सत्यमेव जयते

REPORT

OF THE

COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED

31 MARCH 1989

No 3

(CIVIL)

GOVERNMENT OF GUJARAT

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B-259 (i)

PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1988-89 together with other points arising from audit of financial transactions of the Government of Gujarat. It also includes certain points of interest arising from the Finance Accounts for the year 1988-89.

2 The Report containing the observations of Audit on Statutory Corporations, Government Companies and the Gujarat Electricity Board and the Report containing the observations of Audit on Revenue Receipts are being presented separately.

3 The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1988-89 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1988-89 have also been included wherever considered necessary.

OVERVIEW

This Report contains reviews on six schemes/programmes and 36 Audit paragraphs. The points highlighted in the Report are given below :—

1. **Overall analysis of the State Finances**

The revenue deficit during the year 1988-89 was Rs. 122.14 crores against the aniticipated deficit of Rs. 353.68 crores at the budget stage.

The capital expenditure and other long-term investments during the year were Rs. 648.80 crores which were financed from borrowings and receipts from Public Account. The Plan expenditure, as a whole, was less than the Plan provision by Rs.111.84 crores. The increase in Non-Plan expenditure amounted to Rs. 825.06 crores over the previous year.

(Chapter I)

2 **Appropriation Audit and Expenditure Control**

Against the gross total budget provision of Rs. 57,35.97 crores the actual expenditure was Rs. 53,71.70 crores resulting in an overall saving of Rs. 3,64.27 crores.

The Supplementary provision of Rs. 10,95.82 crores obtained during 1988-89 constituted 24 *per cent* of the original budget provision. In 27 cases, the supplementary provision of Rs. 27.42 crores obtained was unnecessary.

The overall saving of Rs. 3,64.27 crores consisted of saving of Rs. 4,39.39 crores in 135 grants and appropriations and excess of Rs. 75.12 crores in 43 grants and appropriations. These excesses require regularisation under Article 205 of the Constitution.

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In 12 cases, the expenditure incurred was in excess of the prescribed limit thereby constituting "New Instrument of Service" requiring prior approval of the Legislature. Contrary to instructions, 9 cases of rush of expenditure involving 62 to 100 *per cent* in March 1989 alone were noticed. In 33 cases, the surrenders (22 cases) and reappropriations (11 cases) were found to have been made injudiciously.

(Chapter II)

3 Industrial development in backward areas

The Central and State investment subsidy schemes aimed at industrialisation of backward areas. Since the State subsidy scheme was operative in all the districts, restrictive and graded Central scheme was not totally effective. In all Rs. 44.03 crores were disbursed as Central subsidy and Rs. 56.60 crores as State subsidy. Traditionally developed Ahmedabad-Vapi region accounted for 59 *per cent* State subsidy. Major portion of the Central subsidy was disbursed only in four out of 11 districts identified as backward. Inspite of the increase in the number of industrial units in the State by more than 100 *per cent* during 1980 to 1987, the number of backward districts remained the same. Gujarat Industrial Investment Corporation retained large balances of undisbursed subsidy ranging from Rs. 78 to 265 lakhs during the period. There were delays of upto 10 years in sanctioning the subsidy. 16 units could not be sanctioned subsidy for more than a year due to delay in respect of appraisal reports from banks and guidelines from Government.

There was no system of annual inspection of the units to ensure that the units did not go out of production during the prescribed period of five years. The absence of the system resulted in non-recovery of Rs. 193 lakhs from industrial units which were prematurely closed.

Eighty three units which were paid subsidy of Rs. 153.50 lakhs had not gone into production.

Central subsidy of Rs. 56. 32 lakhs was paid to four developed talukas or urban agglomerations. Similarly, Central subsidy of Rs. 33 lakhs was paid to 8 units which were registered after the cut off date. Subsidy of Rs. 8.03 lakhs was paid in excess of the ceiling limits.

Rupees 7.44 lakhs were paid as Central subsidy to hotel units which did not fulfil the eligibility criterion and Rs. 2.75 lakhs to ineligible service units. Similarly, State subsidy of Rs. 10.12 lakhs were paid to 18 ineligible units. Excess State subsidy of Rs. 3.28 lakhs was released to 11 units. Absence of ceiling limits for technical knowhow fee under State subsidy scheme resulted in payment of Rs. 5.98 lakhs to a unit whereas under Central scheme it was restricted to Rs. 0.27 lakh. No evaluation of the scheme was carried out to ascertain the impact of the scheme.

(Paragraph 3.1)

4 Tribal Area Sub-Plan

Gujarat has a tribal population of 14 *per cent* living mostly in the eastern districts of the State. To speed up the socio-economic development of the tribals, Tribal Area Sub Plan was implemented from the Fifth Five Year Plan. During the years 1985-89, Rs. 47158 lakhs were provided for the sub-plan which included special Central assistance of Rs. 5072 lakhs.

Under the crop husbandry scheme, though Rs. 603 lakhs had been spent for the supply of subsidised input kits containing quality seeds and fertilizers, only 3 to 4 *per cent* of the tribal area was covered. The works completed, to minimise run off losses of rain water, was also only 18 to 63 *per cent* of the targeted works. As against Rs. 25 lakhs placed at the disposal of Gujarat Land Development Corporation from the

nucleus budget for soil conservation works, only Rs. 0.65 lakh had been spent. In Dahod Project, 595 out of 1292 poultry breeding units set up at a cost of Rs. 5.36 lakhs were closed down due to lack of talent for tending birds and poverty of the tribals. Similarly, 34 fishing co-operatives had become defunct for want of trained tribals. However, Rs. 21.86 lakhs had been released to develop fishing activities. Despite providing credit facilities for setting up purchase co-operatives, direct purchases form tribal farmers had declined over the years and exposed the tribals to exploitation by middlemen.

Under minor irrigation schemes, Rs. 18.78 lakhs provided for drilling tubewells were lying unutilised with the Gujarat Water Resources Development Corporation. For want of energisation and civil works, 7 tubewells constructed at a cost of Rs. 6.35 lakhs could not be put to use. Due to non-completion of canal system in Ukai-Kakrapar and Damanganga command areas, there were shortfalls ranging from 40 to 67 *per cent* in the execution of field channels.

Large number of posts of teachers remained vacant in Dahod Project adversely affecting the education programme. Assistance of Rs. 301.50 lakhs was provided to hostels run by voluntary agencies without verifying the attendance of students in schools. Tribal students utilised only 31 to 50 *per cent* and 47 to 60 *per cent* of the total seats in ITI and mini ITIs located in tribal project areas. Similarly, Rs. 66.07 lakhs were given to tribal artisans for purchasing tools and equipment without any follow up action. Only 27 *per cent* of 467 trained students started their own industries and Rs. 32.40 lakhs had been spent on training. To remove the constraints of capital, Rs. 110 lakhs were released to Gujarat State Financial Corporation which in turn released Rs. 343.77 lakhs. 4600 tribals were also trained on carpet weaving at a cost of Rs. 100.17 lakhs. As a result of these various efforts, 208 tribals were employed in carpet weaving in 13 test checked centres. 256 tribals set up their own industries.

Five Ayurvedic hospitals with total capacity of 50 beds remained unutilised due to non-availability of diet facilities. Three hospitals did not have Medical officers and two, compounders. Monthly assistance of Rs. 75 was sanctioned to tribals afflicted with tuberculosis or cancer. In all, Rs. 40.49 lakhs were spent but the administration of assistance was far from satisfactory.

Rupees 2758 lakhs were spent on road development in tribal areas but 21 *per cent* of the populous villages and 42 *per cent* of the villages having a population of less than 500 tribals did not have *pucca* roads. Seven rural roads and three bridges on which Rs. 60.54 lakhs had been spent, remained incomplete due to non-availability of forest land.

Regional water supply scheme estimated to cost Rs. 44.84 lakhs sanctioned in 1985 was still incomplete depriving 7 tribal villages of piped water supply. By March 1989, 385 other villages remained to be covered under the scheme of protected water supply.

As regards allotment of house sites and construction of houses, the reported performance was good. However, in Vansda, 627 houses remained incomplete.

Only one to three *per cent* of the nucleus budget was transferred to Revolving Fund during 1985-89 against the permissible 20 *per cent*. This resulted in borrowing of funds at higher rates of interest by the societies to extend loans to tribals or to purchase produce from tribals.

Special Central Assistance to supplement State efforts and earmarked for Family Oriented Programmes was not utilised as envisaged in the scheme. Rupees 225.75 lakhs out of Central assistance were diverted to pay the staff.

The monitoring of the implementation of the plan at the State and district levels was desultory.

(Paragraph 3.4)

5 Working of Civil Hospitals

Civil hospitals in the districts are required to render preventive, curative and promotional health services to the community and to act as referral hospitals to interior health centres and medical institutions.

The doctor patient ratio in these hospitals ranged between 1: 4858 and 1 : 29961. Against the envisaged ratio of one bed per 1000 population during the Sixth Five Year Plan, the actual provision ranged between 1296 and 15622 of the population per bed.

While the overall cost per patient ranged between Rs. 147.45 and Rs. 6.66 in the test checked hospitals, the daily per capita expenditure on drugs ranged from Rs. 0.74 to Rs. 24.38. Some essential drugs were not stocked for long periods due to inadequacy/delay in supply of drugs by the State Medical Stores Organisation. Testing of samples of drugs was not timely, resulting in the drugs issued to the patients subsequently being declared sub-standard.

Per capita cost of diet ranged between Rs. 3.91 and Rs. 10.84 per day. Diet articles were not subjected to quality control periodically, as required.

Glucose Saline Plant set up in civil hospital, Rajkot at a cost of Rs. 27.82 lakhs, ready for operation from April 1989,was not commissioned for want of technical staff.

There were vacant posts of specialists in burns ward, dental clinic, physiotherapy, ENT, ophtholmology, psychiatric, STD wards, etc. Some essential drugs and equipment were also found wanting in these units.

(Paragraph 3.5)

6 Rural Landless Employment Guarantee Programme

The wholly Centrally assisted programme was introduced in 1983 mainly with the objective of providing employment to the rural

landless labour, create durable assets for strengthening rural infrastructure for the rapid growth of rural economy and improve the overall quality of life in rural areas. Against the Central assistance of Rs. 9294 lakhs in cash, expenditure of Rs. 8525.65 lakhs only was incurred. Similarly, wheat valued at Rs. 311 lakhs being part of the Central assistance was not used for the intended purposes.

The beneficiary families were not identified and the extent of employment provided to Scheduled Castes, Scheduled Tribes and landless labourers could not be verified in the absence of proper documentation.

The Gujarat Civil Supplies Corporation which received wheat for distribution had not refunded the value of empties to the extent of Rs. 15.41 lakhs. In addition, the Corporation did not render accounts of Rs. 1696 lakhs for the wheat and handling charges received from the Government.

Out of employment generated 46 *per cent* was provided to other than landless labourers. Contrary to the programme objectives, Rs. 89.05 lakhs were paid for employment of labour through gangmen, *Sarpanches*, Co-operative societies and unemployed engineers.

The wage component of the works under the Indira Awas Yojana was only 39 *per cent* against the norm of 50 *per cent*. Funds amounting to Rs. 300 lakhs were diverted by a District Rural Development Agency for a programme without any authority.

Gujarat Agro-Industries Corporation spent Rs. 32.51 lakhs on subsidy for construction of biogas plant linked latrines for beneficiaries not eligible under the programme.

None of the eight works for renovation of minor irrigation schemes had been completed even after incurring expenditure of Rs. 1772 lakhs. Seventy seven irrigation works taken up without the approval of the Central Government and on which expenditure of Rs. 75.62 lakhs had been incurred, remained incomplete.

Only 18 *per cent* of the target for development of land on watershed basis was actually developed.

Expenditure of Rs. 34.67 lakhs incurred on raising seedlings on the farms of small and marginal farmers was contrary to the objective of the Programme.

Multi-purpose centres meant for developing rural enterpreneural skill, had not become operational within the time frame envisaged, even after incurring an expenditure of Rs. 24.20 lakhs.

No evaluation of the programme to ascertain the impact on the quality of life of the rural beneficiaries had been done.

(Paragraph 7.3)

7 Decentralised District Planning

Decentralised district planning was introduced in the State from November 1980 with the objective of framing specific schemes for the districts to ensure their balanced development and continuously monitor and evaluate the implementation of schemes with specific attention to the upliftment of backward and weaker sections of society.

Out of Rs. 15805 lakhs disbursed, Rs. 2460 lakhs remained unspent with the agencies which were granted extensions of time limit upto 30 months for utilisation of funds.

No system was evolved to link the schemes implemented under the normal State Plan with those proposed /implemented under the Decentralised District Plan.

Expenditure of Rs. 121.81 lakhs incurred on construction/ repair of roads and Rs. 66.14 lakhs on other works/schemes was actually not permissible under the programme. At the same time, 1482 villages were not connected with roads and 1709 villages were without any source of water.

Kachchh Board irregularly released grant of Rs. 20.00 lakhs for a scheme. Expenditure of Rs. 29.73 lakhs incurred by six agencies out of incentive grants was unfruitful as contemplated benefits did not accrue.

There was no system of refunding unspent resources. Huge delays occurred in sanctioning of the scheme. Evaluation of the scheme by the State authorities resulted in significant recommendations. These remained to be accepted by State Government.

(Paragraph 7.4)

8 Integrated Village Environment

The scheme, initially known as *Abhinava Gram Nirman Karyakaram*, was introduced in 1978 with the aim of removing disparities in availability of basic amenities in urban and rural areas by providing financial assistance to rural population for obtaining the amenities and preventing migration of rural people to urban areas. Preference was to be given to families of Scheduled Castes, Scheduled Tribes in the extension of financial assistance.

Out of the total expenditure of Rs. 1662.92 lakhs, only 16 and 6 *per cent* of the expenditure was incurred on Tribal Area Sub Plan and Special Component Plan for Scheduled Caste . In five district alone, Rs. 12.23 lakhs remained unutilised. Only 20 *per cent* of the villages were covered under this scheme.

Rupees 2.20 lakhs were spent on providing assistance to ineligible villages and Rs. 3.74 lakhs were spent in urban areas not covered by the scheme. Rs. 9.44 lakhs were spent on improvement of the houses without fulfilment of conditions precedent.

Most of the smokeless *chullahs* installed with the assistance of Rs. 4.72 lakhs, had either been removed as these were found unsuitable by the beneficiaries, or gone into disuse. Most of the community latrines for women constructed at the cost of Rs. 41.08 lakhs were not used owing to lack of arrangements for water and proper maintenance. Evaluation of the scheme and maintenance of the assets created were not undertaken.

(Paragraph 7.5)

9 Details about arbitration cases furnished by 82 out of 210 Public Works divisions of the State showed that all the 51 cases decided by arbitrators during the period 1985-1989 went against Government. Appeals were filed by Government only in four cases. The amount awarded in 33 cases was Rs. 1109.24 lakhs which included awards of more than Rs. 1 crore each in 3 cases. The awards were given, owing *interalia*, to delay on the part of the Government in making available the site, change of alignment, delayed supply of materials and power, substantial increase in executed quantities over estimated quantities, etc.

Government paid Rs. 141 lakhs against an award of Rs. 120.03 lakhs for the work of construction of left bank earthen dam of Sipu Project. The payment included Rs. 74.70 lakhs on account of increased rates in respect of items the quantity of which exceeded the tendered quantity substantially.

Though, the contractor did not execute any part of the work costing Rs. 178 lakhs, Government spent Rs. 61.42 lakhs to satisfy the arbitration award as the land required for execution of Goma irrigation scheme was not made available. Government also lost the appeal in High Court. The Government pleader had advised against the filing of appeal.

Appeal to High Court against the arbitration award of Rs. 79.51 lakhs, disregarding Government Pleader's opinion, failed resulting in additional expenditure of Rs. 4.28 lakhs to Government, in respect of Deo Irrigation Scheme.

Appointment of an arbitrator by contractor himself to decide on the disputes arising out of delay in handing over site, supply of material, etc., was upheld by the court and the award was decreed against Government for Rs. 37.65 lakhs in the work of construction of Right Bank Canal Distributary System of Karjan Project.

The quantity of excavation in hard rock in the work of constructing a tail channel to masonry spillway of Deo Project increased to 28089

cum against the estimated quantity of 12437 cum, arrived at on an *adhoc* basis without trial pits/bore data. The arbitrator awarded enhanced rate of Rs. 60 per cum of excavation against the tendered rate of Rs. 27 per cum for excavation contending that the extra item rate was not settled by the department within a reasonable period. Award on this count and on overall consideration, alongwith interest, resulted in a commitment of Rs. 11.74 lakhs.

Consequent on major changes in design in the work of constructing Panam Main Canal the percentage of increase in the quantities of various items to be executed ranged from 78 to 764. The arbitrator observed that the changes in the design resulted in matching changes to the work already done and the department could not even file a copy of sanctioned plans and estimates on the basis of which the amount put to tender was arrived at and awarded Rs. 11.10 lakhs.

In 14 out of 18 cases test checked, the delay on the part of Government in the appointment of arbitrators ranged from 3 to 72 months, though the appointment was to be finalised within 3 months. Government had not implemented the Estimates Committee recommendation of August 1988 to appoint members of Judiciary to arbitrate the disputes.

(Paragraph 4.20)

10 A review of Stores and stock of four divisions showed that the stores were purchased far in excess of the requirements. The limit upto which the stores should be purchased had also not been got sanctioned. Out of 29276 metres of galvanised iron pipes purchased by Ver II Project Division, Vyara in July 1980 at a cost of Rs. 15.03 lakhs, 15400 metres were sold to two autonomous bodies in February 1987 and 13500 metres were transferred to other divisions during January-May 1988, 376 metres of pipes were still lying with the division. Thus, Rs. 15.03 lakhs remained blocked for over 6 years. Similarly, 2119.55 metres of electric resistant welded pipes valued at Rs. 11.36 lakhs, purchased in 1982-83 were sold to Gujarat Water Resources Development Corporation for Rs. 4.35 lakhs

between May 1986 and October 1987, incurring a loss of Rs. 7.01 lakhs in the process. Out of steel valued at Rs. 71.60 lakhs acquired between April 1980 and July 1981, steel worth Rs. 42.50 lakhs was distributed to 12 divisions till January 1988. The balance stock of Rs. 29.10 lakhs, safeguarded at a cost of Rs. 12.57 lakhs, remained unutilised for over 9 years. One of the 12 divisions to which steel worth Rs. 20.26 lakhs was transferred during April 1980 to March 1982 also did not utilise it.

118 tonnes of steel and 11 tonnes of GI sheets valued at Rs. 8.39 lakhs were procured for Urd and Kankavati Irrigation projects. These remained unutilised for over 4 years.

Shortage of steel worth Rs. 11.81 lakhs noticed in Ver II Project Division, Vyara had not been regularised.

Roads and buildings Division, Godhra did fictitious adjustment to the extent of Rs. 22.49 lakhs during 1986-89, to avoid lapse of budget grants.

The Roads and Buildings Division, Surendranagar did not receive cement/steel worth Rs. 8.79 lakhs for which advance had been paid to other divisions during 1980-85. The division did not also receive Rs. 4.26 lakhs for materials supplied by it to other divisions during 1973-1980 even after 9 years.

(Paragraph 5.1)

11 An agreement was entered in to by the Directorate of Ports (later known as Gujarat Maritime Board) in March 1979 with the Central Water Commission (CWC) for procuring two dredgers, ancillary crafts and equipment, including those not delivered by the manufacturer, at prices to be subsequently fixed by CWC. The need for each of the crafts was not adequately assessed before entering into agreement nor was the State's right to demand liquidated damages to refuse claims for cost escalation by the manufacturer in case of delays in delivery, adequately safeguarded in the agreement. As a result, the State had to pay additional cost of Rs. 75.32 lakhs. No liquidated damages were allowed by the builder for late deliveries.

Two house boats costing Rs. 79.66 lakhs acquired in March 1981 were subsequently found superfluous. One house boat was, therefore, sold in March 1987 at the cost price of Rs. 39.83 lakhs after having incurred additional expenditure of Rs. 18.67 lakhs on safe keeping, mooring, insurance, etc. The second house boat had not been disposed off or put to any use and the Board was unable to quantify the ultimate loss on the purchase of the house boats.

The outturn of the dredgers fell short of the estimated outturn. Out of the two dredgers which went out of order from May 1986 and June 1987 respectively, only one dredger was stated to have been put to use again from October 1989 after special repairs.

Spare parts for the dredgers valued at Rs. 85.69 lakhs remained unutilised. The cost of staff on the idle dredgers amounted to Rs. 19.35 lakhs till April 1988 in respect of one dredger and March 1989 for the other.

(Paragraph 7.8)

12 Other Interesting Points

(i) Two weigh bridges costing Rs. 7.55 lakhs, procured for installation at check posts, by the Directorate of Transport in November 1983 and February 1984 were lying uninstalled as civil works had not been completed by the department in one case and owing to non-cooperation of the manufacturer in installing the weigh bridge in the other case.

(Paragraph 3.6)

(ii) An imported phototype setting system costing Rs. 11.78 lakhs procured for the Photo Litho Press, Ahmedabad in June 1986 had not been put to use even after delayed installation in April 1987 owing to failure in synchronising the recruitment of operators required.

(Paragraph 3.3)

(iii) Out of Rs. 602.98 lakhs financed by Government of India during March 1984 to March 1987, the State Government released Rs. 529.77 lakhs for execution of field channels to Gujarat Water Resources Development Corporation (GWRDC) even though GWRDC did not have adequate infrastructural facilities for doing the work and debited it irregularly to Tribal Development. The GWRDC in turn released Rs. 247.35 lakhs to field channel/ drainage divisions of the State Government for executing the works. GWRDC earned Rs. 164.22 lakhs as interest on the balance of Rs. 282.42 lakhs retained by it.

(Paragraph 4.1)

(iv) Scrappers, Crawler tractors and vibrating rollers purchased at a cost of Rs. 145.54 lakhs by a division of Karjan Project during March 1982 to February 1987 had not been put to use.

(Paragraph 4.2)

(v) Failure of Deputy Engineer and Executive Engineer to check measurement of works resulted in overpayment of Rs. 10.58 lakhs to a contractor. The overpayment occurred in1982 and was noticed in 1986 when the Deputy Engineer was transferred. When the final bill was prepared in 1989, the amount due for recovery from the contractor, who had abandoned the work, became Rs. 20.87 lakhs inclusive of risk cost.

(Paragraph 4.6)

(vi) Four tower cranes and batching and mixing plants of Karjan Project were ordered to be sold to a contractor at depreciated cost alongwith spare parts which were to be valued at cost plus storage and supervision charges. Failure of the contractor to take spare parts resulted in a loss of Rs. 17.71 lakhs.

(Paragraph 4.7)

(vii) Out of 5322 tonnes of mild steel billets issued to four agencies for conversion into tor steel bars, 4302 tonnes valued at Rs. 202.19 lakhs remained unprocessed from 3 to 7 years without any action having been taken against the defaulting agencies.

(Paragraph 4.15)

(viii) The work on Judicial complex at Ahmedabad entrusted to an agency at acost of Rs. 108 lakhs in July 1978 for completion in January 1981, was abandoned by the agency in August 1986, after executing the work valued at Rs. 69.67 lakhs. Effective steps had not been taken to recover Rs. 68.41 lakhs, including Rs. 45.01 lakhs for getting the work done at the contractor's risk and cost. Though five out of nine floors had been completed, only four floors were put to use.

(Paragraph 4.16)

(ix) Out of 18 residential flats acquired at Bombay in July 1986 and May 1987, six flats costing Rs. 20.22 lakhs were lying vacant.

(Paragraph 4.17)

(x) Contrary to Government orders, Rs. 55.03 lakhs were paid as grant-in-aid for expenditure towards dearness allowance to Municipalities of Junagadh, Veraval, Bhuj and Porbandar.

(Paragraph 7.7)

CHAPTER I

OVERALL ANALYSIS OF STATE FINANCES

1.1 Summary of accounts

The summarised position of the accounts of the Government of Gujarat emerging from the Appropriation Accounts and the Finance Accounts for the year 1988-89 is indicated in the Statements following:

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I. Statement of Financial position of the Government of Gujarat

LIABILITIES					
Amount as on 31-3-1988					Amount as on 31-3-1989
548.24	Internal Debt including Ways and Means Advances (Market Loans and Loans from LIC and others)				579.56
3030.37	Loans and Advances from Central Government				3581.06
		1127.37	Pre-1984-85 Loans	1044.96	
		1140.96	Non-Plan Loans	1633.92	
		741.47	Loans for States Plan schemes	879.43	
		10.71	Loans for Central Plan schemes	9.68	
		9.86	Loans for Centrally Sponsored schemes	11.97	
		Nil	Ways and Means Advances	1.10	
395.02	Small Savings				465.26
860.90	Deposits				975.50
3.79	Overdrafts from the Reserve Bank of India				80.89
227.18	Reserve Funds				272.26
192.17	Suspense and Miscellaneous				148.97
21.93	Contingency Fund				14.55
0.23	Other Advances				0.59
812.81	Surplus on Government Accounts				734.74
		(—)286.06	Current Year Revenue Surplus	(—)122.14	
		(—)0.67	Miscellaneous Government Account	1.35	
		1007.24	Add Surplus on 31.3.1988	812.81	
		92.30	Other adjustments	42.72	
6092.64					6853.38

.s on 31st March, 1989.

(Rupees in crores)

ASSETS

Amount as on 31-3-1988					Amount as on 31-3-1989
3634.60	Gross Capital Outlay on fixed assets				4020.55
		466.36	Investment in shares of Companies, Corporation, etc.	904.52	
		3168.24	Other Capital Outlay	3116.03	
2356.76	Loans and Advances				2619.61
		1455.36	Loans for Power Projects	1645.86	
		812.95	Other Development Loans	886.85	
		88.45	Loans to Government Servants and Miscellaneous Loans	86.90	
—	Other advances				Nil
66.45	Remittance balances				93.63
34.83	Cash balance				119.59
		(—) 2.67	Cash in Treasuries and Local remittances	(—)2.98	
		10.51	Departmental cash balances including permament advances and investment of earmarked funds	10.88	
		26.99	Cash balance investment	111.69	
6092.64					6853.38

II ABSTRACT OF RECEIPTS AND DISBURSE-
SECTION—A—

RECEIPTS		
I Revenue Receipts		**3238.14**
(i) Tax Revenue	1992.30	
(ii) Non-Tax Revenue	575.35	
(iii) State's share of Union Taxes	276.52	
(iv) Non-Plan Grants; Grants for State Plan Schemes; Grants for Centrally Sponsored Schemes	393.97	
II Revenue Deficit carried over to Section 'B'		122.14
		3360.28

MENTS FOR THE YEAR 1988--89
REVENUE (Rupees in crores)

DISBURSEMENTS					Amount
I.	**Revenue Expenditure**	Non-Plan	Plan	Total	3360.28
(i)	General Services	885.48	7.03	892.51	
(ii)	Social Services	1091.26	187.90	1279.16	
(iii)	Agriculture and Allied Activities	128.48	148.68	277.16	
(iv)	Rural Development	122.35	71.71	194.06	
(v)	Special Area Programmes	8.53	1.64	10.17	
(vi)	Irrigation and flood control	317.22	143.56	460.78	
(vii)	Energy	—	3.76	3.76	
(viii)	Industry and Minerals	16.43	33.67	50.10	
(ix)	Transport	110.81	33.56	144.37	
(x)	Communications	0.04	—	0.04	
(xi)	Science, Technology and Environment	0.03	0.10	0.13	
(xii)	General Economic Services	32.07	1.51	33.58	
(xiii)	Grant-in-aid and Contributions	14.46	—	14.46	
II.	**Revenue Surplus carried over to Section 'B'**	NIL	NIL	NIL	
		2727.16	633.12	3360.28	3360.28

SECTION—B

	RECEIPTS		
III	**Opening balance including permanent advance and cash balance investment**		**34.83**
IV	**Miscellaneous Capital Receipts**		**42.72**
V	**Recovery of loans**		**133.71**
	(i) From Government Servants	17.17	
	(ii) From others	116.54	
VI	**Revenue surplus brought down**		**NIL**
VII	**Public Debt Receipts**		**1542.31**
	(i) Internal Debt Other than Ways and Means Advances	110.37	
	(ii) Ways and Means Advances	677.53	
	(iii) Loans and Advances from Central Government	754.41	
VIII	**Inter-State Settlement Account**		**1.35**

OTHERS

(Rupees in crores)

	DISBURSMENTS		
III	**Opening overdraft from Reserve Bank of India**		**3.79**
IV	**Capital Outlay**		**385.95**
	(i) General Services	2.74	
	(ii) Social Services	62.46	
	(iii) Agriculture and Allied Activities	49.00	
	(iv) Rural Development	0.06	
	(v) Special Areas Programme	(—) 0.14	
	(vi) Irrigation and Flood Control	189.42	
	(vii) Energy	30.03	
	(viii) Industry and Minerals	13.95	
	(ix) Transport	37.93	
	(x) Communications	NIL	
	(xi) Science, Technology and Environment	NIL	
	(xii) General Economic Services	0.50	
V	**Loans and Advances**		**396.56**
	(i) For power projects	192.41	
	(ii) To Government Servants	20.19	
	(iii) To Others	183.96	
VI	**Revenue deficit brought down from Section 'A'**		**122.14**
VII	**Repayment of Public Debts**		**960.30**
	(i) Internal debt other than Ways and Means Advances	25.85	
	(ii) Ways and Means Advances	730.73	
	(iii) Repayment of Loans and Advances to Central Government	203.72	
VIII	**Inter-State Settlement Account**		**Nil**

SECTION—B

RECEIPTS		
IX **Transfer from Contingency Fund**		—
X **Contingency Fund**		**8.07**
XI **Public Account Receipts**		**5257.36**
(i) Small Savings Provident Funds	138.36	
(ii) Reserve Funds	198.11	
(iii) Suspense and Miscellaneous	1386.86	
(iv) Remittances	844.93	
(v) Deposits and Advanees	2689.10	
XII **Closing overdrafts from the Reserve Bank of India**		**80.89**
		7101.24

OTHERS

(Rupees in crores)

DISBURSEMENTS		
IX Appropriation to Contingency Fund		**Nil**
X Contingency Fund		**15.45**
XI Public Account Disbursements		**5097.46**
(i) Small Savings and Provident funds	68.12	
(ii) Reserve Funds	152.93	
(iii) Suspense and Miscellaneous	1430.06	
(iv) Remittances	872.11	
(v) Deposits and Advances	2574.24	
XII Cash Balance at the end		**119.59**
(i) Cash in Treasuries and local Remittances	(—)2.98	
(ii) Departmental cash balance including Permanent Advance	10.88	
(iii) Cash balance investment	111.69	
		7101.24

Sources and Application of Funds for 1988-89

			Amount (Rupees in crores)
1 Sources			
1. Revenue Receipts			3238.14
2. Capital Receipts on Government Account			42.72
3. Increase in Public Debt, Small Savings, Deposits and Ways and Means Advances			767.21
4. Net contributions from the Contingency fund			(-) 7.38
5. Adjustments			(-) 24.43
(i) Increase in Suspense balance	(—)	8.35	
(ii) Increase in Reserve Funds, Other Accounts and Inter-state Settlement Account		11.10	
(iii) Effect on Remittance Balances	(—)	27.18	
Net funds available			4016.26
II Applications			
1. Revenue Expenditure			3360.28
2. Capital Outlay			385.95
3. Lending for Development and other programmes			262.85
4. Appropriation to Contingency Fund			Nil
5. Increase in closing cash balance			7.18
			4016.26

Explanatory Notes

1. Government accounts being on cash basis, the surplus on Government account as shown in the Statement of Affairs indicates the position on cash basis, as opposed to accrual basis of commercial accounting.

2. The abridged accounts in the forgoing statement have to be read with the comments and explanations in the Finance Accounts.

3. There was an unreconciled difference of Rs. 5078.52 lakhs between the figures of over draft as shown in the accounts and that intimated by the Reserve Bank of India.

1.2 Analysis of Accounts of the Government of Gujarat for 1988—89

1.2.1 The net additional Public Debt (as adjusted by the effect on Remittances and Suspense balance, the drawals from Reserve Funds etc.) raised during the year was Rs. 735.40 crores which was more than the net of loans and advances disbursed for development and other programmes (Rs. 262.85 crores) by Rs. 472.55 crores. This excess of Rs. 472.55 crores together with capital receipts on Government Account ofRs 42.72 crores reduced by the Revenue deficit of Rs. 122.14 crores was utilised to meet the total capital expenditure of Rs. 385.95 crores leaving a net surplus of Rs. 7.18 crores. This represents the net increase in closing cash balance including its investments.

1.2.2 The credit balance of Deposit Accounts on 31st March 1989 was Rs. 975.50 crores. This included Rs. 73.45 crores as Personal Deposits of Departmental Officers made by withdrawal of money from the Consolidated Fund, after booking the same as expenditure.

1.2.3 The increase in non-tax revenues by Rs. 120.33 crores was mainly on account of more interest receipts from departmental commercial undertakings and local bodies, more receipts under mineral concession fees, rents and royalties and

increase in receipts under subscriptions and contributions towards pensions and other retirement benefits, education, sports, arts and culture.

1.2.4 The arrears of revenues in respect of some of the important heads of revenues at the end of the year were reported to be Rs. 201.79 crores (against Rs. 157.24 crores in the previous year), out of which collection of Rs. 40.99 crores under Sales Tax was stayed. Arrears included Rs. 23.97 crores pending recovery for over 4 years.

1.2.5 The total amount overdue for recovery against loans advanced to Municipalities, Panchayati Raj Institutions, Other Local Bodies, Public Sector Undertakings, etc, as on 31st March 1989, the detailed accounts of which are kept in accounts office, was Rs. 107.83 crores including Rs. 51.05 crores on account of interest, the main defaulter being the State Electricity Board. In respect of loans other than loans granted to Gujarat Electricity Board the detailed accounts of which are ketp by departmental officers, information about overdue instalments of principal and interest on 31st March 1989 has not been furnished (September 1989) by 65 out of 84 departmental controlling officers who are or whose subordinate departmental officers are maintaining such detailed accounts.

1.2.6 The interest paid on debt and other obligations was Rs. 391.76 crores. The interest received was Rs. 287.14 crores, including that from departmental commercial undertakings and others. The net accrual of interest was thus less by Rs. 104.62 crores.

The interest charges paid on Small Savings, Provident Funds, etc; was Rs. 45.21 crores, while the net accretion to the balance during the year was Rs. 70.24 crores.

1.2.7 Against the Plan provision of Rs. 1417.63 crores, the actual expenditure on Plan Schemes on all accounts was Rs. 1305. 79 crores during the year, resulting in a saving of Rs. 111. 84 crores.

1.2.8 The annual debt service obligation according to the schedule of repayment of principal and payment of interest was Rs. 1369.85 crores; the actual discharge was Rs. 1352.05 crores.

1.2.9 With fresh investment of Rs. 438.99 crores during the current year in the various Corporations/Companies/Co-operative institutions, the total investment of the Government in shares and debentures on 31st March 1989 was Rs. 904.52 crores. Interest and dividends received on such investments during the year was Rs. 11.00 crores, representing roughly 1 *per cent* of investment.

1.2.10 The contingent liability for guarantees given by the State Governmnt for repayment of loan, etc., by statutory Corporations, Companies and Co-operatives etc.,on 31st March 1989 was Rs. 3163.83 crores including interest (against the maximum amount guaranteed of Rs. 3790.62 cores). A sum of Rs. 3.75 crores was paid as at the end of March 1989 in discharge of these guarantees of which Rs. 2.25 crores was in respect of a Co-operative sugar factory.

1.2.11 A sum of Rs. 2.76 crores was received as guarantee commission during 1988-89. Information about the guarantee commission due for recovery upto March 1989 and in default called for (October 1989, January 1990, February 1990 and April 1990) was awaited (October 1990) from Government. Government did not furnish silmilar information for any of the previous years called for inclusion in the respective Audit Reports.

1.2.12 The increase of about Rs. 825.06 crores in the non-plan expenditure in 1988-89 over 1987-88 was mainly due to increase in Revenue expenditure (Rs. 486.12 crores) and Public Debt (Rs. 458.21 crores) partially offset by less expenditure on Appropriation to Contingency Fund (Rs. 100.00 crores), Loans and Advances (Rs. 13.59 crores) and Capital expenditure (Rs. 5.68 crores). The increase in Revenue expenditure was mainly due to increase in payment of interest on internal debts, State Provident Funds, increase in cost of text books, pay and allowances of teachers and assistance to non-Government secondary schools/colleges, revision of pension cases and more cases of commutation of pension, etc.

CHAPTER-II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

2.1.1 The summarised position of actuals during 1988-89 against provision is as follows

	Original grant/ appropri-ation	Supplem-entary	Total	Actual expen diture	Variation Saving— Excess+
		(Rupees in crores)			
I Revenue					
Voted	29,07.38	3,41.87	32,49.25	30,95.67	—1,53.58
Charged	3,84.15	52.27	4,36.42	4,34.58	—1.84
II Capital					
Voted	5,80.57	26.29	6,06.86	4,82.39	—1,24.47
Charged	0.02	2.23	2.25	2.20	—0.05
III Public Debt					
Charged	3,77.65	5,97.36	9,75.01	9,60.30	—14.71
IV Loans and Advances					
Voted	3,90.18	55.65	4,45.83	3,96.27	—49.56
Charged	0.19	0.15	0.34	0.29	—0.05
V Others Inter State Settelement					
Charged	0.01	—	0.01	—	—0.01
VI Transfer to Contingency Fund					
Voted	—	20.00	20.00	—	—20.00
Grand Total	46,40.15	10,95.82	57,35.97	53,71.70	—3,64.27

2.2 Results of Appropiation Audit

The following results emerge broadly from the Appropriation Audit.

2.2.1 Supplementary provision

Supplementary provision of Rs. 10,95.82 crores obtained during the year constituted 24 *per cent* of the original budget provision as against 33 *per cent* in the year preceding.

2.2.2 Unnecessary/excessive/inadequate supplementary provision

(a) The total supplmentary provision of Rs.10,95.82 crores made in March 1989 proved excessive in view of the overall saving of Rs. 3,64.27 crores.

(b) Supplementary provision of Rs. 27.42 crores (Revenue: Rs. 8.78 crores; Capital: Rs. 18.64 crores) in 27 cases as detailed in Appendix I proved unnecessary.

(c) In 17 more cases as detailed in Appendix II additional funds required was only Rs. 7,56.26 crores (Revenue : Rs. 1,33.57 crores; Capital : Rs. 6,22.69 crores) against the supplementary provision of Rs. 8,63.76 crores, (Revenue : Rs. 1,94.08 crores; Capital: Rs. 6,69.68 crores) with saving in each case exceeding Rs. 10 lakhs.

(d) In 22 cases as detailed in Appendix III supplementary provision of Rs. 1,27.46 crores (Revenue : Rs. 1,19.85 crores Capital : Rs 7.61 crores) proved insufficient by more than Rs. 10 lakhs in each case leaving an aggregate uncovered excess expenditure of Rs. 42.33 crores.

2.2.3 Saving/Excess over provision

The overall saving of Rs. 3,64.27 crores was the result of saving of Rs. 4,39.39 crores in 109 grants (Rs. 4,20.89 crores) and 26 charged appropriations (Rs. 18.50 crores), partly offset by excess of Rs. 75.12 crores in 34 grants (Rs. 73.28) crores and 9 charged appropriations (Rs. 1.84 crores) vide Appendix IV requiring regularisation under Article 205 of the Constitution.

2.2.4 Unutilised provision

In 23 grants the expenditure fell short by more than Rs. 1 crore and also by 10 *per cent* of the total provision as detailed in Appendix V.

2.2.5. Saving under Plan schemes

In addition to those mentioned in paragraph 2.2.4 above, in the following cases substantial savings occured owing to non-implementation or slow implementation of Plan schems.

