DHH, Thoothukudi.

Forty six per cent of in-patients did not complete the treatment in AAGHIM; they either abandoned it or got discharged against medical advice.

3.5.18 AAGHIM, Chennai, has IP facilities for Siddha, Ayurveda and Unani. Of the 9604 IPs treated during 1999-2004, 4465 (46 per cent) did not complete the treatment vide details furnished below:

(In numbers)

System	Abandoned	PLT	AR	Total
Siddha	829	961	121	1911
Ayurveda	333	534	50	917
Unani	709	772	156	1637
Total	1871(19)	2267(24)	327(3)	4465(46)

PLT: Patient left treatment against medical advice; AR: Discharged at request of the patient. Figures in brackets indicate percentage to total number of IPs.

³ Namakkal, Virudhunagar, Kumbakonam, Thiruvarur, Karur, Mettur Dam and Sivaganga.

3.5.19 The Superintendent (June 2004) attributed abandonment of treatment by patients to the lengthy nature of treatment in ISM *vis-à-vis* Allopathy.

Medical records were not maintained properly and no discharge summary was prepared and issued to patients.

3.5.20 The medical records are important documents not only during the IP's stay in the Hospital, but also for future reference for later medical treatment. The procedures prescribe, giving to the patient a discharge summary, signed by the Medical Officer (MO), that should include the patient's condition at the time of discharge and MO's advice to the patient. Despite its importance, the records were not properly maintained as the relevant entries were either not made or entered illegibly. Also, in none of the cases, the discharge summary was prepared and issued to the patients. The Superintendent admitted (June 2004) the above deficiency and assured corrective action.

Though an in-patient ward was opened in DHH, Kumbakonam only OP services were provided due to non-provision of staff.

3.5.21 The IP ward at DHH, Kumbakonam, Thanjavur District, was established at a cost of Rs 21.64 lakh with 16 beds and was opened in December 1999. However, the first patient was admitted only in July 2003 and it treated 64 patients up to December 2003 (Siddha: 4, Ayurveda: 45 and Homoeopathy: 15). According to DSMO (April 2004), no separate staff for IP ward was provided and hence, no services except that of OP treatment was provided.

Shortfall in services due to non-attendance of AMOs

The attendance of AMOs was less than 15 days in a month in two sample districts in 56 to 68 per cent of the months.

3.5.22 During 1999 to 2003, out of 18 posts of AMOs sanctioned for Nagapattinam District three to nine posts were vacant and in Thiruvannamalai District eight to 17 posts were vacant out of 23 posts. The vacancies necessitated deputing available AMOs from their parent wing to vacant wings for some days every week. The arrangement led to AMO's attendance being less than 15 days a month at both the parent and the vacant wings. Such shortfall in services due to diversion of AMOs from parent wing during the five years 1999-2003 was 56 per cent in respect of 14 units in Thiruvannamalai District and 68 per cent in respect of 14 units in Nagapattinam District.

Non-creation of posts of Pharmacist in the newly opened wings

3.5.23 Government sanctioned only the posts of AMOs in respect of 89 wings newly opened in October 2003 (Siddha wing: 80; Unani wing: 6 and Ayurveda wing: 3) and directed (June 2002) the CIMH to use the services of pharmacists of Allopathy wings for vending of medicines after giving them training in ISM and on payment of additional allowance of Rs 1000 per month. As the pharmacists approached the High Court against the above orders, this arrangement did not work in the sample districts. As a result, the AMOs themselves were forced to distribute the medicines in addition to attending on patients. The CIMH did not furnish information on the working of the above arrangements in other districts.

Research and quality control

Classification of diseases

3.5.24 IMH wings classify the diseases treated by them into 53 Siddha, 24 Ayurveda, 20 Unani and 25 Homoeopathy categories; the last category in all the systems is 'other diseases'. The disease-wise statistics of the wings showed that upto 76 per cent of the OP cases were classified under the 'other diseases'. This indicates that the categorisation required a revision,

so as to make the classification more meaningful. The CIMH stated (July 2004) that the diseases could not be codified, as classification may differ from place to place. This reply was not tenable because diseases have to be classified with reference to their cause and/or treatment, which do not depend on geographical location. Further, more detailed codification of diseases would help to formulate strategy for treating and containing such diseases.

Functioning of Research Units

3.5.25 The Department has four Research Units (RU) at AAGHIM for cancer and AIDS, diabetes, infertility and fracture and one at GSMC Hospital, Palayamkottai for cancer and AIDS.

The four RUs established at AAGHIM did not do any research work due to dearth of modern equipment and staff.

3.5.26 The RUs at AAGHIM were formed in 1993 (one unit) and in 1997 (three units) with sanction for five posts (one Laboratory Technician, one Plaster Technician and three Hospital Servants). The Superintendent, AAGHIM stated (May 2004), that no research could be carried out due to lack of facilities like modern machinery/equipment to carry out tests, required number of staff etc. As such the RUs established did not serve the purpose.

No medical audit was being conducted though the department was formed as far back as 1970.

Absence of medical audit for quality control

3.5.27 The technical aspects of the treatment can be scrutinised only by technical personnel through medical audit. This is required as a quality control measure to ensure efficiency of the personnel and effectiveness of the services. This also assumes significance in the absence of a timeframe for curing diseases. However, no medical audit has been conducted though the department was formed as far back as 1970. CIMH stated (April 2004) that this matter would be discussed in the subsequent meeting of DSMOs.

Functioning of pharmacies engaged in production of drugs

Norms for Good Manufacturing Practices not fulfilled

The pharmacy in AAGHIM did not obtain certificate of Good Manufacturing Practices as required under Drugs and Cosmetics Rules, 1945.

3.5.28 GOI, by an amendment to Drugs and Cosmetics Rules, 1945, introduced (June 2000) Good Manufacturing Practices (GMP) for manufacture of Siddha, Ayurveda and Unani medicines to ensure that the drugs were of acceptable quality. In case of existing manufacturing units, these amendments came into force with effect from June 2002. Rule 157-B of Drugs and Cosmetics Rules, 1945, required the manufacturing units to obtain a certificate of GMP (valid for two years) from the licensing authority for ISM&H.

3.5.29 There are four⁴ pharmacies for production of drugs under ISM in the State. Out of these GMP certificates have not been obtained so far (June 2004) by the pharmacies in the AAGHIM, Chennai and GSMC, Palayamkottai as re-organisation for complying with GMP norms have not been completed. The Regional pharmacies at Vannarpettai (Tirunelveli) and Thirumayam (Pudukottai) were under closure. Thus, the intention of GOI in introduction of GMP has not been fulfilled though about 72692 kg of medicines are being prepared and administered every year to patients.

⁴ AAGHIM, Chennai; GSMC, Palayamkottai; Regional Pharmacies at Vannarpettai (Tirunelveli) and Thirumayam (Pudukottai).

Infructuous expenditure on staff of defunct pharmacy

There was infructuous expenditure of Rs 11.59 lakh towards idle staff of a defunct pharmacy at Thirumaiyam, Pudukottai District.

3.5.30 The Regional Pharmacy (RP) was functioning at Thirumayam (Pudukottai District) with a strength of one Medical Officer, one Pharmacy Supervisor, seven Pharmacy Attendants, one Watchman and one Junior Assistant. The Medical Officer (MO) recommended the closure of RP to CIMH, due to its remote location, absence of proper power supply, financial non-viability and irregularities of staff. The RP did not function from April 2002 and the stock of raw drugs was transferred to AAGHIM Pharmacy in August and September 2002. The machineries (cost: Rs 6.33 lakh) were lying idle for the past two years. Though the pharmacy was defunct, CIMH has obtained Government's sanction for extension of the posts up to June 2005. While all the other posts became vacant between September 2001 and May 2003, the posts of Junior Assistant and six Pharmacy Attendants were continued to be operated (June 2004). The expenditure on establishment during 2002-04, Rs 11.59 lakh, was infructuous and the staff could have been utilised elsewhere.