Sr. No.	Name of the Department / Number and name of the grant	Name of the scheme	Saving (Rs. in lakhs)	Percentage of saving
1	2	3	4	5
REVENUE SECTION				
		Agriculture and Rural Development		
1.	2-Agriculture	Oil seeds Development.	64.38	32
		Labour and Employment		
2.	59-Labour and Employment	Craftsmen training scheme in Government Industrial Training Institutes.	52.50	24
3.	59-Labour and Employment	National Apprentice ship Training Scheme.	18.23	61
		Tribal Development		
4.	98-Tribal Area Sub-Plan	(Special Central Assistance) Scholarships to pupils in Tribal Areas	1,25.00	100

1	2	3	4	5
5.	98-Tribal Area Sub-Plan	Tube wells	1,00.00	100
6.	98-Tribal Area Sub-Plan	Ashram schools	73.66	44
7.	98-Tribal Area Sub-Plan	Construction and deepening of wells and tanks	38.33	79
	CAPITAL SECTION			
		Co-operation		
8.	7-Co-operation	Co-operative Sugar Mills. N.C.D.C.	34.00	100
		Roads and Buildings		
9.	86-Residential Buildings	Agriculture Buildings	1,11.88	61

2.2.6 Persistent savings

According to paragraph 37 of the Budget Manual, the provision is to be made for the expenditure expected to be incurred in the coming year and the actuals of the last three years were to be taken into consideration while making the provision. However, persistent savings were noticed in the following grants/ appropriations :

Sr. No.	Name of the Department Number and name of the Grant/Appropriation.	Percentage of Savings 1986--87	1987--88	1988-89
1	2	3	4	5
	REVENUE SECTION **Voted grants :**			
	Food and Civil Supplies			
(i)	19—Civil Supplies	77	50	36
	Health and Family Welfare			
(ii)	37-Family Welfare	17	18	11
	Information, Broadcasting and Tourism			
(iii)	52-Information and Publicity	24	17	15
	Charged appropriation :- **Revenue**			
(iv)	82-Compensations and Assignments	58	39	16
	CAPITAL SECTION **Voted Grants :—** **Education**			
(v)	10-Education	4	3	56
	Narmada Development			
(vi)	65-Narmada Development Scheme	66	44	1
	Panchayats and Rural Housing			
(vii)	69-Rural Housing	35	21	69

1	2	3	4	5
	Ports, Transport and Fisheries			
(viii)	73-Ports	28	3	63
(ix)	75-Fisheries	6	21	46
	Revenue			
(x)	80-Relief on account of Natural calamities	29	35	45
(xi)	82-Compensations and Assignments	97	100	86
	Roads and Buildings			
(xii)	85-Non-Residential Buildings	11	25	31
	Social Welfare			
(xiii)	94—Special component Plan for Scheduled castes	46	36	25
	Urban Development and Urban Housing			
(x iv)	101-Urban Development	9	33	23
	Charged appropriation:-			
	Panchayats and Rural Housing			
(xv)	68-Community Development	2	19	14

Fisheries

The saving under the grant during the three years was mainly attributable to (i) sanction of projects requiring lesser share capital by the National Co-operative Development Corporation (NCDC) during 1986-87 (ii) non-finalisation of certain projects

by the NCDC during 1987-88 and (iii) reduction in 'Plan' outlay during 1988-89. This ultimately affected the upliftment of fishermen who are socially and economically backward.

Special Component Plan for Scheduled Castes

The surrender of funds was due mainly to (i) non-sanction of share capital contribution to Scheduled Castes Economic Development Corporation during 1986-87, 1987-88 and 1988-89, (ii) receipt of less applications or proposals for housing loans in respect of landless labourers in rural areas and individuals of most backward class community during 1986-87, 1987-88 and 1988-89, (iii) less demand for electricity connections during 1987-88 and (iv) non--receipt of administrative approval, non-fixation of agencies and non-finalisation of site for construction of residential schools and Government hostels for scheduled castes students during 1988-89. As a consequence, large funds meant for the welfare of constitutionally guaranteed class of the society remained unutilised.

2.2.7 Significant cases of excesses

In the following grant/appropriations, the expenditure exceeded the approved provision by more than Rs. 50 lakhs and also by more than 10 *per cent* of the total provision :

Sr. No.	Name of the Department / No. and name of the Grant	Amount of excess (Rs. in crores) (Percentage to total provision)	Main reasons for excess
REVENUE SECTION			
(a)	**Voted grants :**		
	Home		
(i)	42-Jails	0.77 / (15)	Increase in the rates of raw materials for jail manufacture, increase in the rates of dearness allowance and payment of arrears arising from revision of pay scales.
	Ports, Transport and Fisheries		
(ii)	74-Transport	10.52 / (11)	No explanation
(b)	**Charged appropriation :**		
	Agriculture and Rural Development		
(iii)	5-Other expenditure pertaining to Agriculture and Rural Development Department	0.88 / (61)	Refund of permit fees to the cattle exporters.
CAPITAL SECTION :			
(a)	**Voted grants :**		
	Co-operation		
(iv)	7-Co-operation	6.91 / (111)	Sanction of more funds by the National Bank for Agriculture and Rural Development (Rs. 0.63 crores). No explanation for the balance.

2.2.8 Persistent excesses

Persistent excesses of 90,143 and 111 *per cent* during 1986-87, 1987-88 and 1988-89 respectively were noticed under grant No. 7 (Capital section) of Co-operation Department.

2.2.9 Expenditure without provision

Case of incurring expenditure without any provision were noticed; illustrative cases of expenditure involving Rs. 6.92 crores were as under :

Grant No.	Head of Account	Amount (Rupees in crores)
1	2	3
3	2402- Soil and water conservation	
	(102) Soil Conservation	0.37
	(10) Soil Conservation in catchment of Sardar Sarovar (Plan)	
4	2403- Animal Husbandry	
	(113) Administrative Investigation and Statistics	
	(2) Scheme for establishing of Live stock Census Cell in the Directorate of Animal Husbandry	0.04
4	4403- Capital outlay on Animal Husbandry	
	(104) Sheep and Wool Development	0.15
	(1) Share Capital contribution to Gujarat Sheep and Wool Development Corporation Ltd.	
5	2403- Animal Husbandry	
	(800) Other expenditure	1.40
	(1) Refund of permit fees (Charged)	
38	6215- Loans for Water Supply and Sanitation	
	(01) Water supply	4.82
	(191) Loans to local bodies, Municipalities, etc.	

1	2	3
	(4) Loan to Municipal Corporations, Municipalities and other local bodies for water supply scheme	
49	2801—Power	
	(66) Rural Electrification,	
	(800) Other expenditure,	0.14
	(2) Setting up of Integrated Rural Energy Planning Cell at State and District/Block level (Plan)	

2.2.10 Surrender of savings

(a) As against available saving of Rs. 3,64,27 crores, a sum of Rs. 3,92.56 crores was surrendered in March 1989.

(b) Surrender exceeding Rs. 50 lakhs in each case was made in excess of the saving actually available in the following grants :

Grant No.	Department	Saving available	Surrender	Excessive surrender
			(Rupees is crores)	
REVENUE SECTION				
56	Irrigation	0.56	10.43	9.87
80	Revenue	31.08	33.85	2.77
86	Roads and Buildings	1.55	2.86	1.31
87	Roads and Buildings	5.61	17.00	11.39
CAPITAL SECTION				
2	Agriculture and Rural Development	16.28	17.78	1.50
47	Industries, Mines and Energy	11.53	14.28	2.75
65	Narmada Development	39.71	40.49	0.78

(c) Although the expenditure exceeded the total provision and no saving was available, amount exceeding Rs. 10 lakhs in each case was surrendered in the following cases :

Grant No. / Appropriation No.	Department	Total excess	Amount of surrender
		(Rupees in crores)	
REVENUE SECTION			
2	Agriculture and Rural Development	1.30	2.63
4	Agriculture and Rural Development	0.39	0.23
5	Agriculture and Rural Development (Charged)	0.88	0.48
36	Health and Family Welfare	3.25	1.40
74	Ports, Transport and Fisheries	10.52	0.17
85	Roads and Buildings	2.42	1.69
94	Social Welfare	3.11	0.40
CAPITAL SECTION			
7	Co-operation	6.91	0.26

(d) Significant savings exceedings Rs. 50 lakhs remained unsurrendered in the following grants :

Grant No.	Department	Total saving	Amount of surrender	Unsurrendered amount
1	2	3	4	5
			(Rupees in crores)	
REVENUE SECTION				
37	Health and Family Welfare	4.41	3.18	1.23
65	Narmada Development	26.90	—	26.90
98	Tribal Development	9.46	8.27	1.19

1	2	3	4	5
CAPITAL SECTION				
10	Education	1.20	0.02	1.18
38	Health and Family Welfare	14.17	2.98	11.19
56	Irrigation	32.90	32.15	0.75
98	Tribal Development	7.56	6.87	0.69

2.3 Injudicious re-appropriation

Reappropriation is transfer of funds within a grant, from one unit of appropriation where savings are anticipated to another where additional funds are needed. It is permissible only when there is definite or reasonable chance of saving under the unit to meet more urgent expenditure under another unit. These aspects do not appear to have been taken into consideration while issuing reappropriation orders during 1988-89. In 11 cases reappropriation in each case turned out to be injudicious on account of the final saving or excess as detailed in Appendix VI.

2.4 Expenditure on "New Service/New Instrument of Service".

Provisions in the Gujarat Budget Manual prescribe certain financial limits for different categories of expenditure beyond which the expenditure constitutes "New Services"or "New Instrument of Services" and requires prior approval of the Legislature. During test check in Audit of the accounts for 1988-89, the following cases were noticed in which the prescribed limits were exceeded and the expenditure constituted "New Instrument of Services" but neither advance from the Contingency Fund was obtained nor prior approval of the Legislature taken.

Failure to observe the prescribed procedure regarding" New Service/New Instrument of Service" resulted in expenditure escaping the approval of the Legislature.

(i) Co-operation Department (Grant No. 7)

Rupees 5.56 crores were paid as loan to a co-operative bank although the Legislature had approved the expenditure of Rs. 1.00 lakh only in the Supplementary demand of March 1989.

(ii) Health and Family Welfare Department (Grant No. 36)

An expenditure of Rs. 18.26 crores was incurred on "Civil Hospital Administration (Medical)" against the approved provision of Rs. 15.84 crores. The provision was increased by Rs. 0.16 crore only through reappropriation due to increase in the rates of uniform and washing allowance and revision of pay scales of nursing staff leaving a final excess of Rs. 2.26 crores.

(iii) Industries, Mines and Energy Department (Grant No. 47)

The provision of Rs. 6.16 crores was made in the budget for grant of capital subsidy to industries in backward areas and growth centres. However, expenditure of Rs. 9.19 crores was incurred. Additional provision of Rs. 3.00 crores was obtained through reappropriation due to receipt of more claims of subsidy.

Similarly, provision of Rs. 0.92 crore was made in the budget for subsidised financial assistance to individual artisans through nationalised bank. Against this, expenditure of Rs. 2.04 crores was incurred; the excess of Rs. 1.08 crores due to receipt of more demand from beneficiaries was met through reappropriation.

(iv) Irrigation Department (Grant No. 56)

Against the budget provision of Rs. 1.16 crores for other expenditure on Guhai Irrigation Project, the expenditure of Rs. 2.35 crores was incurred resulting in excess of Rs. 1.19 crores. The budget provision was augmented through reappropriation by Rs. 1.17 crores for payment of land acquisition in Sukhi, Likhi and Likhi campa villages, *ex-gratia* payment to oustees, providing amenities to oustees and procurement of computer.

(v) Revenue Department (Grant No. 80)

Expenditure of Rs. 81.43 crores was incurred for giving incentive for green fodder against the provision of Rs. 60.50 crores. The excess of Rs. 20.91 crores was met by reappropriation.

Expenditure of Rs. 7.96 crores was incurred on "Relief Establishment" against provision of Rs. 3.00 crores. The balance of Rs. 4.96 crores was met by reappropriation.

Rupees 4.34 crores were disbursed as cash doles to the disabled whereas provision of Rs. 1.80 crores only existed. The provision was augmented by Rs. 2.54 crores through reappropriation.

Subsidy amounting to Rs. 4.20 crores was paid to *Panjarapoles and Gaushalas* against the provision of Rs. 2.00 crores. The provision was augmented by Rs. 0.64 crore, leaving final excess of Rs. 1.56 crores.

(vi) Roads and Buildings Department (Grant No. 85)

Expenditure of Rs. 1.87 crores was incurred on non--residential buildings of Industries Department against provision of Rs. 0.35 crore. Additional fund of Rs. 1.52 crores was provided through reappropriation, due to speedy construction of Udyog Bhavan at Gandhinagar.

(vii) Trible Development Department

Rupees 1.60 crores were paid as Grants-in-aid to Backward Class Hostels including General Cosmopolitan Hostels and electrification of hostels against the budget provision of Rs. 0.51 crore. The provision was increased by Rs. 0.97 crore through reappropriation leaving final excess of Rs. 0.12 crore mainly due to increase in the rates of Grant-in -aid and payment of arrears thereof.

A provision of Rs. 2.32 crores was made in the budget for Government Rural Water suppiy Schemes(Drinking).Against this, expenditure of Rs. 5.28 crores was incurred resulting in excess of Rs. 2.96 crores which was met by reappropriation for execution of water supply programme in Tribal Areas.

2.5 Rush of expenditure during March

Despite provisions in Gujarat Budget Manual and persistent recommendation of Public Accounts Committee rush of expenditure in the month of March was noticed in the following cases :

Description of function	Total vision	Total expenditure	expenditure during March	Percentage of expenditure during March
	(Rupees in crores)			
Urban Development	23.52	22.49	13.96	62
Capital Outlay on Consumer Industries	7.40	1.75	1.40	80
Loans for Education, Sports, Arts and Culture	2.56	1.36	0.93	68
Loans for Housing	13.98	8.90	6.84	77
Loans for Urban Development	10.34	7.93	7.14	90
Loans for Fisheries	3.48	1.65	1.18	72
Loans for Village and small Industries	0.39	0.47	0.30	64
Loans for Non-ferrous Mining and Metallurgical Industries	8.25	4.00	4.00	100
Loans for Tourism	0.60	0.60	0.60	100

The reasons for rush of expenditure in the month of March in the above cases have been called for from Government in October 1990; reply has not been received (December 1990).

2.3 Item of expenditure during March

Despite provisions in Gujarat Budget [illegible] the position and recommendation of Public Accounts Committee [illegible] expenditure in the month of March was noticed in the following cases

Description of Function	Total Provision	Total expenditure upto March	Total expenditure in March	Reasons for excess
	(Rupees in lakhs)			
Urban Development	21.27	23.49	[illegible]	[illegible]
Original Works	7.40	[illegible]	[illegible]	[illegible]
Grants for Industries				
Loans for Education, Sports, Art and Culture	2.80	[illegible]	[illegible]	[illegible]
Loans for Housing	12.08	[illegible]	[illegible]	[illegible]
Loans for Other Urban Development	[illegible]	[illegible]		
Loans for Water Supply	46	[illegible]	[illegible]	[illegible]
Loans for Village and Small Industries	0.30	0.47	0.3	[illegible]
Loans for Non-Ferrous Mining and Metallurgical Industries	2.35	[illegible]	[illegible]	[illegible]
Loans for Tourism	[illegible]	[illegible]	0.4	[illegible]

The reasons for excess of expenditure in the months of March are given above. These have been reported to the Government of Gujarat [illegible] Department has not been received. (December 1980).

2.6 Trend of recoveries

Under the system of gross budgetting by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries are shown separately in the budget estimates.

In 5 grants in Revenue Section, the actual recoveries (Rs. 158.41 crores) were more than the estimated recoveries(Rs.136.86 crores) by Rs. 21.55 crores. The excess recoveries amounting to Rs. 1.79 crores were stated to be mainly due to transfer of more expenditure to Gujarat Insurance Fund owing to payment of more insurance claims on account of development of insurance business (Grant No. 16) and transfer of more expenditure to Major Head 2059- Public works (Grant No. 84) owing to increase in the establishment expenditure. The reasons for the remaining excess recoveries of Rs. 19.76 crores have not been intimated. On the other hand, in 6 grants, the actual recoveries (Rs. 2.08 crores) were less than the estimated recoveries (Rs. 4.30 crores) by Rs. 2.22 crores. The shortfall amounting to Rs. 0.83 crore was due mainly to incorrect exhibition of estimates (Grant No. 4), non-purchase of printing machineries (Grant No. 46), transfer of less expenditure to Group V- Common Expenditure of Narmada Project owing to reduction in staff (Grant No. 64) and adjustment of unspent balance of the grants given to the panchayats in the earlier years (Grant No. 70).

The reasons for the remaining shortfall of Rs. 1.39 crores have been called for from Government in September 1990; reply has not been received (December 1990).

Similarly, in Capital Section in 10 grants the actual recoveries of expenditure (Rs. 19.92 crores) were more than the estimated recoveries (Rs. 7.86 crores) by Rs. 12.06 crores. The excess of Rs. 0.58 crore was mainly attributable to finalisation of old levy sugar account of the sugar nominee of Rajkot district (Grant No. 19) and issue of ration cards (Grant No. 20). The reasons for the remaining

excess recoveries of Rs. 11.48 crores have not been intimated. On the other hand, in 3 grants, the actual recoveries (Rs. 74.24 crores) were less than the estimated recoveries (Rs. 158.54 crores) by Rs. 84.30 crores. The reasons for the shortfall have not been intimated. Further, details of grant-wise recoveries are given in Appendix-II of the Appropriation Accounts.

CHAPTER III

CIVIL DEPARTMENTS

INDUSTRIES, MINES AND ENERGY DEPARTMENT

3.1 Industrial development in Backward areas

3.1.1 *Introduction*

In order to achieve regional balance in industrial development, the Central Government introduced various schemes which included (i) Concessional Finance Scheme (ii) Central Infrastructural Scheme in "no industry districts" and (iii) Central Investment Subsidy Scheme. Under the schemes, lending institutions extended financial assistance on concessional terms to all new/existing industries located in the backward districts. Central Infrastructural Assistance Scheme in "no industry district" was introduced for assisting the State Government in one or two identified "growth centres" in each "no industry district". With effect from April 1983 the Central Government introduced graded incentives and identified eleven districts as backward districts. Industries in the first category district (Dangs) are eligible for 25 *per cent* subsidy on capital investment subject to a maximum of Rs. 25 lakhs. For the second (Bharuch, Panchmahal and Surendranagar) and the third category (Amreli, Bhavnagar, Junagadh, Kachchh, Mehsana, Banaskantha and Sabarkantha), subsidy available was at 15 *per cent* subject to maximum of Rs. 15 lakhs and 10 *per cent*, subject to maximum of Rs. 10 lakhs respectively. The scheme was in force upto September 1988.

The State subsidy scheme was operational in backward areas of the entire State, and the rate of subsidy was inclusive of Central ubsidy, whereever applicable. The prescribed rates ranged from 20 to 35 *per cent* of fixed assets for small industries and 15 to 30 *per cent* for medium and large industries subject to a maximum subsidy of Rs. 25 lakhs to Rs. 30 lakhs.

3.1.2 *Organisational set up*

State Level Committee (SLC) in respect of large and medium industries and District Level Committee (DLC) in respect of small scale industries were required to go in to merits of each case to decide the eligibility of the industrial units for subsidy. Disbursement was made by the designated disbursing agencies. Gujarat State Finance Corporation (GSFC) and Gujarat Industrial Investment Corporation (GIIC), also sanctioned and disbursed State Subsidy and acted only as disbursing agency for Central Subsidy. The Commissioner of Industries, through the General Manager of the District Industries Centres (GM DIC), oversaw the implementation of the scheme.

3.1.3 *Audit Coverage*

A test check of records relating to the scheme in the office of the Industries Commissioner, Ahmedabad, GIIC, GSFC and District Industries Centres at Godhra, Bharuch, Surendranagar, Mehsana and Junagadh was conducted during February-July 1989.

3.1.4 *Highlights*

— **Balanced regional development in backward areas by dispersal of industries was not achieved as 83 *per cent* of the central subsidy was disbursed only in four backward districts.**

(Paragraph 3.1.5.2)

— **Despite increase in the number of industrial units by more than 100 *per cent* during 1980 to 1987, the number of backward districts**

remained same. Concentration of new industries in the developed districts was partially due to operation of State subsidy scheme with higher percentage of assistance.

(Paragraph 3.1.5.4)

— Ahmedabad-Vapi region alone accounted for 59 *per cent* of total disbursement under the State subsidy scheme.

(Paragraph 3.1.5.5)

— Central subsidy of Rs. 2.64 lakhs recovered from industrial units was not passed on to Government of India.

(Paragraph 3.1.6.2)

— Gujarat Industrial Investment Corporation retained large balance of undisbursed subsidy ranging from Rs. 78 lakhs to Rs. 265 lakhs during 1983 to 1988.

(Paragraph 3.1.6.3)

— There were delays of 1 to 10 years in sanctioning of subsidy.

(Paragraph 3.1.7.1)

— No systematic inspection programme to cover the units assisted under the scheme was drawn up to ensure that the units did not go out of production during the prescribed period of five years.

(Paragraph 3.1.7.2)

— Rs. 193 lakhs were recoverable from 271 units on account of premature closure of the Industrial Units.

(Paragraphs 3.1.7.3 and 3.1.7.4)

— Rs. 153.50 lakhs were advanced to 83 units in anticipation of commencement of production but the units had not started production.

(Paragraph 3.1.7.5)

— Central subsidy of Rs. 33 lakhs was paid to units located in a non subsidy area.

(Paragraph 3.1.7.6)

— Subsidy of Rs. 8.03 lakhs was paid in excess of ceiling.

(Paragraph 3.1.7.7)

— **Central subsidy of Rs. 2.75 lakhs was paid to ineligible service units. Failure to limit investment on 'plant and machinery by service establishments resulted in over payment of Rs. 4.58 lakhs. State subsidy of Rs. 10.12 lakhs was paid to ineligible units.**

(Paragraph 3.1.7.8)

— **Rupees 7.44 lakhs were irregularly paid to hotel industries.**

(Paragraph 3.1.7.9)

— **Rupees 6.17 lakhs were released without ascertaining that production had increased.**

(Paragraph 3.1.7.10)

— **Failure to prescribe a ceiling for State subsidy on technical know-how fee resulted in payment of Rs. 5.98 lakhs in addition to the Central Subsidy of Rs. 0.27 lakh.**

(Paragraph 3.1.7.11)

— **Disbursement of State and Central subsidy to the same units resulted in release of excess State subsidy of Rs. 3.28 lakhs to eleven units.**

(Paragraph 3.1.7.12)

— **Generation of employment by the units receiving subsidy was not monitored since this was not contemplated in the scheme.**

(Paragraph 3.1.9)

— **No evaluation of the scheme was carried out to ascertain the extent of fulfilment of the objectives.**

(Paragraph 3.1.12)

3.1.5 *Planning*

3.1.5.1 Seven districts in the State were identified *enbloc* under a single category where rate of subsidy was lowest (10 *per cent*) despite many talukas of these backward districts having no industries or negligible number of industries. Similarly, there was considerable degree of disparity between various talukas in non-backward districts regarding the extent and stage of industrialisation.

3.1.5.2 Before industries could be located in a backward district essential infrastructural facilities were to be created by Gujarat Industrial Development Corporation (GIDC).GIDC had however, incurred an expenditure of Rs. 6195 lakhs only in eleven backward district during 1983--89, while Rs. 11499.47 lakhs were spent in non-backward districts. Also Gujrat Industrial Investment Corporation (GIIC) and Gujarat State Finance Corporation (GSFC) which are the main institutions for industrial finance concentrated their loan assistance in non-backward districts.

GIIC had disbursed loan of Rs. 13411.05 lakhs to 383 units upto March 1988 in the backward districts constituting 49 *per cent* of its total disbursement. 42 *per cent* was invested only in Bharuch District.

GSFC had disbursed Rs. 55697. 48 lakhs to 20089 units upto the end of March 1989. 47 *per cent* thereof (Rs. 26169.77 lakhs) was given to backward districts but Bharuch district alone got 12 *per cent* followed by Mehsana (11 *per cent*) and Panchmahals (9 *per cent*). Consequently the share of Kachchh, Sabarkantha, Banaskantha and Amreli districts was very poor.

Also 83 *per cent* of the Central subsidy amounting to Rs. 3696.29 lakhs were released only to 4 districts viz. Panchmahals, Bharuch, Surendranagar and Mehsana.

3.1.5.3 GSFC and GIIC had active role to play in channelising the capital for exploitation of the under-utilised resources in back ward districts. However, the assistance to mineral, agriculture and forest based industries constituted only 27 and 10 *per cent* of the total assistance provided to units by GIIC and GSFC respectively.

3.1.5.4 According to the Commissioner of Industries (August 1989) the number of small insdusties in the State increased from 43712 in 1980 to 88325 in 1987. But the share of small industries in backward districts continued to be 26 *per cent* resulting in high concentration of industries in the non-backward districts . This was partially due to extension of State subsidy ranging from 20 to 30 *per cent* to most of the talukas and industrial estates in developed districts also.

3.1.5.5 Similarly, the State subsidy disbursement was more for the industrially developed Ahmedabad-Vapi region instead of 134 backward talukes as is evident from the table below:

Parameter	Ahmedabad and Vapi region	North Gujarat region	Saurashtra and Kachchh region	Total
	(Percentage shown in brackets)			
Area in sq. Kms.	56264 (29)	29769 (15)	109991 (56)	196024 (100)
Small scale Industries registered as on 31.12.88	59882 (61)	8588 (9)	28969 (30)	97439 (100)
Disbursement (Rupees in lakhs)				
(i) State Subsidy	5422 (59)	1966 (21)	1830 (20)	9218 (100)
(ii) Central Subsidy	2470 (56)	975 (22)	985 (22)	4430 (100)

Besides, according to a study Rs. 4175 lakhs were sanctioned as subsidy (inclusive of Central subsidy) in 115 growth centres of the State , 80 *per cent* thereof was sanctioned in just 17 growth centres. Commissioner of Industries stated (August 1989) that the present scheme would be in force upto March 1991, and the position of industrialisation in each taluka/district would be evaluated before framing future incentive scheme.

3.1.6 *Financial achievements*

3.1.6.1 During 1984-85 to 1989-90, a total sum of Rs. 5450 lakhs was provided towards Central subsidy scheme. Out of this, Rs. 4570.15 lakhs were sanctioned under the scheme, and an expenditure of Rs. 4402.75 lakhs was incurred. Under the State subsidy scheme, as against the provision of Rs. 4640.50 lakhs, subsidy sanctioned and disbursed were Rs. 4548.82 and Rs. 5660.48 lakhs respectively. Excess expenditure was attributed to subsidy claims in excess of anticipation lesser budget provision, introduction of revised subsidy scheme from April 1986 which was liberal and covered more areas and release

of more funds to financial institutions which incurred additional expenditure from their own funds. The departmental figures of disbursement varied widely from the accounts figures as these were not reconciled with figures in the State Accounts. The Commissioner of Industries stated (August 1989) that the reconciliation would be done.

3.1.6.2 According to Central subsidy manual, any overpayment of subsidy was to be recovered from the industrial units. Rs. 2.64 lakhs so recovered had not been passed on to Government of India. The Commissioner of Industries agreed (August 1989) to deduct such recoveries from the reimbursement claims of Central Cash Subsidy.

3.1.6.3 The Commissioner of Industries paid advances to State Industrial Finance Institutions for expediting disbursement of subsidy amount which were treated as final expenditure in the accounts of Government. However, scrutiny of the particulars furnished by the Commissioner of Industries and GIIC, disclosed that an annual average balance ranging from Rs. 78.30 lakhs to Rs. 265.63 lakhs during the years 1983-84 to 1987-88 remained with GIIC.

3.1.7 *Lapses in implementation*

3.1.7.1 (i) According to instructions issued by Commissioner of Industries, in April 1981 and January 1983 registration for subsidy should be done on the same day when the unit applied for it and wanting information should be collected within three months. District Level Committee meetings should invariably be held once a month to sanction subsidy. It was, however, noticed that there were abnormal delays in processing the applications for subsidy by the DLC. The delay in granting registration in respect of 48 units in Surendranagar, Bharuch and Godhra ranged from 60 days to 434 days and the delay in sanctioning subsidy after registration ranged from one to ten years. Two units each in Bharuch and Surendranagar got their subsidy sanctioned more than ten years after registration.

(ii) The Commissioner of Industries requested GIIC to prepare appraisal reports in respect of a few medium and large self-financed industrial units between February 1988 and October 1988. Despite repeat-

ed reminders this was not done resulting in non-availability of subsidy to these units in time. Subsidy cases of 16 units could not be sanctioned by SLC for more than a year for want of appraisal reports from banks and guidance from the Government.

3.1.7.2 Each assisted unit was to be inspected at least once a year and if any industrial unit went out of production in the first five years of its establishment, the subsidy paid should be recovered. Though the inspection of the units during routine tours was stated to have been done, no systematic inspection programmes to cover all the units in an annual cycle were drawn up,nor any inspection report was available except for a few months in 1988-89. Only 60 and 30 *per cent* of the units were visited in Panchmahals and Mehsana districts respectively during 1982-83 to 1988-89. The number of units inspected in Surendranagar, Bharuch and Junagadh districts was not intimated.

Industrial units receiving subsidy exceeding Rs. 15,000 are to furnish annual audited statement of accounts and balance sheets to the department and other units should file annual production reports. Failure to do so would entail recovery of subsidy. This was not being ensured. DIC Mehsana reported that there were only two units which furnished the annual returns during the period 1982-83 to 1988-89. GM, DIC, Godhra stated that no unit furnished the return during 1982-83 to 1984-85 and 1987-88, but 20 units furnished the returns in 1985-86, 9 units in 1986-87 and 12 units in 1988-89.

Owing to absence of verification by regular departmental inspections and failure to exercise control on the receipt of prescribed returns, it could not be ensured that all units which had received subsidy functioned for the prescribed period of 5 years from the date of production as required under the subsidy scheme.

3.1.7.3 Central subsidy of Rs. 102.21 lakhs from 142 units and State subsidy of Rs. 50.01 lakhs from 92 units was recoverable since these units had closed down within a period of 5 years from the date of production. The concerned DICs stated that revenue

recovery certificates had since been issued in most of the cases and action was being taken to expedite recoveries. Government also stated that a separate recovery cell was being contemplated to effect recoveries.

State subsidy of Rs. 21.98 lakhs had also become recoverable from 11 Khandsari units in Rajkot district. The Commissioner of Industries stated in January 1990 that the matter was taken up with the Government for waiver of recovery in view of the then prevailing scarcity condition in the district.

3.1.7.4 Despite direction from SLC in March 1984 GSFC was issuing revenue recovery certificate for their loan amounts only. GSFC did not issue any recovery notice in respect of central subsidy of Rs.6.03 lakhs to 7 units, and state subsidy of Rs.9.80 lakhs to 18 units

GSFC disposed off the assets of a unit for Rs. 15 lakhs in Banaskantha District in 1985 owing to closure of the unit. However, state subsidy of Rs. 3.06 lakhs, disbursed upto April 1984, remained to be adjusted.

3.1.7.5 According to the scheme, units could be paid subsidy upto 85 *per cent* before commencement of production on the units furnishing proof of having taken effective steps alongwith actual expenditure to the satisfaction of the department. Test check in audit revealed that Central subsidy of Rs. 76.04 lakhs (31 units) and State subsidy of Rs. 77.46 lakhs (52 units) were advanced between 1981 and 1987, but the units had not so far started production (August 1989) resulting in blocking of funds. Commissioner of Industries and the concerned disbursing agencies stated (May-August 1989) that the cases would be examined and further action taken.

3.1.7.6 Central subsidy was available to projects where the State Governments approval had been obtained on or before 1st April 1983, even though the taluka where the industry was located was in a non subsidy area. In Ankleshwar and Bharuch talukas, which were non-subsidy areas, Central subsidy of Rs 33.00 lakhs was granted to 8 units even though the industrial licence/SSI registration and allotment of land were secured after 31st March 1983.

Further, the objective of declaration of non-subsidy areas under the Central subsidy scheme was frustrated by allowing subsidy in these areas under the State schemes. In all, Rs. 56.32 lakhs had been disbursed in four developed talukas/urban agglomeration between January 1988 and March 1989.

3.1.7.7 (i) A chemical unit in Ankleshwar taluka was sanctioned maximum central subsidy of Rs. 15 lakhs in January 1980 for the first product and additional central subsidy of Rs. 3.68 lakhs in April 1985 for its second product. Government stated that the subsidy in excess of maximum limit granted for the second product which had different line of end product was in order. According to clarification issued by Government of India in May 1980, the grant of additional subsidy was not admissible since the unit did not have separate legal entity for its second product.

(ii) SLC restricted (March 1987) the state subsidy to an industrial unit in Junagadh district to the maximum of Rs. 15 lakhs as per existing orders. In August 1987, Government had issued an amendment to the effect that for deciding the maximum limit of state subsidy, the subsidy obtained by a unit during its initial set up should be ignored. Accordingly, in September 1988, the case was reopened and the unit was paid a subsidy of Rs. 4.35 lakhs, equivalent to the subsidy initially paid. This was incorrect.

3.1.7.8 Disregarding the clarification issued in May 1981 by Commissioner of Industries about release of subsidy to service units, Rs. 2.75 lakhs were disbursed as central subsidy by GSFC to seven ineligible units engaged in retreading of tyres and manufacture of exercise note books.

Central subsidy to small scale establishments was required to be restricted to the capital investment not exceeding Rs. 2 lakhs on plant and machinery. DIC Panchmahal district and GSFC did not observe the restriction and consequently Rs. 4.58 lakhs were over paid.

Certain industries were not eligible for State subsidy as per Government orders issued from time to time. However, Rs. 10.12 lakhs were disbursed to 18 units which were engaged in manufacture of charcoal, fire brick, tiles, handloom textiles, steel re-rolling and wire drawing, which were not eligible for State subsidy.

3.1.7.9 According to orders issued by Government of India in September 1986, hotel units claiming subsidy were required to have atleast ten rooms for letting out, of which fifty *per cent* should have attached bath room, besides certain minimum prescribed carpet area. Even though seven hotels in Panchmahal, Bharuch and Surendranagar districts did not fulfil the eligibility criteria and had not obtained recognition from the Director General of Tourism, Government of India capital subsidy of Rs. 6.60 lakhs was sanctioned and disbursed by GSFC.

Movable assets such as furniture, furnishings, crockery, linen, mattresses, carpets, recreational equipment etc. did not qualify for subsidy. It was, however, noticed that subsidy of Rs. 0.84 lakh was released on these items to three hotels in Banaskantha, Sabarkantha and Dangs districts.

3.1.7.10 Under the State scheme, expansion means increase in the value of fixed capital investment by not less than 25 *per cent* of the net fixed assets of the existing project and accompanied by an increase in the production to the extent of atleast 25 *per cent* of the original installed capacity within the first year of its enhanced production. However, State subsidy of Rs. 6.17 lakhs was released to 4 units without ascertaining that production had suitably increased.

3.1.7.11 For determining the amount of Central subsidy, technical know-how fees, if any, were required to be restricted to 10 *per cent* of the cost of plant and machinery. However, no such ceiling was prescribed under State subsidy scheme.

As a result, a unit in Sabarkantha District was granted Central subsidy of Rs. 0.27 lakh on technical know-how fees and an additional State subsidy of Rs. 5.98 lakhs was also granted on full technical know-how investment of Rs. 25 lakhs. Non existence of any limit for technical know-how fees under State scheme resulted in grant of more state subsidy. Government stated that this aspect would be considered while finalising the new policy for subsidies.

3.1.7.12 Investment on electrical installation was restricted to 10 *per cent* of the cost of plant and machinery. GSFC, however, sanctioned and paid excess State subsidy of Rs. 0.83 lakh to a unit at Ankleshwar without applying the restriction.

GSFC and DIC Mehsana sanctioned and disbursed central and state subsidy independently in eleven cases, wihtout, restricting the aggregate subsidy to prescribed levels resulting in excess disbursement of State subsidy of Rs 3.28 lakhs. DIC Mehsana agreed to recover the excess amount but GSFC stated that it released subsidies on the basis of separate sanctions received by it.

3.1.8 *Central Infrastructural Assistance Scheme*

The Central Infrastructural Assistance Scheme (CIAS) was introduced in April 1983 and modified in January 1985 for identification of one or two growth centres in each "No Industry District" and development of infrastructural facilities in these growth centres. A sum of Rs 6 crores was allotted to be shared equally between the Government of India, the State Government and the Industrial Development Bank of India. Each centre would have an area of 200/880 acres. In Gujarat, Dangs district was declared as "No Industry district". On the basis of a report prepared by GIDC, the State Government approached the Central Government (October 1986) for grant of assistance under the scheme by identifying four growth centres with aggregate land availability of 60 acres. Sanction for subsidy under CIAS was awaited from the Government of India (June 1990).

3. 1. 9 Generation of Employment

The Commissioner of Industries did not furnish any information on the expected generation of employment and the actual employment potential generated. It was, however, stated that the total number of factory workers increased from 6.94 lakhs to 7.29 lakhs during the period 1981-82 to 1986-87. Information regarding employment generated for skilled/unskilled categories and the share of local population in the total employment generated was not available. Government stated (January 1990) that since the primary objective of subsidy scheme was not generation of employment, there had been no monitoring so far. However, details of employment from the assisted units would be obtained in future.

3.1.10 Implementing agencies

SLC passed a resolution in it meeting dated March 1977, stressing the necessity of having a separate staff for inspection wing to oversee the implementation of the scheme. However, no headway had been made in the setting up of inspection machinery. It was decided by the SLC to check at random ten *per cent* of the subsidy cases. No such check was carried out. The Commissioner of Industries stated (August 1989) that suitable action would be taken after examining the issue.

In ten test checked cases, which were appraised by GIIC and GSFC, additional Central subsidy was sanctioned based on general factors like increase in cost of buildings and plant and machinery and without adequate critical examination. Cost over-run allowed on construction of building ranged from 22 to 65 *per cent* while the actual escalation on plant and machinery was comparatively less. Though investment shown in the first appraisal was generally inclusive of future cost escalation of about ten *per cent*, there was no ceiling for escalation cost. On this being pointed out, the Commissioner of Industries stated that the matter would be examined by the SLC.

3.1.11 *Monitoring*

Instructions were issued by the department for maintenance of control registers to avoid abnormal delays in processing and payment of subsidy claims. Such control registers were not maintained either in field offices or in the Commissioner's office. The Commissioner of Industries stated (August 1989) that the progress of subsidy application was being watched through SLC minutes register and Pay Order Register. At the instance of audit, the Commissioner agreed to maintain the control register in his office and to issue instructions to DICs also to maintain such registers.

3.1.12 *Evaluation*

No systematic evaluation had been carried out in terms of number of industries set up in the backward areas, capital invested, increase in industrial production, employment genearated etc. in successive plan periods.

3.2 Extra Expenditure on power consumption

According to the conditions stipulated in High Tension (HT) Power Tariff of the Gujarat Electricity Board (Board), a Consumer is required to pay power factor adjustment charges at rates fixed from time to time, if monthly average power factor is not maintained at 90 *per cent* of the contracted demand.

Government printing press, Bhavnagar having failed to maintain the power factor of 120 KVA owing to non installation of approriate capacitors, had to pay adjustment charges of Rs. 2.75 lakhs for the period from 1982-83 to August 1989.

Against the proposal to install capacitors in February 1985, the Public Works department installed five capacitors in June 1987 which failed because of defective installation and non-provision of switch fuses. Eventhough additional capacitors were installed in July 1988, the power factor could be improved only from September 1989.

Government stated (July 1990) that efforts to further improve the power factor were being made.

3.3 Idel Investment

With a view to overcoming the limitations of off-set printing machines and to have better results in minimum time, phototype setting system was imported by Government Photo Litho Press, Ahmedabad in June 1986 at a total cost of Rs. 11.78 lakhs. This was installed only in April 1987 as the construction of air-conditioned room required to house the system was completed in March 1987 at a cost of Rs. 1.50 lakhs. Owing to belated finalisation (March 1989) of Recruitment Rules the post sanctioned in June 1983 for manning the system could be advertised only in July 1989 and all applicants were found unsuitable resulting in non-operation of the system (December 1989).

Lack of planning in procurement and installation and co-ordination for speeding up recruitment resulted in idle investment of Rs. 13.28 lakhs for more than three years. After the purchase of the system, department had to pay Rs 1.41 lakhs upto July 1989 to private presses for getting the work done from a similar system.

The matter was reported to Government in August 1989; reply had not been received (December 1989).

SOCIAL WELFARE AND TRIBAL DEVELOPMENT DEPARTMENT

3.4 Tribal Area Sub Plan

3.4.1 *Introduction*

As per the 1981 census, 14 *per cent* of the total population of Gujarat constited of tribals of whom 81 *per cent* lived in districts grouped into nine Integrated Tribal Development Projects (ITDP). Tribal area development approach with a separate plan was first conceived in the Fifth Five Year Plan, and allocation of funds from the State Plan to Tribal Area Sub-Plan (TASP) was generally between 10 and 11 *per cent*.

During 1985-86 to 1988-89 provision of Rs. 47,157.96 lakhs was made which included Special Central Assistance (SCA) of Rs. 5071.80 lakhs from Government of India.

3.4.2 *Administrative set up*

Tribal Area Sub-Plan was implemented through the existing administrative set up with the addition of a Project Administrator (PA) heading each tribal project assisted by two to four Assistant Project Administrators drawn from various disciplines. The Project Administrators functioned under the Commissioner of Tribal Development (CTD) which post was held by the Secretary, Tribal Development Department.

3.4.3 *Audit coverage*

Results of test check in Palanpur, Dahod, Dangs and Vansda tribal project areas were conducted between February and September 1989 and supplemented by information furnished by various State and District level offices.

3.4.4 *Highlights*

—Supply of subsidised agricultural input kits covered only 3 to 4 *per cent* of the total area held by tribal farmers though Rs. 603.05 lakhs had been spent. (Paragraph 3.4.5.1)

—Soil conservation works were carried out only in 18 to 63 *per cent* of the targeted works by Gujarat Land Development Corporation. (Paragraph 3.4.5.2)

—Out of 1292 poultry units supplied to tribal farmers, 595, costing Rs. 5.36 lakhs were closed down in Dahod Project owing to lack of training intending birds and poverty of tribals. (Paragraph 3. 4. 5. 3)

—Rs. 21.86 lakhs were paid towards subsidising fishery activities. In 77 cases in Dahod districts, release of subsidy was not restricted to trained tribals and 34 fishery co-operative societies had become defunct. (Paragraph 3.4.5.4)

—Inspite of providing credit facilities to tribal purchase cooperative societies, direct purchases from tribal farmers had declined, exposing them to exploitation. There was no system to watch utilisation of financial assistance provided to the tribals. (Paragraph 3.4.6.1)

—Rupees 18.78 lakhs, meant for drilling tubewells, were lying unutilised with Gujarat Water Resources Development Corporation. For want of energisation and civil works, 7 wells constructed at a cost of Rs 6.35 lakhs could not be put to use. (Paragraph 3.4.7)

—Due to non completion of Canal system under Ukai-Kakrapar and Damanganga Command Areas, there were shortfalls ranging from 40 to 67 *per cent* in the execution of field channels. (Paragraph 3.4.8)

—Large number of posts of teachers remained vacant in Dahod project adversely affecting the education programme of tribal children. (Paragraph 3.4.9.1(i))

—Number of tribal children provided with free school uniform came down by 46 *per cent* during 1987-88 and 1988-89. Short and delayed supplies were noticed in Dahod, Vansda and Dangs Projects. (Paragraph 3.4.9.1 (ii))

—Identification of needy tribal students was not done before conducting special coaching classes at Primary and Secondry level. (Paragraph 3.4.9.1(iii))

—Tuition fees of Rs 24.10 lakhs was reimbursed to students without verifying whether the schools were outside the radius of 1.5 Km. of Government schools. (Paragraph 3.4.9.2)

—Assistance of Rs 301.50 lakhs was given to hostels run by voluntary agencies without verifying the attendance of students in schools. (Paragraph 3.4.9.6)

—Tribal students utilised only 31 to 50 and 47 to 60 *per cent* of the total seats in ITI and mini ITIs located in the tribal project areas. (Paragraph 3.4.10.2)

— There was no follow up to assess the impact of the scheme under which subsidy of Rs. 66.07 lakhs was paid by the District Industries Centres to tribal artisans for purchasing tools and equipment.
(Paragraph 3.4.10.4)

— Only 27 *per cent* of the 467 trained tribals started their own industries after receiving training at a cost of Rs. 32.40 lakhs from the Centre for Enterpreneurship Development. (Paragraph 3.4.10.5)

— Five Ayurvedic Hospitals with a total capacity of 50 beds remained unutilised owing to non-availability of diet facilities.
(Paragraph 3.4.11.1)

— Tribal population suffering from TB/Cancer etc. were not assisted in time and for the duration recommended by Medical Officers.
(Paragraph 3.4.11.2)

— Regional Water Supply Scheme, estimated to cost Rs. 44.84 lakhs,sanctioned in 1985, was still incomplete, depriving 7 tribal villages of piped water supply. In all, 385 tribal villages remained to be given safe drinking water. (Paragraph 3.4.12)

— Seven rural roads and 3 bridges on which Rs. 60.54 lakhs had been spent could not be put to use owing to non-release of land by Forest Department. (Paragraph 3.4. 13. 1)

— Shortfall in construction of houses for the landless tribals ranged between 18 and 35 *per cent*. (Paragraph 3.4.14)

— Full utilisation of funds from nucleus budget was invariably reported by Project Administrators even though utilisation details were wanting in a large number of cases. Such details were wanting in 1369 cases involving Rs. 499.41 lakhs for the period 1980 to 1988.(Paragraph 3.4.15.1)

— Only one to three *per cent* of the nucleus budget was transferred to Revolving Fund against the permissible provision of 20 *per cent* resulting in borrowing of funds at higher rates of interest by the societies.
(Paragraph 3.4.15.2)

— Concurrent evaluation of family beneficiary oriented programmes was not performed as visualised. (Paragraph 3.4.15.3)

— Special Central Assistance was not utilised as envisaged in the scheme. Rs. 225.75 lakhs out of Central assistance were utilised on staff. (paragraph 3.4.15.4)

— Out of three community halls constructed at a cost of Rs. 7.97 lakhs, two were not put to use and one was being used as a hostel. (Paragraph 3.4.15.7)

— State Level Committee and District Advisory Committees did not meet regularly. (Paragraph 3.4.16)

3.4.5 Agriculture and allied Services :

3.4.5.1 A sum of Rs. 603.05 lakhs were spent on a scheme for supplying good quality seeds and fertilizers in subsidised input kit sufficient to cover half an acre and limited to a maximum of 4 kits per tribal farmer through large sized Miulti-purpose Societies (LAMPS). In supplying 6.25 lakhs kits during 1985-86 to 1988-89 only 3 to 4 *per cent* of the tribal area was covered. In the absence of details of the size of the holding of tribal farmers supplied with the input kits, the type of farmers who availed of the facilities was not ascertainable. The Director of Agriculture stated that the scheme was intended for all tribal farmers with priority to small and marginal farmers and kits were supplied to the extent funds were made available.

3.4.5.2 In order to minimise run off losses of rain water in the undulated tribal areas contour bunding, nala-plugging, terracing, land leveling etc., were carried out on watershed basis through Gujarat State Land Development Corporation Limited (GLDC).GLDC spent Rs. 1532.06 lakhs against Rs. 1716.33 lakhs received as grant and carried out 18,33,63 and 57 *per cent* respectively of the targeted works. The shortfall was attributed to scarcity conditions prevailing during this period.

(ii) An amount of Rs. 25.00 lakhs was paid to GLDC from the nue cleus budget for Soil Conservation Works against which expenditure of only Rs. 0.65 lakh was incurred. Test check of 148 works undertaken in Mora pocket of Godhra, Baria and Dharampur sub-divisions revealed that less expenditure was incurred in 97 cases. The shortfall was attributed to unsuitable conditions imposed by the Project Administrators and execution of the works in lesser area than sanctioned.

3.4.5.3 Considering the scope for earning supplementary income from poultry breeding, a scheme for supplying the tribals with 25 Rhodes Island Red birds with a cage and poultry feed sufficient for about 15 days (total cost Rs. 900 per unit) was formulated. The tribals had also been trained for 15 days in poultry keeping.

In Dahod tribal project area out of 1292 units provided to tribal beneficiaries, 595 units were found closed (January 1989) owing to the inability of the tribals to feed the birds. Out of 1292 tribal beneficiaries, 203 were not trained in poultry keeping. Large scale closure was attributed to poverty and high level of illiteracy among tribals. Expenditure of Rs. 5.36 lakhs on such closed units did not bring the desired results.

In Vansada and Dangs tribal project areas supply of birds to 2360 tribals at a cost of Rs. 23.43 lakhs was either not followed up or followed up occasionally. The Director, Animal Husbandry attributed lack of follow up to unmanageable number of units distributed to tribals. Impact of the programme was thus not ascertainable.

3.4.5.4 Tribals trained in fisheries and forming a co-operative society were given a loan Rs. 7000 by Gujarat Tribal Development Corporation (GTDC) for purchasing a boat and nets for a group of 3 tribal members against which maximum subsidy of Rs. 3500 was paid. In all, a subsidy of Rs. 21.86 lakhs was paid for acquiring 776 boats with nets. Perusal of 77 cases assisted (Rs. 2.69 lakhs) in Dahod revealed that the subsidy was released without ascertaining whether the tribals were trained in fisheries or otherwise. No system was evolved to get regular feed back from the societies to measure the im-

pact of the programme. Also, 39 new societies were formed in addition to 57 existing earlier. Of these, 34 became defunct depriving 1085 tribals of the assistance of societies in their fishing activities.

The Commissioner of Fisheries stated in May 1990 that the closure of societies was attributable to drought conditions in the state.

3.4.5.5 Inspite of the enactments protecting the lands of tribals, number of pending cases increased from 1256 in March 1986 to 1806 in March 1989. In Dahod only 527 cases had been disposed off during 1985-86 to 1986-87 against the target of 500 per year owing to the post of Deputy Collector having remained vacant for 25 months. The delay in restoration of lands to tribals deprived them of the benefits from their land. The Deputy Collector attributed the increase in the number of pending cases also to large scale migration of tribals in search of employment.

3.4.6 *Development through Cooperation*

3.4.6.1 *Co-operative Societies*

(i) To enable the tribal agriculturists to process their produce to fetch better prices, 8 processing societies were assisted by providing share capital of Rs. 29.47 lakhs and subsidy of Rs. 7.76 lakhs. In the absence of feed back the extent of achievement of the objective could not be ascertained.

(ii) To prevent exploitation by traders, societies were assisted by providing soft loan so that they could make direct purchase of agricultural produce from the tribal farmers. Examination of direct purchases made by 27 such societies in Dahod revealed that

(a) the quantities purchased from tribal members came down from 54 (1985-86) to 41 (1988-89) *per cent* of the total purchases made;

(b) half the quantities of the purchases were made from big tribal farmers;

(c) the purchases from marginal and small farmer ranged between 4 and 17 *per cent* of the total purchases made during 1985-86 to 1988-89.

Large number of tribal farmers were thus exposed to exploitation. The reasons why maximum direct purchases could not be made from tribal farmers were not forthcoming from the department.

(iii) District Registrar of Co-operative Societies, Godhra released a loan of Rs. 2.82 lakhs (31 cases) and subsidies of Rs. 27.97 lakhs (104 cases) to various societies for disbursement to tribals for construction of godowns, purchase of transport vehicles, milch animals etc. but there was no system to watch proper utilisation of the amount. Details collected by audit for 1985-86 to 1987-88 revealed that utilisation certificates were wanting in 97 cases for Rs. 24.14 lakhs.

(iv) Rupees 260.45 lakhs were disbursed as loan from nucleus budget to various societies on certain terms and conditions; one of the conditions was rejection of fresh loan application whereever old loans were outstanding. Test check in Dahod tribal project revealed

(a) Rupees 51.49 lakhs principal, Rs. 15.36 lakhs interest and Rs. 1.60 lakhs penal interest pertaining to the period 1977-78 to 1987-88 were due for recovery as on 31 st March 1989 from 50 societies.

(b) 26 societies were granted loans to the extent of Rs. 56.63 lakhs during 1979-80 to 1986-87 even though earlier loans were outstanding.

(c) Ultilisation of loans for the purpose for which it was sanctioned was not checked.

(d) Book balances were not communicated to loanee societies every year and got confirmed.

Registrar of Co-operative Societies stated that the project Administrators/DRCSs till April 1990 were not maintaining loan records. Efforts were afoot to bring them upto date. He further stated that the loan for the same society for the second time was given since 1987 in case the earlier loan had not been repaid.

3.4.6.2 Gujarat Tribal Development Corporation

(i) Gujarat Tribal Development Corporation, a statutory corporation, was entrusted with the task of social and economic upliftment of the members of the Scheduled Tribes in the State. The Corporation received a capital contribution of Rs. 316.75 lakhs and grant of Rs. 112.40 lakhs from the Government of Gujarat.

The Corporation advanced loan at 8 *per cent* interest to the co-operative societies to enable the societies to carry out various activities for tribals such as purchase and sale of surplus agricultural produce, supply of seeds, fertilizers and other agricultural inputs, purchase of minor forest produce, setting up of lift irrigation, contributing capital and working capital to employment oriented industries etc. Under differential rate of interest scheme(DRI) the Corporation obtained loan from nationalised banks at 4 *per cent* interest and provided loans to tribals through co-operative societies at the same rate of interest for purchasing milch cattle, bullocks, bullock carts, poultry, fisheries, oil engines, electric motors for setting up cottage industries etc.

(ii) While the financial achievements during the period 1985-86 to 1988-89 under Corporation Fund Scheme was 36,47,77 and 139 *per cent* of total funds provided;the physical achievement was between 13 and 72 *per cent*. Performance under DRI scheme was 64,52,18 *per cent* of total funds provided during 1985-86, 1986-87 and 1987-88 respectively and the physical achievement ranged between 20 and 57 *per cent*. According to the Corporation the shortfall was due to scarcity condition in the State,insufficient Staff and restriction of Reserve Bank of India in assisting such tribals. The plea of scarcity being attributed as the reason for the shortfall is not acceptable as the achievements

under Corporation Fund have been steadily improving over the years since 1985--86 whereas there was a decline in the achievements under DRI Scheme.

(iii) The Assistant Managers of the Corporation posted at various tribal projects were required to visit 25 *per cent* of the societies, meet the beneficiaries for verification of physical possession of assets created therefrom and report their impact on the tribals. In Dangs, the beneficiaries were not visited for verification of assets as the post of Assistant Manager remained vacant from April 1987 to May 1989.

Similarly in Vansda, assets were claimed to have been checked but no evidence on record was produced. The Corporation attributed it to insufficient staff.

3.4.7 Minor Irrigation

Rupees 73 lakhs were released to Gujarat Water Resources Development Corporation (GWRDC) during 1987-88 to 1989-90 for drilling 128 exploratory tube wells in tribal areas. Out of this, only Rs. 54.22 lakhs were spent upto 1989-90. Upto 1988-89, 13 tubewells had been drilled out of which 6 were unsuccessful (Rs. 3.63 lakhs). Work on 16 tubewells, on which Rs. 12.77 lakhs had been spent, was in progress. The unutilised amount of Rs. 18.78 lakhs was lying with GWRDC. The Government had not given approval for construction of civil works and energisation of successful tube-wells, resulting in unproductive expenditure of Rs. 6.35 lakhs.

3.4.8 Command Area Development

Even though Rs. 399 lakhs were spent on construction of field channels, field drains, land levelling and other on farm development-works etc., during the years 1985-89, against the provision of Rs. 377.74 lakhs in the command areas of Ukai-Kakrapar and Damanganga Projects falling under tribal project areas, shortfall in execution of field channels ranged between 40 to 67 *per cent*. According to Command Area Dvelopment Authority this was attributable to incomplete canal system in all respects and 1.20 lakhs hectares of irrigation potential created was not, therefore, developed to ensure availability of water to tribal farmers.

A trial cum demonstration farm in Karjan command area for-imparting training to tribal farmers on which an expenditure of Rs. 5.65 lakhs had been incurred, did not start functioning (May 1990).

3.4.9 *Education*

3.4.9.1 *Primary Education*

(i) The Working Group on development of Scheduled Tribes during Seventh Five Year Plan recommended recruitment of teachers for tribal areas from among members of tribal communities to create confidence among tribal children and reduce absenteeism of teachers which was common among non-tribal teachers working in these areas. Teachers from among tribals ranged from 24 to 27 *per cent* of the total number. In Dahod, large number of posts of teachers ranging from 128 (1986-87) to 1633 (1987-88) remained vacant affecting imparting of education to tribal students. According to Director, Primary Education, it was attributable to unwillingness of teachers to serve in such areas and non availability of qualified teachers amongst tribals. He further added that the Government, therefore, resolved in January 1990 to employ untrained teachers to overcome such situation.

(ii) Tribal students in Standards I and II and studying in Primary Schools in tribal project areas were supplied one set of uniform procured at a cost of Rs. 20 *per set* from Gujarat State Handloom Development Corporation Limited (GSHDC). The number of children provided with uniform during 1987-88 and 1988-89 came down sharply by 46 *per cent*. The Director, Primary Education attributed this to lack of funds.

In Dahod, District Primary Education Officer, Godhra received 3000 and 34866 sets of uniform short against the requirements during 1986-87 and 1987-88 respectively; consequently the issues were restricted to students in first standard. The District Primary Education Officer, Godhra, however, stated that he had not received any complaint from the taluka level officers.

Perusal of records of the Director, Primary Education and information furnished by GSHDC revealed delayed placement of the supply order and delayed supply of 1.61 lakhs school uniforms during the years 1986-87 and 1987-88 in three tribal projects of Dangs, Vansada and Dahod. Uniforms were not made available to tribal students in time.

(iii) Special coaching classes for tribal students who are in need of coaching were to be conducted and teachers were to be compensated. It was observed that students requiring such coaching were not identified. In Dangs, coaching classes in primary section was not held in any of the years. District Primary Education Officer, Ahwa, attributed it to non-availability of minimum number of students. In Dahod taluka only 50 to 82 Primary schools out of 221 to 232 conducted coaching classes for the same reason. Due to the unwillingness of the teachers, classes could be conducted only in 26 to 100 schools against 600 secondary schools in tribal areas.

The Director stated that the identification of the needy was a time consuming process. Also the non-availability of minimum number of students, unwillingness of the teachers and insufficiency of funds contributed to tardy implementation of the programme.

3.4.9.2 Tution fees paid by tribal students studying in privately run primary and secondary schools in the tribal project areas which did not have Government schools within a radius of 1.5 Kms. were reimbursed and this benefit was extended on one more occasion to unsuccessful students also. Tution fees paid to the extent of Rs. 24.10 lakhs paid by 83107 students were reimbursed. None of the District Social Welfare Officers of the test checked tribal project areas had the information whether any Government school existed within the radius of 1.5 Kms. to enable checking of claims preferred by various private schools. The claims were merely passed to the extent funds were available. Director, Social Welfare stated in May 1990 that it was assumed that the concerned principals had verified the condition before submitting their claims.

3.4.9.3 Tribal students were offered pre-S.S.C. scholarship according to the marks obtained in the previous years annual examination. The quantum of scholarship was different for different ranges of percentage of marks obtained in different classes for Government and private schools. Under the scheme, 2.28 lakhs tribal students were awarded scholarship of Rs. 173.33 lakhs. Neither the district nor State level offices had the details of marks obtained by the beneficiaries and Government and private schoolwise details in respect of the students assisted.

It was observed that

(a) The scheme did not stipulate minimum period of attendance for eligibility as in other schemes.

(b) There was a wide difference between the quantum of scholarship payable to the students in Government schools and that to those in private run schools (Rs. 40 to Rs. 55 and Rs. 60 to Rs. 120 for students from Government and private schools respectively) which did not appear to be logical.

(c) The scheme did not specify rates of scholarhsip for tribal students in 8th to 10th standards in private schools. However, claims from private schools in respect of student from these classes were also admitted at the rates applicable to Government schools. Amount of scholarship incorrectly admitted could not be quantified for want of class-wise details.

The Director, Social Welfare stated in May 1990 that necessary proposal would be submitted in respect of (a) and (b) above and cited a Resolution of August 1977 for admitting the scholarship mentioned at (c) above. Government Resolution of August 1977 was, however, superseded by Resolution of May 1983 which did not prescribe scholarship for students in 8th to 10th standards in private schools.

3.4.9.4 Ashram Schools generally run by registered voluntary organisations were providing free lodging and board in addition to imparting education upto Primary level in interior tribal areas for which recurring expenditure grant at 90 *per cent* and non-recurring

expenditure grant at *cent per cent* were payable by Government. Grant-in-aid of Rs. 1391.50 lakhs was paid to 200 such Ashram Schools. Accounts of schools for periods from 1981-82 to 1988-89 were not inspected by Ashramshala Officer owing to insufficient staff. The Ashramshala Officers did not have any system to find out the extent of tribal students passing out from Ashram schools continuing their studies.

3.4.9.5 Examination fees paid by tribal students who appeared in the Secondary School Certificate Examination were reimbursed to them. In order to encourage the unsuccessful tribal students to re-appear, examination fee was reimbursed for the second attempt also. Rupees 10.59 lakhs were spent in assisting 0.26 lakh tribal students.

The impact of the assistance so rendered had not been assessed.

3.4.9.6 With a view to assisting the tribal students to pursue their studies, Government aided hostels run by 1160 voluntary agencies were assisted to the extent of Rs. 301.50 lakhs. 24494 to 30064 students availed of the facility. The grants were released without verifying the attendance of the students in the schools which was the primary objective of the scheme. At the instance of Audit the Director of Social Welfare had issued suitable instructions(September 1989).

3.4.10 Industries Davelopment and Employment

3.4.10.1 For improving skills and adopting new methodology and technology to increase their suitability for employment, tribal artisans were given training in hereditary craft and other trades in 5 Regional Training Centres for a period of 12 months during which the trainees were paid monthly stipend of Rs. 125.

Rupees 141.74 lakhs were spent on stipend in turning out 4067 trained tribals during 1985-86 to 1988-89. Test check of training programmes conducted by Devgadh Baria Centre in Dahod revealed that 25 to 47 *per cent* of the tribals enrolled left the centre owing to poor stipend and poor employment

prospects after training. Employment of trained tribals in the same trade came down from 72 to 23 *per cent* during 1985-86 to 1988-89.

3.4.10.2 Twelve ITIs (capacity 2384) and 24 mini-ITIs (capacity 2312) were functioning in tribal project areas. During 1985-86 to 1988-89 tribal students utilised 31 to 50 and 47 to 60 *per cent* of the total seats in ITIs and mini ITIs respectively. According to the Director, Employment and Training the poor response was due to non availability of eligible tribal candidates, tribal candidates preferring employment to studies, poor quantum of stipend etc.

3.4.10.3 Considering the ample scope for export market for carpets, Government encouraged co-operative societies and registered trusts by providing them assistance of Rs. 1.85 lakhs for establishing new centres to train 50 tribal youths in a year in carpet weaving. All the assisted institutions were to conduct the training for the second year also. On completion of training for a period of one year, the assisted societies/trusts were to start production centres by absorbing these trained personnel, for which the societies were to give an undertaking failing which assistance for running training programme for the second year was not to be paid.

According to the Director of Cottage and Village Industries, 4600 tribals were trained in carpet weaving at cost of Rs. 100.17 lakhs by opening 92 new centres. Test check of 13 centres functioning in Dahod revealed the following :

(a) The assisted centres absorbed only 208 trained tribal youths out of 300 trained. The remaining refrained from absorption for their own reasons.

(b) All the centres except three were assisted for running the training programme for the second year even though they failed to employ the tribals in production centres immediately on completion of training.

(c) There was no arrangement with the assisted centres to get regular feed back regarding employment of trained tribals, production details of carpets, wages paid to the trained tribal youths, etc.

The department stated that an evaluation had been undertaken in 1989-90.

3.4.10.4 2493 tribal artisans were given subsidy of Rs. 66.07 lakhs by District Industries Centre (DIC) for purchasing tools and equipment. DIC was not having details about the number of assisted tribal artisans, established production units, number of skilled or semi-skilled or unskilled labourers engaged in such production units, the number of units running or closed etc., to assess whether the scheme produced the desired results. Laxity in follow up was attributed to scattered area in which such units were located and non provision of separate staff.

3.4.10.5 The Centre for Entrepreneurship Development (CED) spent Rs. 32.49 lakhs received from Government in turning out 467 trained tribals in low technology to enable them to start cottage or small industries or get employment in the trades in which they are trained. According to CED, only 27 *per cent* of the trained tribals started own industries and the remaining 73 *per cent* were not employed. In reply, the department stated that lack of initiative, Technical knowledge and seed capital were the hurdles for the tribals in not being able to achieve the desired objective.

3.4.10.6 A sum of Rs. 110 lakhs was released to Gujarat State Financial Corporation (GSFC) with a view to encouraging the entrepreneurs belonging to Scheduled Tribes through loans with liberal terms and conditions. GSFC disbursed loans amounting to Rs. 343.77 lakhs to 512 units. According to GSFC, 256 tribals were employed through these efforts. The achievement was meagre and not commensurate with the investment made.

3.4.11 Medical and Health Care

3.4.11.1 Government established 72 Ayurvedic dispensaries and 3 Ayurvedic hospitals with ten beds each in the tribal project areas upto the end of Sixth Plan. During 1985-86 to 1988-89, 40 more Ayurvedic dispensaries and 2 more Ayurvedic hospitals were established at a cost of Rs. 32.33 lakhs.

Three hospitals were without the services of Medical Officers and staff nurses and two without compounders. None of the hospitals enrolled any indoor patient in any of the years due to non avilability of diet facilities. Thus, five hospitals with 50 beds remained unutilised.

3.4.11.2 To enable tribals affected by TB/Cancer to purchase nutritious food and medicines monthly assistance of Rs. 75 could be provided on certification by the Authorised Medical Officer (AMO). In all, 12518 tribals availed of assistance of Rs. 40.49 lakhs. According to the instructions of the Director the monthly assistance was to reach the beneficiary tribals by money order at the cost of Government. It was noticed that;

(a) in Dahod the payments were made in lump in advance by cheque;

(b) in 333 cases in Dahod payment of Rs. 0.63 lakh was made during 1987-88 and 1988-89 for periods not covered by Medical certificate;

(c) the payments were not made for the entire duration of 12 months in Dahod and Vansda.;

(d) in 139 cases in Vansda payments were made 4 to 5 months in advance and late by 1 to 6 months in 282 and over 7 months in 78 cases during 1988-89.

3.4.12 Water supply

3.4.12.1 As at the end of March 1985, 1430 villages out of 4516 in 9 tribal project areas were considered 'No source villages' and for providing safe drinking water a grant of

Rs. 1110.90 lakhs was paid to Gujarat Water Supply and Sewerage Board (GWSSB). During 1985-86 to 1988-89, 1045 villages were provided with safe drinking water at a cost of Rs. 599.24 lakhs and 385 villages were yet to be covered.

3.4.12.2 Golkund regional water supply scheme estimated to cost Rs. 44.84 lakhs and intended to provide water to 7 villages in Dangs was administratively approved by GWSSB and technically sanctioned in February and March 1985 respectively. Collector, Dangs released (January 1989) revenue land equivalent to forest land likely to be submerged by the execution of the scheme. The scheme could not progress for want of clearance from Government of Inidia (February 1989) since detailed map showing the forest boundaries was not furnished by the State Government and because of non selection of land to be given as compensation to the oustees.

However, for supply and lying of C.I. pipes at a cost of Rs. 23.46 lakhs an agreement had been executed and work valued at Rs. 8.67 lakhs was executed by February 1989.

The department stated in May 1990 that efforts were being made to obtain Government of India approval.

3.4.13 Road development and Construction of bridges

3.4.13.1 Rupees 2,757.95 lakhs were spent on road development in tribal areas and connected 624 villages by the end of March 1988. However, 21 *per cent* of the tribal villages having a population range of 500 to 1000 and 42 *per cent* of the villages having a population below 500 did not have *pucca* roads (March 1989).

Even though an expenditure of Rs. 41.44 lakhs had been incurred upto 1988-89, none of the 7 roads intended to cater to 23 tribal villages in Palanpur had been completed. Delay in completion of road was due to non-release of land by Forest department.

3.4.13.2 Construction of three bridges across Zankhari river, Gira river and Purna river in Dangs project area commenced during 1981-83 were completed at a cost of Rs. 19.10 lakhs in 1988-89 but could not be put to use (June 1989) as the land required for approach roads was not released by the Forest department.

3.4.14 *Housing facilities*

Under the scheme of allotting land measuring upto 100 Sq. yards to landless tribal labourers and providing assistance in the form of loan and subsidy to enable them to construct shelter, 27360 plots were allotted and 29397 houses were constructed at a cost of Rs. 40.32 lakhs and Rs 609.17 lakhs respectively during 1985-86 to 1988-89.

Though, the achievement in allotment of house sites in toto was in excess of target provided in 3 out of 4 years, shortfall in allotment was noticed in 3 tribal projects in 1985-86 (38 to 84 *per cent*), 5 in 1986-87 (26 to 88 *per cent*), 6 in 1987-88 (16 to 43 *per cent*) and 2 in 1988-89 (27 to 37 *per cent*).

(ii) Shortfall in house construction as a whole was 18, 35 and 26 *per cent* during 1986-87 to 1988-89. Shortfall in house construction was noticed in 2 during 1985-86 (37 to 49 *per cent*), in 5 during 1986-87 (17 to 38 *per cent*) in 5 during 1987-88 (16 to 61 *per cent*) and in 6 during 1988-89. (13 to 57 *per cent*).

(iii) In Vansda, 726 houses were incomplete as on 31st March 1989 of which construction of 627 houses had started prior to March 1985. It was not possible to complete the houses within the estimated cost due to increase in cost of materials.

3.4.15 *Other Topics*

3.4.15.1 Special provision set apart to meet urgent local requirement has been termed as nucleus budget. The Project Administrator (PA) could incur expenditure upto Rs. 5 lakhs from the nucleus budget. During 1985-86 to 1988-89, Rs. 1894.10 lakhs were spent out of the provision of Rs. 1981.95 lakhs.

The Administration was to conduct concurrent verification on the basis of the details of the expenditure actually incurred as shown in the utilisation certificates furnished by the implementing officers. In all the years Administration reported a near hundred *per cent* expenditure incurred without verifying actual expenditure and obtaining necessary utilisation certificates in support of them.

Test check of records with the Project Administrators Palanpur, Dahod and Vansda revealed as under;

(a) Utilisation certificates were wanting in 89 cases for Rs. 19.86 lakhs in Palanpur, 87 cases for Rs 38.43 lakhs in Dahod and 1193 cases for Rs 441.12 lakhs in Vansda projects for the periods ranging 1980-81 to 1987-88.

(b) In Dahod, in 67 cases involving Rs. 10.30 lakhs utilistion certificates furnished for part amount were also considered as fully utilised.

(c) Review of expenditure during 1987-88 and 1988-89 in Vansda revealed that the bulk of the expenditure was incurred in the last quarter of the year ranging between 40 to 50 *per cent* of the total expenditure.

3.4.15.2 Project Administrators were permitted to transfer upto 20 *per cent* of provision under nucleus budget placed at their disposal to a 'Revolving Fund' for which a personal ledger account was opened. This fund was intended to provide loan at 4 *per cent* interest to co-operative societies for purchasing produce form the tribals, providing loans to tribals for purchasing inputs, etc.

Test check of the projects revealed the following ;

(i) Revolving Fund was not utilised by 4 ITDPs (Palanpur Khedbrahma, Rajpipla and Mandvi) in 1985-86, 2 ITDPs (Chhota-Udepur and Dangs) in 1886-87 and 2 ITDPs (Chhota Udepur and Rajpipla) in 1987-88.

(ii) One to three *per cent* of the provision in nucleus budget was only transferred to the fund during 1985-86 to 1988-89. Transfer of negligible amount to Revolving Fund compelled the societies to borrow from nucleus budget at 12 *per cent* interest instead of at 4 *per cent* from Revolving Fund.

(iii) Loans were granted to various co-operative societies for making direct purchases of produce from tribals in order to prevent them from being exploited by traders. Administrators were having total value of produce purchased by the assisted societies but not separately from tribals. Extent to which the societies helped the tribals with the loan carrying concessional rate of interest was, therefore, not ascertainable..

Government, while accepting the fact, stated in May 1990 that the Project Administrators were instructed to utilise the Revolving Fund to the maximum extent, in order to prevent the tribals from being exploited.

3.4.15.3 Tribal Development Department prescribed a target of 420 to 660 cases per project for evaluation. In all 3.42 lakhs tribals were assisted under various family beneficiary programmes. It was seen that the target number of beneficiaries were not achived in any year and the shortfall ranged between 45 to 100 *per cent*.

Family oriented programmes implemented by other departments were not evaluated except those financed out of nucleus budget.

Only seven reports were sent to Government of India once in 1985-86, 1986-87 and 1987-88 and four times in 1988-89.

Quantum of verification to be carried out by officers of various development departments, extent of veriftication carried out and also their return were not available with the Tribal Development Department. Government stated in May 1990 that instructions were under issue. To sum up, concurrent verification, as visualised was not carried out and at no stage remedial action was taken to obtain continuous flow of feed back from the field.

3.4.15.4 Government of India released Special Central Assistance (SCA) of Rs. 5071.80 lakhs to the State Government for financing family oriented programme, which would generate income to tribals within and outside the ITDP areas. SCA was supposed to be in addition to the State funds and was not to be invested on vehicles, buildings and personnel. It was noticed that the State did not indicate SCA separately in the budget and utilised Rs. 225.75 lakhs on staff during 1985-86 to 1987-88 out of SCA. Government did not distribute assistance projectwise and watch expenditure there against. It also did not spend on tribals outside the ITDP areas. Government provided more funds from SCA than from State Funds (Rs 67.10 lakhs in 8 schemes during 1988-89) and utilised the SCA not as an addition (Rs 52.98 lakhs in 10 schemes during 1988-89) but incurred expenditure on 4 schemes (Rs. 84.85 lakhs).

3.4.15.5 Seven building works, mainly staff quarters, school building and stundents hostel in Dangs awarded to four agencies during 1978-79 to 1980-81at a tendered cost of Rs. 58.72 lakhs with stipulated dates for completion between January 1981 and June 1982 were abandoned during April 1981 to April 1984. Since contracts had not been terminated, the amount recoverable from the agencies determined as Rs. 16.09 lakhs included only unadjusted secured advance, cost of material and overpayment. Efforts were not made to get these buildings completed either departmentally or through other agencies after terminating the contracts. Action was also not taken (July 1990) to recover the dues. The structures already raised at a cost of Rs. 7.32 lakhs were also reported to be unusable, depriving the staff and students sufficient accomodation for residence, school and hostel over a decade in the hilly backward tribal area.

3.4.15.6 For providing solar cookers, an additional subsidy of Rs. 200 per cooker was payable to tribals in remote areas. Gujarat Energy Development Agency (GEDA) sold 1716 subsidised cookers to non-tribals during 1986-87 to 1988-89 resulting in irregular diversion of subsidy of Rs. 3.43 lakhs intended for tribals. GEDA stated that the progeamme was for the tribal area and not for tribals alone and

the use of such cookers by non-tribals in tribal areas would have an impact on tribal population. This is not tenable as passing on of such subsidy to non-tribals was not correct.

3.4.15.7 The Social Welfare Department constructed three community halls at Vyara, Dahod and Chhotaudepur at a cost of Rs. 7.97 lakhs between December 1986 and November 1987. None of the halls was constructed in villages as visualised and one hall in Vyara was used as a hostel for students and two halls at Dahod and Chhotaudepur were not put to use yet (September 1989). The Director of Social Welfare stated in May 1990 that it was difficult for tribals to arrange for ceremonies in villages and hence such halls were constructed in talukas.

3.4.16 *Monitoring*

3.4.16.1 A State Level Committee constituted to review the implementation of various schemes for the welfare of tribals, was to meet once a year but it met only twice during the last four years.

At the Project level, District Advisory Committee, Committee of decisions and Project Implementing Committee were to meet quarterly and monthly respectively. District Advisory Committee did not meet for the required number of times in two projects for two years, in two Projects for three years and in four Projects for four years during 1985-86 to 1988-89. This Committee did not meet at all in Dangs project during the period 1985-86 to 1988-89.

Government stated in May 1990 that all concerned officers were informed suitably regarding convening of meetings through a circular in Merch 1990.

The Matter was reported to Government in November 1989. The replies of some of the implementing officers had been forwarded by the Tribal Development Department without obtaining comments of the respective departments (May 1990).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5 Working of Civil Hospitals

3.5.1 *Introduction*

There are 24 non-teaching and 4 teaching hospitals in the State having an aggregate bed capacity of 8751 to render preventive, curative and promotional health care services to the community and to act as referral hospitals to interior health centres and medical institutions.

3.5.2 *Organisational set up*

The administrative control of the hospitals vests with the Health and Family Welfare Department and the Commissioner Health, Medical and Medical Education the latter being assisted by Additional Directors, Regional Deputy Directors. The non-teaching hospitals are headed by Superintendents and the teaching hospitals by Medical Superintendents.

3.5.3 *Audit coverage*

A review of the working of five non-teaching Civil Hospitals at Rajkot, Mehsana, Nadiad, Navsari and Junagadh was conducted by Audit during May to September 1989.

3.5.4 *Highlights*

—The overall cost per patient ranged between Rs. 147.45 and Rs. 6.66 during 1984-89 in the 5 test checked hospitals.

(Paragraph 3.5.6)

—The doctor patient ratio ranged between 1:4858 in Rajkot and 1:29961 in Junagadh. Per bed population ranged between 1296- (Jamnagar) and 15622 (Kheda) against the envisaged ratio of 1000 per bed. Average bed occupancy ranged between 51 ***per cent*** **(Mehsana) and 137** ***per cent*** **(Navsari).**

(Paragraphs 3.5.7.2, 3.5.7.4 and 3.5.10)

—There was large variation in drugs expenditure per patient. Instances of some life saving/essential drugs being out of stock and issue of substandard drugs due to delay in receipt of test reports were noticed.

(Paragraph 3.5.11)

—Per capita cost of diet ranged between Rs. 3.91 and Rs. 10.84; though it was provided at prescribed scales. Food supplied was not subjected to periodic check. No periodical examination of diet articles was arranged. **(Paragraph 3.5.12)**

—The glucose saline plant, costing Rs. 27.82 lakhs, ready for commissioning in April 1989 at Rajkot was not commissioned for want of technical staff. **(Paragraph 3.5.13)**

—No norms had been fixed for fumigation of operation theatres and wards. No records of fumigation of operation theatres in any of the hospitals had been kept.

(Pargraph 3.5.18)

—There were vacant posts of specialists in burns ward, dental clinic, physiotherapy unit, Ear Nose Throat department, Ophthalmic unit, Psychiatric and STD clinics. Some essential drugs and equipments were also found wanting in these units.

(Paragraphs 3.5.19 and 3.5.20)

3.5.5 *Allotment and Expenditure*

The allotment of funds made and expenditure incurred in respect of hospitals test checked during this period are detailed below :

Year	Budget allotment	Expenditure	Excess(+) Saving(—)
	(Rupees in lakhs)		
1984—85	243.95	280.06	(+) 36.11
1985—86	266.79	330.64	(+) 63.85
1986—87	332.35	357.16	(+) 24.81
1987—88	398.80	410.73	(+) 11.93
1988—89	439.28	507.56	(+) 68.28

The excess was mainly attributed to increase in dearness allowances from time to time.

Expenditure on establishment constituted a major portion and ranged between 52 and 80 *per cent* of total expenditure incurred. Expenditure on materials and drugs ranged between 5 and 28 *per cent*, office and other expenses between 5 and 12 *per cent* and diet expenses between 2 and 10 *per cent*.

3.5.6 *Overall cost per patient*

There was a large variation in the overall cost per patient both indoor and outdoor excluding capital cost. In Rajkot, it ranged between Rs 51.31 and Rs 147.45 in the five years followed by Mehsana where it ranged between Rs 15.68 and Rs 44.70. In Navsari, it was between Rs 18.24 and 34.49, Nadiad between Rs. 14.03 and Rs. 24.27 and Junagadh between Rs 6.66 and 13.79. Superintendent of Rajkot hospitlal stated (October 1989) that the reasons for the higher cost per patient were not known.

3.5.7 *Vacant posts of Medical Officers and various ratios*

3.5.7.1 Against 86 posts of Medical Officers sanctioned for the five hospitals, ten posts were vacant in four hospitals as at the end of March 1989. During the period 1984-89, 30 doctors left service in the five hospitals test checked.

Reasons for the posts remaining vacant and the efforts made to fill up the posts called for from the department were awaited (September 1990).

3.5.7.2 The doctor-population ratio at the end of March 1988 for the State as a whole was 1:3509, against which the doctor-patient ratio in the five hospitals ranged from 1:4858 in Rajkot to 1:29961 in Junagadh indicating inadequacy of doctors.

3.5.7.3 The daily average number of patients per doctor ranged between 8 and 15(Rajkot), 28 and 44 (Mehsana), 30 and 39 (Nadiad), 34 and 60 (Navsari) and 81 and 102 (Junagadh).

3.5.7.4 During the Sixth Five Year Plan, it was envisaged by Government to provide one bed per 1000 population with advanced medical facilities at all district headquarter hospitals. However, except at Ahwa, the population per bed ranged between 1296 (Jamnagar) and 15622 (Kheda).

3.5.8 *Nursing Care*

The Indian Nursing Council, New Delhi prescribed one staff nurse for every five beds in non-teaching hospitals. In the five hospitals, against 257 posts required as per the norms 272 posts were sanctioned out of which 265 posts were filled up as at the end of March 1989. However, the actual nurse-patient ratio varied from 1 : 3 in Mehsana, 1 : 4 in Junagadh, 1: 6 in Rajkot, 1:7 in Navsari and 1: 8 in Nadiad.

3.5.9 *Building*

Six rooms in the Out Patient Block of Civil Hospital Nadiad were constructed by a voluntary organisation. The rooms were in the possession of the Malaria Research Centre of the Indian Council of Medical Research since April 1983 on a token rent of Re. one per month. The space occupied by the Malaria Research Centre had not been vacated (June 1989) even though sanction for its occupation had expired in December 1988, with the result that the hospital authorities were unable to implement the policy decision of the government (February 1989) to raise the bed capacity by 25 beds, for indoor treatment. Moreover, the hospital authorities were finding it difficult to run the various newly sanctioned departments for want of sufficient space.

None of the hospitals had an account of annual repirs undertaken.

3.5.10 *Bed occupancy*

The bed strength in five hospitals were as under ; Rajkot : 366, Mehsana: 235, Nadiad: 100, :Navsari : 145 and Junagadh : 419. The average bed occupancy ranged between 51 *per cent* in Civil

Hospital, Mehsana to 137 *per cent* in Civil Hospital, Navsari. In Rajkot the low occupancy was due to 70 beds of Eye Hospital generally remaining vacant; in Mehsana on account of the posts of specialists remaining vacant and in Junagadh on account of a ward remaining closed for want of repairs. Excess utilisation in Nadiad and Navsari Hospitals was rendered possible by accommodating patients on floor beds. As none of the hospitals made available the departmentwise particulars of bed days, the adequacy or otherwise of the beds allocated to individual departments could not be ascertained.

3.5.11 *Drugs management*

(i) The daily per-capita expenditure, both indoor and outdoor, varied largely amongst these hospitals ranging between Rs. 3.12 and Rs. 24.38 in Rajkot, Rs. 5.10 and Rs. 8.28 in Navsari, Rs. 2.92 and Rs. 5.85 in Mehsana, Rs. 1.60 and Rs. 2.63 in Junagadh and Rs. 0.74 and Rs. 4.84 in Nadiad.