Ambulance available with AAGHIM not put to intended use

Ambulance with AAGHIM was used entirely for other purposes.

3.5.31 Only one ambulance was available under ISM in the State. The AAGHIM was allotted this ambulance in September 1987 and it had covered 22936 km between April 1999 and April 2004. The ambulance was used for trips of officials to Secretariat, movement of stores/medicines etc. and was used for moving patient only once for a distance of 23 km. The hospital has another vehicle for transportation of material. The use of the ambulance entirely for other purposes indicated that the hospital did not require an ambulance at all.

Conclusions

3.5.32 In spite of the efforts taken by the GTN and assistance extended by GOI for procurement of equipments, construction of buildings, etc., the impact was not felt due to lack of propagation and vacancies in the posts of AMOs. The RU also could not do the intended research work due to shortage of staff and equipments. Almost half of the in-patients admitted in AAGHIM did not complete the treatment indicating that IP wards were not given sufficient attention.

Recommendations

- Government should consider sorting out urgently the problem of vacancies in the posts of AMOs and other important posts.
- Action should be taken to fulfil the norms and obtain the certificate for Good Manufacturing Practices.
- Keeping of medical records, especially of in-patients should be improved.
- Classification of diseases under Indian Systems of Medicine should be amplified.

The above points were referred to Government in September 2004; reply had not been received (December 2004).

RURAL DEVELOPMENT DEPARTMENT

3.6 Integrated sanitary complexes for women

Introduction

3.6.1 To improve rural sanitation, Government sanctioned a State Plan scheme for constructing Integrated Sanitary Complexes for Women (ISCW) to provide toilets, bathrooms, space for washing and water tubs in each of 12618 village Panchayats during 2001-03¹. The scheme was executed by the Block Development Officers (BDO) and monitored by the District Rural Development Agencies (DRDA) at district level and by the Director of Rural Development (DRD) at the State level.

3.6.2 Test check of records during October 2003 to January 2004 in various offices² revealed inadequate financial management leading to avoidable expenditure on interest, poor programme management leading to delays in putting the complexes to use and non-utilisation of the complexes, inadequate monitoring and non-participation of user groups in maintenance of the complexes as brought out in the succeeding paragraphs.

Financial management

3.6.3 The project cost of Phase I was Rs 136.56 crore and was met by loan assistance (70 per cent) from Housing and Urban Development Corporation Limited (HUDCO) and State contribution (30 per cent). Rupees 95.55 crore were obtained as loan in instalments from HUDCO during January to October 2002. Government sanctioned Rs 85.04 crore for 4252 complexes under ISCW between February 2002 and February 2003 and the balance 2057 complexes were to be taken up under Member of Legislative Assembly Constituency Development Scheme (MLACDS). Since 4317 complexes were actually taken up under ISCW in Phase I, Government released a further amount of Rs 1.08 crore in March 2004, balance Rs 0.22 crore being met from savings of the Panchayat Unions.

3.6.4 For Phase II, the full project cost (Rs 151.96 crore) was proposed to be obtained (September 2003) as loan from HUDCO. The loan amount was ultimately restricted to Rs 80.48 crore³, to cover only the 3408 complexes that were taken up under ISCW during 2003-04; the balance targeted complexes were taken up under other schemes viz. MLACDS, Total Sanitation Campaign (TSC) and other schemes. The loan amount was obtained and Government released Rs 76.68 crore during December 2003 and March 2004.

3.6.5 Test-check revealed the following irregularities:

➤ These complexes are constructed in rural areas. However, HUDCO classified the loan under "Urban Infrastructure" and charged interest at the rate

Failure to save interest to the tune of Rs 1.34 crore

¹ 6309 complexes during each year.

² Rural Development Department in the Secretariat, Directorate of Rural Development and DRDAs at Thiruvallur, Vellore and Villupuram and 56 Panchayat Unions in the above three districts.