(ii) In none of the hospitals the requirement of drugs by various specialists was being ascrertained before submitting the indent to the Central Medical Stores Organisations (CMSO) to procure them well in advance. Some life saving/essential drugs were not in stock for various periods; 5 drugs in Rajkot during the years 1984-89, 7 drugs in Mehsana for 72 to 1016 days; 5 drugs in Nadiad for 109 to 632 days; 11 drugs in Navsari for 48 to 922 days ; and 4 drugs in Junagadh for 29 to 430 days. The non-availability was generally attributed to inadequate and delayed supplies by the CMSO. It was generally stated by the hospitals that either substitutes of those medicines were issued to the patients or they were advised to purchase the medicines from outside, frustrating the policy of free supply of medicines to the needy public.

(iii) Before submitting their indent to the CMSO, the hospitals were required to assess their requirements based on the consumption of the last three years. However during test check of the closing stock as on 31st March 1989; the quantity purchased and used

during the last three years (1986-87 to 1988-89) and the average yearly rate of consumption it was noticed that the procurement of some items was far in excess of the requirement. In Rajkot the closing stock of 51 items was sufficient to meet the requirement for 2 to 41 years; Mehsana 21 items for 2 to 30 years Nadiad 44 items for 2 to 31 years; Navsari 31 items for 2 to 96 years; and Junagadh 44 items for 2 to 48 years. Thus excessive procurement had resulted in blocking of Government funds over the years. This indicates that procurement and inventory of drugs were not properly managed.

(iv) In all the hospitals, there was considerable delay ranging between 14 days and one year between the date of drawal of samples and the receipt of test reports of the samples from the Drugs Control Department resulting in bulk of the drugs which were declared to be not conforming to standards being issued to the patients during the intervening periods.

3.5.12 *Diet*

(i) The National Nutrition Advisory Committee recommended in 1965 a diet of about 2500 calories per day to a patient at an aproximate cost of Rs. 6.25 for vegetarian and Rs. 8.95 for non-vegetarian diet. However, no monetary limits for diet was fixed by the State Governmnt and diet is provided to patients as per the scale laid down by Government in March 1962. During the period under review the per capita cost of diet provided by the hospitals to patients ranged between Rs. 6.65 and Rs. 7.55 in Rajkot, Rs. 4.39 and Rs. 10.84 in Mehsana, Rs. 5.59 and Rs. 7.23 in Nadiad, Rs. 3.91 and Rs. 6.13 in Navsari and Rs. 4.30 and Rs. 6.70 in Junagadh.

(ii) Government had issued instructions in June 1981 for periodical check of the food cooked in hospitals. It was, however, noticed that the hospitals did not have any system to ascertain the calorific content of the diet provided. Except in Civil Hospitls, Nadiad which had sent diet articles for chemical examination on 12 occasions (out of which 6 samples drawn were found not satisfactory and had failed in the quality control test) and Civil Hospital, Junagadh which had sent once, none of the hospitals had sent the diet for chemical examination. The post of dietician was not sanctioned in any of the hospitals.

3.5.13 Hospital Pharmacy Unit

Mention was made in paragraph 5.6 of the Report of the Comptroller and Auditor General of India for the year 1983-84, that equipment costing Rs. 8.44 lakhs purchased for the Glucose Saline Plant was lying idle.

As reported in May 1989 by the Superintedent of Civil Hospital Rajkot, the plant was ready for operation from April 1989 on which total expnditure incurred till May 1989 was Rs. 27.82 lakhs (Civil works Rs. 8.74 lakhs, electrical works Rs. 3.01 lakhs; machinery equipments and AC plant, etc. Rs. 16.07 lakh).

Against the requirement of 19 categories of staff sanctioned for the plant only 5 techincal and one clerical staff were appointed during January 1986 to August 1988. It was stated (May 1989) by the Superintendent of the hospital that commissioning of the plant would be possible after the appointment of the remaining technical staff. The matter regarding appointment of the technical staff was pending with the Government. Reasons for the delay in appointment of the technical staff called for from Government had not been received (October 1989).

The staff appointed for the plant were unauthorisedly deployed in various sections of the hospital. The infructuous expenditure on this account upto March 1989 was Rs. 1.58 lakhs. Also non commissioning of the plant had resulted in blocking of Government funds to the extent of Rs. 27.82 lakhs.

3.5.14 Ambulance Services

Eight Ambulance Vans/Nursing vans were lying in unserviceable condition in four hospitals for the last one to five years for condemnation. Out of eight drivers for the above vehicles, only drivers of two ambulance vans at Junagadh were unnecessarily continued on the establishment resulting in infructuous expenditure of Rs. 0.95 lakh upto September 1989 towards the pay and allowances

of the drivers. The Superintendent stated (July 1990) that one river has since been transferred and the second was likely to be transferred shortly.

Ambulances in all the hospitals were substantially misutilised for ther purposes like transport of drugs, oxygen cylinders, cash, stationery, tc. The misutilisation ranged from 12 *per cent* of the total distance un during 1987-88 in Junagadh to 53 *per cent* run during 1988-89 n Navsari. As no record of requisition for Ambulance was maitained y any of the hospitals it could not be ascertained whether any inconenience was caused to the public for medical emergencies.

5.15 X-Ray Department

The five hospitals had 23 X-ray plants of which 6 (Value Rs. 2.84 khs) in four hospitals (Rajkot, Mehsana, Navsari and Junagadh) ere at various stages of condemnation and disposal. These six had een purchased during 1954 to 1967. Also no machine-wise record f utilisation was maintained in any of the hospitals.

In Nadiad there was no stock of X-Ray films of any size for months in 1986-87 and in the other hospitals films of required size ere not available for 3 to 56 days. Non availability of films was ttributed to short supply which had deprived the public of X-Ray acility. In three hospitals (Rajkot, Nadiad and Junagadh) facility f generator set was not available to enable use of X-Ray plants even n the event of power failure.

The post of Radiologist was vacant in Rajkot from 1984-85 to 987-88,in Mehsana from December 1984-to November 1988, in Nadad from1984-85 to December 1988,in Navsari from December 1984 to eptember 1989 and in Junagadh from 1984 upto January 1988 and gain from December 1988 to September 1989. One post of X-Ray echnician was lying vacant for 2 to 5 years in Navsari and Nadiad nd two posts for one year in Junagadh hospitals. In none of the ospitals the post of Radiographer was sanctioned.

3.5.16 Laboratory facilities

Except in Rajkot where a Pathologist was available from 1986--87, in the other four hospitals there was no Pathologist except for very short periods and the test reports furnished by laboratory technician or attendants were relied upon.

The laboratories were conducting routine clinical pathological tests like urine analysis, blood count, haemoglobin tests, etc. The bacterial isolations and sensitivity tests like urin culture were reportedly got conducted at nearby hospitals where such facilities existed, resulting in avoidable inconvenience to the patients in obtaining diagnostic results.

Some chemicals and reagents were not available in these hospitals for periods ranging from 35 days (Navsari) to more than four years (Mehsana) during the years 1984--89. In Nadiad Glucometer was also not provided.

3.5.17 Blood Banks

Except in Rajkot there was no blood bank in the other four hospitals. In these four hospitals blood was not being stored but was drawn from donors/ relatives of the patients as and when required for transfusion. In case of non availability of any such person it was left to the patients / their attendants to make their own arrangement for blood.

In the Blood Bank at Rajkot a qualified doctor to work as Blood Bank Officer was not available. Other staff like laboratory technician, staff nurse and Group 'D' official was also not sanctioned.

None of the hospitals had records to show about the tests conducted before drawal of blood for avoidence of sexually transmitted diseases, Australia Antigen and for haemoglobin value of blood of the donor. The test for Antibodies was not being done in Mehsana, Nadiad and Navsari and for AIDS no test was conducted in any of the hospitals. In the absence of the arrangements/facilities mentioned above, transfusion of qualitative and disease free blood could not be ensured.

In all the five hospitals some sera and reagents were not available for blood grouping tests for periods ranging from 19 days to 45 months during the years 1984-89.

3.5.18 Operation Theatres (OTs)

No norms had been fixed for fumigation of operation theatres and wards. Fumigation of operation theatres was stated to have been done at different intervals, from one week to one month in these hospitals. No records of fumigation were kept in any of the hospitals. Fumigation of wards was not done in any of the hospitals. Formaldehyde, essentialfor fumigation, was not available continuously for 8 months in Navsari during 1985-86.

The post of full time Surgeon sanctioned in February 1989 was lying vacant in Nadiad, in Navsari and Junagadh the posts were vacant from May 1984 to August 1985 and from November 1986 to January 1987 respectively. The post of Anaesthetist was vacant from October 1986 to June 1989 in Mehsana, from April 1984 to March 1985 and August 1986 to July 1987 in Nadiad, from December 1984 to December 1985 in Navsari and from April 1984 to June 1987 in Junagadh.

Facilities like recovery rooms, stand by generators (Junagadh) and air conditioners (Mehsana) were not available. Gastroscope (cost Rs. 0.48 lakh) was lying unused in Rajkot from January 1989 for want of specialist. Hydraulic operation table was not in working condition from 1981 to March 1989 in Navsari.

3.5.19 Burns Ward :

No separate burns ward for patients with burns injuries was established in the hospitals at Mehsana and Navsari. In none of the hospitals separate staff with qualified doctor was posted. Nitrofurazone and Soframycin ointment essential for treatment of burns was not available in the hospitals at Mehsana, Nadiad, Navsari and Junagadh and for about 15 months in the hospital at Rajkot. Except in Rajkot, air conditioning facility was not available in Navsari and

Nadiad ; in Mehsana and Junagadh hospitals Air Conditioners were available but were not in working condition since November 1987 and April 1989 respectively. In none of the hospitals, facilities like normal operating room, anesthetic equipments and skin grafting instruments were availalbe.

3.5.20 Posting specialists in District hospitals

Government had issued orders (May 1980) for providing specialists in District hospitals in a phased manner. The dificiencies noticed in the availability of specialist in the five test checked district hospitals are brought out in the succeeding paragraphs.

(i) Except in Mehsana and Nadiad, where the facility of making dentures was available, in other hospitals the services rendered were generally restricted to extractions, temporary filling and scaling only. Services of Dental Mechanic were not used from September 1988 to August 1989 in Nadiad as Dental Lathe (Laboratory) required for making dentures was not supplied resulting in infructuous payment of Rs. 0.32 lakh. In Mehsana and Navsari, certain filling materials and chemicals were not available for long periods and the dental chair in Navsari was reported to be not working from November 1987.

(ii) Except in Rajkot and Junagadh, in other hospitals no separate physiotherapy units were sanctioned. The post of physiotherapist was vacant from February 1981 in Rajkot and from October 1983 in Junagadh. Equipments like intermittant traction unit, short wave diathermy, ultra violet lamp, etc., (approximate cost Rs. 0.26 lakh) were lying idle at Rajkot, Mehsana, Nadiad and Junagadh.

(iii) ENT speialist was not available in Mehsana, Nadiad and Navsari hospitials. Essential equipments like audiogram, ENT suctions apparatus, laryngoscope, ear washing syringes, operating microscope, etc.,required for treatment were not avatlable in Meshana, Nadiad, Navsari and Junagadh hospitals. Drugs like Gentamycin ear drops, Dexamethazones, Eye, Ear Drops, Ephedrin Nasal drops, etc., were also not available in these hospitals.

(iv) Despite upgradation of these hospitals under the Centrally sponsored scheme of National Programme of Control of blindness, following deficiencies were noticed :

(a) Separate eye operation theatres were not available in Mehsana and Nadiad. No ophthalmology wards was established in Nadiad and the number of beds allotted was also less than the prescribed number of 20.

(b) The post of ophthalmic surgeon was vacant from March 1984 to March 1985 and November 1988 to January 1989 in Mehsana, from April 1984 to January 1986 and July 1986 to September 1987 in Nadiad, from October 1983 to July 1984 Navsari and from November 1985 to January 1986 in Junagadh. The post of Refractionist was not sanctioned in any of the five hospitals.

(c) Essential drugs like drosyn eye drops were not available for periods ranging between 5 months (Junagadh) to one year (Rajkot, Mehsana, Nadiad and Navsari); pilocarpine eye drops and tetracycline eye ointment were also not available for 2 months (Junagadh) to 3 years 10 months (Mehsana) and for 8 months (Rajkot) to 4 years (Navsari) respectively.

(v) No psychiatrist was attached in Nadiad hospital and only honorary posts of psychiatrists existed in the other four hospitals (Rajkot, Mehsana, Navsari and Junagadh);in Mehsana the post of honorary psychiatrist was lying vacant. In none of the hospitals beds were allocated for psychiatric patients and the supporting staff like clinical psychologist and occupational therapist intended to provide rehabilitation assistance to patients treated, were not sanctioned and posted. Drugs like lithium carbonate, lorzepam, Chlor diazepoxide and amitriplyine and essential equipment like progressive matrices, memory scale and apparatus to carry out psychometry were not available in any of the hospitals.

(vi) An honorary specialist doctor for sexually transmitted disease was available in Rajkot while in the remaining four hospitals at Mehsana, Nadiad, Navsari and Junagadh no specialist was available. The post of social worker who was expected to maintain case records of patients, trace all contacts to treat and educate them and the post of laboratory technician had not been sanctioned for the sexually transmitted disease clinics in any of these hospitals.

(vii) Equipments like Microscope, Sterilizer, Shaker, incubator Sterilizer bin, Cryso Surgical unit, etc. were not avialable for the unit. However, some of these equipments available in the hospitals laboratory were being used for sexually transmitted disease cases. Essential drugs like benzathene penicillin injection, streptomycin injection,etc., were not available for periods ranging between 4 months (Nadiad) and 33 months(Mehsana).

(viii) The post of Orthopaedic Surgeon was lying vacant from August 1986 to March 1987 in Rajkot; from September 1984 to August 1985, December 1985 to March 1986 and August 1986 to till date (July 1989) in Mehsana; from April 1984 to to March 1985 and December 1987 to April 1989 in Nadiad; from August 1985 to January 1987 in Navsari; from April 1984 to July 1984 in Junagadh.

Some essential implants were reported not availble in Nadiad and Junagadh and certain equipment like portable X-Ray machines, Ronzer, selfretaining retractor, bone cutter (big size) etc., were also not available in Junagadh hospital.

3.5.21 History Sheet of equipments

History sheets of hospital equipment were either not maintained or if maintained did not contain the full details. In the absence of these vital details, Audit could not verify the usage and effeciency of the hospital equipment.

3.5.22 Hospital Advisory Committee

Government had ordered constitution of a hospital advisory committee for each of the Civil Hospitals to make suggestion to medical officers regarding upkeep and maintenance of hospitals. Such Committees were required to meet at least once a month. However against 60 meetings to be held during the period 1984-85 to 1988-89, the number of meetings held was 12, 10, 9, 7 and 6 in Rajkot, Nadiad Mehsana, Junagadh and Navsari respectively. The shortfall was mainly reported to be on account of postponement for want of quorum

3.5.23 Disaster Plan

Guidlines were issued by the Director of Health in April 1981 that all teachig hospitals and district hospitals must prepare disaster plan. None of the hospitals had prepared the disaster plan to meet emergencies occuring on a large scale.

3.5.24 Medical Records

No separate staff had been sanctioned at any of these non-teaching hospitals for the maintenance of medical records, after coding and indexing according to International Classification of diseases. In the absence of seprtate records, it could not be ascertained wheather the objective of these hospitals serving as referral hospitals and offering preventive and promotional health care were achieved.

There was no manual containing guideline on the various aspects of the working of hospitals to secure uniformity in procedure and effective treatment of patients.

3.5.25 Library

None of the hospitals had a well equipped library with uptodate reference books and journals to enable the doctors and other technical and para medical staff to acquaint themeselves with the new and progressive methods of treatment in their fields of speciality for the ultmate benefit of the patients.

3.5.26 The matter was reported to Government in November 1989; reply had not been received (June 1990).

5.23 Advisory Committee

Government had approved constitution of a hospital advisory committee for each of the Civil Hospitals to make suggestion to medical officer regarding upkeep and maintenance of hospitals. Such Committees were required to meet at least once a month. However against 60 meetings to be held during the period 1984-85 to 1988-89, the number of meetings held was 12, 10, 7 and 6 in Rajkot, Nadiad, Surendra Nagar and Navsari respectively. The shortfall was mainly imposed to be on account of postponement for want of quorum.

5.24 Disaster Plan

Guidelines were issued by the Director of Health in April 1981 that all nursing homes, hospitals and district hospitals must prepare disaster plan. None of the hospitals had prepared the disaster plan to meet emergencies occurring on a large scale.

5.25 Maintenance of Records

No separate staff had been sanctioned in any of these non-teaching hospitals for the maintenance of medical records, also coding and indexing according to International Classification of diseases. In the absence of separate records, it could not be ascertained whether the objectives of these hospitals having as referral hospital and offering preventive and promotional health care were achieved.

There was no manual containing guidelines on the various aspects of the working of hospitals to ensure uniformity in procedure and efficiency in treatment of patients.

5.26 Library

None of the hospitals had a well equipped library with updated reference books and journals to enable the doctors and other technical and para medical staff to acquaint themselves with the new and progressive methods of treatment in their field of specialty for the ultimate benefit of the patients.

5.27 The matter was reported to Government in November 1989; reply has not been received. (June 1990)

HOME DEPARTMENT

3.6 Idle Equipment

Two weigh bridges were acquired in November 1983 and February 1984, costing Rs. 7.55 lakhs plus taxes and duties, by the Director of Transport through the Central Stores Purchase Organisation (CSPO) for installation at Bhilad and Shamlaji checkposts respectively. "The acceptance of tender" for the supply of weigh bridges, *inter alia* stipulated that prices were inclusive of erection charges, and 90 *per cent* of the invoice amount was payable on proof of despatch after inspection. The balance 10 *per cent* was payable within 30 days after installation. The civil works for installation of the weigh bridge at Bhilad was completed only in October 1986 and that at Shamlaji had not been completed (June 1990). Both the weigh bridges were lying uninstalled. In the meantime, the warranty period of 12 months from the date of delivery expired in November 1984 for weigh bridge in Bhilad and in February 1985 for the weigh bridge in Shamlaji.

In addition to payment of 90 *per cent* of the invoice amount (Rs. 7.72 lakhs), further payment of Rs. 0.60 lakh was made to the firm in March 1985 which was outside the contract. The weigh bridge at the Bhilad had not been erected in the last 4 years though the civil works had been completed. This was stated to be due to some minor claims of the supplier like interest for 3 days for the delayed payment of 90 *per cent* advance. Niether the minor claim had been settled nor any legal action had been taken against the supplier for failure to erect the weigh bridge. Alternative agency to erect the weigh bridge had also not been fixed at the risk and cost of the original contractor. In June 1990, the department stated that the drawings for erecting the weigh bridge at Shamlaji had been called for from the other executing division (for Bhilad weigh bridge) without explaining the reasons for delay of over 6 years.

Government also stated (October 1989) that a high level meeting was being arranged to expedite their installation. Further developments were awaited (August 1990).

CO-OPERATION AND HOME DEPARTMENTS

3.7 Outstanding Inspection Reports

3.7.1 *Introduction*

Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to the Heads of Offices and to the next higher authorities through audit inspection reports for prompt action. The more important irregularities are also reported to the Heads of Departments and Government for initiating immediate corrective action.

According to Government instructions, first replies to the inspection reports should be sent to the Accountant General within four weeks of their receipt.

A review of the position of outstanding inspection reports in Co-operation Department and Home Department revealed the following;

(i) Out of 377 inspection reports containing 2472 paragraphs (Co-operation Department: 165 reports 918 paragraphs, Home Department: 212 reports 1554 paragraphs) issued up to 31st December 1988, action was pending on 229 inspection reports containing 1171 paragraphs as on 30th September 1989. The yearwise break up is given below :

	Co-operation Department		Home Department	
Year	Reports	Paragraphs	Reports	Paragraphs
1981-82	12	51	6	8
1982-83	20	83	15	37
1983-84	16	74	16	53
1984-85	14	62	13	47
1985-86	6	48	16	53
1986-87	7	53	18	104
1987-88	16	130	33	194
1988-89 upto December 1988	3	29	18	145
Total.....	94	530	135	641

(ii) Though the Public Accounts Committee in paragraph 26 of its Second Report (Seventh Gujarat Legislative Assembly) recommended (January 1986) that as many paragraphs of inspection reports as possible should be settled before 31st March 1986, 45 and 23 *per cent* of the paras of the inspection reports issued upto 1984-85 relating to Co-operation and Home Department respectively had not been settled upto September 1989.

(iii) The Public Accounts Committee in its Fifth Report (November 1977) had recommended that concerned officers of various departments and officers of Accountant General should meet periodically to settle audit objections and inspection reports through personal discussions. Accordingly audit committees were constituted in February 1985 for five departments including Home Department. The audit committee for Home Department met only twice in January 1988 and April 1989. Constitution of audit Committees in respect of other departments including Co-operation Department was under consideration of the Government (August 1990).

(iv) Despite instructions of Government, even first replies had not been received (September 1989) from Co-operation Department for 38 inspection reports containing 219 paragraphs and from Home Departments for seven inspection reports containing 60 paragraphs within four weeks of receipt of the inspection reports by the Departments.

Even in cases where first replies had been received, it was observed that there were inordinate delays. In the case of Home Department, it was more than one year in respect of 180 paragraphs, and in the case of Co-operation Department by more than one year but within two years (81 paragraphs) , 2 to 4 years (57 paragraphs), 4 to 5 years (45 paragraphs) and above 5 years (25 paragraphs).

(v) The outstanding paragraphs mainly fall under the following broad categories :

(ii) Though the Public Accounts Committee is paying its second report (Second Legislative Assembly) recommended (January 1966) that at most paragraphs of inspection reports possible should be settled before 31st March 1966, 45 and 32 per cent of the paras of the inspection reports issued upto 1965-66 relating to Co-operation and Home Departments respectively have not been settled upto September 1966.

(iii) The Public Accounts Committee in its Fifth Report (November 1966) had recommended the constitution of various departments and offices viz. Accountant General, Chief Engineer, periodically to settle audit objections and inspection reports. A certain personal discussion Agency Audit committees were constituted in February 1965 for five departments including Home Department. The audit committee for Home Department only meeting twice in 1968 and August 1969. Constitution of audit committees in other departments including Co-operation Department was under consideration of the Government (August 1970).

(iv) Despite instructions of Government, even first replies have not been received (September 1969) from Co-operation Department for 38 inspection reports containing 179 paragraphs and from Home Department for seven inspection reports containing 60 paragraphs within four weeks of receipt of the inspection reports of the Departments.

Even in cases where first replies had been received it was observed that there were considerable delays in the case of Home Department it was more than one year in respect of 160 paragraphs and in the case of Co-operation Department by more than one year but within two years (48 paragraphs), 2 to 4 years (37 paragraphs), 4 to 5 years (65 paragraphs) and above 5 years (22 paragraphs).

(v) The outstanding paragraphs mainly fall under the following broad categories.

	Category	Co-operation Department		Home Department	
		Number of paragraphs	Amount involved (Rupees in lakhs)	Number of paragraphs	Amount involved (Rupees in lakhs)
(i)	Delay in recovery of loans and interest on loan outstanding	31	1662.56	—	—
(ii)	Recovery of share capital contribution	21	247.58	—	—
(iii)	Outstanding recoveries of audit fees, enquiry fees, other fees, escort charges, cost of Police establishment deployed for other States, etc.	70	151.97	34	122.55
(iv)	Miscellaneous recoveries, procedural lapses, irregular/excess payment, recovery of mess and canteen charges, loss of revenue, non-charging of penalty, recovery of charges from bonded trainees etc.	365	955.99	135	514.30
(v)	Investments in Co-operatives institutions running in losses, stagnant and under liquidation	43	104.42	—	—
(vi)	Irregular expenditure excess payments, and want of sanctions	—	—	472	114.97
	Total ..	530	3122.52	641	751.82

The matter was reported to Government in January 1990 ; reply has not been received (May 1990).

Category	Co-operation in Development		Home Department	
	Number of cases in which the dead bodies were found	Number of persons involved	Number of persons arrested	Number of persons convicted
(i) Delay in receipt of [illegible] or [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(ii) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(iii) Misbehaving [illegible] of land [illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(iv) Misbehaving [illegible] [illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(v) Investment in Co-operative institution [illegible] under liquidation	43	10,543	—	
(vi) Irregular [illegible] [illegible] and wind up of societies	—	—	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]

The matter was referred to Government on January 1990 reply has not been received (May 1990).

GENERAL

3.8 Misappropriation, losses, etc.

Finalisation of 185 cases of alleged misappropriation, losses,etc. reported to the Audit Office upto March 1989, was pending at the end of September 1989 as shown below :

	Land Revenue Tagavi dues, etc.		Other Cases	
	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs).
Cases reported upto end of March 1988 and pending at the end of September 1988	64	6.48	120	42.56
Cases reported during 1988-89	16	0.77	1	0.58
Cases closed during October 1988 to September 1989	6	0.66	10	2.51
Cases outstanding at the end of September 1989	74	6.59	111	40.63

Details of these cases are given in Appendices VII and VIII.

According to rules, cases of losses, misappropriation, etc. are required to be reported immedicately to the Accountant General. It was, however, noticed that in respect of 25 cases relating to the years 1984--85 to 1988--89 pertaining to Roads and Building Department (9 cases for Rs. 6.89 lakhs) and Water Resources Department (16 cases for Rs. 18.39 lakhs) neither any report was made to the Accountant General nor reasons for not reporting intimated.

GENERAL

3.8.6 Misappropriation, losses, etc.

Details of 155 cases of alleged misappropriation, losses etc. reported in the Audit Office up to March 1989 was pending at the end of September 1989 as shown below :

	Number of cases	Amount involved (Rupees in lakhs)	Amount of Recovery	Amount written off
Cases reported up to end of March 1989 and pending at the end of September 1989	144	5.12	120	[illegible]
Cases reported during 1989-90	11	0.07	1	[illegible]
Cases reported during October 1989 to September 1991	0	0.00	0	[illegible]
Cases outstanding in the month of September 1991	154	[illegible]	121	[illegible]

Details of these cases are given in Appendices VII and VIII.

According to these cases of losses or misappropriation, they are required to be reported immediately to the Accountant General. It was however found that in respect of 23 cases relating to the years 1984-85 to 1988-89 pertaining to Roads and Building Department (9 cases for Rs. 6.39 lakhs) and Water Resources Department (14 cases for Rs. 18.19 lakhs) neither any report was made to the Accountant General nor sanctions for not reporting obtained.

CHAPTER—IV

WORKS EXPENDITURE

WATER RESOURCES DEPARTMENT

4.1 Blocking of funds

Government of India released grants of Rs. 602.98 lakhs under the incentive scheme for construction of field channels by the Area Development Commissioners, Surat, Ahmedabad, Gandhinagar and Rajkot between March 1984 and 1987. Rs. 529.77 lakhs thereof was passed on to the Gujarat Water Resources Development Corporation (GWRDC) for field channel works even though the GWRDC was not having any infrastructural facility for execution of field channels, land levelling and drainage works. Even though the works were carried out in tribal as well as non-tribal areas, the amount paid to GWRDC was debited to the head 'Tribal Development' in Government accounts to show that funds had been utilised. The Government had not laid down any procedure for the GWRDC regarding accountal of the funds so advanced.

By April 1987, Rs. 247.35 lakhs were placed at the disposal of eight field channel / drainage divisions as deposit. Of this, Rs. 150.61 lakhs were reported utilised by five divisions. Information regarding the utilisation of funds by the other three divisions was not available. In all, Rs. 282.42 lakhs remained unutilised with GWRDC (March 1990) and Rs. 96.94 lakhs with the divisions. GWRDC had invested the balance amount with scheduled banks and earned interest.

Besides, irregularly debiting the grant under "Tribal Development" Rs. 282.42 lakhs remained unutilised and Rs. 164.22 lakhs earned as interest by the Corporation remained to be credited to the Government. Out of the grant released by Government of India under the Incentive Scheme, Rs. 73.21 lakhs also remained unutilised (June 1990).

CHAPTER—IV

WORKS EXPENDITURE

WATER RESOURCES DEPARTMENT

4.1 Blocking of funds

Government of India released grants of Rs. 60,27,95 lakhs under the [illegible] schemes for construction of tank channels by the Area Development Commissioners, Surat. Although Gandhinagar and Mehsana Sections during 1984 and 1985, Rs. 59,22,22 lakhs thereof was passed on to the Gujarat Water Resources Development Corporation (GWRDC) for tank channel works, even though the GWRDC was not having authorised current monthly expenditure ceiling clearance, [illegible] and drainage works. Even though the works were carried out in [illegible] years, the amount paid to GWRDC was debited to the head "Area Development" in Government of Gujarat's books, but funds had been utilized. The Government had previously issued procedure for the GWRDC regarding accounting of the funds so released.

On April 1985 Rs. 2,17,35 lakhs was placed in the deposit of Gujarat Canal Development Division in deposit. Out this, Rs. 55,61 lakhs were reported utilized by the divisions. Information regarding the utilisation of fund, by the other three divisions was not available in all. Rs. 1,61,74 lakhs remained unutilized with GWRDC. [illegible] and Rs. 50,94 lakhs with the divisions. GWRDC had treated the balance amount with scheduled banks and earned interest.

Moreover, treating by debiting the grant under "Canal Development" Rs. 24,41 lakhs were found unutilized and Rs. 1,61,22 lakhs earned as interest by the Corporation remained to be credited to the Government. Out of the grant released by Government of India under the head "Scheme" Rs. 1,21 lakhs were remained unutilized (June 1990).

4.2 Idle investment in Machinery

A division of Karjan Project purchased in March 1982 two scrappers at a cost of Rs. 47.54 lakhs and in March 1984 nine crawler tractors at a cost of Rs. 72 lakhs through Irrigation Mechanical Division, Ahmedabad who had the authority to procure equipment. Similarly, the division also purchased in February 1987 four vibratory rollers at a cost of Rs. 26 lakhs. None of the machines was utilised in the project, resulting in idle investment of Rs. 145.54 lakhs.

The matter was reported to Government in November 1988; no reply had been received (August 1990).

4.3 Delay in construction of diversion road

Work of construction of a diversion of Movi-Sundarpara, Eastern State Highway No. V coming under submergance of Karjan Project was awarded to a contractor at a cost of Rs. 111.19 lakhs in October 1983 with stipulated time of 24 months for completion. The contractor, after executing work valued at Rs. 35.97 lakhs, abandoned it in June 1985 and the contract was terminated in April 1986 at his risk and cost. Another contract was concluded for Rs. 85.12 lakhs in April 1988 for completing the residual work. The work was scheduled for completion in October 1989. After completing the work for a meagre amount of Rs. 0.84 lakh, he also abandoned the work in December 1988. The remaining work was awarded to a third contractor at the tendered cost of Rs. 107.28 lakhs in December 1989 with a stipulated date of completion in June 1991. The work was in progress.

The amounts recoverable from the first and second contractors amounted to Rs. 32.78 lakhs and Rs. 33.14 lakhs respectively as per details below :

4.2 Illegal irrigation in Mizaganey

A division of Karan Project undertook in March 1983 the construction of a distributary of Rs. [illegible] lakhs and in March 1984 a dam or water reservoir at a cost of Rs. [illegible] lakhs through irrigation department Ahmadabad which had the authority to undertake construction. Similarly the Irrigation also permitted in February 1987 some tubewelly rollers at a cost of Rs. 20 lakhs. None of the machines was utilised in the project, resulting in idle investment of Rs. 145.54 lakhs.

The matter was reported to Government in November 1988; no reply had been received (August 1990).

4.3 Delay in construction of diversion road

Work of construction of a diversion of Mary-Sundarpura, Eastern State Highway, No. V connecting under submergence of Karan Project was awarded to a contractor at a cost of Rs. [illegible] lakhs in October 1982 with stipulated time of 24 months for completion. The contractor after completing work valued at Rs. 37.37 lakhs abandoned it in June 1983 and the contract was terminated in April 1986 at his risk and cost. Another contractor was awarded for Rs. 83.42 lakhs in April 1986 for completing the unfinished work. The work was completed and handed over in October 1989. After completing the work for a nominal amount of Rs. 0.84 lakhs he also abandoned the work in December 1989. The remaining work was awarded to a third contractor at the enhanced cost of Rs. 10.26 lakhs in December 1990 with a stipulated date of completion in June 1991. The work was in progress.

The amount recoverable from the first and second contractors amounted to Rs. 28.78 lakhs and Rs. 3.16 lakhs respectively as per details below:

	1st Contractor	2nd Contractor
	(Rupees in lakhs.)	
Risk and cost	9.42	23.42
Incorrect measurements	4.52	—
Secured advance	3.71	—
Liquidated damages	11.12	8.51
Cost of material not returned, hire-charges,etc.	4.01	1.21
	32.78	33.14

Action had not been taken to recover the amounts due from first and second contractors as per instructions issued by Government in December 1980, to recover the dues even before adjustment of final bill of the new agency.

Matter was reported to Government (November 1988); reply has not been received (August 1990).

4.4 Abandoned work

The work of providing lining to Limbasi branch canal between Ch. 81570 and 109200 Group IV, was entrusted to agency 'C' in November 1978 at a tendered cost of Rs. 17.52 lakhs. The work was to be completed in November 1980. The agency abandoned the work in June 1980, after executing the work to the extent of Rs. 3.26 lakhs. The contract was, however, terminated only after 3 years, in August 1983. The remaining work was entrusted in December 1984 to agency 'D' and was completed in April 1987 at a cost of Rs. 22.58 lakhs. Though, the exact amount recoverable from agency 'C', had been assessed at Rs. 16. 23 lakhs, in March 1988 itself, civil suit had not been filed as per the extant orders of the Government (April 1990).

4.5 Unauthorised aid to contractor and other irregularities

Two works of providing and fixing platform vibrated cement concrete precast blocks to Vansda Minor and Unai Distributary of Jhuj Project estimated to cost Rs. 25.67 lakhs were awarded in September 1984 to one agency under two agreements at the tendered cost of Rs. 31.08 lakhs. Both works were scheduled for completion in A ugust 1985.

	1st Contractor	2nd Contractor
	(Rupees in lakhs)	
Tendered cost	0.12	23.47
[illegible]	4.53	—
[illegible]	7	—
[illegible]	1.17	8.51
Cost of material not returned	3.16	21
Miscellaneous, etc.		
	32.77	32.14

Action had not been initiated to recover the amounts due from first and second contractors. [illegible] Government in December 1986 to recover [illegible] before adjustment of final bill of the second agency.

Matter was reported to Government (November 1985); reply has not been received (August 1990).

4.4 Abandoned work

The work of providing lining to Lindari distributary [illegible] Ch. 81500 and 109200 (Group IV) was [illegible] in November 1979 at a tendered cost of Rs. 17.82 lakhs. The work was to be completed in November 1980. The agency stopped the work in June 1980 after executing work to the extent of [illegible] lakhs. The contract was, however, terminated only after 3 years in August 1983. The remaining work was entrusted in December 1984 to agency 'B' and was completed in April 1987 at a cost of Rs. 39.[illegible] lakhs. Though the extra amount recoverable from agency 'A' had been assessed at Rs. 16.23 lakhs in March 1984 itself, extra cost had not been recovered as per the extant orders of the Government (August 1990).

4.5 Unauthorised aid to contractor and other irregularities

Two works of providing and laying platform [illegible] concrete precast blocks to Yamuna Main [illegible] of [illegible] Project estimated to cost Rs. 25.07 lakhs were awarded in September 1984 to one agency under two agreements at the tendered cost of Rs. 31.00 lakhs. Both works were scheduled for completion in August 1985.

It was noticed in audit in June 1989 that for the block lining work of Vansda Minor the agency had manufactured 38123sq. m. of precast blocks against the stipulated quantity of 38294 sq. m. of precast block. However, fixing the precast blocks was done only in 90 metres length against the stipulated length of 9270 metres. The agency was paid Rs. 9.15 lakhs upto April 1986 at part rate on the basis of measurements. The agency abandoned the work in May 1986 without assigning reasons therefor.

For the lining work of Unai Distributary the agency had manufactured 43204 sq.m. of precast blocks against the stipulated quantity of 46847 sq.m. and was paid Rs. 10.37 lakhs upto April 1986. The payments were made at part rate on the basis of measurements. Since the agency did not show any progress in work after December 1985, the contract was terminated in May 1988.

Though the works were scheduled for completion in August 1985 neither did the agency apply for extension of time limit nor was it granted by the department.

In his inspection note of April 1988 the Chief Engineer, Quality Control had stated that the factory premises of the agency did not have curing tank and the precast blocks manufactured were inferior in quality and would crumble with slight jerk.

The part rate payments aggregating Rs. 19.52 lakhs made upto April 1986 for 81327 Sq.m. of precast blocks lying at the factory premises of the agency were irregular since such payments had not been authorised either under departmental instructions or under the agreement with the agency.

Since the entire quantity of precast blocks manufactured by the agency was rejected (July 1988) as inferior by the Superintending Engineer, Ukai Circle, entire Rs. 19.52 lakhs became recoverable from the agency. In addition, liquidated damages amounting to Rs. 3.11 lakhs for delay in completion of works was also recoverable from the agency. Against the recovery of Rs. 22.63 lakhs, the amount available with the department in the form of security deposit was only Rs. 0.90 lakh.

It was noticed on audit in June 1989 that for the block lining work of Vinada Mines the agency had manufactured 681239 sq. m. of precast blocks against the stipulated quantity of 28293 sq. m. of precast block. However, lining the precast blocks was done only in 90 metres of roofs against the stipulated length of 9220 metres. The agency was paid Rs. 2.15 lakhs upto April 1990 at part rate on the basis of measurements. The agency abandoned the work in May 1990 without assigning reasons therefor.

For the lining work of Lima Distillery the agency had manufactured 42204 sq.m. of precast blocks against the stipulated quantity of 16847 sq.m. and was paid Rs. 10.37 lakhs upto May 1990. The payment was made at part rate on the basis of measurements. Since the agency did not show any progress in work after the month of May 1990, the contract was terminated in May 1990.

Though the works were scheduled for completion in August 1989, neither did the agency apply for extension of time nor was it granted by the department.

In the inspection note of April 1990 the Chief Engineer, Orissa Construction Corporation Ltd. had stated that the factory management had been giving instructions to the precast blocks manufacturing agency for the quality and would entrust the work elsewhere.

The payment made, representing 1.5 times the rate of the work upto April 1990 for 81237 sq.m. of precast blocks lying at the factory was made at the agency's own risk after some time with prior approval of the Chief Engineer under departmental instructions to make the payment at risk of the agency.

Since the agency had manufactured precast blocks beyond the stipulated quantity (1989) as informed by the superintending Engineer (OCC), Circle, Sunrise Rs. 19.37 lakhs had been recovered from the agency. The balance limit later during the month was fixed to Rs. 5.11 lakhs for delay in completion of work. Thus recovery from the agency against the recovery of Rs. 22 lakhs the amount payable with the department in the form of security deposit was only Rs. 0.90 lakh.

The matter was reported to Government in October 1989; reply had not been received (August 1990).

4.6 Overpayment to a contractor

The earthwork and the cement concrete lining work on Damanganga Left Bank Main Canal between chainage 10 Km to 15.5 Km was awarded to agency 'A' by Damanganga Weir Division in April 1981 at a cost of Rs. 28.95 lakhs for completion in October 1982. After executing work of the value of Rs. 38.48 lakhs, the contractor stopped the work in July 1985 as his demand for revision of rates for excess quantities was not decided. Despite several letters issued to the contractor to resume work and a meeting with the Superintending Engineer in September 1988, the work was not resumed.

Notice terminating the contract and carrying out the remaining work at his risk and cost was issued to the contractor in January 1989. The remaining work estimated to cost Rs. 16.63 lakhs was entrusted to agency 'B' in June 1989 at the tendered cost of Rs. 26.92 lakhs for completion in May 1990. The risk and cost for the first contractor amounted to Rs. 10.29 lakhs.

When in June 1989 final bill of the original contractor was prepared after a lapse of four years, it was seen that Rs. 10.58 lakhs were overpaid due to inflated measurement and unadjusted cost of materials. Overpayment had come to notice as early as August 1986 when recorded measurements were checked due to change in incumbancy of the Deputy Engineer but no action was taken. The Executive Engineer reported to the Superintending Engineer in April 1987 indicating that excess payment occured in April 1982 which could have been noticed had the two Deputy Engineers in charge of the work between May 1982 and July 1986 recorded the measurements correctly.

In all cases where the work executed exceeded Rs. 30,000 the Divisional Officer was required to check measurements of not less than 10 *per cent* of the value. This was also not observed.

The matter was reported to Government in October 1959 [illegible] had not been resolved (August 1960).

4.6 Overpayment to a contractor

The earthwork and the common concrete lining work on Km [illegible] Branch Main Canal between chainage 10 Km to [illegible] Km was awarded to agents M/s Dev Dayal Mehra & Co. [illegible] in April 1981 at a cost of Rs. 28.95 lakhs for completion by October 1982. After executing work of the value of Rs. 28.48 lakhs the contractor abandoned the work in July 1983 [illegible] for reason of risks for excess quantities was not decided. The [illegible] several letters issued by the contractor, the balance work [illegible] a month with the stipulation that by September 1984, the work was not resumed.

Notice inviting the tender and comparing the tender [illegible] work at his risk and cost was issued to the contractor in January 1985. The remaining work estimated to cost Rs. [illegible] was entrusted to agency 'B' in June 1985 at the tender cost of Rs. 20.92 lakhs for completion in May 1990. The risk and cost for the first contractor amounted to Rs. 10.29 lakhs.

When in June 1989 final bill of the original contractor was prepared after a lapse of four years it was seen that Rs. 10.53 lakhs were overpaid due to inflated measurement and incorrect cost of materials. Overpayment had come to notice as early as August 1986 when recorded measurements were checked during change in membership of the Deputy Engineer but no action was taken. The Executive Engineer reported to the superintending Engineer in April 1987 indicating that excess payment occurred in April 1982 which could have been noticed had the Deputy Engineers in charge of the work between May 1982 and July 1985 recorded the measurements correctly.

In all cases where the work executed was not [illegible] the Divisional Officer was required to check measurements of not less than 10 per cent of the value. This was also not observed.

Against the total recoverable amount of Rs. 20.87 lakhs from the contractor the amount available with the department in the form of deposit was only Rs. 0.09 lakh.

The Division stated (August 1989) that proposal for the recovery of the amount from the defaulting agency was sent (May 1989) to the Collector, Valsad. Circular instructions were also issued (May 1989) by the Division to other divisions not to renew the registration of defaulting agency as well as withholding payments, if any, due to him.

The matter was reported to Government in April 1989; reply had not been received (August 1990).

4.7 Loss on sale of machinery

Four Tower Cranes and Batching and Mixing Plant along with spare parts of Karjan Project were ordered to be sold to a contractor in August 1988 for Rs. 102 lakhs arrived at after deducting depreciation from the purchase value of Rs. 150.25 lakhs. As per the Government order the spare parts valued at Rs. 15.63 lakhs were also to be sold at the issue rate plus storage charges and supervision charges. The sale was decided on the demand of the contractor without inviting open quotations. The spare parts were not taken over by the contractor alongwith Tower Cranes and Batching and Mixing Plant even though it was a conditional sale with the spares. Failure of the contractor to take the spare parts had resulted in a loss of Rs. 17.71 lakhs which was inclusive of supervision and storage charges.

The matter was brought to the notice of the Government in November 1988; reply had not been received (August 1990).

4.8 **Idle investment**

(i) In March 1980; Hadaf Head Works Division, Godhra purchased 325 cross regulators having simple lifting arrangement and 650 outlets at a cost of Rs. 7.42 lakhs without reference to the technical requirements. The system finalised during 1982-83 had actually envisaged

use of screw type cross regulators and outlets with locking arrangement to prevent theft of water. All the 650 outlets and 240 cross regulators were converted into screw type with locking arrangements at an additional cost of Rs. 0.77 lakh in 1985-86. The conversion of remaining 85 cross regulators was estimated to cost Rs. 0.14 lakh. The work of distributary system with modified cross regulators and outlets was in progress and so far (March 1989) only 340 oultets had been fixed.

Purchase of cross regulators and outlets which were not of the required specification and design five years in advance of the requirement resulted in blocking up of funds. Subsequent expenditure of Rs. 0.77 lakh on conversion could have been avoided had the purchase been made after finalisation of specification.

The matter was brought to the notice of the Government in March 1989; reply had not been received (August 1990).

(ii) The work of providing and fixing 75 RCC precast corss regulators (CRs) for the distribution system of Damanganga Project estimated to cost Rs. 0.87 lakh was entrusted to an agency in December 1981 at a cost of Rs. 0.90 lakh with June 1982 as date of completion. The contractor supplied the entire tendered quantity by March 1982. Looking to the future requirements, the contractor was required to supply 11 more regulators. By June 1982 the contractor supplied the additional regulators also and were accepted by the division at the contracted cost.

The agency utilised only 8 of the regulators upto March 1983. The remaining regulators could not be fixed due to non availability of land and the remaining work was withdrawn from the agency in August 1987. Subsequently, twelve regulators were fixed departmentally and two regulators were transferred to another Division leaving behind 64 regulators valued at Rs. 0.70 lakh yet to be fixed (June 1989). When the original contracted quantity could not be fully utilised, purchase of additional 11 corss regulators valued at Rs. 0.12 lakh was avoidable. 64 cross regulators valued at Rs. 0.70 lakhs are lying idle for over 7 years.

Procurement of regulators in advance and in excess of requirement in violation of codal provisions, resulted in idle investment.

The matter was brought to the notice of Government in April 1989; Government stated in June 1990 that the cross regulators in stock would be got fixed on completion of canals.

4.9 **Unfruitful expenditure**

According to the codal provisions work on canals should not be commenced unless more than 50 *per cent* of the land required for the work is acquired and the remaining land could be acquired without much difficulty.

Dharoi Canal Division No. 1, Visnagar entrusted the works for earthwork, canal lining and cross drainage to three different agencies in May 1985 for Rs. 13.58 lakhs . One work was stipulated for completion in November 1985 and other two in February 1986 without having any land in possession of department for any of the three works. Within the extended time limit of August 1986 the three agencies executed work of the value of Rs. 7.43 lakhs on land made available to them in piecemeal. The agencies stopped work in August 1986 on the three partially completed works as the required land for the remaining work was not made available by the department. One of the agencies asked in September 1986 to be relieved of the contractual obligations in view of the non-availability of the required land. No decision was taken by the division till April 1989 in the matter.

Failure to ensure availability of the required land before commencement of work resulted in expenditure of Rs. 7.43 lakhs remaining unfruitful.

The matter was brought to the notice of Government in May 1989; final reply had not been received (August 1990).

4.10 **Construction of a pier**

Pier No. 2 of an aqueduct on the Right Bank Branch Canal of Ver-II irrigation system collapsed on 9th July 1985. The investigation as to the reasons for the collapse revealed that sub-standard cement and

Transgression of regulations in advance and in excess of sanctionment in violation of codal provisions resulted in idle investment.

The matter was brought to the notice of Government in April 1989; Government alerted in June 1990 that the cross-regulators in stock would be put to use on completion of canals.

4.9 Infructuous expenditure

According to the codal provisions work on canals should not be commenced unless more than 30 per cent of the land required for the work is acquired and the remaining land could be acquired without much difficulty.

Director Canal Division No. I Vijayapura initiated the work for earthwork, canal lining and cross drainage to three different agencies in May 1985 for Rs. 13.58 lakhs. One work was stipulated for completion in November 1985 and other two in February 1986 without having any land in possession of department for any of the works. Within the extended time limit of August 1986 the three agencies executed work of the value of Rs. 7.43 lakhs on land made available to them in possession. The agencies stopped work in August 1986 as the three partially completed works as the required land for further lining work was not made available by the department. One of the agencies filed in September 1986 to be relieved of the contractual obligations in view of the non availability of the required land. No decision was taken by the division till April 1989 in the matter.

Failure to ensure availability of the required land before commencement of work resulted in expenditure of Rs. 7.43 lakhs remaining unfruitful.

The matter was brought to the notice of Government in May 1989; Final reply had not been received (August 1990).

4.10 Construction of a pier

Pier No. 2 of the aqueduct on the Right Bank Branch Canal of Var-II Irrigation system collapsed on 9th July 1989. The investigation as to the reasons for the collapse revealed that substandard cement and

rubble had been used in the construction. Two test samples of Puzzolana cement used in the work had compressive strength of 266.66 kg. /$Cm^2$and 120 kg./Cm^2 respectively against the required strength of 310 kg./Cm^2. The test results reached after the construction of pier was completed. It was also seen that Government instructions regarding piers having a height of more than 6 metres should not be constructed in stone masonry and should be of mass concrete or reinforced cement concrete were not followed.

The avoidable expenditure on restoration work and protective work amounted to Rs. 5.47 lakhs.

Government stated (June 1990) that the collapse of the pier was under investigation.

4.11 Loss of interest and other irregularities

Irrigation Mechanical Division placed an order for twelve wheel type excavators with a firm in West Germany and an amount of Rs. 92.60 lakhs required for opening letters of credit (LC) was deposited with the State Bank of India in January 1984. In terms of Government instructions the deposit was immediately converted into short term fixed deposit for six months at six *per cent* interest. In September 1984, Rs. 1.36 lakhs was credited to this account towards interest against Rs. 2.78 lakhs due. The amount short credited was Rs. 1.42 lakhs.

The division had also placed orders for 14 Earth Moving Machinery and four LCs aggregating Rs. 173.43 lakhs were opened between October 1983 and July 1984 with the same branch of State Bank of India. Omission to convert the margin money of Rs. 173.43 lakhs into short term fixed deposits resulted in loss of interest of Rs. 4.08 lakhs.

The matter was brought to the notice of Government in July 1989; reply had not been received (August 1990).

table [illegible] been used in the construction. Two test samples of [illegible] used in the work had compressive strength of 200 to [illegible] (Grade 120 kg/cm²) respectively against the required strength of 110 kg. Cube test results [illegible] the construction [illegible] completed. It was also seen that Government instructions regarding plans having a height of more than 6 metres should not be constructed in stone masonry and should be of reinforced or prestressed concrete were not followed.

The avoidable expenditure on extraction work and protection work amounted to Rs. 5.47 lakhs.

Government stated (June 1990) that the outlines of the pier were under investigation.

4.11 Loss of interest and other irregularities

Irrigation Minor Canal Division placed an order for twelve [illegible] type cranes [illegible] Wear Company and an amount of Rs. 92.60 lakhs required for opening letters of credit (L.C.) was deposited with the State Bank of India in January 1984. In terms of Government instructions the deposit was immediately converted into short term fixed deposit for six months at 8% per annum interest. In September 1984, Rs. 1.30 lakhs was credited to this account towards interest against Rs. 2.78 lakhs due. The amount short credited was Rs. 1.42 lakhs.

The division had placed orders for 144 cranes. Ninety-nine and four L.Cs amounting Rs. 17.16 lakhs were opened between October 1983 and July 1984 with the same branch of State Bank of India. Omission to convert the margin money of Rs. 17.16 lakhs into short term fixed deposits resulted in loss of interest of Rs. 1.03 lakhs.

The matter was brought to the notice of Government in July 1989; reply had not been received (August 1990).

4.12 Outstanding recovery from contractors

The work of manufacturing and supplying 54120 Sq.m. of 5 cm thick precast blocks estimated to cost Rs. 8.66 lakhs was entrusted by Bhadar Canal Division, Diwada colony to agency 'A' in June 1983 at a cost of Rs. 8.41 lakhs for completion by December 1983.

The agency after manufacturing 24,685 Sq.m of precast blocks valued at Rs. 3.79 lakhs, abandoned the work on 11th May 1985 without giving any reasons. The contract provided that if the contractor delayed the work, the Executive Engineer would give him 14 days notice to take corrective action. Thereafter, the Executive Engineer would terminate the contract,forfeit the security deposit and would get the balance work completed at the cost of the original agency. The contract further laid down the levy of liquidated damages at one tenth of the one *per cent* of contract value for each incomplete part per day of delay. As the progress of work had been slow, compensation at Rs.10 per day was levied from 1st January 1984 which was raised to Rs. 462.30 per day from 12th May 1985. The agency was served with notices on several occassions, the last being on 1st December 1986, for accelerating the progress of work. Finally notice for terminating the contract and execution of remaining work at the risk and cost of the contractor was issued in February 1987. The remaining work was entrusted to agency 'B' in January 1988 at a cost of Rs. 5.94 lakhs for completion in July 1988. The work was in progress (June 1989).

Further, there was a shortage of 7532 Sq.m of precast blocks for which Rs. 1.17 lakhs had been paid to agency 'A'. The responsibility for shortage had not been fixed (June 1989).

Against the recoverable amount of Rs. 3.99 lakhs comprising work at risk and cost, shortage of precast blocks, compensation and miscellaneous items from agency 'A', the amount available with the department was only Rs. 0.26 lakh in the form of security deposit. The division proposed in January 1989 for filing of civil suit against agency 'A'; Government's decision had not been received (March 1990).

The matter was reported to Government in April 1989; Government confirmed the facts of the case (March 1990).

4.13 Non-termination of contract

Panam project Division, Godhra entered into an agreement in November 1977 with an agency for the manufacture and supply of 5500 tonnes of puzzolana cement at a cost of Rs. 7.20 lakhs within a period of 24 months. The work actually commenced in December 1977 and by July 1978 the contractor was paid Rs. 1.48 lakhs for 985 tonnes of cement supplied during the first six months of the Contract.

The division proposed to terminate the contract for local manufacture of puzzolana cement in May 1978 as by then the cement factories had started producing it. The superintending Engineer did not agree (May 1978) and instead, ordered slowing down of the manufacture of cement. Accordingly, the agency was informed to temporarily suspend the work. In February 1979, complete stoppage of the work was ordered. The agency, after issuing a notice to the department in November 1979, filed a suit (January 1984) claiming compensation of Rs. 1.72 lakhs.

The Court held (January 1987) that the department had failed to give clarification to the agency regarding the period for which the work was to remain suspended and awarded a compensation of Rs. 1.18 lakhs with interest. The division made payment totalling Rs. 1.51 lakhs.

When the division was aware in May 1978 that puzzolana cement was being manufactured by cement factories and there was no necessity to manufacture it locally, the decision to keep the work temporarily suspended instead of terminating it, resulted in avoidable expenditure of Rs. 1.51 lakhs.

The matter was reported to Government in February 1988; reply had not been received (August 1990).

4.14 Irregular purchase

In March 1983, the Kakrapar Canal Remodelling Division, Surat purchased 980 Sq.m. of steel tabular platforms, valued at Rs. 2.95 lakhs for storing cement. This included the requirement of 490 Sq.m of steel platforms for Tidle Regulator and Sea Dykes (TR & SD) Division Surat which had not placed any indent for the same with KCR Division. TR & SD Division, Surat which was informed in April 1983 of the purchase on its behalf, refused to accept (December 1983) the platforms since it was not having stock of cement. Subsequently, TR & SD Division lifted 287 Sq.m. of platforms and utilised 64 Sq.m. Balance quantity of 223 Sq.m. is still lying unutilised. In all, 426 Sq. m. of steel platforms valued at Rs.1.28 lakhs is still lying(March 1989) unutilised with KCR and TR & SD Divisions resulting in idle investment of Rs. 1.28 lakhs for more than six years.

Government admitted (June 1990) that the Executive Engineer had not followed the prescribed purchase procedure and stated that it had been decided to inquire into the matter and take necessary action against the person responsible for the lapse.

ROADS AND BUILDINGS DEPARTMENT

4.15 **Conversion of Mild Steel billets into Tor Bars**

Stores (R&B) Division, Ahmedabad entered into 8 agreements with four agencies between September 1981 and June 1985 for conversion of 5322 tonnes of mild steel billets valued Rs. 250.13 lakhs into tor bars of different sizes. All the works were scheduled for completion within four to six months from the respective dates of issue of work order. The agreements provided for the return of the rerolled bars in a phased manner. Failure to adhere to the time schedule attracted levy of compensation at the rate of one *per cent* of the estimated cost for every day of time overrun subject to a maximum of ten *per cent* of the estimated cost. Provision in the agreements also authorised the department to get the remaining work

carried out at the risk and cost of the original agency. The table below indicates the quantity of billets issued to each agency, the quantity of tor bars returned so far (February 1989) and the quantity of unprocessed billets still lying with them.

Sl. No.	Agency	Number of agreements	Mild Steel Billets Issued	Tor Bars due	Tor Bars supplied	Quantity of unprocessed billets lying with the agency (in tonnes)
1	A	3	2417	2175	446	1921
2	B	2	1178	1060	56	1116
3	C	2	1104	994	Nil	1104
4	D	1	623	561	416	161
		8	5322	4790	918	4302

Out of 5322 tonnes of billets issued to the four agencies 4302 tonnes valued at Rs. 202.19 lakhs are still lying unprocessed with the rerollers even after a lapse of 3 to 7 years.

Agencies A and C had defaulted in returning tor bars in respect of contracts earlier to June 1985 also; hence award of contracts to the defaulting agencies lacked justification.

Though application of the agencies for extension of time limit upto 31st March 1988 was not accepted by the Government, no penal proceedings were initiated by the department against the defaulting agencies. Against the maximum leviable compensation of Rs. 3.58 lakhs, department had provisionally withheld Rs. 1.13 lakhs from the running account bills of the agencies. Further, no action had been initiated to get the remaining work completed at the risk and cost of the defaulting agencies.

Agencies A and B had executed bank guarantees of Rs. 1.50 lakhs. These bank guarantees lapsed in September and December 1987 respectively and hence could not be enforced.

Thus, 4302 tonnes of billetes valued at Rs. 202.19 lakhs remained blocked with four re-rolling agencies for 3 to 7 years without any action against the defaulting agencies.

Government stated (November 1989) that departmental proceedings had been initiated against erring officials and notices were served on defaulting agencies for further effective action.

4.16 Judicial Complex at Ahmedabad

The work of construction of a multistoreyed building for Judicial Complex at Ahmedabad was entrusted to agency 'A' in July 1978 at a cost of Rs. 108 lakhs with scheduled date of completion in January 1981. The work was to be done in two parts. The first part was a lumpsum contract for Rs. 48.90 lakhs and the same was on item rate contract. The agency executed work valuing Rs. 69.67 lakhs including Rs. 47 lakhs under lumpsum contract upto October 1985 and thereafter slowed down the work and finally abandoned it in August 1986 without assigning reasons therefor.

(i) During audit in December 1988 it was noticed that a sum of Rs. 68.41 lakhs comprising unadjusted cost of schedule 'A' materials (Rs. 10.51 lakhs), cost of non schedule 'A' materials (Rs. 4.04 lakhs), unadjusted secured advance (Rs. 5.15 lakhs), interest on mobilisation advance (Rs. 0.70 lakh), compensation for delay in completion of work (Rs. 2.36 lakhs), excess payment on excavation and RCC work (Rs. 0.64 lakh) and estimated amount due from the contractor for the remaining work at risk and cost (Rs. 45.01 lakhs) was recoverable from the contractor. Against the recoverable amount of Rs. 68.41 lakhs, deposits of the contractor available with the department was Rs. 2.27 lakhs. For the remaining work new agency was yet to be finalised.

(ii) Dues on account of Schedule 'A' materials like cement and steel was the result of excess issue of materials *vis-a-vis* the progress of work. Prior approval of Government was not obtained for the issue of non schedule 'A' materials like M.S. angles, CFI sheets, channels, etc.

(iii) Condition for the grant of mobilisation advance stipulated that the full amount of advance together with interest at 17 *per cent* per annum was fully recoverable within three fourths time stipulated for completion of work. Non observance of contractual provision resulted in unrecovered interest.

(iv) With reference to the schedule of percentage of payment to be made on completion of various items in the lumpsum part of the contract the contractor was entitled to 94.80 *per cent* of the lumpsum contract of Rs. 48.90 lakhs but payment of Rs. 47 lakhs was made resulting in overpayment of Rs. 0.64 lakh.

(v) Though only five floors out of nine planned had been completed, steps have not been taken to get the balance work completed. Out of five floors completed only four floors had been put to use (May 1990).

(vi) Effective steps had not been taken for recovery of Rs. 68.41 lakhs from the agency. Filing a civil suit for effecting recoveries was under consideration of Government (January 1990).

The matter was brought to the notice of Government in May 1989. Government stated in January 1990 that responsibility was being fixed on officers for the lapses pointed out by Audit.

4.17 Unoccupied flats in Bombay

Government of Gujarat decided in February 1984 to purchase 18 flats from Bombay Housing and Area Development Board for providing residential accommodation to the liasion officer and other Gujarat Government Staff stationed at Bombay.

Accordingly, Rs. 59.88 lakhs were paid by March 1986. Out of the 18 flats acquired in July 1986/May 1987, six flats, one at Bandra and five at Juhu, costing Rs. 20.22 lakhs were lying vacant since the date of their possession resulting in idle investment.

Government stated (May 1989) that the vacancy was due to delay in providing electric connection and vacant posts in the Resident Commissioner's office. It was also stated that conversion of vacant flats into Gujarat Bhavan was under consideration of Government.

4.18 **Abandoned works**

(i) Construction of Pashupalan Bhavan at Ahmedabad entrusted to agency 'E' in March 1981 at a cost of Rs. 31.30 lakhs was to be completed by March 1983. The work was abandoned by the agency after obtaining payment in March 1986 for the work done valued at Rs. 17.64 lakhs. The remaining work was not entrusted to another agency as the R.C.C. structures of the building had to be strengthened as per instructions of Government issued in August 1988. Though the sum recoverable from the agency was ascertained as Rs. 16.03 lakhs, including Rs. 11.09 lakhs towards the work to be done at risk and cost, a civil suit for recovery of dues had not been filed (March 1990).

The Government replied in March 1990 that filing of civil suit against the contractor was under consideration.

(ii) Construction of Women's reception centre at Bharuch, entrusted to agency 'F' in June 1983 at a cost of Rs. 5.47 lakhs was to be completed by June 1985. The Agency abandoned the work in April 1986, after executing the work valued at Rs. 3.70 lakhs. The contract was terminated in September 1986 and the remaining work was got completed at risk and cost of Rs. 2.91 lakhs, through another agency in August 1988. Though the sum recoverable from the first agency was ascertained as 2.09 lakhs, civil suit for recovery of dues had not been filed upto January 1990.

The Government accepted the facts (January 1990) and stated that the chances of recovery were remote because of limitation.

4.19 Unfruitful outlay on diversion road

The work of construction of a diversion road outside village Sidsar and Budhel on Wartej-Gogha road was entrusted to an agency at the tendered cost of Rs 4.17 lakhs by R & B Division, Bhavnagar in December 1982. The work was scheduled for completion in December 1983. The work comprising 1900 metres long water-bound macadam road with 20 mm thick carpet and seal coat and two cross drainage (CD) works could be commenced only in March 1983 when the department got possession of 1400 metres out of 1900 metres of required land.

Upto June 1984 the agency completed work of the value of Rs. 1.29 lakhs and discontinued the work as the department could not make available the remaining 500 metres of land as the land owners had obtained stay order from court against the acquisition of their land. The agency was granted extension upto 30th June 1988 without levy of compensation to complete one of the partially completed CD works. For the value of work done, the agency was paid (March 1989) Rs. 1.60 lakhs. In April 1989 the Superintending Engineer, Rajkot circle recommended to the Government that the agency be relieved of its contractual obligations on the ground that the department did not have possession of the land for the remaining 500 metres of the diversion road.

It was also noticed in audit (August 1989) that the work awarded to the agency did not include the major bridge to be constructed in between. Consequently the road constructed could be used only during fair season.

Commencement of work without ensuring the availablity of land and defective planning had rendered the expenditure of Rs. 1.60 lakhs incurred on the diversion road unfruitful.

WATER RESOURCES, ROADS AND BUILDINGS AND NARMADA DEVELOPMENT DEPARTMENTS

4.20 Arbitration cases

4.20.1 Government of Gujarat issued orders in November 1976 introducing an arbitration clause in 'percentage' and 'item rate' tenders.

4.20.1.1 Details furnished by 82 divisions out of 210 divisions of Roads and Buildings, Irrigation and Narmada Development Departments indicated the following position.

Year	Cases outstanding on 1st April	Cases referred in the year	Cases decided during the year	Balance outstanding
1985—86	27	30	20	37
1986—87	37	30	11	56
1987—88	56	30	15	71
1988—89	71	—	5	66
Total	..	90	51	

All the 51 cases were decided against Government. In 4 cases the department had preferred appeal.

4.20.1.2 Out of 51 cases decided against the department 33 cases were test checked which showed that Rs. 1109.24 lakhs were awarded to the contractors. Rs. 445.69 lakhs were for 24 speaking awards and Rs. 663.55 lakhs for 9 non-speaking awards. In three cases of non-speaking award, the amount of the award exceeded Rs. 1 crore each. An analysis of these cases showed that the additional amounts were granted for :

(i) delay in making land available,
(ii) change in alignment,
(iii) delay in supply of departmental materials etc.,

(iv) substantial variation between estimates and executed quantities,

(v) departmental delay in arranging power supply,

(vi) compensation for idle machinery, labour, stoppage of work etc.,

(vii) payment of additional interest due to delay in payment of arbitration award,

(viii) price escalation for prolonged period of execution due to departmental delays.

4.20.2 Brief particulars of a few cases decided against Government are given below:

(i) The work of constructing earthen dam left bank of Sipu Project between chainages 20 m to 2624 m was entrusted to a contractor in March 1982 with stipulated date of completion as 25th March 1985. The work was completed in April 1989. The inordinate delay in completion of work was attributed to many shortcoming of the department and since a settlement was not possible the contractor's claims were referred to arbitration in May 1986 and the arbitrator gave his final award in November 1987 admitting a claim of Rs. 120.03 lakhs. The arbitrator held that the work space given by department was insufficient resulting in the contractor's machineries remaining idle. The increased power supply was also given only from May 1985 onwards and there was a delay of two years on this account. Non-provision of quarry roads by the department also figured in the consideration of an award amount of Rs. 15 lakhs on the above accounts. The contractor was ordered to increase the pressure in grouting work for which Rs. 3 lakhs was awarded to the contractor. The arbitrator also awarded Rs. 5.10 lakhs on account of extra rate for additional lead for disposal of material excavated from cut off trench not anticipated in the estimates. The award for extra cost of filling impervious material in the trench was Rs. 22.25 lakhs as borrow areas were made available by department unduly late. Further, Rs. 74.70 lakhs was awarded on account of increased rates on items where quantity executed was likely to exceed

beyond 30 *per cent* of the tendered quantity and where restrictions were imposed by the department to operate any borrow areas. The approximate percentage increase over tendered quantity due to revision of earthen dam cross section and change in grouting pattern was 35 to 685 *per cent*. Against the decretal amount of Rs. 120.03 lakhs plus interest at eighteen *per cent* thereon, Rs. 141 lakhs (Rs. 119.36 lakhs principal amount and Rs. 21.64 lakhs interest) were paid in April 1987 and January 1988.

(ii) The work of construction of masonry dam including RCC spillway, bridge, drilling, grouting and ancilliary works for Goma Irrigation scheme was awarded to a contractor in September 1983 at the tendered amount of Rs. 178 lakhs. The division, however, could not hand over the site for execution of work as the land required for earthen dam was not fully acquired and the Divisional Officer, in October 1983, informed the contractor not to start the work till further orders since the land coming under submergence could not be fully acquired because of protests from the land owners and non-clearance of forest land. In January 1985, the division ordered the contractor to stop the work for an indefinate period. Consequently the matter was referred to an arbitrator in January 1986 by the Court and the arbitrator gave his award in November 1987. In a non-speaking award, the arbitrator awarded Rs. 39.95 lakhs against a claim of Rs. 131 lakhs made by the contractor plus interest. The Government Pleader, to whom the case was referred stated that it was not legally correct to enter into a contract without making necessary arrangements for land and opined that it was not a fit case for further appeal, However, Government went in appeal (January 1988) which was rejected by the High Court in March 1988. Ultimately the awards amount was paid together with interest of Rs. 1.75 lakhs. Thus, an expenditure of Rs. 61.42 lakhs was incurred on a scheme on which no work had been executed.

(iii) In another case relating to Deo Irrigation Scheme, Arbitrator gave an award for Rs. 79.51 lakhs in November 1987 in favour of contractor. Disregarding Government Pleaders' opinion, the

epartment went for appeal in December 1987 which was rejected y the High Court in January 1988. Consequently, additional inte- est of Rs. 4.28 lakhs was paid in addition to the award.

(iv) The work of constructing left transition dam and power lam at Ukai was awarded to a contractor in June 1967 for ompletion in September 1970. Since the completion of the vork was delayed by 27 months due to departmental short- omings, such as delay in handing over work of Power Dam block, hange in design of Power Dam Section resulting in additional R.C.C. vorks, the contractor claimed extra payment on overheads, profit on overheads, price escalation on tyres, tubes and interest on above. Final bill was paid in March 1979. The dispute was referred in May 1986 to an arbitrator who awarded (June 1986) Rs. 51.19 lakhs comp- rising overheads (Rs. 22.09 lakhs) contractor's profit on extra item (Rs. 0.81 lakh), price escalation on tyres and tubes (Rs. 2.10 lakhs) and interest on decretal amount for the period from 6th June 1979 to the date of award (Rs. 26.19) lakhs.

(iv) The work of construction of earthwork and lining of Right Bank Canal Distributary System of Karjan Project was entrusted to a contractor in December 1982 for completion by December 1984. The completion of work was delayed as the entire site was not made available before the commencement of construction and even in those cases where land was given it was handed over in piecemeal.

Further, schedule A materials like cement, concrete blocks, polythene sheets and cement were not supplied in time. The dispute was referred to an arbitrator in May 1987 by the contractor himself and the arbitrator in his award of December 1987 gave Rs. 3.84 lakhs for overheads, Rs. 7.60 lakhs for the use of machinery, tools and plants, Rs. 1.20 lakhs for the labour gangs and camps during the extended period and Rs. 16.54 lakhs for price escalation and enhanced rates during prolonged period. Other amounts awarded included Rs. 0.20 lakh as extra for transportation of machinery, Rs. 0.92 lakh for extra carting of C.C. blocks, Rs. 0.83 lakh for jointing gaps of structures,

Rs. 0.19 lakh for desilting and Rs. 7.89 lakhs by way of interest at 20 *per cent*. The arbitrator held that the department was responsible for non-completion of the work within the stipulated period and according to him the department committed breaches of contract entitling compensation. The court upheld the award but rate of interest was reduced.

Financial outgo to Government amounted to Rs. 37.65 lakhs.

(vi) The work of constructing irrigation dam spillway and irrigation sluice of Mitti Irrigation scheme was awarded to a contractor in March 1978. During the execution of work, the quantity of earthwork increased from 30850 cum. to 204400 cum. The contractor was paid at the rate of Rs. 8.74 per cum. as per the contract, but the contractor claimed Rs. 15/- per cum. The contractor also put forth another claim for damage to work done by him during 1979 monsoon mainly due to decision of department not to proceed with trench work. On the contractor's claim being referred to arbitration (February 1985) the arbitrator awarded (June 1985) Rs. 12.32 lakhs towards claim of higher rate of excess quantity of earthwork, Rs. 1.91 lakhs for not allowing to proceed with trench work and Rs. 7.04 lakhs by way of interest at 10 *per cent* on the principal sum awarded. The division was also directed to pay a further interest at six *per cent* per annum from the date of award to the date of payment. Though the award was given in June 1985 final payment was made only in April 1987 after the appeal to the Court was rejected and decree awarded excluding payment of interest amounting to Rs. 1.58 lakhs. Extra financial committment to the State amounted to Rs. 22.85 lakhs.

(vii) The work of constructing earthwork and lining of Vapi distributary between chainges 0 and 13400 Mts. of Damanganga Resarvoir Project was awarded to a contractor in December 1982 for completion in August 1984. The work was not completed even after the grant of extention from time to time upto June 1986. The matter was referred to the arbitrator in August 1986. The contractor in his claim pointed that the work could not be completed within the stipulated time due to :

(a) the site being handed over in piecemeal
(b) gaps in the canal work being left by the previous contractor as the canal structure had not been completed by the department.
(c) non removal of electric poles, HT line and man made pits in the site of work.
(d) change of alignment etc.

The arbitrator, in his award of December 1987, held the department responsible for non-completion of work within the stipulated date and awarded Rs. 15.03 lakhs as compensation for overheads, idle machinery during prolonged period of execution and extra expenditure due to increase in price of materials and labour. The remaining award of Rs. 9.96 lakhs was on account of breakage of blocks, change in designs, damage to construction work due to water being allowed into canal when the work was in progress, underweight bags of cement issued by the department and interest.

Financial committment amounted to Rs 24.99 lakhs.

(viii) The work of constructing a tall channel to masonry spillway of Deo Project was awarded to a contractor in September 1982. The work was completed in September 1983. During execution, the quantity of excavation in hard rock was 28089 Cum. against the estimated quantity of 12437 Cum. The increase was because the tendered quantity was fixed by division on *adhoc* basis owing to non-availability of trial pits/bore data. Moreover the compensation to oustees have not been settled by the Division in time and the oustee in turn did not allow the contractor to go ahead with the execution of work for sixteen days. The claims of the contractor for a higher rate of Rs. 64 per Cum. for quantities executed and compensation for idle machinery and manpower due to stoppage of work was referred to arbitration in December 1985. The arbitrator in his award of September 1986 observed that extra item rate was not settled within a reasonable period by the department resulting in delayed payment at enhanced rates and awarded higher rate of Rs. 60 per Cum. against

the tendered rate of Rs. 27 for the entire quantity of 28089 Cum resulting in extra payment of Rs. 9.27 lakhs. Regarding compensation, the arbitrator held that the division had at no stage refuted the claims not replied to the contractor and awarded Rs. 1.92 lakhs. Interest of Rs. 0.55 lakh was also paid in October 1987. Financial committment of Government amounted to Rs 11.74 lakhs.

(ix) The work of constructing Panam Main Canal between 19250 and 57000 m was awarded to a contractor in December 1976 at a cost of Rs. 42.70 lakhs for completion by June 1978. Though the work was completed in September 1979 at a cost of Rs 58.02 lakhs the final bill was passed only in April 1984 from which Rs 9 30 lakhs were withheld by the department towards departmental claims. The bill was accepted by the contractor under protest and the claim of the contractor on this account amounting to Rs 30 57 lakhs was referred to arbitration in February 1985. The claims of the contractor were mainly on grounds of huge increase in quantity executed for earthwork because of major changes in canal design. The arbitrator observed that, as a result of many changes consequential changes had to be made in the work already done. The approximate percentage increase was 78 *per cent* to 764 *per cent*. The arbitrator pointed out that the department could not even file a copy of any sanctioned plans and estimates on the basis of which amount put to tender was worked out and tender papers were invited in a general way without linking them to plans and estimates of the works and awarded Rs. 11.10 lakhs.

4.20.3 Recommendations of the Estimates Committee

The Estimates Committee in their 10th Report (August 1988) were critical about the *modus operandi* of the contractors claiming price rise not only on excess quantity of work done but on the entire item of work and award of the same by the arbitrator. The committee commented about belated appointment of arbitrators by Government instead of within the prescribed time limit of 90 days thereby giving chance to the contractor to appoint an arbitrator of his choice from the prepared panel of Chief Engineers. It was seen that out of 18

cases test checked, in 14 cases, where contractor had asked for arbitration, the delay in appointment by Government ranged between 3 to 72 months.

The Committee also recommended that existing practice of appointing retired Engineers as arbitrators should be discontinued and persons from the Judiciary should be appointed and if necessary Chief Engineers could be appointed for rendering help in deciding arbitration cases. The recommendations were under consideration of the Government (July 1990).

4.20.4 The matter was reported to Government in October 1989, reply had not been received (August 1990).

4.21 Non-renewal of insurance policies

According to instruction issued by Government, all vehicles are required to be insured against third party risk and insurance policies have to be kept alive by renewal at the appropriate time.

Two trucks, one each of Panam Projects Division, Godhra and Roads and Buildings Division, Surendranagar met with accidents in October 1981 and June 1982 causing death of two drivers and injury to five workers. The Motor Accident Claims Tribunal at Godhra and Surendranagar awarded compensation of Rs 0.34 lakh and Rs 0.52 lakh in October and February 1985 respectively with interest at the rate of six *per cent* from the date of application to the date of realisation. The divisions paid Rs. 0.41 lakh and Rs. 0.67 lakh in April 1986 and July 1987.

No part of the compensation paid by the divisions could be recovered from the insurance companies as the respective insurance policies were not kept alive by renewing them before expiry. Failure to keep the insurance policies alive resulted in avoidable expenditure of Rs 1.08 lakhs.

The Government replied in June 1990 that though Godhra division sent a cheque for renewal in October 1981, the Insurance Company renewed the policy only in November 1981 and

the loss could not be avoided. This contention is not tenable as renewal of policy before the expiry should have been ensured.

In respect of the second case Government had called for (January 1990) the explanation of concerned officers for the lapse.

4.22 Outstanding Inspection Reports

(1) Audit observations on financial irregularities and defects in intial accounts noticed during local audit and not settled on the spot are communicated to the heads of office and the next higher departmental authorities through audit Inspection Report for prompt action. The more important irregularities are also reported to the heads of departments and the Government for initiating immediate corrective action. Government had prescribed that the first replies to the Inspection Reports should be sent to the Accountant General within four weeks of their receipt.

(2) However, out of 86 Inspection Reports, issued during 1988-89 (Upto December 1988) and pending till June 1989, first replies in respect of 73 were not received within the prescribed time limit. Action was pending (June 1989) on 888 Inspection Reports issued upto 31st December 1988 (upto 31st August 1988 in respect of Narmada Development Department) with 306 Public Works Divisions. The department-wise breakup is given below.

	Department	Number of pending Inspection Reports	Number of paras
1	Roads and Buildings	229	728
2	Water Resources	560	2021
3	Narmada Development	99	286
	Total	888	3035

Out of the above nearly half relate to period prior to 1985--86. Year-wise details are given in Appendix IX.

(3) A review of the outstanding Inspection Reports conducted in June 1989 revealed that

(i) there was delay ranging from 3 to 24 months in furnishing first reply to 17 Inspection Reports.

(ii) no register was maintained by Panam Irrigation Division, Godhra to watch the compliance of Inspection Reports.

(iii) the outstanding paragraphs numbering 81, of which 59 were still to be tackled by the Divisions broadly fall under the following categories :

Sl. No.	Category	Number of paragraph	Amount involved (Rs. in lakhs)
1	Unauthorised financial aid to contractor	3	3.68
2	Recoveries outstanding against contractors	17	22.65
3	Extra Expenditure due to work abandoned by the contractors	10	10.82
4	Non-invitation of tenders/want of estimates-sanction	8	1.79
5	Purchase in excess of requirements	4	9.68
6	Avoidable expenditure	2	4.69
7	Other reasons	37	53.85
		81	107.16

The matter was reported to Government in August 1988. Government replied in April-June 1990 that the subordinate formations had been instructed to get the outstanding paragraph settled as early as possible

CHAPTER-V

STORES AND STOCK

WATER RESOURCES AND ROADS AND BUILDINGS DEPARTMENTS

5.1 Stores and Stock Accounts

5.1.1 The stores and stock accounts of two Roads and Buildings Divisions located at Surendranagar (Division 'A') and Godhra (Division 'B') and two Water Resources Divisions viz. Ver II Project Division, Vyara (Division 'C') and Und Irrigation Division, Jamnagar (Division 'D') were test checked during May-June 1989. Important points noticed during the scrutiny are mentioned in the succeeding paragraphs.

5.1.2 *purchases*

(i) In July 1980, Division 'C' purchased 29276 running meters (Rmt) of Galvanised Iron pipes of different sizes valued at Rs. 15.03 lakhs at rates contracted by DGS&D in anticipation of sanction to the Zankhari Project. Government did not accord sanction to the project and the entire quantity of GI pipes was declared surplus in December 1985.

In February 1987 the Division sold 11500 Rmt and 3900 Rmt of GI pipes to Kakrapar Atomic Power Project and Gujarat Water Supply and Sewerage Board (GWSSB). 13500 Rmt of GI pipes valued at Rs. 3.91 lakhs were transferred to other divisions between January 1988 and May 1988 leaving an unutilised balance of 376 Rmt of GI pipes with the Division. The irregular purchase of GI pipes in anticipation of sanction of the Project resulted in blocking of funds of Rs. 15.03 lakhs for more than six years.

The sale also did not include 10 *per cent* supervision charges as per codal provision resulting in short recovery of Rs. 1.44 lakhs.

(ii) Division 'C' had purchased 2119.55 Rmt of ERW pipes valued at Rs. 9.88 lakhs in 1982-83. The issue rate of pipes so purchased was fixed at Rs. 466 per Rmt plus storage and supervision charges.

The entire quantity of ERW pipes was rendered surplus owing to non-sanction of the Project. The pipes were sold to the Gujarat Water Resourse Development Corporation for Rs. 4.35 lakhs between May 1986 and October 1987 as per orders issued by Government.

Thus the loss amounted to Rs. 7.01 lakhs inclusive of storage and supervision charges owing to irregular purchase in anticipation of sanction. The division proposed (October 1987) to write off the loss. Orders of Government for the write off had not been received (May 1989).

5.1.3 *Surplus material*

(i) Division 'C' received steels valuing Rs. 71.60 lakhs from North Gujarat Irrigation Mechanical Division between April 1980 and July 1981 and distributed steel valuing Rs. 36.47 lakhs to six divisions between April 1980 and March 1982. Out of the balance quantity of steel valued at Rs. 35.13 lakhs retained by the divisions, steel worth Rs. 6.03 lakhs was transferred to six other divisions between November 1987 and January 1988 while steel worth Rs. 18.70 lakhs was debited to Amli Dam work between April 1980 and March 1984. This had not been adjusted though the work had been completed in 1984 and the transferred steel was not utilised on this work. In all steel worth Rs. 29.10 lakhs was declared surplus and had remained unutilised for more than nine years.

The division had spent Rs. 3.06 lakhs on transportation and Rs. 12.57 lakhs for safe custody of the above material.

Steel worth Rs. 20.26 lakhs transferred to the then Ukai Left Bank Canal Construction Division No. 1 Chikhali (Now Jhuj Project Head Works Divisions, Chikhali) between April 1980

and March 1982 remained unutilised (May 1989). The material was declared surplus in August 1988. The division had incurred Rs. 0.28 lakh on transportation and Rs. 0.59 lakh on establishment charges.