³ Cost of construction at revised rate of Rs 2.25lakh per complex: Rs 76.68 crore, Interest on HUDCO loan during construction period : Rs 2.67 crore, Front end fee and R&D charges Rs 1.13 crore.

of 13 *per cent* on the loan for Phase I instead of classifying the loan under ‘Rural Housing under Economically Weaker Sections’ (EWS) carrying a concessional interest of ten *per cent*. Government could have saved Rs 1.34 crore⁴ towards interest by following correct classification.

Improper obtaining of loan to pay interest

➤ Further, loan obtained from HUDCO for Phase I included Rs 7.38 crore towards interest on the loan. As the project was not a revenue earning project, obtaining a loan for payment of interest is tantamount to getting a loan for extinguishing a part of its liability, which is improper. Instead, the interest amount should have been borne from Government funds.

Unjustified loan of Rs 1.77 crore for Administration and Supervision charges

➤ The Project cost for Phase I included Rs 2.52 crore towards Administration and Supervision (A&S) charges at two *per cent* of the Project cost. Thus, Rs 1.77 crore was obtained as loan towards A&S charges in the total loan of Rs 95.55 crore under Phase I. As A&S services were rendered by Rural Development Department and DRDAs for which expenditure was incurred through budget provisions of the department, inclusion of these charges in the loan amount was not justified.

➤ In respect of the first point above, Government stated (December 2004) that the loan had to be availed under “Urban Infrastructure” as there was no provision of loans under “Rural Infrastructure”. In the absence of any evidence showing that the Government tried to negotiate a lower rate of interest on the grounds that the sanitary complexes were to be constructed in rural areas, Government’s reply is untenable.

Programme management

3.6.6 Against 12618 complexes⁵ to be completed under the scheme, only 8278 had been completed as of 26 March 2004. Information on the number of villages covered so far was awaited. Though Phase I of construction was proposed to be completed by March 2002, it was completed only in 2003-04. The Phase II of construction due for completion in March 2004 was commenced belatedly in January 2004, after obtaining loan from HUDCO in December 2003.

3.6.7 Test check of records in three sample districts⁶ revealed delay in completion/putting into use of complexes, non-usage due to lack of electricity connection, poor/non-optimum use of constructed complexes and absence of maintenance due to non-involvement of user groups, as discussed below.

➤ In 1123 out of 1365 complexes test-checked, time taken for construction exceeded the period of three months allowed in the work orders issued for completion. Of this, completion time of 603 complexes was more than six months, leading to postponing the intended benefits. Delays ranging upto six months were noticed in 559 (41 *per cent*) out of the 1365 complexes test-checked. In case of 136 complexes (10 *per cent*) the delay exceeded six months.

➤ Government attributed (December 2004) the delay in completion of the complexes to delay in selection of sites, delay in finalisation of tenders and prevalence of severe drought conditions.

⁴ 12.5 *per cent* for the period 10 January 2002 to 31 December 2002. With effect from 1 January 2003 the interest rate was reset at 10.25 *per cent*.

⁵ Of which 7725 taken up under ISCW and balance under MLACDS, TSC etc.

⁶ Vellore, Villupuram and Thiruvallur.

Twenty nine complexes not put to use mainly for want of electricity connection.

➤ Twenty nine complexes in the three test-checked districts constructed between September 2002 and January 2004, were not put to use mainly due to lack of electricity connection. Perusal of Electricity cards furnished in respect of 642 complexes out of the records of 1079 complexes test checked in two districts (Vellore and Villupuram) revealed that (a) there was no consumption of power in respect of 169 complexes (26 per cent), (b) power was consumed only for a brief period in 71 complexes (11 per cent) and (c) no entry (except the initial reading) was made in the cards of 55 complexes (nine per cent). Since all the sanitary complexes have been provided with motor pump, consumption of electricity is a must for provision of water. The above mentioned 295 complexes may therefore be construed as not put to use optimally, rendering the expenditure of Rs 5.90 crore incurred on them largely unfruitful. Copies of Electricity cards, were not produced to Audit for 437 complexes (41 per cent) in these two districts.