(ii) In 1984-85 Division 'D' procurred steel and GI sheets valued at Rs. 10.56 lakhs for dam work and Radial gate of Und and Kankavati Irrigation Projects. Out of this steel valued at Rs. 2.17 lakhs was used in Und Irrigation Project. The balance 118 tonnes of steel and 11 tonnes of GI sheets valued at Rs. 8.39 lakhs were declared surplus in August 1988.

5.1.4 *Shortage of stores and stock*

Stores verification report (March 1985) of Director of Accounts and Treasuries in respect of Division 'C' indicated shortage of steel worth Rs. 11.81 lakhs and excess of other material worth Rs. 0.23 lakh. The stores accounts had not been reconciled so far (May 1989) and the matter was under investigation by Government.

5.1.5 *Stores Management*

(i) The maximum limit for reserve stock is required to be fixed by the Chief Engineer well in advance of the commencement of each financial year after which sanction to stock estimate will be accorded by the Superintending Engineer. None of the divisions had obtained sanction to stock estimates. The Reserve Stock limit had not been sanctioned so far (May 1989) for Division 'A', 'C' and 'D' since 1986-87 and for Division 'B' since 1987. This had resulted in purchases being made without any sanctioned plan.

(ii) A storage rate is fixed annually so as to recover storage cost from the issues made during the year Divisions 'C' and D' had debit balances of Rs. 2.39 lakhs and Rs 0.29 lakh to the end of April 1989 and March 1989 respectively, indicating short levy of storage charges resulting in losses on 'Stock'.

(iii) Divisions are to maintain liability register as an inbuilt check against erroneous or double payment to suppliers as well as watching the clearance of liability arising out of belated payments. None of the four divisions had maintained the prescribed register.

(iv) Divisions 'B' had paid Rs. 0.67 lakh for transporting imported cement from Probandar to Godhra on behalf of Gujarat State Warehousing Corporation (GSWHC), Ahmedabad during December 1980 to January 1981. The reimbursement is still due from GSWHC.

5.1.6 *Fictitious adjustments*

In Division 'B', there were many instances of materials initially debited to work being subsequently adjusted to stock. Fifteen such items were noticed involving an amount of Rs. 22.49 lakhs. These indicated that the materials were initially debited to work to avoid lapse of grants.

5.1.7 *Outstanidng advances*

(i) A review of the register of Miscellaneous Public Works Advances (MPWA) maintained by Division'A' revealed that advance of Rs. 8.79 lakhs consisting of 12 items paid to other offices towards supply of cement/steel during May 1980 to March 1985 was still outstanding due to non supply of the material.

(ii) Similarly, advance of Rs. 4.26 lakhs consisting of 44 items was outstanding at the end of March 1989 towards steel / cement issued to the other divisions/ departments by Division 'A'. The above items relate to the period 1973-74 to 1979-80.

The matter was brought to the notice of Government in Water Resources Department and Roads and Buildings Department in October 1989; reply had not been received from Water Resources Department (August 1990).

FOREST AND ENVIRONMENT DEPARTMENT

5.2 Stores and Stock Accounts

5.2.1 According to the provisions of State Forest Manual a consolidated account of departmental stores for each year is required to be prepared by the Chief Conservator of Forest and furnished to audit by 1st September. However, the Stores and Stock accounts for 1985-86 and 1986-87 excluding the accounts of stores relating to community forestry project were furnished to audit in January 1987 and March 1988 respectively. The accounts of stores for community forestry project for 1985-86 and 1986-87 were received in January 1990. The consolidated stores accounts for 1987-88 had not been submitted by the department so far (March 1990).

The table below gives a synopsis of stores and stock accounts for the years 1985-86 and 1986-87 :—

Year	Opening Balance	Receipts	Issues	Closing Balance
		(Rupees in lakhs)		
1985—86				
Non-consumable Stores	29.53	59.99	50.17	39.35
Consumable Stores	473.77	1688.69	1780.46	382.00
Total	503.30	1748.68	1830.63	421.35
1986—87				
Non-Consumable Stores	39.35	19.35	14.48	44.22
Consumable Stores	382.00	1819.27	1736.12	465.15
Total	421.35	1838.62	1750.60	509.37

Reserve stock limits had not been fixed by the department in respect of any division for consumable stores.

FOREST AND ENVIRONMENT DEPARTMENT

Stores and Stock Accounts

According to the provisions of Stock Forms Manual a consolidated account of departmental stores for each year is required to be prepared by the Chief Conservator of Forests and to audit by the Superintendent Hindu Stores Land Accounts for 1985-86 and 1986-87 excluding the accounts relating to community forestry projects were dispatched to audit in February 1987 and March 1988 respectively. The accounts for community forestry projects (on 1985-86 and 1986-87) were dispatched in January 1990. The consolidated stores accounts for 1988 and not been submitted by the department so far (March 1990).

The below given statement shows opening and closing balances for 1985-86 and 1986-87 :—

Opening Balance	Receipts	Issues	Closing Balance
(Rupees in lakhs)			
29.33	19.04	[illegible]	29.35
473.27	1088.96	1190.41	362.00
602.26	1148.65	1630.65	122.32
39.35	19.35	12.46	44.22
382.00	1816.2	1730.12	468.15
421.35	1838.62	1750.46	509.37

Stock limits had not been fixed by the department in respect of 1 lakh items for consumable stores.

5.2.2 *Inaccuracy in stores accounts*

Test check in selected circle offices revealed that the figures/ transactions were not correctly incorporated in the consolidated stores account for 1985-86 and 1986-87 as detailed below:—

	Figures as per circle offices		Figures as per consolidated account	
	1985—86	1986—87	1985—86	1986—87
Opening balance	16.66	42.10	4.60	6.16
Receipt	135.60	142.69	31.57	36.57
Issue	131.73	157.58	33.99	35.76
Closing balance	20.53	27.21	2.18	6.97

The reasons for difference were not stated by the department.

The stores accounts for 1985-86 and 1986-87 of Silviculture and Forest Utilisation Division Rajpipla and Extension Division, Rajkot did not reflect correct picture of stores and stock as raw materials and finished products on hand in the polythene bag factories under their control were not incorporated therein.

5.2.3 *Non-disposal of unserviceable Stores*

There were 38 vehicles which were not in use from various dates from 1980 onwards (book value Rs. 7.39 lakhs) awaiting condemnation and disposal in seven divisions/circles.

There were 0.32 lakh empty cement bags lying undisposed from periods prior to 1984-85 in six divisions test checked.

No account of the empty bags, required for storing granules received from Indian Petro-chemicals Limited (IPCL) during 1984-85 to 1987-88 was maintained at the polythene bags factories at Rajpipla and Mehsana.

5.2.2 Depreciation on depreciable assets

The circle wise audit circle offices revealed that depreciation was wrongly incorporated in the closing balance sheet for 1985-86 and 1986-87 as detailed below:-

	Figures as per circle office		Figures as per consolidated accounts
	1985—86	1986—87	1985—86
Opening balance	16.66	42.10	4.60
Add: Depr.	145.00	142.69	31.72
Less: Disposal	131.12	157.58	33.99
Closing balance	20.33	27.21	[illegible]

The reasons for difference were not stated by the department.

The stores accounts for 1985-86 and 1986-87 of Sub Divisions and Sub Stations of Distribution Division Rajpipla and Bodeli Railway did not reflect correct picture of stores and stock of raw materials and finished products on hand in the polytanes as the stores under their control were not incorporated therein.

5.2.3 Non-disposal of unserviceable Stores

There were 38 vehicles which were not in use from various dates from 1980 onwards (book value Rs. 7.39 lakhs) awaiting condemnation and disposal in seven divisions/sections.

There were 0.32 lakh supply cement bags lying unutilised from periods prior to 1984-85 in six divisions.

Scrap and the supply bags required for storing [illegible] received from Indian Petro-chemicals Limited [illegible] during 1984-85 to 1989-90 was maintained at the polytanes Bodeli [illegible] at Rajpipla and Mahisagar.

5.2.4 *Uneconomical consumption of raw materials*

The consumption of raw materials, "Indothene PS 300 grade" in the Government Polythene Bag Factory, Rajpipla was more than the normes fixed even after allowing for the actual wastages as indicated below. This resulted in extra cost of Rs. 8.44 lakhs.

Year	Quantity of granules required	Quantity of granules actually consumed	Excess quantity of granules consumed	Value of granules consumed in excess of norms.
		(In Kilogrammes)		(Rupess in lakhs)
1984—85	3,01,379	3,16,482	15,103	3.12
1985—86	1,48,146	1,54,109	5,963	1.23
1986—87	1,68,541	1,72,835	4,294	1.01
1987—88	2,01,905	2,06,027	4,122	1.17
1988—89	2,35,196	2,41,150	5,954	1.91

The Department did not furnish reasons for the excess consumption of granules.

5.2.5 *Non fixation of limits of permissible losses of raw materials*

The average wastage of granules on account of tubing, sealing and cutting in the three polythene bag factories at Mehsana, Rajkot and Rajpipla ranged from 2 to 4 *per cent* of the quntity of granules used. The losses were attributed to voltage fluctuations, power failures, etc. Hoewever, the norms for production loss were not fixed by the department and so it could not be verified whether wastages were excessive.

5.2.6 *Failure to conduct physical verification of stock*

Though, a huge stock of raw material and finished products was lying in the polythene bag factories and in the Government Saw Mill at Waghai (Dangs), physical verification of such stock

[illegible] Consumer consumption of raw material

The consumption of raw material in [illegible] 45,000 grade in the Government Polythene Bag Factory [illegible] was more than the requirement even after allowing for [illegible] as indicated below. This resulted in excess consumption of Rs. [illegible] lakhs.

Year	Quantity of granules required	Quantity of granules consumed	Excess quantity consumed	Value of granules consumed in excess of requirements
	(In kilogrammes)			(Rupees in lakhs)
1984–85	3,07,370	3,10,484	[illegible]	3.12
1985–86	1,46,140	[illegible]	[illegible]	[illegible]
1986–87	[illegible]	[illegible]	[illegible]	1.60
1987–88	2,01,903	[illegible]	[illegible]	1.17
1988–89	2,35,195	[illegible]	[illegible]	[illegible]

The Board did not furnish reasons for the excess consumption of granules.

5.2.5 – Non-fulfilment of [illegible] requirements

The average wastage of granules on account of faulty moulding and cutting in the three polythene bag factories in Madhyamam, Kallar and Rajapuram is noted from [illegible] of the quantity of granules used. The losses due to [illegible] fluctuations, power failures, etc. However, the [illegible] losses were not filled by the distributors in spite of [illegible] while wastages were excessive.

5.2.6 – Failure to conduct periodical verification of stores

Though, a large stock of raw material and finished products was lying in the polythene bag factories and [illegible] Government Saw Mill at Wagai (Damaga), physical verification of such stores

was never done either by the official in charge of the stores or by higher authority in the Division. The Deputy Conservator of Forest Extension Division, Rajkot stated (September-1989) that the records were in the custody of the police in connection with the loss and wastage of materials of the value of Rs. 1.85 lakhs.

5.2.7 *Non-maintenance of important records*

No records were maintained in polythene factory, Rajpipla to correlate the payments made from time to time to the IPCL, Vadodara and the supply received against each payment.

In order to find out whether advance payments made from time to time to the IPCL, Vadodara for supply of granules were judicious, the requirement of raw materials at the time of each of such payments was required to be assessed. It was, however, observed that no assessment for this purpose was done in Rajpipla factory.

No records were kept in the Government saw mill Waghai (Dangs) to account for wastages during sawing.

The various registers viz. purchase register, issue register, stock registers, etc. maintained by the polythene bags factory, Rajpipla, Mehsana and the Government Saw Mill Waghai to watch receipt and final disposal of goods, were not authenticated by the concerned officer nor monthly summary of various transactions prepared and got approved by the competent authority.

5.2.8 The matter was reported to Government (January 1990); reply had not been received (August 1990).

INDUSTRIES, MINES AND ENERGY DEPARTMENT

5.3 Inadequate system leading to misappropriation of paper

During test check (October 1987) of the accounts of the Government Central Press, Gandhinagar, suspected misappropriation of printing paper valued at Rs. 1.14 lakhs was noticed. The *modus*

operandi was to inflate the quantities issued in the Issue Register and the requisition slips.

Subsequently, the Manager of the press also reported in October 1988 that further misappropriation of printing paper of various specification costing Rs. 0.98 lakh had been noticed due to excess debits in Issue Register (Rs. 0.76 lakh) and incorrect totalling in Issue Register (Rs. 0.22 lakh). Thus the total value of paper misappropriated amounted to Rs. 2.12 lakhs.

The misappropriation was rendered possible due to absence of procedure for cross checking the quantity issued as shown in the Daily Issue Register with quantities received by the Machine sections. There was also no periodical check of the entries made by the store clerk, by the supervisory officers which led to inflated entries being made by the store clerk.

The matter was reported to Government in May 1989. Government stated (July 1989) that eight employees had been suspended and a police case had been registered against them. There was no response regarding any improvements to the systems and procedures obtaining in the printing press.

CHAPTER VI

COMMERCIAL ACTIVITIES

AGRICULTURE, CO-OPERATION AND RURAL DEVELOPMENT DEPARTMENT

6.1 Departmentally managed commercial undartakings

6.1 This chapter deals with the working of departmentally managed commercial and *quasi*-commercial undertakings which are required to maintain outside the departmental accounts, *proforma* accounts on commercial principles so that their financial viability can be assessed.

There were eleven departmentally managed undertakings on 31st March 1989 under the Agriculture, Co-operation and Rural Development Department.

Summarised financial results of ten undertakings on the basis of the latest available accounts are given in Appendix X. All the undertakings, except two for one year each and one for four years' were running in losses, the total loss being Rs. 205.40 lakhs during the period 1979-80 to 1988-89.

The matter was reported to Government in January 1990; reply had not been received (March 1990).

CHAPTER—VII
FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

GENERAL

7 Grants and Loans

In 1988-89, grants aggregating Rs. 1371.79 crores and loans amounting to Rs. 72.53 crores were paid by 21 out of 22 departments to various bodies and authorities. Roads and Buildings Department did not supply the required information despite reminders. The broad categorisation of the local bodies and others to which assistance was paid is as shown below:

Type of Organisation	Grants (Rupees in Cores)	Loans
District Panchayats	1110.98	19.48
District Rural Development Agencies	28.65	—
Universities and other educational institutions	84.63	0.01
Co-operative Societies	25.48	24.33
Municipal Corporations and Municipalities	23.05	9.19
Statutory bodies authorities and others	99.00	19.52
	1371.79	72.53

7.1 Audit of financial assistance to local bodies and others

7.1.1 According to Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 the accounts of bodies and authorities which received grants and/or loans (including unutilised balance of the previous years) of not less than Rs. 25 lakhs (Rs. 5 lakhs prior to 1983-84) in a financial year from the Consolidated Fund, the amount of such grants and/or loans being not less than 75 *per cent* of the total expenditure of those bodies or authorities, are to be audited by the Comptroller and Auditor General of India.

Government issued instructions in May 1975 to all the administrative Departments to furish to Audit before the end of July every year information about grants and/or loans given by them to various bodies and authorities and the expenditure incurred by the recipient bodies and authorities in the preceding financial year. Such information had not been received from two out of 22 departments for the year 1987-88 and three out of 22 departments for the year 1988-89.

7.1.2 Section 15 of the Act *ibid* requires that where any grant or loan is given for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General of India shall scrutinise the procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions subject to which such grant or loan was given.

7.1.3 *Audit entrusted to the Comptroller and Auditor General of India*

The Comptroller and Auditor General of India also conducts audit of the accouts of certain autonomous bodies/authorities when such audits are entrusted to him under section 19 (3) or 20 (1) of the Act *ibid*.

The reports on the accounts of an autonomous body or authority, the audit of which is entrusted to the Comptroller and Auditor General of India under section 19(3) of the Act, are required to be submitted (from 1983-84) to the State Government for laying before the Legislature of the state. The State Government laid down a time schedule in December 1985, under which the organisations were required to submit the accounts to Audit within three months after closure of the accounts of the year (i.e. by 30th June). In respect of three autonomous bodies, the audit of which was entrusted to the Comptroller and Auditor General of India, there were delays in submission of accounts by two bodies ranging from four months (Gujarat Slum Clearance Board) to five months (Gujarat Housing Board). The submission of accounts by the Gujarat Rural Housing Board is in arrears since 1986-87 (August 1990).

One, out of 16 other autonomous bodies, the audit of which was entrusted to the Comptroller and Auditor General of India under Section 20 (1) of the Act, *ibid* had not submitted its accounts for 1988-89 (August 1990) and there was delay ranging from one to eleven months in the submission of accounts for the year 1988--89 by 14 bodies.

7.2 Audit under Section 14

7.2.1 *Statutory audit arrangement*

The statutory audit of District Panchayats, Universities, Municipalities are conducted by the Examiner, Local Fund Accoonts. The audit of District Rural Development Agencies societies other than co-operative societies, trusts, Boards, etc. are conducted by Chartered Accountants. Audit of Co-operative societies is conducted by the Registrar of Co-operative Societies. The accounts of Municipal Corporations are audited by the Chief Auditors appointed by the Corporations concerned.

Statutory audit of one out of 19 Districts Panchayats was in arrear for each of the years 1986-87 and 1987-88. Out of 59 Municipalities and 9 Universities, the audit of 6 Municipalities, and 2 Universities for 1986-87 and 37 Municipalities and 2 Universities for 1987-88 was in arrears.

In terms of State Govenment orders of March 1965, the Examiner is required to submit his audit report on the accounts of District Panchayats and Taluka Panchayats annually to the State Legislature. The last audit report of Examiner tabled in the State Legislature was for the year 1983-84.

7.2.2 The number of bodies/authorities which received substantial grants and loans as intimated by the departments upto March 1990 and the number of such bodies/authorities from which accounts had not been received by Audit are given below:

Year	Number of bodies/authorities		
	Which had received substantial grants and loans of not less than Rs. 25 lakhs.	From whom accounts have been received	From whom accounts are yet to be received
1986-87	84	69	15
1987-88	86	66	20
1988-89	86	49	37

7.2.3 *Response from the audited agencies to Inspection Reports*

The findings of Audit under Secion 14 of the Act are communicated to the bodies/organisations concerned in the form of Inspection Reports and copies thereof are endorsed to the Heads of Departments controlling the grants/loans so that appropriate corrective action could be taken within a reasonable time. The details of outstanding inspection reports are also brought to the notice of Heads of Departments from time to time and to Government through the Half yearly statements of outstanding inspection reports.

An analysis of the Inspection Reports issued to 17 District Rural Development Agencies (DRDA) upto December 1988 disclosed that action was pending at the end of June 1989 on 75 inspection reports involving 791 paragraphs relating to the period from 1974-75 to 1986-87.

The matter was reported to the administrative departments of Government in March 1990; reply had not been received (May 1990).

AGRICULTURE, CO-OPERATION AND RURAL DEVELOPMENT DEPARTMENT

7.3 Rural Landless Employment Guarantee Programme

7.3.1 *Introduction*

Rural Landless Employment Guarantee Programme (RLEGP) sponsored by the Central Government with hundred *per cent* assistance aimed at providing employment to at least one member of every rural landless household upto 100 days in a year. The programme was implemented in all the 19 districts of Gujarat during the years 1983--84 to 1988--89. RLEGP envisaged creation of durable assets by taking up of works of rural link roads, repairs and restoration of minor irrigation tanks and field channels, soil and moisture conservation, construction of school buildings, social forestry, houses for Scheduled Castes and Scheduled Tribes, sanitary latrines, bio-gas plants and land development.

7.3.2 *Organisational structure*

The works were implemented by the respective departments and the corporate bodies functioning under the departments. Construction of houses for Scheduled Castes/Scheduled Tribes popularly known as " Indira Awas " was implemented through the District Rural Development Agencies (DRDA). Commissioner for Rural Development (Commissioner) and DRDA monitored implementation of works at State and district levels respectively.

7.3.3. *Audit Coverage*

The accounts were test checked in four districts viz. Kheda, Vadodara, Panchmahals and Junagadh. A review in respect of works implemented by Gujarat State Rural Development Corporation (GSRDC) has been presented separately.

7.3.4 *Highlights*

—Out of the Central assistance in cash of Rs. 9294.01 lakhs, expenditure of Rs. 8525.65 lakhs was incurred.

—Out of wheat valuing Rs. 1500.19 lakhs received from Central Government wheat worth Rs. 1188.80 lakhs only was distributed.

(Paragraph 7.3.5)

—Beneficiary families were not indentified. Record of benefit derived by individual beneficiary was not maintained. Employment provided to Scheduled Castes/Scheduled Tribes was not susceptible of verification.

(Paragraph 7.3.6)

—Though the programme banned engagement of middlemen, Rs. 89.05 lakhs were paid for employment through gangmen, *Sarpanches*, Co-operative Societies and Unemployed Engineers.

(Paragraph 7.3.7 (i))

—In 46 *per cent* of the cases, employment was provided to individuals other than landless labour which was incorrect.

(Paragraph 7.3.7 (ii))

—The Gujarat State Civil Supplies Corporation which received wheat for distribution did not render the accounts for Rs. 1696 lakhs received as wheat and as cash for handling charges. The value of empty wheat bags amounting to Rs. 15.41 lakhs had not been credited to the RLEGP.

(Paragraph 7.3.7 (vi) to (viii))

—Wage component in Indira Awas Yojana Project I was only 39 *per cent* of the expenditure of Rs. 505.62 lakhs against the norm of 50 *per cent* . There was delay of over one to three years in completion of all the three projects under Indira Awas Yojana.

(Paragraph 7.3.8. (i))

—Rupees 300 lakhs were diverted by a District Rural Development Agency for Intensive Agricultural Production Programme without any authority.

(Paragraph 7.3.8 (iv))

—Sanitary latrines were not provided in 1229 houses of Indira Awas Project I and II.

(Paragraph 7.3.9 (i))

—Construction of 30 latrines in a village was dropped owing to uneven ground level, though houses costing Rs. 2.29 lakhs had been built at the same site.

(Paragraph 7. 3. 9(ii))

—330 latrines were unauthorisedly constructed at a cost of Rs. 2.66 lakhs from RLEGP funds in the houses built with HUDCO assistance in Halol Taluka of Panchmahals District.

(Paragraph 7. 3. 9 (iv))

—Gujarat Agro-Industries Corporation constructed 3251 sanitary latrines involving an expenditure of Rs. 32.51 lakhs for ineligible beneficiaries.

(Paragraph 7.3.9(v))

—None of the eight minor irrigation works taken up for renovation had been completed even after incurring an expenditure of Rs. 1772 lakhs.

(Paragraph 7.3. 11)

—Expenditure of Rs. 75.62 lakhs was incurred on 77 incomplete minor irrigation works without the approval of Central Government.

(Paragraph 7.3.11)

—In the construction of school rooms, executed through the *Sarpanches* 17.83 lakhs mandays were claimed to have been generated which was not verifiable.

(Paragraph 7.3.13 (i))

—Non-wage component in the work of 14 school rooms in Pavi Jetpur Taluka of Vadodara District was Rs. 7.23 lakhs constituting 76 *per cent* of the total expenditure.

(Paragraph 7.3.13 (v))

—Only 18 *per cent* of the targeted development of land on water shed basis was actually developed by Gujarat Land Development Corporation.

(Paragraph 7.3.14)

—Allowing small and marginal farmers to raise seedlings and incurring expenditure of Rs. 34.67 lakhs was contrary to the objectives of the Programme.

(Paragraph 7.3.15)

—Expenditure of Rs. 24.20 lakhs on construction of 14 multi-purpose centres, for development of entrepreneurial skill among women was not fruitful as the construction of the buildings had not been completed.

(Paragraph 7.3.16)

—Meetings of State Level Committees and District Level Committees were not held as prescribed.

(Paragraph 7.3.18)

—None of the offices reported any expenditure on maintenance of assets. No evaluation was done to ascertain the impact of the programme.

(Paragraph 7.3.19)

7.3.5 Funding of the programme

Out of Central assistance of Rs 10,794.20 lakhs (cash Rs. 9294.01 lakhs and in the form of wheat Rs. 1500.19 lakhs), State Government spent Rs. 9318. 39 lakhs as detailed below.

Year	Central assistance received			Expenditure in cash
	Cash	Wheat	Total	
	(Rupees in lakhs)			
1983-84	320.00	—	320.00	140.04
1984-85	1321.95	75.00	1396.95	1353.78
1985-86	1636.43	264.74	1901.17	1628.28
1986-87	1633.96	396.90	2030.86	1846.05
1987-88	1826.38	632.65	2459.03	1607.75
1988-89	2555.29	130.90	2686.19	2742.49 (Provisional)
Total	9294.01	1500.19	10794.20	9318.39

Reports furnished to Central Government showed an expenditure of Rs. 9714.45 lakhs which included Rs. 1188.80 lakhs representing the value of wheat coupons issued to labourers as part of the wages. Thus, the cash expenditure on the programme was only Rs. 8525.65 lakhs. Out of Rs. 9318.39 lakhs drawn from the Treasury, Rs. 792.74 lakhs were lying as cash balance in the various offices implemeting the programme.

7.3.6 Non identification of beneficiaries

The beneficiary families were to be identified and issued with identity cards wherein benefits given were to be recorded. This was not done. Identification of Scheduled Castes/Scheduled Tribes labourers, employed on muster rolls was also not done. The claim of the Government that employment was provided to Scheduled Castes/Scheduled Tribes landless labourers was not susceptible of verification.

7.3.7 Employment generation

(I) Programme envisaged direct employment of labour. Scrutiny of 1441 vouchers for amount of Rs. 99.12 lakhs paid by 22 offices showed that labour was paid directly only to the extent of above 10 *per cent*. Wages amounting to Rs. 89. 05 lakhs were paid through gangmen, *Sarpanches*, Co-operative societies and unemployed engineers. By not adhering to the prescribed procedure, the objective of directly providing employment to the needy rural landless labour remained unrealised.

(ii) Against 377.15 lakh mandays of employment to be generated, actual generation was 421.07 lakh mandays as below:

Year	Target (in lakh mandays)	Achievement
1983-84	not fixed	1.61
1984-85	83.71	83.72
1985-86	61.30	70.62
1986-87	60.00	79.63
1987-88	71.33	100.78
1988-89	100.81	84.71

It was seen in the departmental records that generation of employment to the extent of 155.24 lakh mandays did not benefit landless labour. These pertained to the years 1985-89. This amounted to 46 *per cent* of the total employment generated in these years.

(iii) The State Government had prescribed in January 1986 that the unskilled labourers could be paid maximum daily wages of Rs. 11 in the areas where scarcity had been declared. Test check of 7 offices in scarcity areas revealed that Rs. 2.12 lakhs were paid in excess of these norms.

(iv) The programme had also envisaged that the expenditure on non-wage component (material) should not exceed 50 *per cent*. In 48 works, implemented by six test checked offices, the non-wage component ranged from 54 to 82 *per cent*.

(v) Initial guidelines provided that half of the wages be paid in the from of wheat. Central Government revised the norms as shown below :

Revised norms effective from	Rate of issue
October 1985	40 *per cent* of wages
October 1987	2.5 Kg per manday (approximately equivalent to 35 *per cent* of wages)
April 1988	1.5 Kg per manday (approximately equivalent to 22 *per cent* of wages)

Issue of wheat was below the norms. During 1985-86, 1986-87, 1987—88 and 1988-89 it was 7,37,30 and 15 *per cent* respectively of the wages paid. At the end of March 1989, the State had an unutilised balance of 20817 tonnes of wheat, valued at Rs. 311.39 lakhs.

(vi) For paying wages in kind, Central Government released wheat free of cost to the State. The value of this wheat was in addition to the cash grant. However, Rs. 1500.19 lakhs representing the value of wheat received and Rs. 1188.80 lakhs representing the value of wheat used in the programme was not got incorporated in the accounts of the State.

(vii) The Gujarat State Civil Supplies Corporation (Corporation) arranged distribution of wheat to the labourers through Fair Price Shops (FPS). For this purpose the Corporation received Rs. 195.81 lakhs, at the rate of Rs 20 per quintal. The Corporation had not rendered the account for 97,907 tonnes wheat received and distributed by it and for Rs. 195.81 lakhs received as handling charges.

(viii) The Corporation did not also render account of empties. The value of empties amounting to Rs. 15.41 lakhs@ Rs. 2 per bag had not been credited to the accounts of the Programme, on the plea that the gunny bags were handed over to the FPS dealers free of cost as was being done under the Public Distribution System.

(ix) The labourers were to surrender the wheat coupons, and obtain wheat as part of the wages from FPS. The shopkeepers were to forward the used coupons to the Mamlatdar of the taluka, seeking issue of permit for replenishing the stock from the Corporation's

godowns. The Mamlatdar had to cancel the coupons before issue of the permit and forward the cancelled coupons to the District Rural Development Agency (DRDA) who was to render account of used coupons to the Commissioner. The cancelled coupons were neither forwarded to the DRDA regularly nor the DRDA rendered to the Commissioner account of coupons wherever received. The genuineness of the cancelled coupons was not verified by implementing offices. In the permits issued, the quantity of grains allotted to the godowns was not indicated, so as to ensure that permits issued did not exceed the quantity of grains allotted to the godowns.

(x) Taluka Development Officer (Integrated Rural Development) Godhra received from DRDA, Godhra, coupons valued Rs. 8.13 lakhs for distribution of 542.5 tonnes of wheat. Account for these coupons could not be made available to audit as it was stated to be in police custody for investigation of suspected misappropriation.

7.3.8 *Indira Awas*

(i) The programme contemplated consturction and allotment of houses measuring 21 sq.mt. plinth area, built at a unit cost of Rs. 6,000 (Rs. 7000 in the hilly areas or areas having black cotton soil) to benefit Scheduled Castes/Scheduled Tribes. The houses were to be completed with infrastructure facilities such as approach road, water supply, street lights, sanitary arrangements, etc., within a year of its commencement. Rs. 1864.49 lakhs were spent on three projects which included wages of Rs. 796.67 lakhs paid for generation of 42.55 lakh mandays. Against the target of 19750 units the number of units completed and handed over upto March 1989 was 19314.

The wage component of project I, completed in March 1989, was Rs. 195.29 lakhs constituting 39 *per cent* of total expenditure

of Rs. 505.62 lakhs. Thus, the norm of spending 50 *per cent* of expenditure on wages was not adhered to. Project I due for completion in November 1986 was completed in March 1989 and project II and III due for completion in August 1987 and August 1988 were completed in December 1989. All the houses were handed over by December 1989.

(ii) Taluka Development Officer, Nadiad allotted 26 houses in September 1987 constructed at a cost of Rs. 1.87 lakhs at Mahida village. The beneficiaries vacated the houses immediately thereafter. The houses had developed cracks as these were constructed in low lying areas which had black cotton soil. Even after spending a sum of Rs. 0.12 lakh in May 1989, the beneficiaries could not be pursuaded to stay in these houses. The allotment was , however, cancelled in July 1989 and the houses had not been re-allotted till September 1989. The faulty selection of site had rendered the expenditure of Rs. 1.99 lakhs infructuous.

(iii) Taluka Development Officer, Godhra had spent Rs. 13.73 lakhs on construcion of 163 houses in six villages. However, vouchers and other related records were made available for Rs. 6.22 lakhs and the records for the balance amount were stated to be in police custody in connection with a complaint of alleged misappropriation.

(iv) DRDA, Junagadh paid a sum of Rs. 2.19 lakhs, (Rs. 1.08 lakhs in September 1986 and Rs. 1.11 lakhs in March 1988) to Civil Supplies Corporation, towards cost of 200 tonnes of cement which was required to be sent immediately for RLEGP works. The cement had not been received even after the expiry of 30 months. DRDA did not take any action to obtain cement. The order for cement was placed only to utilise RLEGP funds.

In June 1987, DRDA, Junagadh diverted, Rs. 300 lakhs to intensive Agricultural Production Programme without any authority.

7.3.9 Sanitary latrines

(i) Construction of 11750 latrines was taken up in November 1986 at a cost of Rs. 117.50 lakhs. By March 1989, 8896 latrines were constructed involving an expenditure of Rs. 90.69 lakhs. The employment generated out of the above construction was 3.97 lakh mandays against the targeted 3.52 lakh mandays.

As per estimates, wage component on the entire project must have been Rs. 58.75 lakhs but the wages actually paid were Rs. 40.27 lakhs representing 69 *per cent* of the estimates. Thus, the employment generated was 113 *per cent* while the wage component of the total bill was much less. The excess generation of mandays was due to labour being employed for more number of days while the wage earnings was dependent on their productivity. Since the output by labour was less, the wages paid were less though they were employed for more number of days.

Further, out of the houses handed over to beneficiaries. 1229 houses did not have the benefit of sanitary latrines.

(ii) Construction of 30 latrines at village Vanodra for 30 houses constructed under Indira Avas Yojana was found to be not feasible and dropped as the ground was uneven. Though in the same village 30 houses under Indira Awas had been constructed incurring an expenditure of Rs. 2.29 lakhs, on account of the decision to drop latrines, these houses remained deprived of sanitary latrines.

(iii) Though 65 latrines were not constructed at villages Indral and Khanpur of Taluka Sankheda, it was reported by the Development Commissioner that all 972 latrines attached to Indira Awas, Project I and II in Baroda district had been completed.

(iv) Expenditure of Rs. 2.66 lakhs was incurred in Halol Taluka on 330 latrines in the houses which were constructed

ith the assistance of HUDCO, though provision of latrines r houses financed by HUDCO was not contemplated under LEGP.

(v) Gujarat Agro-Industries Corporation (GAIC). Ahmedabad roposed to construct 3750 sanitary latrines, linked to bio s plants, at a cost of Rs. 38.25 lakhs during the years 1986-87 d 1987-88. Upto March 1990 only 3251 latrines were mpleted at a cost of Rs. 32.51 lakhs. The GAIC incurred e expenditure in the form of a subsidy of Rs. 1000 to each neficiary after completion of sanitary latrine estimated to st Rs. 1250 and after construction of bio gas plant costing er Rs. 3300. For construction of this unit, the beneficiary d to spend between Rs. 1550 and Rs. 4940 depending on e size of the gas plant to be installed. To keep the gas ant operative the beneficiaries had to maintain 2 to 10 nubers of cattle heads. Beneficiaries who could spend Rs. 1550 to s. 4940 and who were in possession of land and could maintain some cattle could hardly be considered to be poor and nce were ineligible. Implementation of the above project from LEGP funds was therefore not in order. Against 0.92 lakh ndays targeted to be generated, GAIC claimed to have nerated 0.79 lakh mandays. This included 0.35 lakh mandays ckoned as labour component of the bricks purchased by neficiaries.

3.10 Rural Link Roads

Out of 2677 Km. of rural link roads planned through seven ojects and estimated to cost Rs. 2490.70 lakhs, 2457 Km. ere constructed by 1987-88 after spending Rs. 2080.61 lakhs. nployment generated was 100.71 lakh mandays against 95.39 kh mandays targeted. Non-metalling of 361 Km. road for er two years rendered these undurable and to this extent rmanent assets had not been created.

Two Roads and Buildings divisions at Nadiad used 4299 bic metres of machine crushed stones in 4 road works instead

of procuring hand broken stones as per sanctioned estimates. Purchase of hand broken stones would have generated employment to the extent of 5732 manday and would have been cheaper by Rs. 1.05 lakhs. Out of 7425 cum. metal collected for five road works in Junagadh district during May 1986 to January 1987, 4009 cum. valued at Rs. 1.05 lakhs was not spread upto July 1989.

7.3.11 Minor irrigation

Expenditure on renovation of minor irrigation was 1771.59 lakhs and generation of employment was 88.55 lakhs mandays. None of the 8 projects, had been completed and the physical achievement in respect of these works ranged between 29 and 5 *per cent* respectively

The Irrigation Divisions at Godhra and Baroda completed only 114 works out of 191 works taken up in first three projects, without the approval of Central Government. No durable assets could be created even after an expenditure of Rs. 75.62 lakhs incurred on 77 incomplete works. Completion certificates had, however, been issued in respect of 51 works out of 77.

Contrary to guidelines, Irrigation Division, Nadiad spent Rs. 1.14 lakhs on construction of chowkidar quarters at the site of two tanks in Balasinor taluka.

7.3.12 Water harvesting structures

17 works of water harvesting structures such as village ponds, percolation tanks, etc., to increase the potential of ground water were approved in January 1988 at a cost of Rs. 65 lakhs for completion within one year. Against 2.02 lakh mandays targeted to be generated, the Minor Irrigation Division, Godhra, generated 1.03 lakh mandays spending Rs. 11.50 lakhs upto may 1989. None of the works had been completed.

7.3.13 School Buildings

(i) Two projects for construction of 3906 school rooms were sanctioned in september 1984 and May 1986 at a cost of Rs. 820.26 lakhs, The construction was to be completed before March 1987 and generate employment of 26.86 lakh mandays. Expenditure of Rs. 674.35 lakhs (82 *per cent*) was incurred by March 1989 and only 3067 school rooms were completed. The generation of employment was 17.83 lakh mandays (66 *per cent*). The works were got executed through *Sarpanches* and payments were made for completed items of works on Running Account Bills which were not accompanied by prescribed muster rolls and certificate of generation of employment.

(ii) Taluka Development Officer, Una purchased rubble worth Rs. one lakh and spent Rs. 1.17 lakhs on carrying them from quarry to site, for construction of 16 school rooms. Measurements of material purchased and conveyed were, however, not recorded. Measurenments were also not recorded in respect of 11 out of 14 items of the estimates. By hiring tractors for carting the material on a uniform daily rate basis, without reference to quantum of material to be carted or the distance to be covered, the Taluka Development Officer spent Rs. 0,62 lakh in excess of what would have been spent for carting at the rates prescribed in the Schedule of Rates.

(iii) Though, 64 school rooms were completed in Una, Anand and Halol talukas during May 1986 to March 1988 completion certificates were issued only in respect of 17 schools.

(iv) The project report for construction of school rooms provided that expenditure on non-wage component in excess of wage component would be met out of the State Government funds. In eight districts, 800 school rooms planned in Project I had been completed with wage cost of Rs. 76.61 lakhs as wages and Rs. 88.86 lakhs paid as non-wage component. The excess of Rs. 12.25 lakhs which should have been met out of State Government funds was met out of RLEGP funds.

(v) In Pavi Jetpur taluka, Rs. 9.49 lakhs were spent on 14 works estimated to cost Rs7.20 lakhs. The non-wage component incurred in these works was 7.23 lakhs (76 *per cent*). The papers relating to purchase of materials for these works were not made available to audit as these were stated to be with Vigilance Department for enquiry.

7.3.14 Land development

Gujarat Land Development Corporation (GLDC) prepared two projects to develop land on watershed basis at a cost of Rs. 114.23 lakhs which would generate 8.26 lakh mandays. GLDC, however, spent only Rs. 24.69 lakhs and generated employment of 2.26 lakhs mandays. Against 2704 hectares, targeted to be improved, the work done covered an area of 488 hectares. Non-achievement of target was attributed to the opposition of cultivators.

7.3.15 Kisan nurseries

The Kisan Nursery Project, approved by Central Government for Rs. 34.44 lakhs, envisaged generation of employment of 1.5 lakh mandays. However, Rs. 34.67 lakhs were spent to raise 214.15 lakh seedlings against a target of 150 lakh seedlings in small and marginal farms located in only seven districts of the State. By allowing the small and marginal farmers to raise the seedlings, the objective of providing employment to landless labour was not served. Small and marginal farmers who were not beneficiaries under RLEGP were provided wages amounting to Rs. 30.56 lakhs. Implementation of the project in only seven districts instead of in all nineteen districts was attributed to drought conditions in other districts. However , 109.72 lakhs seedlings constituting 51 per *cent* of the total seedlings were raised in the districts of Mehsana, Banaskantha and Sabarkantha which were experiencing acute drought. Valsad and surat districts, which were relatively free from drought, contributed only 16 *per cent* of the seedlings raised.

7.3.16 Multi purpose centres

Scheme for construction of 14 Multi purpose centres (6 in Panchmahals and 8 in Junagadh district) for development of entrepreneurial skill among women and children in rural areas was

approved at a cost of Rs. 23.66 lakhs by Central Government in June-August 1987 as a part of RLEGP. The multipurpose centres were scheduled to be completed within one year. Though, Rs. 24.20 lakhs had been spent on construction of these centres (March 1989) the construction was at various stages. The location of these centres had also been altered without obtaining approval of Central Government.

7.3.17 Inspection of work

Government of India reiterated in October 1988 the need for implemtenting the provision of guidelines and prescribed that block level officers should inspect at least 25 *per cent* of works and district level officers should inspect to the extent of 10 *per cent* of works. The implementing officers reporrted that none of the 686 works implemented by them were inspected. Out of 182 inspections done in respect of 244 wosks, the Inspection memoranda were prepared only in three cases. Thus, there was no effective check on the works executed.

7.3.18 Monitoring

Government constituted in August 1984, a nine member committee, headed by Commissioner. The Committee was required to meet once a fortnight to review the implementation of the RLEGP. Against 112 meetings that should have been held up to March 1989, the Committee met on 65 occasions only. The minutes did not bring out defects in the implementation of RLEGP.

A district level committee under the chairmanship of the District Development Officer was also constituted in August 1984 to monitor at district level. This committee was to meet once a fortnight and forward the minutes to the Commissioner. These meetings were not held as required.

7.3.19 Evaluation

The concurrent study by State Directorate of Evaluation in 1986-87 revealed that in the first two years funds were not

earmarked for any particular sectoral activity and more than 60 *per cent* of the funds was spent on construction of rural link roads. The evaluation also suggested increase of allocation for management of the programme above the present limit of 5 *per cent*. The study brouhgt out that the programme does not provide for maintenance of the assets, created with the heavy investments. State Government ordered (June 1987) that the assets should be maintained from out of normal grants of departments. However, none of the offices visited reported any expenditure on maintenance of assets.

No evaluation was done to ascertain the impact of the programme on the improvement of the quality of life, particularly the landless labour residing in the rural areas.

7.3.20 The matter was reported to Government in October 1989; reply had not been received (August 1990).

GENERAL ADMINISTRATION DEPARTMENT

7.4 Decentralised Disrict planning

7.4.1 Introduction

7.4.1.1 Decentralised Disrtict Palnning (DDP) was introduced in the State in November 1980. Under the scheme Disctrict Planning Boards(Board)were constituted for each district. The functions of the Board were:—

(i) to prepare perspective plan, five year plan and annual plan of the Distreict for ensuring its balanced development,

(ii) to under take a regular and effective review and evaluation of all the district level schems and strive continuoulsy to remove bottlenecks and take remedial measures for the successfull implementation of each scheme,

(iii) to frame specific schemes in various fields keeping in view the priorities fixed by State Government and pay special attention to the upliftment of the economically backward and weaker sections

of the society. For this purpose 20 *per cent* of funds earmarked for District level schemes were placed at the disposal of Boards which were given discretion to prepare schemes up to Rs. 10.00 lakhs, get them administratively sanctioned by the Collector and execute the same through the concerned implementing agency.

7.4.1.2 Out of the outlay palced at the disposal of Boards 75 *per cent* of outlay was discretionary under which schemes were financed without any popular contribution and for the balance 25 *per cent* schemes were to be executed after recovery of popular contribution at 10, 25 and 50 *per cent* depending upon the backwardness of the talukas. Works falling under 'Minimum Needs Programme' (MNP) like primary education, rural water supply, primary health, rural roads, rural housing and missing link works were to be given priority. Guidelines for implementing the programme were issued only in March 1984.

7.4.2 *Organisational Set-up*

7.4.2.1 A Minister was nominated as Chairman of each Board. The District Collector, President of District/Taluka Panchayat, Members of Parliament and Legislative Assembly from the District and Officers of the various departments in the district were the members. An Officer of General Administration Department acted as the observer.

7.4.2.2 The scheme was implemented by the General Administration Department (GAD) through the District Collector who provided funds for execution of works to various government departments, District Panchayats (Panchayat), Gujarat Water Supply and Sewerage Board (GWSSB), Gujarat Electricity Board (GEB), Municipal Corporation / Municipalities (Local Body) and voluntary organisations (Organisation).

7.4.3 *Audit coverage*

The review was conducted between September 1989 and February 1990 for the period 1984-85 to 1988-89 in the department and concerned offices in Jamnagar, Kachchh, Sabarkantha and Valsad districts.

7.4.4 *Highlights*

Against the grant of Rs. 15,805 lakhs expenditure of Rs. 13,345 lakhs only was incurred and Rs. 2460 lakhs was lying unutilised. Contrary to codal provisions, extension upto 30 months was granted for utilisation of funds beyond the relevant financial years.

(Paragraph 7.4.5.1)

There was no linkage between the schemes implemented under Decentralised District Planning and normal plan, and no system was evolved to ensure balanced development of districts.

(Paragraphs 7.4.6.1 and 7.4.6.2)

Village-wise details of amenities required were not maintained. While more than 10 works were sanctioned for 68 villages in Sabarkantha district, 1500 villages did not get the benefit of even a single work.

(Paragraphs 7.4.6.2 and 7.4.6.3)

Even though 1482 villages were not connected with roads and 1709 villages were without any source of water, huge expenditure was incurred on inadmissible items and works not falling under MNP.

(Paragraph 7.4.7.1)

Expenditure of Rs. 121.81 lakhs incurred on construction/repair of roads was not admissible under the scheme.

(Paragraph 7.4.7.1 (i))

Grant of Rs. 66.14 lakhs was given for schemes which were not permissible under the scheme.

(Paragraphs 7.4.7.1(ii) to 7.4.7.1 (iv) and 7.4.7.2)

Kachchh Board had irregularly released grant of Rs. 20.00 lakhs for one scheme.

(Paragraph 7.4.7.3)

Expenditure of Rs. 29.73 lakhs incurred by six agencies out of incentive grant was unfruitful as the benefits contemplated did not accrue.

(Paragraph 7.4.8)

Excess expenditure of Rs. 0.91 lakh was incurred on two eye camps.

(Paragraph 7.4.9)

There was no system to ensure refund of unspent grant on completion of works. Thus, unutilised balance of Rs. 6.55 lakhs was not refunded by eight agencies.

(Paragraph 7.4.11)

In 58 *per cent* cases time taken to accord administrative approval/ technical sanction was one to six months and in 27 *per cent* cases the delay was more than six months.

(Paragraph 7.4.12 (i))

There was shortfall of more than 50 *per cent* in holding of Executive Committeee meetings and upto 50 *per cent* in holding Boards meetings.

(Paragraph 7.4.12 (ii))

Evaluation of the schemes was carried out in three districts by Director of Evaluation. Recommendations made in May 1987, were still under consideration of the Government.

(Paragraph 7.4.13)

.4.5 *Outlay and expenditure*

7.4.5.1 Against the budget provision of Rs. 15,900 lakhs, expenditure of Rs. 15,805 lakhs was incurred as per details given below :—

Year		Budget Provision	Expenditure
		(Rupees in lakhs)	
1984-85		4226	4202
1985-86		2905	2903
1986-87		2295	2228
987-88		3432	3432
1988-89		3042	3040
	Total	15900	15805

The expenditure shown above was infact, the amount disbursed to the agencies and the actual expenditure was only Rs.13,345 lakhs. Unspent balance amounted to Rs. 2460 lakhs.

According to rules, unutilised funds at the end of a financial year can not be utilised in the subsequent years. However, extensions of time limit upto 30 months were granted for utilising the funds. Government stated in May 1990 that works were entrusted mostly to the agencies, which had executed works from their own funds and were fully stretched in years of scarcity. For these reasons, the Board's works, instead of being completed within financial year, took 24 to 36 months which resulted in unutilised balance remaining with the agencies.

7.4.5.2 As against the envisaged allocation of 6.66 *per cent* of total plan outlay for the scheme, the actual allocation, however, was much less and went down from 4.81 *per cent* in 1984--85 to 2.94 *per cent* in 1988—89. Thus, there was no firm policy in respect of providing funds for the scheme. Government stated (May 1990) that it was not possible to ensure a steady percentage for DDP due to various reasons. The allocation was dependent on the situation in the State, priorities of the State Government and directions of Planning Commission.

7.4.6 Implementation of the Scheme

7.4.6.1 One of the important functions of the Board was to prepare perspective and annual plan to ensure balaenced development of the district. It was seen that Intergrated plan of the District distinctly showing the schemes covered under DDP and normal plan was uot prepared. Boards approved schemes without taking into consideration the schemes implemented under normal plan. Government stated in May 1990 that it was not entirely correct that there were no linkages between the normal plan and DDP as agencies undertaking Board's works were also executing works under the normal plan and hence would be in good position to know that there was no duplication or overlapping. However, the working Group of Planning Commission had also opined that there was no linkage between the two.

7.4.6.2 No system to ensure balanced development of the districts was evolved. Even basic amenities survey conducted in villages in 1981 and required to be updated every year to enable the Boards to plan for was not available with the Boards. The allocation of funds for works in villages/towns was not only uneven, but there were number of villages which had not received any benefit under the Scheme.

In the test checked districts of Sabarkantha, Jamnagar, Kachchh and Valsad, there were 202, 81, 61 and 58 villages respectively where not a single work was sanctioned. The Government stated in May 1990 that there were hardly about 1500 villages in the State which had not received any such benefits and instructions were issued (January 1990) that these villages get atleast one benefit in 1990—91.

7.4.6.3 Perusal of the records of Sabarkantha district, the only district where village wise details of works executed under the scheme were available, revealed that there was wide disparity in execution of the scheme. While more than ten works each were executed in 68 villages, in 202 villages not even a single work was sanctioned. Government stated that it was difficult to draw any conclusion regarding imbalance in benefits flowing to any village as schemes were funded from a wide variety of sources. However, the fact remained that these villages had not received any benefit under DDP.

7 4.6.4 Government had issued guidelines for schemes which could be approved by the Boards. Schemes which were essential but beyond the competency of Boards were to be submitted to Government for special sanction. However, the guidelines were not followed. A few cases are enumerated below :

(i) Grant for carpetting of internal road in Babra was refused on the ground that road works fell within the municipal limit of city, and the concerned local body was responsible (November 1986). However, in the case of Jamnagar and Ahwa, grants of Rs. 5.82 lakhs and Rs. 3.30 lakhs respectively for the same purpose was sanctioned between 1984—85 and 1987-88. Government stated (May 1990) that it took into consideration local situation, climatic factors, needs of the population and similar factors while accepting or rejecting a case.

(ii) Industrial Training Institutes (ITI) at Bhavnagar and Junagadh were refused DDP grant for equipment and building on the ground that grants for such purposes could be obtained from Labour and Employment Department. However, for ITI at Kapadwanj, an incentive grant of Rs. 2.00 lakhs for construction of building was sanctioned in May 1989.

(iii) An incentive grant of Rs. 4.99 lakhs was sanctioned by the Government for a blood bank at Jamnagar (November 1983) but the request for grant of Rs. 2.88 lakhs for opening blood bank at Porbandar was rejected stating that it did not fall within MNP (April 1988). Government replied (May 1990) that Jamnagar city was near international border, whereas Porbandar was not even a district head quarter, hence the proposal for Porbandar was rejected. However, the reason given at the time of rejection was that it was not falling within MNP.

(iv) While the request of Amreli Board for a stand by generator set in an hospital was rejected (January 1987) stating that all hospitals of Gujarat were facing difficulty in the operation rooms

owing to electricity disruption, discretionary grant of Rs. 12.20 lakhs for such standby generator was approved for Kachchh and Valsad districts. Government replied (May 1990) that while patients could wait for operation on account of shortage of electricity, the requirement of water for drinking was continuous and hence distinction was made in respect of approval of generator set for Kachchh and Valsad.

(v) Proposal for payment of discretionary grant of Rs. 0.80 lakh for diagnostic camp for animals in Jamnagrar district was rejected on the ground that such schemes were implemented under normal budget (January 1984). But payment of grant of Rs. 2.00 lakhs for airconditioning of the meeting hall of Bhavnagar Board (December 1989), Rs. 2.00 lakhs for construction of hall at Rapar for conducting official meetings (October 1989) and Rs. 1.80 lakhs for construction of first floor on existing Collector's office at Godhra (September 1983) were sanctioned even though such works were outside the scope of the Scheme and could have been executed from the normal budget of the concerned offices.

7.4.7 *Expenditure on inadmissible works*

7.4.7.1 1482 villages were not connected with any kind of r oa and 1709 villages were without any source of water in the State. While such basic amenities were yet to be provided, there were number of cases where huge expenditure was incurred on inadmissible items and works not falling under MNP.

(i) Rural roads is one of the components of MNP. Construction of rural approach roads, small missing links viz., culverts, small bridges, deep cause ways, roads connecting two villages and improvement of existing roads only in those cases where there was danger to life or hazard to traffic,were only permissible under the Scheme.

Works relating to repair of roads, Major District Roads, (MDR and Other District Roads (ODR) were specifically ineligible under)

the scheme. It was noticed that these guidelines were ignored and expenditure of Rs. 86.27 lakhs on 39 inadmissible road works was incurred in four districts despite the fact that 323 villages were not connected with any kind of road.

In addition to the above it was seen in Taluka Development Office, Valsad that DDP grant of Rs. 35.54 lakhs under roads component was spent on repair of roads during 1984—85 to 1988—89. The Government stated (May 1990) that repairs of roads had been permitted where there was danger to life or where vehicular transport would be adversely affected.

(ii) Grant amounting to Rs. 15.90 lakhs was paid in Valsad, Jamnagar, Gandhinagar, Kachchh, Dangs and Kaira districts for purposes like repair of lift irrigation schemes, purchase of medicines, standby electric motors, nala plugs, air conditioners, etc., which were not covered by the scheme. The Government stated (May 1990) that electric motors were necessary for water supply; nala plugs were necessary where land erosion threatened major roads; air conditioners were essential for Board's hall, where meetings were presided over by a Minitser, etc. The reasons adduced were not convincing as the Government itself had rejected the request for standby generator set, and grant for construction of nala plugs in Dangs stating that such recurring expenditure was not permissible under DDP. As regards air conditioners it could have been purchased from normal budget of the concerned office.

(iii) Further, grant amounting to Rs. 8.52 lakhs was paid in Kachchh,Sabarkantha, Surat and Valsad districts for inadmissible purposes like construction of library hall for computer classes, electrification of farm, purchase of equipment for intensive care units, purchase of air conditioners, etc.

Even though, the items may be essential, the expenditure was not justified under DDP, as these items were not admissible as per the guidelines of the Government.

(iv) Technical sanction to the schemes of State Government undertakings and Corporations is required to be accorded by the concerned administrative departments. Discretionary grant of Rs. 1.98 lakhs for running electronic classes for women in Sabarkantha district by Mahila Economic Development Corporation and Rs. 2.00 lakhs for construction of solar kiln plant in Valsad district by Gujarat State Forest Development Corporation was given in 1984—85 and 1986—87 respectively, without following the prescribed procedure.

In all, 130 women were trained in electronics between May 1985 and August 1987. Equipment purchased at a cost of Rs. 1.35 lakhs were lying idle as running of classes was discontinued after August 1987. Government stated (May 1990) that it was proposed to make available these equipment to Industrial Training Institute Gandhinagar which was running classes in electronic trade including for girls.

It further added that Gujarat State Forest Development Corporation was agreeable to refund the amount of Rs. 2.00 lakhs taken for the construction of solar kiln.

7.4.7.2 Financial assistance for individual benefit oriented schemes or grant of loan was not permissible under the scheme. Notwithstanding this, discretionary grant of Rs. 19.44 lakhs was paid to District Panchayat, Valsad for construction of houses by landless labourers and for repayment of loan taken by them for the above purpose in earlier years.

(ii) Similarly, Kachchh Board paid Rs. 2.20 lakhs as working capital loan in 1981--82 and Rs. 5.00 lakhs in 1983--84 to Gujarat State Handicrafts Development Corporation Ltd., Ahmedabad (G S H D C). Government, while according post-facto sanction prohibited undertaking of such scheme by the Board (March 1984). The Board also extended the time limit

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(iii) Himatnagar Board granted a loan of Rs. 1.00 lakh to a Co-operative Society for repairing of rig to be used for boring work (1985--86). The Society went in liquidation after drilling one bore (May 1986). G W S S B recovered Rs. 0.80 lakh from the society in 1986--87 but credited it to Government only in March 1990 at the instance of Audit. Balance amount of Rs. 0.20 lakh and interest was yet to be recovered.

(iv) Discretionary grant of Rs. 2.60 lakhs was given to District Education Officer (DEO), Sabarkantha in 1984--85 for supply of Atlas map and dictionary to students of secondary schools. Government stated (May 1990) that detailed instructions prohibiting such expenditure issued in March 1984 might have been received late by the Board. This reply is not tenable as the amount was sanctioned in January 1985 and also because the representatives of GAD attend all meetings of the Board.

(v) An organisation in Valsad district received sanction of Government of India (GOI) for Community opthalmology project estimated to cost of Rs. 84.18 lakhs (1984—85). As per terms and conditions of sanction, 75 *per cent* cost of the project was to be borne by Government of India and the balance 25 *per cent* by the organisation, out of non Government sources. Notwithstanding these explicit conditions Valsad Board paid in 1985--86 discretionary grant of Rs. 7.5 lakhs to the organisation for construction of five eye--care centres already included in the project sanctioned by Government of India.

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7.4.7.3 Boards are empowered to approve schemes upto Rs. 10.00 lakhs. However, Kachchh Board gave discretionary grant of Rs. 20.00 lakhs to Gujarat Sheep Wool Development Corporation (GSWDC) in March 1981 for opening two ram-depots. As the scheme was not implemented properly, the Board requested Agriculture and Rural Development Department to condust inquiry and take suitable action against GSWDC (July 1987). There was no further progress in the matter (May 1990)

7.4.8 Unfruitful expenditure

7.4.8.1 Jamnagar Municipal Corporation (Corporation) was paid incentive grant of Rs. 6.00 lakhs for purchase of buses (March 1983). Since grant for purchase of buses was inadmissible, it was converted as a grant for primary school building (March 1985). The school building completed at the cost of Rs. 10.78 lakhs in July 1986 had been lying vacant (April 1990).

7.4.8.2 Inadmissible incentive grant of Rs. 4.25 lakhs was given to the Jamnagar Municipal Corporation in 1985-86 for construction of a feeding canal. The construction was stopped in June 1989 after incurring an expenditure of Rs. 9.45 lakhs due to dispute over land.

7.4.8.3 Himatnagar Board gave discretionary grant of Rs. 10.08 lakhs for construction of five lift irrigation schemes. One scheme, completed in November 1986 at a cost of Rs. 3.23 lakhs was not operated as the Co-operative society to run the scheme had not been constituted. Construction of the remaining four schemes on which expenditure of Rs. 6.85 lakhs was incurred between 1984-85 and 1987-88 from the Board's grant, was discontinued becasuse of non-availability of additional funds.

7.4.8.4 Himatnagar Board gave an inadmissible discretionary grant of Rs. 2.50 lakhs in 1984-85 to complete a fish farm in Idar Taluka. The grant was stated to have been spent, but the farm was not completed for want of additional amount of Rs. 4.00 lakhs.

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7.4.8.6 Discretionary grant of Rs. 4.65 lakhs for supply of water in Harijanwas at Okha was given to GWSSB (1984-85). Though the work was completed in December 1986, the intended benefit of water supply had not reached the Harijanwas, owing to inadequate bulk water supply by the port authorities (February 1990).

7.4.9 Excess expenditure

Central assistance of Rs. 60 per intraocular operation was payable subject to the condition that the organisation did not claim any assistance in this regard from the State Government or any other international/national organisations in the field of opthalmology. Contrary to the above guideliness Health & Family Welfare Department requested the Collectors to consider payment of Rs. 30 to Rs. 40 per operation from the grant of the Boards since Central assistance was not adequate (July 1984).

There was, however, no uniformity in the rates of payments amongst the Boards. While Himatnagar Board paid Rs. 30 per operation in addition to Central assistance, Jamnagar Board gave incentive grant of Rs. 181 per operation for 832 operations and at Rs. 151 per operation for 237 operations. In all, Rs. 1.87 lakhs were paid during 1988-89. Jamnagar Board paid an excess amount of Rs. 0.91 lakh as compared to the rate at which payment was made by Himatnagar Board, even though Central assistance had not been paid. Government stated (May 1990) that the elected representatives who were members of the Board were the best judges to decide where such supplementary assistance was necessary. The explanation is not tenable as otherwise Government should not have prescribed range of Rs. 30 to Rs. 40 per operation for payment by the Boards.

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After May 1981 payment of incentive grant to organisations was permitted by the Government for works falling under MNP subject to the condition that request for grant by the organisations was submitted through panchayat or municipality concerned. The amount of grant and contribution from public were to be kept in a bank account. These two conditions were not imposed by the Boards while releasing the grant to eight organisations.

7.4.11 Irregular retention of funds

No procedure was prescribed for the Boards to ensure refund of unspent grants. It was noticed that an amount of Rs. 6.55 lakhs was lying unutilised with 8 implementing agencies even after the completion of the schemes.

7.4.12 Other Topics

(i) Delay in according administrative approval by the Collector and technical sanction by the competent authority was the main reason for not starting the works and utilising the funds within the year. Out of 3469 works of Rs. 50,000 and above approved between 1984-85 and 1988-89, only 513 work approvals (15 *per cent*) were accorded within one month. In 58 *per cent* of cases, the approvals took one to six months and in 27 *per cent* cases the delay was more then six months.

(ii) Four meetings of Boards were required to be held in each year. Only in case of Amreli, this requirement was fulfilled. Two to three meetings were held per year in 15 districts. Information in respect of three districts (Banaskantha, Bharuch and Junagadh) was not received.

For ensuring effective working of the Boards, a small Executive Planning Committee (Committee) was constituted in each district. The functions of the Committee, *inter alia*, included prior scrutiny of the scheme to be submitted to the Board, monitoring the imple-

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(iii) In all, 55000 works were executed under the scheme. The District Planning Officers (DPOs) were required to inspect 15 works every month. At this rate about 25 *per cent* of the works executed could have been inspected. But the prescribed number of inspection per month was not achieved. The shortfall was between 26 and 45 *per cent* in seven districts (Gandhinagar, Mehsana, Sabarkantha, Surat, Surendranagar, Rajkot and Kaira) and more that 50 *per cent* in four districts. Information was not received in respect of Banaskantha, Bharuch and Junagadh districts. Government attributed the shortfall in inspection to election dutites. This reply is not tenable because election duties could not be for the entire period of 1984-85 to 1988-89.

(iv) Expenditure of Rs. 4.56 lakhs (12 works) and Rs. 1.91 lakhs (8 works) on supply of materials by the concerned divisions in Sabarkantha and Valsad districts respectively was not susceptible of verification due to non-maintenance of records.

7.4.13 Evaluation

An evaluation of the scheme was carried out by the Directorate of Evaluation, Gandhinagar. It covered Bharuch Junagadh and Mehsana districts and *inter alia* made following recommendations (May 1987).

(a) The share of the Scheme should be increased from 20 to 25 *per cent* of the total state plan provision.

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(c) The taluka panchayats should submit their proposals with all relevant data and documents atleast two weeks in advance of Board meetings.

(d) More executive and financial powers should be transferred to Deputy Engineers or alternatively model plans and estimates may be got approved for works of primary education and drinking water facilities.

(e) The preliminaries of preparing plan estimates, obtaining technical sanction and administrative approval should invariably be completed during first two months of the financial year.

(f) The works amounting to lakhs of rupees were many times sanctioned in Boards meeting in undue haste without carrying out proper scrutiny and giving serious thought. The details of recommendations accepted by the Government were awaited (August 1990).

PANCHAYATS AND RURAL HOUSING DEPARTMENT

7.5 Integrated village environment improvement programme

7.5.1 Introduction

With a view to removing disparity in availability of basic amenities in urban and rural areas and to prevent migration of rural people to urban area, the State Government introduced *Abhinava Gram Nirman Karyakram* (AGNK) Scheme in 1978-79 which later came to be known as Integrated Village Environment Improvement Programme (IVEIP) after merging components of some other schemes. Under the Scheme, financial assistance was given for improvement of houses with roof tiles, bath room, smokeless *chullah*, *chokdi*, and community works like womens latrines, street paving, etc. The allotments of funds was made to District Panchayats.

Originally all villages having population above 200 persons were to be covered but the coverage was modified since 1985-86 to villages having population below 6000 persons. The Taluka Level

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Committee is required to identify the villages to be covered under Programme, and the final selection of villages was done by District Level Committee. Selection of villages *inter alia*, was to ensure that the benefit of the scheme was available to individual families whose income was less than Rs. 6000 per annum with priority to the members of Scheduled Caste/Scheduled Tribe/Backward Class. Preference for assistance was also to be given to villages where Scheduled Caste/Scheduled Tribe population was predominant. The villages were to be selected only if they did not have four out of eight prescribed community facilities and popular contribution, ranging from 10 to 50 *per cent* of the total cost, was to be recovered from village panchayats in respect of community works. Villages once covered should not be reselected.

7.5.2 *Organisational set up*

The scheme was implemented by Pahchayat and Rural Housing Department. The Development Commissioner was responsible for planning and coordination of the scheme at the State Level. At the District Level, planning and control rested with the District Development Officer. The Taluka Development Officer was responsible for the proper execution of the scheme at Taluka level.

7.5.3 *Audit coverage*

A test check of records relating to the implementation of the schemes in Amreli, Ahmedabad, Junagadh, Kheda, Rajkot and Surat districts was conducted during November 1989 to January 1990.

7.5.4 *Highlights*

— Out of the total expenditure of Rs. 1662.92 lakhs, Rs. 12.23 lakhs were lying unutilised in 5 districts. The expenditure on Tribal Area and Special Component Plan was only 16 and 6 *per cent* respectively. Thus Scheduled Caste/Scheduled Tribe population was denied the benefit of the scheme since 1984-85.

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—Only 20 per cent of eligible villages were covered under the scheme during 1978-79 to 1984-85.

(Paragraph 7.5.6)

— Rupees 2.20 lakhs were spent on ineligible villages. Rupees 3.74 lakhs were spent in areas falling under urban agglomeration of Ahmedabad city.

(Paragraph 7.5.7.1)

— In six districts, Rs. 9.44 lakhs were spent on improvement of houses with tiled roofs without fulfilment of the prescribed conditions.

(Paragraph 7.5.7.2)

— The expenditure of Rs. 4.72 lakhs on smokeless *Chullah* remained largely unfruitful as most of the *Chullahs* were either removed or were not being used.

(Paragraph 7.5.7.3)

— Most of the community latrines for women constructed at the cost of Rs. 41.08 lakhs were not used owing to lack of arrangements for water and proper maintenance.

(Paragraph 7.5.7.5)

— Popular contribution of Rs. 1.32 lakhs remained to be effected from village panchayats.

(Paragraph 7.5.7.6)

— No mechanism was devised to ascertain the achievement of the programme. There was no follow up to maintain the assets by the village panchayat.

(Paragraph 7.5.8.2)

7.5.5 *Financial and physical achievement*

7.5.5.1 Against the assistance of Rs. 1759.33 lakhs provided by Government during 1980-81 to 1988-89, an expenditure of Rs. 1662.92 lakhs was incurred on the scheme. The expenditure incurred under Tribal Area and Special Componant Plan was only 16 and 6 *per cent* of the total expenditure respectively. No funds were provided under the Tribal Area Sub Plan during 1985-86 and 1986-87. Thus the Scheduled Caste (SC)/Scheduled Tribe (ST) population was denied the benefits under the scheme.

Despite release of funds in a phased manner, 80 to 100 *per cent* of expenditure was incurred by 4 districts during the last quarter of the financial year, between 1982-83 and 1988-89 which could hardly give any time for the panchayats to utilise the grants judiciously.

7.5.5.2 Despite Government instructions that unutilised amount as on 31st March 1985 should be credited into Government account on the closure of AGNK, Rs. 12.23 lakhs were lying as unutilised balance under personal ledger account of 5 district panchayats (Rajkot, Kheda, Amreli, Junagadh and Ahmedabad). The District Development officers agreed to take action in consultation with the concerned Taluka Development officers.

7.5.5.3 The Development Commissioner stated (January 1990) that no physical targets regarding number of persons to be covered/number of works to be undertaken were fixed. He could not also furnish the number of SC/ST/ Others benefitted under the scheme. It was, therefore, not possible to ascertain the number of persons benefitted under the scheme.

7.5.5.4 There was wide variation in the number of works under each component implemented in the various districts due to absence of norms. For example, in respect of house improvement with roof tiles in Panchmahals district 3029 works were carried out, while it was 307 works in Jamnagar District. As regards sanitation works, maximum works were undertaken in Baroda (10863 works) compared to 2695 works in Mehsana District.

According to the instructions issued by the Government (February 1988) first priority was to be given to sanitation facilities in rural areas. The assistance for improvement of roof tiles was to be given only if adequate funds were available. However, it was noticed that Kheda, Junagadh, Rajkot, Surat and Surendranagar had incurred expenditure on the work of roofing tiles, ranging from 65 to 83 *per cent* of the total expenditure. The entire expenditure of Rs. 7.39 lakhs during 1987-88 in Panchmahal District was on roofing tiles alone.

7.5.6 *Planning coverage*

(a) There were 16221 eligible villages and only 3260 villages (**20** *per cent*) were covered during 1978-79 to 1984-85. The number of villages covered during 1985-86 to 1988-89 was, however, not furnished by Development Commissioner.

(b) As surveyed by Director of Social Welfare in 1982, there were 1411 villages having population of more than 250 SC members. Of these, 60 villages were in Rajkot, 160 in Junagadh, 175 in Kheda and 154 in Ahmedabad Districts. It was, however, observed that less than 50 *per cent* of these villages in Rajkot and Junagadh and Kheda (**7** *per cent*) and Ahmedabad (**32** *per cent*) were covered under the programme.

(c) In respect of Amreli, Junagadh, Rajkot and Surat districts, it was noticed that the sanitary amenities provided for individual beneficiaries during 1987-88 and 1988-89 constituted a small percentage ranging from 2 to 6 *per cent* of the population of 277 selected villages. Since the beneficiaries were scattered at different locations in the villages and only limited number of villagers were benefitted, the impact of the scheme was also limited. The concerned Taluka Development officers stated that it was not possible to cover all eligible villagers with the funds made available to Talukas.

(d) The educative aspect of the Programme to make the people aware of cleanliness and health environment was not given due attention as the average number of *Shibirs* per year for the State was only 93 against the targeted number of 250. In tribal districts of Panchmahals and Bharuch the average number of *Shibirs* per year was 1 and 3 as against the norm of 24 and 15 respectively.

7.5.7 *Irregularities in sanction and utilisation*

7.5.7.1 According to action plan, selection of villages by Taluka and District level committees was to be completed by June each

year. However, there were delays in sending the proposals duly approved by Taluka level committees and final selection by district level committees. The proposals submitted by some talukas indicated only the names of villages without details regarding population, whether the village was covered earlier under AGNK and the details of facilities available in the village.

Illustratively in Rajkot district, the programme was implemented in 5 villages of three talukas even without consideration of the same by District level committee. During 1987-88, seven villages in Surat district had availed of benefits under AGNK but these were again selected for implementation under IVEIP. Similarly the programme was executed under AGNK and IVEIP in three villages having population exceeding 6000 in Ahmedabad and Surat districts. Four out of sixteen villages selected as backward in Dascroi Taluka of Ahmedabad district had four community facilities and were not eligible to be selected, Rs. 2.20 lakhs were spent on these ineligible villages. Rupees 0.49 lakh spent on five villages of Choryasi taluka (Surat district) under AGNK though these were not selected by the District level committees. Rupees 3.74 lakhs were spent in the areas falling under urban agglomaration of Ahmedabad city.

7.5.7.2 Test check of 2017 cases pertaining to improvement of houses with roof tiles in 6 districts involving an expenditure of Rs. 9.44 lakhs revealed that there were no records to show as to how the beneficiaries were selected. The ownership of the house was verified with reference to villages house Register maintained by village panchayat. The certificate about providing roofing tiles and execution of works was signed by *Talati-cum-Mantri/Sarpanch* instead of by technical staff of the Taluka Panchayat. Most of the beneficiaries were given uniform amount of assistance irrespective of the size of the house, number of tiles and wooden rafters used, labour charges incurred, etc. and without reference to actual expenditure. Rupees 7.48 lakhs were spent on replacement

of country tiles with Manglori tiles in 1678 cases test checked, but there was no record to show the necessity and the extent of replacement of country tiles. Rupees 0.80 lakh were spent by TDO, Dhari (Amreli District) on 31st March 1982, though applications from 195 beneficiaries with recommendations of nine village panchayats were received only on that date and it would not have been possible for beneficiaries to have replaced the tiles on the same day to qualify for the payment. Completion certificates were also not obtained in any of these cases. In the same district Rs. 1.24 lakhs were disbursed to a contractor before delivery of the materials.

7.5.7.3 In 6 districts test checked it was reported that efficient use of smokeless *Chullahs* was hampered due to non use of the *Chullahs* in the prescribed manner. Many beneficiaries had demolished *Chullahs*. The improper use of damper, odd size of wood and shape of vessels used, seeping of rain water through chimnies resulted in removal of *Chullahs*. According to a sample survey conducted in August 1987 by the State Director of Evaluation, more than 60 *per cent* of the *Chullahs* were removed and 40 *per cent* of the existing *Chullahs* were not in use. As such the expenditure of Rs. 4.72 lakhs was largely unfruitful.

7.5.7.4 Expenditure of Rs. 0.60 lakh was incurred in Surat, Junagadh and Panchmahal disricts after discontinuance of the components of smokeless *Chullahs* and ventilators, from the scheme. The Development Commissioner stated that the matter would be taken up with the districts concerned.

7.5.7.5 Though, Rs. 41.08 lakhs had been incurred on 3217 community latrines for women, many village panchayats did not provide water and water storage facility. No arrangement was made by the villages for proper maintenance of the latrines. Consequently, most of the latrines remained unused. The Development Commissioner stated that the matter had already been considered by Government and orders had since been issued (November 1989) that public

latrines should be constructed only if the village panchayats would bear the cost of the subsequent maintenance. However, no action was taken by Government for maintenance of women's latrines already constructed but remaining unused.

7.5.7.6 The scheme envisaged recovery of certain percentage of popular contribution varying between 10 and 50 *per cent* from the village panchayats towards actual cost of community type of works. It was, however, observed in the districts test checked that contribution from public was recovered on the sanctioned amount of the works. Consequent on late completion of works spread over a period of two to three years, the actual cost worked out to be high. In respect of 80 works in Junagadh, Ahmedabad, Kheda and Amreli districts, action was not initiated by Taluka/District Panchayats to recover the difference of contribution between the actual and original sanctioned cost of works, resulting in under recovery to the extent of Rs. 1.32 lakhs. Development Commissioner stated (January 1990) that the concerned District Panchayats would be asked to effect recovery of public contribution from the concerned village panchayats.

7.5.8 *Monitoring and Evaluation*

7.5.8.1 Though the scheme was in operation since 1978-79, no assessment was made on the magnitude of the work and requirement of funds involved;or was any mechanism devised to ascertain the achievement of the objective to reduce the attraction of the rural population towards urban areas by providing them with basic amenities under the scheme. According to a report of the Expert Committee of Registrar General of India on population projection, the percentage of urban population had increased from 31.10 in 1981 to 32.71 in 1986 and the annual urban growth rate was 3.03 *per cent* as compared to 1.54 *per cent* for the rural population during 1981-86. The Development Commissioner, however, stated (January 1990) that no performance indicators had been adopted to measure the achievement of the objective of the scheme.

7.5.8.2 There was no system to review performance or success of the programme at the Commissionerate level. There was no fol low

up by Taluka/District/State level inspection to ascertain the successful implementation of the programme or as to whether the assets provided to the village community through Government assistance were properly maintained.

7.5.9 The matter was reported to Government in March 1990; reply had not been received (August 1990).

ROADS AND BUILDINGS DEPARTMENT

7.6 **Delay in execution of work**

The work of providing second layer of metalling carpet and seal coat to Samidukha-Nani Chandur Road was entrusted to Contractor "A" by the District Panchayat, Mehsana (Panchayat) at the tendered cost of Rs. 5.83 lakhs in December 1976 to be completed by December 1977. Though contractor "A" could complete only 39 *per cent* of the work by December 1977, he was allowed to continue the work without being granted any extension of time. The Panchayat stated that this course was adopted in the interest of the work and to avoid delays in finalising another agency. The contractor completed work of the value of Rs. 3.63 lakhs upto February 1980 and stopped working thereafter. The decision to rescind the contract was taken only in October 1980. The second agency for completing the remaining work was, thereafter, fixed in May 1984 at a tendered cost of Rs.3.13 lakhs with date of completion in November 1984. However, the second agency could not start the work as the metalling work done by contractor "A" was found damaged/ disturbed due to rain, movement of vehicles, etc. The work of remetalling was got done through the second agency only during January to August 1987 after a delay of three years at an additional cost of Rs. 3.49 lakhs. However, the work of second layer of metalling had not been completed even after 13 years of commencement of the work (March 1989).

The following points emerge :

(i) Eventhough the first contractor had completed only 39 *per cent* of work by December 1977, immediate steps were not taken either to get the work completed at least upto a safe stage by suitable extension of time limit or to terminate the contract and fix a new agency.

(ii) There was inordinate delay of about four years in fixing new agency for the remaining work which was attributed to non-availability of funds and high cost of tenders. The delay resulted in the work already done getting damaged/ disturbed.

(iii) Though the damage to the work already done was known to the Panchayat, no steps were taken to assess the extent of damage before finalising the second agency which led to further delay in the completion of the work.

Thus, delay in taking timely decision in the execution of work resulted in increase in cost of work by more than Rs. 4.42 lakhs and also delay in the accrual of the intended benefit of road to the public besides non recovery of Rs. 4.23 lakhs from contractor "A" towards cost of materials and empties.

The matter was reported to Government in June 1988, reply had not been received (July 1989).

Audit under Section 15

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

7.7 Irregular payment of Grant-in-aid to Municipalities

As per the norms prescribed by Government (November 1977), no grant-in-aid for expenditure towards dearness allowance was payable to Municipalities which levied property tax at less than six *per cent* of the annual rental value during 1977-78 and 1978-79 and at less than eight *per cent* thereafter.

Test check of records at the Collectorates at Junagadh and Bhuj, however, revealed that though Junagadh and Veraval Municipalities were levying property tax at less than six *per cent* of the annual rental value between 1977-78 to 1983-84 and Porbandar and Bhuj Municipalities at less than eight *per cent* from 1979-80 to 1981-82, these Municipalities were paid grant- in-aid for this purpose in contravention of Government orders which resulted in irregular payment of Rs. 55.03 lakhs as detailed below :

Name of Municipality	Period	Amounts of grants paid per year (Rupees)	Total (Rupees)
Junagadh	1977-78 to 1983-84	4,04,310	28,30,170
Veraval	—do—	2,00,093	14,00,651
Bhuj	1979-80 to 1981--82	1,30,079	3,90,237
Porbandar	—do—	2,93,877	8,81,633

The matter was reported to Government in May 1988; reply had not been received (March 1990).

Entrusted Audits

ROADS AND BUILDINGS DEPARTMENT (PORTS)

7.8 Purchase of dredgers and ancillary crafts

The Directorate of Ports (now known as Gujarat Maritime Board) (Board) initiated proposals in February-March 1979 to procure two dredgers with ancillary equipments from the Central Water Commission (Commission) in 1974 and 1976 which were remaining unused, with the Commission. The Commission decided in June 1978 to dispose off the dredgers alongwith the ancillary crafts as the maintenance cost of the dredgers was quite heavy and ancillary equipments had not been supplied by the Manufacturer.

Administrative approval was accorded by the Government in March 1979 for Rs. 241 lakhs. Under an agreement entered into with the Commission in March 1979, the State Government agreed to take over, not only the equipment already available with the Commission, but also other ancillary equipments which had not been delivered by the manufacturers despite extensions of time. The agreement also envisaged that the final cost of the main and ancillary equipments already available and other ancillary equipments yet to be procured would be fixed by the Commission and the same would be binding on the Government of Gujarat. The agreement did not safeguard the State's financial interest by a right to demand liquidated damages and to refuse cost escalation in case of delayed delivery of the equipments then under manufacture. As a result, the Commission allowed in November 1985, cost escalation ranging from 40 to 166 *per cent* on such equipments delivered late by the supplier involving increase in cost of Rs. 75.32 lakhs. The Commission also regularised the delayed delivery upto March 1981 without recovery of liquidated damages, though the Board had requested specific consideration of this aspect. The Board stated (January 1990) that the "one time package deal" was to its benefit as the dredgers were acquired at very cheap rates. This contention was not tenable as the State Government was not aware of the final cost of the main as well as the ancillaries of the fleet and the technical details.

Against claims aggregating Rs. 390.56 lakhs made by the Commission and the suppliers from time to time, the Board had made payment of Rs. 320.87 lakhs upto 1986 and further details of payment of balance were not intimated (May 1990). The revised estimates for Rs. 482 lakhs submitted by the Board in August 1987 was under consideration of the Government.

The delivery of the main as well as ancillary equipments already available with the Commission was made on various dates between September 1979 and January 1983 at Guwahati, Calcutta and Assam and were brought to Magdalla Port only between March 1980 and April 1984. The dredgers were to be repaired at Calcutta for their

long sea voyage and the ancillary crafts and pipeline materials were to be lifted from far flung areas of Assam and Calcutta after fixing rail and transport agencies. The Commission had intimated the State Government in October 1978 that the equipments viz. two house boats. one tug and two launches which had not been supplied by the manufacturer were expected to be received during 1979. However, these equipments were received by the State only in March 1982. The launches and the tug finally reached the Magdalla Port only in December 1981 and September 1983 respectively due to the difficulties faced in their transportation and other difficulties.

As the house boats costing Rs. 79.66 lakhs were not found very much essential and there were difficulties in transportation it was decided to dispose them off. After incurring additional expenditure of Rs. 18.67 lakhs on their safe keeping, mooring, insurance, etc., upto 1986, one house boat was sold back to Government of India in March 1987 at the cost price of Rs. 39.83 lakhs. The Board was unable to indicate (May 1990) the amount of further liabilities incurred beyond 1986 on the house boats and the amount of loss on the sale of one house boat. Another house boat could not be disposed off so far (May 1990). Thus, acquiring of the house boats without estimating the economics of the purchase and difficulties in transportation resulted in the unfruitful expenditure on their maintenance and safe keeping and blocking of capital which the Board was unable to quantify.