➤ Government clarified (December 2004) that in some cases there was no electricity consumption because of scarcity of water in the borewells.

Unnecessary expenditure of Rs 28.83 lakh on construction of pump rooms

➤ As per the approved drawing, one pump room was provided for each complex for installation of motor. However, in 536 complexes in Vellore and Villupuram Districts where submersible pumps were provided, there was no necessity for such pump rooms. Yet, expenditure of Rs 28.83 lakh had been incurred towards construction of pump rooms. Government's reply (December 2004) stating that the pump room was necessary for the safety of the electric meters, is not tenable as a metal box with a locking arrangement covering the meters would have sufficed.

Non-participation of user groups in maintenance

Envisaged objective of maintenance of complexes by user groups not achieved

3.6.8 DRD instructed (June 2002) that expenditure on maintenance be borne by user groups by forming a Corpus fund and making monthly contribution to the fund by the user families. Information collected in respect of 689 complexes (Thiruvallur:266 and Vellore: 423) revealed that expenditure on maintenance was met by user groups for 238 complexes, the expenditure for 222 complexes was met either from the personal funds of the Presidents of the Panchayat Union or from Panchayat funds. The continued incurring of such expenditure by Panchayats would cause additional financial strain on their limited resources. In respect of the remaining 229 complexes, the concerned BDOs did not have any information as to how the maintenance expenditure was met. Government stated (December 2004) that out of grants received from XI Finance Commission, it had earmarked Rs 1000 per complex per month for maintenance of the complexes.

Monitoring

3.6.9 As per the guidelines issued (December 2001) by Government, Block Level Committees (BLC) were to be formed for monitoring the construction, post-construction and maintenance of the complexes and the same were required to be convened once a quarter. Out of 56 Panchayat Unions⁷ in the sample districts, Committees were formed in 23. The remaining 33 Unions had not furnished any details about the formation of committees. As Committees were formed belatedly in 16 Unions (between September and November 2003) and no meetings were held by six BLCs, the purpose of their formation viz. monitoring the construction and maintenance was not largely achieved. Government stated (December 2004) that user groups and BLCs had since been constituted in the three districts test-checked.

⁷ Thiruvallur: 14, Vellore: 20 and Villupuram: 22.

Conclusions

3.6.10 Non/meagre consumption of power in most of the complexes in the sample districts indicated non-optimum use of the complexes. User groups were not involved in the maintenance of complexes. Incorrect classification of loan under urban infrastructure led to avoidable interest. Loan obtained for payment of interest was improper and the loan obtained for Administration and Supervision charges was unjustified.

Recommendations

- Necessary action has to be taken urgently for putting the unutilised complexes to use.
- User groups should be motivated to form and utilise Corpus fund to maintain the complexes.

3.7 Drought Relief Measures in Animal Husbandry Department

Introduction

3.7.1 Government of India (GOI) sanctioned (December 2002) Rs 20 crore, for drought relief measures from National Calamity Contingency Fund (NCCF) to the State towards fodder. The State nodal officer *viz.* Special Commissioner and Commissioner for Revenue Administration (SC & CRA), forwarded (December 2002) the detailed proposals prepared by the Secretary, Animal Husbandry and Fisheries Department (AHFD) for utilising this amount for drought relief measures under five components¹ to the State Level Committee (SLC) for Calamity Relief Fund Scheme (CRF). Based on SLC's approval (December 2002), Government sanctioned (January 2003) Rs 20 crore and the SC & CRA was required to obtain and send utilisation certificate (UC). Secretary, AHF Department directed his District Officers to complete all the works within two months.

3.7.2 Records of AHFD in Secretariat, Office of SC & CRA, Directorate of Animal Husbandry (DAH), Directorate of Veterinary Services (DVS) and the connected offices in four districts² (out of 29 districts) including the district Collectorates were test-checked. The check revealed irregular allocation and utilisation of funds for long term benefits in violation of norms for Calamity Relief Fund, belated and piece-meal releases for new schemes, non-provision of funds for drinking water facilities for all districts, poor protection of livestock against diseases and poor impact of infrastructure works in farms as brought out in the succeeding paragraphs.

Irregular utilisation of funds for long term benefits

3.7.3 Though GOI sanctioned Rs 20 crore from NCCF for fodder development, SLC based on the proposal of Secretary, AHFD, apportioned the amount to provision of drinking water facility (Rs 4.70 crore), protection of livestock against diseases (Rs 5.30 crore) and establishment of infrastructure for development of fodder inputs (Rs ten crore). Although the funds for drought received under CRF are for providing immediate relief, half the funds were proposed by DAH for establishment of infrastructure, which is for long term benefit.

Allocation of Rs ten crore under CRF for long term benefits violated the norms for utilisation of CRF.

Belated and piece-meal release of funds

3.7.4 Government in Revenue Department requested (December 2003) SC & CRA to obtain UC for the amount utilised and to surrender the unspent amount out of Rs 20 crore to Government account as all the districts had received sufficient rainfall and AHFD had not utilised major portion of the funds allotted. The SC & CRA, in turn, also requested (December 2003) the Secretary, AHFD to arrange for surrendering the unspent balance amount out of Rs 20 crore to Government account immediately and to send the UC for the amount utilised so far. However, this was not done even after the receipt of

¹ Protection of livestock against diseases, Infrastructure for fodder inputs development in large farms and small farms, fodder development in villages and provision of drinking water facilities in Panchayat Unions.

² Coimbatore, Dharmapuri, Kancheepuram and Thanjavur.

Absence of definite and decisive plans initially to combat drought.

instructions from Government and SC & CRA for surrendering the unspent amount, Rs 78.60 lakh was released by DAH as additional funds in January 2004 for execution of works in farms and to two District Collectors for infrastructure development for fodder inputs although substantial unutilised funds were lying with them. Also, Government issued (January 2004) orders for releasing Rs 76.10 lakh to the Principal Chief Conservator of Forests (PCCF), Chennai for sinking 79 borewells to tap ground water for elephants and other wild life and DAH released this amount to PCCF in January 2004. Based on Government order (May 2004) and the subsequent release order of SC&CRA, DVS transferred (June 2004) Rs 1.51 crore to Rural Development Department for the purpose of fodder cultivation in grazing grounds/poramboke lands through the District Rural Development Agencies/Self Help Groups (SHGs) and remitted Rs 6.24 crore into Government account (June 2004). Such belated and piecemeal sanction and transfer indicated the absence of definite and decisive plans to combat drought.

Factors leading to slow utilisation of funds.

3.7.5 DAH attributed the delay in utilisation of funds mainly to delay in supply of vaccines, poor storage capacity in AHD and non-completion of development works by Agricultural Engineering Department. In the meeting held on 15 December 2003, SC & CRA instructed AHFD to complete the works before 31 January 2004. Thus, the objective of provision of immediate relief to the people affected by drought remained largely unachieved despite expenditure of Rs 12.20 crore (Appendix XXVIII).

Non-provision of funds for drinking water supply facilities for all districts

Failure of AHFD in assessing initially the exact requirement in all districts resulted in exclusion of six districts to combat water scarcity at the required time.

3.7.6 Though 28 districts were declared as drought affected, funds for borewells were proposed (December 2002) by Secretary, AHFD in 22 districts only. Subsequently SC & CRA recommended (October 2003) the proposal of Secretary, AHFD for additional provision of drinking water facilities in Pudukottai District at a cost of Rs 16.60 lakh and in the remaining six districts (216 borewells in 72 Panchayat Unions (PUs)) at a cost of Rs 1.62 crore. Government in Revenue Department did not approve this proposal on the grounds that (a) the above works would have been taken up already by AHFD and (b) almost all the districts have since received sufficient rainfall. Thus, the failure of AHFD in assessing initially the exact requirement in all districts resulted in non-sanction of funds for the works proposed in October 2003 to combat water scarcity at the required time.