In the detailed justification submitted in March 1979 for the procurement of the vessel, it was envisaged that the work of dredging of approximately 90 lakhs tonnes could be done in two years by the two dredgers proposed to be procured. The dredging requirement at the Port of Magdalla was however, reduced to 69.96 lakhs tonnes (August 1979) which was further reduced to 52.26 lakh tonnes on actual survey after one monsoon season. Though, the dredgers reached Magdalla port in March 1980 they could be commissioned for regular

use only from the year 1981 and the out-turn of both the dredgers was 50 lakh tonnes only upto 1986-87 against the estimated 90 lakhs tonnes in two years.

One of the dredgers ('*Dcsang*') went out of order in May 1986 and the other (*Kopilli*) from June 1987 and they were not put to use thereafter. Expenditure of Rs. 32.61 lakhs had been incurred on their maintenance and special repairs. Though, the Board stated (January 1990) that the dredger '*Desang*' after special repairs, had been put to use from October 1989, the details of its performance after repairs were not intimated. The work on dredger *Kopili* was in progress (April 1989).

Spare parts for dredgers valued at Rs. 85.69 lakhs, procured during the years 1981-82 to 1985-86, were lying unutilised leading to blocking of funds. The Board stated (January 1990) that as the engines installed in the dredgers were of imported make and as the marine spares were not easily available in local market, spares were purchased to keep the fleet in normal working condition. This contention was not found justified as both the dredgers were not kept in working condition for more than three years, despite the availability of spares worth Rs. 85.69 lakhs. The details of their subsequent utilisation were not intimated (May 1990).

Also expenditure of Rs. 19.35 lakhs was incurred on the staff attached to the dredgers from May 1986 to April 1988 in respect of '*Desang*' and from June 1987 to March 1989 in respect of *Kopili* though the staff largely remained under-utilised. The Board contended (January 1990) that these were permanent staff who could not be retrenched and they were required to help in repair activities.

The matter was reported to Government in September 1989, reply had not been received (August 1990).

Rajkot
The

(M. S. SHEKHAWAT)
Accountant General (Audit) II,
Gujarat.

Countersigned

(C. G. SOMIAH)
Comptroller and Auditor General of India

New Delhi
The

APPENDICES

B—259—22—A

APPENDIX—I

Statement showing cases where supplementary provision was unnecessary

(*Reference* : *Parargaph* 2.2.2 (*b*) *at page* 15)

Grant No.	Department	Original grant	Supplementary grant	Expenditure	Saving
			(Rupees in lakhs)		
1	2	3	4	5	6
REVENUE SECTION					
1.	Agriculture and Rural Development	93.65	0.50	81.99	12.16
6.	Co-operation	30.00	2.00	29.01	2.99
11.	Education	4,07.79	38.15	4,00.16	45.78
30.	General Administration	4,89.03	40.85	4,32.59	97.29
32.	General Administration	39,06.75	42.90	32,03.01	7,46.64
46.	Industries, Mines and Energy	16,93.10	15.60	15,72.30	1,36.40
47.	Industries, Mines and Energy	38,36.03	1,60.23	37,30.93	2,65.33
52.	Information, Broadcasting and Tourism	7,28.16	95.50	6,98.02	1,25.64
54.	Information, Broadcasting and Tourism	70.43	1.30	58.31	13.42
70.	Panchayats and Rural Housing	10,41.34	15.26	10,24.25	32.35
75.	Ports, Transport and Fisheries	5,77.12	1.25	5,37.38	40.99
87.	Roads and Buildings	1,04,33.39	93.21	99,65.73	5,60.87
92.	Social Welfare	29,04.99	76.27	28,11.34	1,69.92
98.	Tribal Development	1,23,55.84	2,73.49	1,16,83.66	9,45.67
101.	Urban Development and Urban Housing	10,70.20	21.85	10,61.43	30.62
	Total	3,96,37.82	8,78.36	3,72,90.11	32,26.07

APPENDIX—I (contd.)

1	2	3	4	5	6
CAPITAL SECTION					
2.	Agriculture and Rural Development	45,52.20	2,24.81	31,49.40	16,27.61
10.	Education	1,91.24	25.00	96.07	1,20.17
11.	Education	10,02.00	50.00	6,90.59	3,61.41
38.	Health and Family Welfare	54,45.00	8,00.00	48,28.37	14,16.63
56.	Irrigation	1,35,95.00	5,33.26	1,08,38.36	32,89.90
66.	Narmada Development	44.00	8.41	36.69	15.72
69.	Panchayats and Rural Housing	7,31.00	58.00	2,43.76	5,45.24
76.	Ports, Transport and Fisheries	28.00	2.00	23.61	6.39
86.	Roads and Buildings	10,84.61	51.33	10,63.59	72.35
92.	Social Welfare	62.75	0.35	53.37	9.73
98.	Tribal Development	54,84.61	10.85	47,39.83	7,55.63
101.	Urban Development and Urban Housing	9,34.00	1,00.00	7,92.63	2,41.37
	Total	3,31,54.41	18,64.01	2,65,56.27	84,62.15
	GRAND TOTAL	7,27,92.23	27,42.37	6,38,46.38	1,16,88.22

APPENDIX—II

Statement showing cases where supplementary provision was made in excess of actual requirement

(*Reference* : *Paragraph* 2.2.2 (*c*) *Page* 15)

Grant No.	Department	Original provision	Expenditure	Additional requirement	Supplementary provision
					(Rupees in lakhs)
1	2	3	4	5	6
REVENUE SECTION					
(a) **Voted grants :**					
7.	Co-operation	14,99.06	15,00.73	1.67	83.00
10.	Education	6,77,54.82	7,03,79.37	26,24.55	47,62.23
13.	Finance	68,24.96	68,43.84	18.88	77.52
56.	Irrigation	2,93,45.28	2,99,86.66	6,41.38	6,97.84
59.	Labour and Employment	20,85.65	22,15.74	1,30.09	2,05.70
62.	Legal	16,12.00	17,47.89	1,35.89	1,66.49
68.	Panchayats and Rural Housing	42,02.86	42,33.98	31.12	1,54.78
77.	Revenue	1,42.71	1,68.61	25.90	41.03
78.	Revenue	14,66.35	14,93.36	27.01	62.02
80.	Revenue	2,12,30.00	2,99,02.27	86,72.27	1,17,80.00
	Total	13,61,63.69	14,84,72.45	1,23,08.76	1,80,30.61
(b) Charged appropriation :					
17.	Finance	3,36,22.22	3,46,70.24	10,48.02	13,77.10
	Total	3,36,22.22	3,46,70.24	10,48.02	13,77.10

APPENDIX—II (Contd.)

1	2	3	4	5	6
CAPITAL SECTION					
(a) Voted grants :					
16.	Finance	83.50	1,71.40	87.90	20,93.45
32.	General Administration	68.20	1,54.46	86.26	96.37
47.	Industries, Mines and Energy	47,94.00	84,15.91	36,21.91	47,75.18
71.	Panchayats and Rural Housing	2,69.40	2,86.47	17.07	30.39
100.	Urban Development and Urban Housing	2,95.33	4,95.85	2,00.52	.2,45.52
	Total	55,10.43	95,24.09	40,13.66	72,40.91
(b) Charged appropriation :					
17.	Finance	3,77,50.32	9,60,05.68	5,82,55.36	5,97,27.23
	Total	3.77,50.32	9,60,05.68	5,82,55.36	5,97,27.23
	GRAND TOTAL	21,30,46.66	28,86,72.46	7,56,25.80	8,63,75.85

APPENDIX—III

Statement showing cases where supplementary provision was inadequate

(*Reference* : *Paragraph* 2.2.2 (*d*) *page* 15)

Grant No.	Department	Original grant	Supplementary grant	Expenditure	Excess
				(Rupees in lakhs)	
1	2	3	4	5	6
REVENUE SECTION					
(a)	**Voted grants** :				
2.	Agriculture and Rural Development	1,27,51.19	42,89.91	1,71,71.30	1,30.20
3.	Agriculture and Rural Development	5,03.73	1,05.00	6,51.05	42.32
4.	Agriculture and Rural Development	15,68.02	1,07.24	17,13.79	38.53
23.	Forests and Environment	12,34.10	41.81	13,59.33	83.42
28.	General Administration	2,17.03	85.42	3,18.22	15.77
36.	Health and Family Welfare	1,43,50.91	15,04.47	1,61,80.75	3,25.37
41.	Home	1,50,35.40	25,74.40	1,83,17.77	7,07.97
42.	Home	3,97.32	1,07.18	5,81.72	77.22
43.	Home	5,70.77	2,62.67	8,55.70	22.26
48.	Industries, Mines and Energy	2,73.50	4.25	3,04.35	26.60
74.	Ports, Transport and Fisheries	82,04.26	17,03.52	1,09,59.45	10,51.67
81.	Revenue	6,69.38	97.99	7,89.66	22.29
84.	Roads and Buildings	1,26.00	49.00	2,08.24	33.24
85.	Roads and Buildings	53,52.49	3,38.83	59,33.59	2,42.27
94.	Social Welfare	34,80.68	2,86.21	40,77.87	3,10.98
96.	Tribal Development	11,41.36	86.27	12,53.81	26.18
	Total	6,58,76.14	1,16,44.17	8,06,76.60	31,56.29

APPENDIX—III (*Contd.*)

1	2	3	4	5	6
(b)	**Charged Appropriations :**				
5.	Agriculture and Rural Development	—	1,44.66	2,32.60	87.94
10.	Education	10,62.00	1,96.11	13,48.00	89.89
	Total	10,62.00	3,40.77	15,80.60	1,77.83
CAPITAL SECTION					
(a)	**Voted grants :**				
4.	Agriculture and Rural Development	14.04	1,79.50	2,10.08	16.54
7.	Co-operation	2,63.28	3,60.48	13,14.84	6,91.08
23.	Forests and Environment	18,17.11	1,81.45	21,72.94	1,74.38
25.	Forests and Environment	53.75	40.00	1,10.38	16.63
	Total	21,48.18	7,61.43	38,08.24	8,98.63
	GRAND TOTAL	6,90,86.32	1,27,46.37	8,60,65.44	42,32.75

APPENDIX III (Contd.)

1	2	3	4	5
9) Miscellaneous Items :				
9. Stationery and Office Requisites				
10. Education	70.25.00	1,55.11	69,22.00	[illegible]
TOTAL	1,02,03	3,00,72	1,00,[illegible]	1,77,[illegible]
CAPITAL SECTION				
(a) Plant Items :				
4. Furniture and Furnishings	14.06	17,[illegible]	2,10.00	10,[illegible]
5. Computers :	2,03.28	3,10.48	72,16.56	1,[illegible]
22. Photo and Typewriter	18.[illegible]	11,[illegible]	2,[illegible]	12,[illegible]
23. Rural Tub Programme	35.75	60.[illegible]	1,10.36	1,[illegible]
GRAND TOTAL	3,30,30.32	[illegible]	3,00,0.48	42.32

APPENDIX—IV

Statement showing the excess over grant/appropriation requiring regularisation

(Reference . Paragraph 2.2.3. page 15)

Sl. No.	Number and Name of grant/appropriation	Total Grant/ appropriation Rs.	Expenditure Rs.	Excess Rs.
1	2	3	4	5
	(a) Voted Grants			
	REVENUE SECTION			
	AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT			
(i)	2-Agriculture	1,70,41,10,000	1,71,71,29,812	1,30,19,812
(ii)	3-Minor Irrigation, Soil conservation and Area Development	6,08,73,000	6,51,04,849	42,31,849
(iii)	4-Animal Husbandry and Dairy Development	16,75,26,000	17,13,78,690	38,52,690
	FINANCE DEPARMENT			
(iv)	15-Pensions and Other Retirement Benefits	1,16,14,00,000	1,48,56,69,135	32,42,69,135
	FORESTS AND ENVIRONMENT DEPARTMENT			
(v)	23-Forests	12,75,91,000	13,59,32,796	83,41,796
	GENERAL ADMINISTRATION DEPARTMENT			
(vi)	28-Elections	3,02,45,000	3,18,21,544	15,76,544
	HEALTH AND FAMILY WELFARE DEPARTMENT			
(vii)	36-Medical and Public Health	1,58,55,38,000	1,61,80,75,006	3,25,37,006

APPENDIX—IV (*Contd.*)

1	2	3	4	5
	HOME DEPARTMENT			
(viii)	41-Police	1,76,09,80,000	1,83,17,76,855	7,07,96,855
(ix)	42-Jails	5,04,50,000	5,81,71,975	77,21,975
(x)	43-Other Expenditure pertaining to Home Department	8,33,44,000	8,55,70,369	22,26,369
	INDUSTRIES, MINES AND ENERGY DEPARTMENT			
(xi)	44-Industries, Mines and Energy Department	85,55,000	93,72,739	8,17,739
(xii)	48-Mines and Minerals	2,77,75,000	3,04,34,960	26,59,960
	LABOUR AND EMPLOYMENT DEPARTMENT			
(xiii)	58-Labour and Employment Department	41,00,000	41,14,548	14,548
	PANCHAYATS AND RURAL HOUSING DEPARTMENT			
(xiv)	67-Panchayats and Rural Housing Department	57,01,000	57,79,772	78,772
(xv)	69-Rural Housing	7,55,03,000	7,55,95,301	92,301
(xvi)	71-Other Expenditure pertaining to Panchayats and Rural Housing Department	4,01,85,000	4,02,08,870	23,870
	PORTS, TRANSPORT AND FISHERIES DEPARTMENT			
(xvii)	74-Transport	99,07,78,000	1,09,59,44,617	10,51,66,617

1	2	3	4
	HOME DEPARTMENT		
(viii)	41-Police	[illegible]	[illegible]
(ix)	42-Jails	[illegible]	[illegible]
(x)	43-Other Expenditure relating to Home Department	[illegible]	[illegible]
	MINISTER FOR MINES AND ENERGY DEPARTMENT		
(xi)	44-Industries and Labour Energy Department	[illegible]	[illegible]
(xii)	46-Mines and Minerals	[illegible]	[illegible]
	LABOUR AND EMPLOYMENT DEPARTMENT		
(xiii)	53-Labour and Employment Department	[illegible]	[illegible]
	MANCHALAYAN AND RURAL HOUSING DEPARTMENT		
(xiv)	64-Manchalayan and Rural Housing Department	[illegible]	[illegible]
(xv)	[illegible]	[illegible]	[illegible]
(xvi)	7-Other Expenditure relating to Planning and Development Department	[illegible]	[illegible]
	PORTS AND INLAND WATERWAYS DEPARTMENT		
(xvii)	[illegible]	[illegible]	[illegible]

APPENDIX—IV (*Contd.*)

1	2	3	4	5
		REVENUE DEPARTMENT		
(xviii)	79-District Administrations	15,43,24,000	15,46,86,596	3,62,596
(xix)	81-Dangs District	7,67,37,000	7,89,65,515	22,28,515
		ROADS AND BUILDINGS DEPARTMENT		
(xx)	84-Roads and Buildings Department	1,75,00,000	2,08,23,911	33,23,911
(xxi)	85-Non-Residential Buildings	56,91,32,000	59,33,59,440	2,42,27,440
		SOCIAL WELFARE DEPARTMENT		
(xxii)	90-Social Welfare Department	40,15,000	40,90,159	75,159
(xxiii)	91-State Excise	1,22,78,000	1,28,44,593	5,66,593
(xxiv)	94-Special Component plan for Scheduled Caste	37,66,89,000	40,77,86,730	3,10,97,730
		TRIBAL DEVELOPMENT DEPARTMENT		
(xxv)	96—Welfare of Scheduled Tribes	12,27,63,000	12,53,80,531	26,17,531
CAPITAL SECTION				
		AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT		
(i)	4-Animal Husbandry and Dairy Development	1,93,54,000	2,10,07,600	16,53,600
		CO-OPERATION DEPARTMENT		
(ii)	7-Co-operation	6,23,76,000	13,14,84,450	6,91,08,450

APPENDIX– IV (*Contd.*)

1	2	3	4	5
	FORESTS AND ENVIRONMENT DEPARTMENT			
(iii)	23-Forests	19,98,56,000	21,72,93,793	1,74,37,793
(iv)	25-Other Expenditure pertaining to Forests and Environment Department	93,75,000	1,10,37,967	16,62,967
	HOME DEPARTMENT			
(v)	43-Other Expenditure pertaining to Home Department	3,91,50,000	3,96,88,227	5,38,227
	INFORMATION, BROADCASTING AND TOURISM DEPARTMENT			
(vi)	54-Other Expenditure pertaining to Information, Broadcasting and Tourism Department	16,20,000	16,94,560	74,560
	IRRIGATION DEPARTMENT			
(vii)	57-Other Expenditure pertaining to Irrigation Department	1,73,50,000	1,75,99,531	2,49,531
	ROADS AND BUILDINGS DEPARTMENT			
(viii)	89-Other Expenditure pertaining to Roads and Buildings Department	93,00,000	93,05,173	5,173
	SOCIAL WELFARE DEPARTMENT			
(ix)	93-Other Expenditure pertaining to Social Welfare Department	29,40,000	30,31,070	91,070

1	2	3	4	5
(b) Charged Appropriation :				
REVENUE SECTION				
	AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT			
(i)	5-Other Expenditure pertaining to Agriculture and Rural Development Department	1,44,66,000	2,32,59,568	87,93,568
	EDUCATION DEPARTMENT			
(ii)	10-Education	12,58,11,000	13,48,00,000	89,89,000
	FINANCE DEPARTMENT			
(iii)	15-Pensions and other Retirement Benefits	6,00,000	8,11,571	2,11,571
	HOME DEPARTMENT			
(iv)	41-Police	6,00,000	6,14,053	14,053
	IRRIGATION DEPARTMENT			
(v)	57-Other Expenditure pertaining to Irrigation Department	87,62,000	88,78,860	1,16,860
	LEGAL DEPARTMENT			
(vi)	62-Administration of Justice	1,99,99,000	2,01,67,834	1,68,834
	REVENUE DEPARTMENT			
(vii)	79-Distric Administration	—	83,710	83,710
	URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT			
(viii)	102-Compensations Assignments and Tax collection charges.	8,49,03,000	8,49,06,379	3,379
CAPITAL SECTION				
	ROADS AND BUILDINGS DEPARTMENT			
(i)	87-Roads and Bridges	40,59,000	40,67,798	8,798

APPNDIX—V

Statement showing cases where expenditure fell short by Rs. 1 crore and 10 per cent of the provision.

(Reference : Paragraph 2.2.4 page 16)

Sl. No.	Name of the Department Number and Name of the grants	Amount of saving (Rs. in crores) (percentage to total provision)	Main reasons for saving
1	2	3	4
	REVENUE SECTION FOOD AND CIVIL SUPPLIES DEPARTMENT		
(I)	19-Civil Supplies	11.30 —— (36)	Coverage of less population under "Food for All" scheme, less off take of food-grains and non-finalisation of subsidy bills.
	GENERAL ADMINISTRATION DEPARTMENT		
(ii)	32-Other epxenditure pertaining to General Administration Department	7.47 —— (19)	Reduction in 'Plan' outlay.
	HELATH AND FAMILY WELFARE DEPARTMENT		
(iii)	37-Family Welfare	4.41 —— (11)	Performance of less operations, non-sanction of grants to voluntary organisations etc. and delay in purchase of publicity materials.
(iv)	39-Other expenditure pertaining to Health and Family Welfare Department.	3.54 —— (20)	Vacant posts and reduction in 'Plan' outlay.

APPENDIX—V (*Contd.*)

1	2	3	4
	INFORMATION, BROADCASTING AND TOURISM DEPARTMENT		
(v)	52-Information and Publicity	1.26 —— (15)	Reduction in 'Plan' outlay.
	CAPITAL SECTION AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT		
(i)	2—Agriculture	16.28 —— (34)	Sanction of less loan by the Central Government for purchase and distribution of agriculture inputs.
	EDUCATION DEPARTMENT		
(ii)	10-Education	1.20 —— (56)	No explanation.
	FINANCE DEPARTMENT		
(iii)	16-Other expenditure pertaining to Finance Department.	20.06 —— (92)	Non-passing the Bill for increasing the corpus of Contingency Fund during 1988-89.
	HEALTH AND FAMILY WELFARE DEPARTMENT		
(iv)	38-Water Supply	14.17 —— (23)	Receipt of less assistance from the Centrel Government, non-sanction of the projects by the Government of India and non-utilisation of loan granted to the local bodies.
	INDUSTRIES, MINES AND ENERGY DEPARTMENT		
(v)	47-Industries	11.53 —— (12)	Reduction in 'Plan' outlay and sanction of less loan to Gujarat State Textile Corporation, abandonmen. of Sheet Glass Project of Gujarat Fusion Glass Works Ltd. and non-receipt of proposal for loan against amount of sales tax from the Gujarat State Financial Corporation.

APPENDIX– V (*Contd.*)

1	2	3	4
(vi)	48-Mines and Minerals	4.25 —— (52)	Grant of less loan to the Gujarat Mineral Development Corporation owing to general cut imposed by the Government.
	IRRIGATION DEPARTMENT		
(vii)	56-Irrigation and Soil Conservation	32.90 —— (23)	Slow progress of work, reduction in 'Plan' outlay, non-finalisation of plans and estimates, non-fixation of agencies, non-finalisation of land acquisition awards and non-availability of areas for execution of field channel works.
	NARMADA DEVELOPMENT DEPARTMENT		
(viii)	65-Narmada Development Scheme	39.71 —— (18)	Delay in import of machinery for concrete work for Dam and Appurtenant Works, non-receipt of forest clearance and delay in fixation of agencies in respect of cross drainage works and Canal Lining works, etc.
	PANCHAYATS AND RURAL HOUSING DEPARTMENT		
(ix)	69-Rural Housing	5.45 —— (69)	Non-sanction of loan to Gujarat Rural Housing Board owing to less work done by the Board, non-execution of construction work for Economically Weaker Section Scheme and receipt of less loan from the Life Insurance Corporation of India.
	PORTS, TRANSPORT AND FISHERIES DEPARTMENT		
(x)	73-Ports	5.07 —— (63)	Less demand for loan by the Gujarat Maritime Board, non-inclusion of the Scheme of Ferry Service under Inland Water Transport Programme by the Government of India and non-receipt of administrative approval for certain works of construction of docks, berths and jetties.

APPENDIX—V (*Contd.*)

1	2	3	4
(xi)	75-Fisheries	1.96 —— (46)	Reduction in 'Plan' outlay (Rs. 1.37 crores).
	REVENUE DEPARTMENT		
(xii)	80-Relief on account of Natural Calamities	14.98 —— (45)	Less expenditure on relief works for employment generation and less demand for Urban Water Supply Schemes owing to good rainfall during the year.
	ROADS AND BUILDINGS DEPARTMENT		
(xiii)	85-Non-Residential Buildings.	6.30 —— (31)	Non-receipt of administrative approval, non-finalisation of plans and estimates and non-fixation of agencies and site for various non-residential buildings like Employment, Education, Polytechnics, Crop Husbandry, etc. (Rs. 4.46 crores).
(xiv)	87-Roads and Bridges.	9.88 —— (37)	Reduction in 'Plan' outlay in respect of rural roads.
(xv)	88-Gujarat Capital Construction Scheme.	1.62 —— (23)	Reduction in 'Plan' outlay in respect of various works like residential and non-residential buildings and road works.
	SOCIAL WELFARE DEPARTMENT		
(xvi)	94-Special Component plan for Scheduled Castes	1.50 —— (25)	Non-receipt of administrative approval and tenders and non-fixation of site for construction of residential schools and hostels.

APPENDIX—V (*Contd.*)

1	2	3	4
TRIBAL DEVELOPMENT DEPARTMENT			
(xvii)	98-Tribal Area Sub-plan	7.56 —— (14)	Reduction in 'Plan' outlay non fixation of agency slow progress or abandonment works, non-acquisition of land etc. in respect of various irrigation schemes and non-receipt of administrative approval or technical sanction and non-finalisation of plans and estimates or agency in respect of residential and non-residential buildings.
URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT			
(xviii)	101—Urban Development	2.41 —— (23)	Restructuring of World Bank aided projects as economy measures and non-release of loan by the Government of India for Integrated Urban Development of Small and Medium towns.

APPENDIX—VI

Statement showing instances of injudicious reappropriation

(Refrerence : Paragraph 2.3 page 25)

(Rupees in crores)

Sl. No.	Gr. No.	Head of Account	Provision	Reappropriation	Total grant	Expenditure	Excess(+) Saving(—)
1	2	3	4	5	6	7	8
1.	2	2415—Agriculture Research and Education, (01) Crop Husbandry (004) Research, (2) AGR-6-Grant-in-aid to Gujarat Agricultural University for Agricultural research (Plan)	1.62	(—) 0.31	1.31	1.86	(+)0.55
2.	11	2205-Art and Culture, (102) Promotion of Arts and Culture, (1) EDN-87-A Cultural Activities of Sangeet Nritya Natya Academy	0.59	(+)0.02	0.61	0.49	(--)0.12
3.	11	2205—Art and culture, (105) Public Libraries (1) EDN-74 Library Development	0.80	(--) 0.04	0.76	0.99	(+)0.23
4.	41	2055—Police (109) District Police (6) Ahmedabad City Police	21.65	(--)0.76	20.89	23.04	(+) 2.15
5.	65	4701—Capital Outlay on Major and Medium Irrigation, (01) Major Irrigation —Commercial	0.75	(+)0.71	1.46	0.22	(—)1.24

APPENDIX—VI (Cotntd.)

1	2	3	4	5	6	7	8
		(401) Narmada Project Unit-I Dam and Appurtenant Works (2) Land (Plan)					
6.	94	2225-Welfare of Scheduled Casles, Scheduled Tribes and Other Backward Classes (01) Welfare of Scheduled Castes (102) Economic Devemlopment (29) BCK-23 Special Component Plan for Scheduled Castes Financial assistance for cottage industries for self employment including bamboo work and traditional occupation like *Vadi*, *Bhavaiya*, etc. (Plan)	1.70	(—)0.11	1.59	3.97	(+)2.38
7.	94	2225-Welfare of Scheduled Castes and Scheduled Tribes and Oher Backward Classes (01) Welfare of Scheduled Castes (001) Direc'ion and Administraion (78) BCK-66 Special Component Plan for Scheduled Castes Nucleus Budget (Plan)	0.03	(—)0.02	0.01	0.47	(+)0.46
8.	94	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes					

APPENDIX VI (Contd.)

1	2	3	4	5	6	7	8
		(01) Welfare of Scheduled Castes (800) Other expenditure (67) BCK-62 Nagrik Cell (Plan) (Centrally Sponsored Scheme)	0.02	(—)0.02	0.18	0.47	(+)0.29
9.	94	2225—Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (01) Welfare of Scheduled Castes (277) Education (36) BCK-28 Training to Backward Class artisans at approved Workshops (Plan)	0.08	(—)0.02	0.06	0.33	(+)0.27
10.	94	2225—Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (01) Welfare of Scheduled Castes (800) Other expenditure BCK-62(1) Special Component Plan for Scheduled Castes Group Insurance Scheme for Scavengers (Plan)	0.05	(—)0.05	Nil	0.18	(+)0.18
11.	98	4701-Capital Outlay on Major and Medium Irrigation (80) General (796) Tribal areas Sub Plan Administration (Plan)	3.38	(+)0.71	4.09	2.88	(—)1.21

APPENDIX—VII

Year wise cases of misappropriation, losses etc., (reported upto 31st March 1989 and outstanding at the end of September 1989)

(*Reference* : *Paragraph* 3.8 *Page* 86) (Amount Rupees in lakhs)

Sl. No.	Name of the Department	1979—80		1981—82		1982—83		1983—84		1984—85	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1.	Food & Civil Supplies	3	0.69	—	—	—	—	—	—	—	—
2.	Agriculture & Rural Development	5	0.61	—	—	—	—	—	—	—	—
3.	Forests & Environment	1	0.55	2	0.38	—	—	—	—	1	0.50
4.	Ports, Fisheries and Transport	2	2.78(A)	—	—	—	—	—	—	—	—
5.	Social Welfare	1	0.04 (D)	—	—	—	—	—	—	—	—
6.	Home	3	0.72 (A)		—	1	0.01	1	0.01	—	—
7.	Finance	1	1.00	—	—	—	—	1	2.47		—
8.	Gujarat Legislature Secretariat	1	0.41	—	—	—	—	—	—	—	—
9.	Narmada Development	—	—	—	—	—	—	—	—	—	—
10.	Education	3	2.62	—	—	—	—	—	—	—	—
11.	Health & Family Welfare	13	9.36	—	—	—	—	4	0.57	—	—
12.	Roads & Buildings	7	0.42	—	—	—	—	—	—	—	—
13.	Water Resources	21	4.31	—	—	5	4.77	—	—	3	1.98
14.	Legal	—	—	—	—	—	—	—	—	—	—
15.	Revenue										
	(i) Land Revenue	54	5.07	—	—	—	—	—	—	—	—
	(ii) Other than Land Revenue	22	3.15 ( )	—	—	—	—	—	—	—	—
	Total :	137	31.73	2	0.38	6	4.78	6	3.05	4	2.48

NOTE. :— A : One case of 1978—79 (Rs. 2.18 lakhs) transferred from Home to Ports & Fisheries Department.
D : One case of 1965—66 (Rs. 0.04 lakh) transferred from Tribal to Social Welfare Department.

APPENDIX—VII

Year—wise cases of misappropriation, losses etc., (reported upto 31st March 1989 and outstanding at the end of September 1989)

(*Reference* : *Paragraph* 3.8 *Page* 86) (Amount Rupees in lakh)

Sl. No.	Name of the Department	1985—86		1986—87		1987—88		1988—89		Total	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1.	Food & Civil Supplies	—	—	—	—	—	—	—	—	3	0.69
2.	Agriculture & Rural Development	—	—	—	—	—	—		—	5	0.61
3.	Forests & Environment	—	—	—	—	—	—	—	—	4	1.43
4.	Ports, Fisheries and Transport	—	—	—	—	—	—	—	—	2	2.78
5.	Social Welfare	—	—	—	—	—	—	—	—	1	0.04
6.	Home	—	—	—	—	—	—	—	—	5	0.74
7.	Finance	—	—	—	—	1	0.15 (B)	—	—	3	3.62
8.	Gujarat Legislature Secretarisat	—	—	—	—	—	—	—	—	1	0.41
9.	Narmada Development	—	—	—	(C)	1	0.92	—	—	1	0.92
10.	Education	—	—	—	—	—	—	—	—	3	2.62
11.	Health & Family Welfare	—	—	—	—	2	0.33	1	0.58	20	10.84
12.	Roads and Buildings	1	0.02	—	—	—	—	—	—	8	0.44
13.	Water Resources	2	0.67	1	0.45 (C)	—	—	—	—	32	12.18
14.	Legal	—	—	—	—	1	0.16	—	—	1	0.16
15.	Revenue										
	(i) Land Revenue	—	—	3	0.72	1	0.03	16	0.77	74	6.59
	(ii) Other that Land Revenue	—	—	—	—	—	(B)	—	—	22	3.15
	Total :	3	0.69	4	1.17	6	1.59	17	1.35	185	47.22

NOTE. :— B : One case of 1987—88 (Rs. 0.15 lakh) transferred from Revenue to Finance Department.

C : One case of 1986—87 (Rs. 0.45 lakh) transferred from Narmada to Water Resources Department.

APPENDIX

Status of cases of misappropriation, losses etc.

Reference : Paragraph

Sl. No.	Name of Department	Awaiting completion of investigation		Pending in court of law	
		No.	Amt.	No.	Amt.
1	2	3	4	5	6
1.	Food & Civil supplies	—	—	2	0.64
2.	Agriculture & Rural Development	2	0.47	1	0.12
3.	Forests & Enviornment	2	1.05	—	—
4.	Ports & Fisheries	—	—	1	0.60
5.	Social Welfare	1	0.04	—	—
6.	Home	—	—	3	0.47
7.	Finance	—	—	3	3.62
8.	Gujarat Legislature Secretariat	—	—	1	0.41
9.	Narmada Development	1	0.92	—	—
10.	Education	1	0.47	—	—
11.	Health & Family Welfare	—	—	6	8.52
12.	Roads & Buildings	1	0.02	1	0.12
13.	Water Resources	17	8.66	1	0.83
14.	Legal	1	0.16	—	—
15.	Revenue				
	(i) Land Revenue	—	—	18	2.23
	(ii) Other than Land Revenue	1	0.01	4	0.91
	Total	27	11.80	41	18.47

VIII

(Pending on 30th September 1989)

3.8 Page 86) (Amount Rupees in lakhs)

Orders of recovery issued but recovery is pending		Information about recovery of amount ordered to be recovered is awaited.		Other reasons		Total	
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
7	8	9	10	11	12	13	14
—	—	—	—	1	0.05	3	0.69
—	—	—	—	2	0.02	5	0.61
—	—	2	0.38	—	—	4	1.43
—	—	—	—	1	2.18	2	2.78
—	—	—	—	—	—	1	0.04
—	—	—	—	2	0.27	5	0.74
—	—	—	—	—	—	3	3.62
—	—	—	-	-	-	1	0.41
—	—	—	-	-	—	1	0.92
—	—	—	—	2	2.15	3	2·62
—	—	—	—	14	2.32	20	10.84
—	—	—	—	6	0.30	8	0.44
—	—	—	—	14	2.69	32	12.18
—	—	—	—	—	—	1	0.16
1	0.02	—	—	55	4.34	74	6.59
5	0.39	—	—	12	1.84	22	3.15
6	0.41	2	0.38	109	16.16	185	47.22

APPENDIX—IX

Year-wise details of outstanding inspection reports

(*Reference : Paragraph* 4.22 *page 113*)

Year(s)	Roads and Buildings		Water Resources		Narmada Development	
	Number of Inspeection Reports	Number of Paragraphs	Number of Inspeection Reports	Number of Paragraphs	Number of inspeection Reports	Number of Paragraphs
upto 1984—85	107	250	278	758	23	36
1985—86	27	95	63	204	12	27
1986—87	34	122	89	420	12	36
1987—88	36	146	69	316	20	92
1988—89	25	115	61	323	32	95
Total ...	229	728	560	2021	99	286

APPENDIX-X

APPENDIX—

(*Reference*

FINANCIAL RESULTS OF DEPARTMENTALLY MANAGED

Sl. No.	Name of the enterprise	Period of account	Government capital at the end of the year	Mean Capital
1	2	3	4	5
1.	Cattle breeding farm, Bhuj.	1986—87	77.02	82.79
		1987—88	85.38	98.10
		1988—89	85.34	80.61
2.	Cattle breeding farm, Mandvi-(Surat District)	1986—87	76.79	68.22
		1987—88	73.60	76.88
		1988—89	72.82	74.55
3.	Cattle breeding farm, Morvi.	1986—87	5.53	7.00
		1987—88	6.76	20.27
		1988—89	4.99	1.05
4.	Cattle breeding farm, Thara (Banaskantha District).	1987—88	57.98	67.82
		1988—89	76.07	72.30
5.	Poultry farm, Vadodara.	1982—83	8.76	8.96
		1983—84	10.15	11.17
		1984—85	11.52	13.57
		1985—86	28.45	40.34
		1986—87	33.39	36.29
		1987—88	38.32	42.01
		1988—89	40.81	42.58
6.	Poultry farm, Dahod.	1980—81	0.63	2.39
		1981—82	1.75	4.05
		1982—83	3.40	3.33
		1983—84	6.14	5.89
		1984—85	7.49	10.02
		1985—86	6.99	9.98
		1986—87	10.55	12.56
		1987—88	10.71	13.93
		1988—89	23.75	20.05

Note : 1 Submission of proforma accounts by the Cattle breeding farm, Morvi for the years 1977-78 to 1979-80 has been waived by Government due to loss of records in floods.

X

paragraph 6.1 *page 123*)

COMMERCIAL/*QUASI*-COMMERCIAL UNDERTAKINGS

(Rupees in lakhs)

Free Reserve	Block assets) (net)	Depreciation (for the year)	Profit (+) Loss(—)	Interest charges added back	Total return	Percentage of return on mean capital
6	7	8	9	10	11	12
—	3.08	0.05	(—)12.65	4.74	(—)7.91	—
—	3.26	0.07	(—)16.55	4.83	(—)11.72	
—	4.11	0.17	(—)9.36	5.17	(—)4.19	—
—	19.66	0.54	(—)3.48	4.92	(+)1.44	2.1
—	19.15	0.51	(—)6.72	4.90	(—)1.82	—
—	18.78	0.50	(—)8.14	4.92	(—)3.22	—
—	1.24	0.32	(—)7.40	0.44	(—)6.96	
—	1.17	0.07	(—)13.60	0.33	(—)13.27	—
—	1.10	0.07	(—)7.06	0.42	(—)6.64	—
—	7.18	0.40	(—)16.89	3.79	(—)13.10	—
—	6.82	0.36	(—)12.62	4.62	(—)8.00	—
—	1.16	0.09	(—)1.94	0.61	(—)1.33	—
—	1.08	0.08	(—)2.19	0.71	(—)1.48	—
—	1.01	0.07	(—)3.14	0.83	(—)2.31	—
—	14.96	0.63	(—)5.65	1.51	(—)4.14	—
—	14.90	0.78	(—)6.19	2.27	(—)3.92	—
—	14.70	0.52	(—)7.06	2.43	(—)4.63	—
—	14.29	0.46	(—)7.56	2.87	(—)4.69	—
—	0.76	0.01	(—)1.18	0.06	(—)1.12	—
—	0.81	0.01	(—)2.33	0.18	(—)2.15	—
—	4.63	0.22	(—)1.72	0.33	(—)1.39	—
—	4.85	0.20	(—)0.15	0.28	(+)0.13	2.2
—	5.68	0.20	(—)1.70	0.24	(—)1.46	—
—	5.54	0.29	(—)3.54	0.38	(—)3.16	—
—	5.82	0.29	(—)3.10	0.35	(—)2.75	—
—	7.56	0.37	(—)0.38	1.24	(—)1.84	—
—	7.44	0.44	(+)0.47	1.86	(+)2.33	11.62

1	2	3	4	5
7.	Poultry farm, Junagadh.	1986—87	4.80	5.16
		1987—88	6.13	5.52
		1988—89	6.32	4.82
8.	Poultry farm, Makarba.	1986—87	7.94	10.99
		1987—88	7.21	14.03
		1988—89	7.21	10.69
9.	Poultry farm, Surat.	1979—80	17.64	14.17
		1980—81	15.86	20.20
		1981—82	17.40	14.52
		1982—83	15.36	15.76
		1983—83	15.62	16.51
		1984—85	15.46	11.16
		1985—86	13.81	17.52
		1986—87	14.65	13.01
		1987—88	13.66	11.67
		1988—89	10.81	6.91
10.	Boring and Tractor Organisation, Rajkot. (The enterprise was under the control of a Gov'. Corporation during the period 1.2.83 to 31.12.86).	1981—82	4.42	34.24
		1982—83 (upto 31-1-83)	(—) 10.07	29.81
		1986—87 (1-1-87 to 31-3-87)	43.71	47.36
		1987—88	38.98	54.54
		1988—89	59.55	75.60

2. Certification of accounts of Poultry farm, Rajkot for the years 1978-79 to 1981-82 by the Examiner, Local Fund Accounts (when the farm was under Dist. Panchayat) and clarification sought for (July 1989) in respect of accounts for the years 1986-87 to 1988-89 have not been received. Financial results of the years 1982-83 to 1985-86 have been provisionally incorporated in the Report for the year 1986-87.

6	7	8	9	10	11	12
—	1.54	0.05	(—) 0.89	0.27	(—) 0.62	—
—	1.49	0.05	(—) 0.17	0.37	(+) 0.20	3.62
—	1.55	0.08	(+) 0.76	0.41	(+) 1.17	24.27
—	5.50	0.61	(—) 1.90	0.40	(—) 1.50	—
—	5.15	0.59	(—) 5.36	0.36	(—) 5.00	—
—	5.38	0.70	(—) 5.32	0.33	(—) 4.99	—
—	6.76	0.32	(+) 0.90	1.06	(+) 1.96	13.83
—	6.95	0.63	(—) 2.59	1.07	(—) 1.52	—
—	6.81	0.27	(—) 0.19	1.16	(+) 0.97	6.68
—	6.56	0.25	(—) 1.12	1.10	(—) 0.02	—
—	6.33	0.23	(—) 1.69	1.31	(—) 0.38	—
—	6.11	0.22	(+) 1.30	0.78	(+) 2.08	18.64
—	5.91	0.21	(—) 1.76	0.91	(—) 0.85	—
—	5.75	0.21	(—) 0.36	0.82	(+) 0.46	3.54
—	5.56	0.19	(+) 0.66	0.73	(+) 1.39	11.91
—	5.37	0.18	(+) 2.43	0.38	(+) 2.81	40.67
—	8.77	2.47	(—) 5.19	0.57	(—) 4.62	—
—	5.44	2.93	(—) 6.73	0.49	(—) 6.24	—
—	15.44	—	(—) 1.27	0.63	(—) 0.64	—
—	16.59	—	(—) 8.72	0.39	(—) 8.33	—
—	26.00	0.27	(—) 3.66	2.47	(—) 1.19	—

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