Poor protection of livestock against diseases

3.7.7 On the grounds that shortage of feed and fodder will reduce vitality and immunity to diseases of cattle, Secretary, AHFD proposed (December 2002) to protect 25 *per cent* of the cattle population of 2.10 crore in 22 districts against major diseases like Foot and Mouth Diseases (FMD), Black Quarter and Haemorrhagic Septicaemia at a cost of Rs 5.31 crore. After SLC's approval, Government included this component in their order in January 2003. The basis for covering only 25 *per cent* of the cattle population and for leaving six districts out was not available on record.

Against 75 lakh doses ordered, only 27.20 lakh were received.

3.7.8 The sanctioned amount of Rs 5.31 crore (calculated @ Rs ten per animal) was later decided to be utilised for protecting the livestock against FMD only. The amount was released in April 2003 to Tamil Nadu Medical Service Corporation Limited (TNMSC) for supply of about 75 lakh doses, with a request to supply 25 lakh doses each in June and September 2003 and the remaining in December 2003. TNMSC supplied doses costing Rs 1.70 crore (at the rate of Rs 6.25 per dose) between August 2003 and May 2004 and

Refund of Rs 3.61 crore out of Rs 5.31 crore released.

the same were distributed by DAH. Though DAH proposed to vaccinate 82.51 lakh cattle, the receipt and distribution of 27.20 lakh doses from TNMSC indicates that only 33 *per cent* of the proposed target was achieved. TNMSC refunded (March 2004 and June 2004) the unutilised amount of Rs 3.61 crore to the DVS who in turn remitted the same into Government account in June 2004.

3.7.9 TNMSC attributed the non-supply to the policy of Government of India not to produce Tetravalent Foot and Mouth Vaccine from 2004-2005. The DVS stated (September 2004) that the Tetravalent vaccine has been produced and supplied only after April 2004 and TNMSC had written that fresh tenders had to be called for further supply.

Poor impact of Infrastructure works in farms

As a result of slow implementation of works, there was no impact on tackling the prevalent drought.

3.7.10 Perusal of connected records revealed that neither SLC nor the department proposed a time frame for completion of works. As a result, the implementation of work was very slow and there was little impact on tackling the prevalent drought, as none of the farms had produced or supplied fodder as required (except about 75 tonnes produced and utilised in Hosur and 51 tonnes in Chettinad farms).

3.7.11 The value of work done in three out of five large farms *viz.* Hosur, Chettinad and Eachenkottai, as compared to the funds released was only 79,72 and 84 *per cent* respectively at the time of surrendering funds (May 2004). The department approved works in the farm at Abhishekapatti only in October 2003, and as of May 2004 the works were executed to the value of 32 *per cent* of the amounts released.

Conclusions

3.7.12 Out of Rs 20 crore provided by GOI towards calamity relief measures, Rs ten crore was provided for works of long term nature in violation of CRF guidelines, of which Rs 7.38 crore³ were used without any benefit for tackling the prevalent drought. Out of the remaining amount of Rs ten crore earmarked for protection of livestock against diseases and provision of drinking water facilities only Rs 6.32 crore were utilised.

Recommendations

- Funds from Calamity Relief funds should be utilised only for immediate relief.
- Definite and decisive plans should be identified and implemented for combating the drought in all districts declared as drought affected.

The above points were referred to Government in April 2004. Government stated (December 2004) in their reply that long term works were taken up for finding a permanent and sustainable solution to the problem. This reply is not tenable as the funds from CRF are given only for providing immediate relief according to the norms specified by GOI. Such long term measures which strengthen the capacity to withstand drought have to be executed by utilising regular funds allotted to the department. Government has again been addressed (January 2005) to offer their specific remarks on all the audit comments.

³ Including Rs 76.10 lakh released (January 2004) to PCCF and Rs 150.14 lakh released (June 2004) to DRD.