



सत्यमेव जयते

**REPORT OF THE  
COMPTROLLER  
AND  
AUDITOR GENERAL OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 1995**

**NO. 3  
( CIVIL )**

**GOVERNMENT OF GUJARAT**



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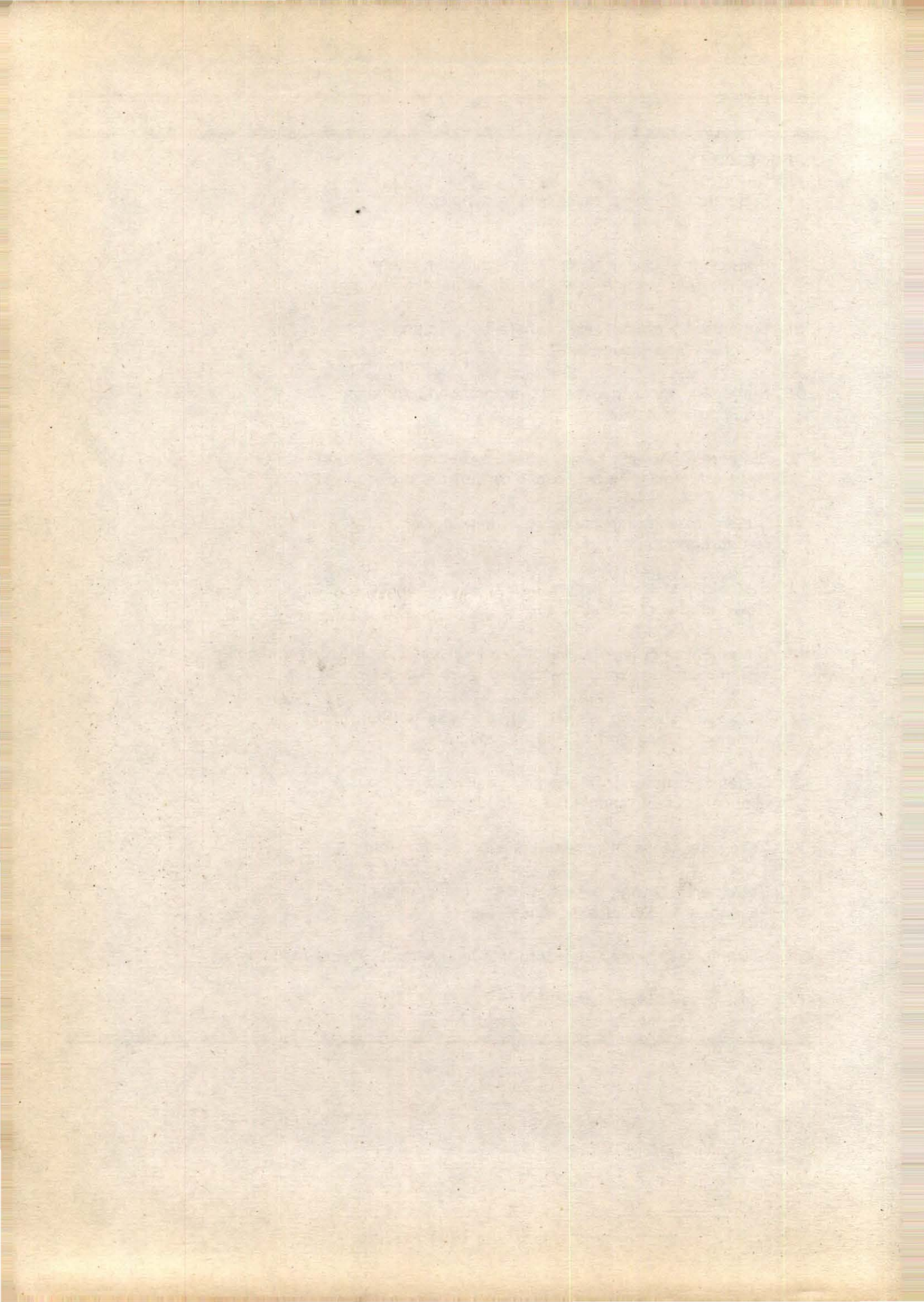
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## **PREFATORY REMARKS**

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 1994-95 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 1994-95.

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 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 1994-95 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 1994-95 have also been included wherever considered necessary.



## OVERVIEW

This Report contains six Chapters, the first two containing the observations of Audit on the Accounts of the State Government for 1994-95 and the other four comprising five reviews and 43 paragraphs, incorporating the results of audit of the Civil Departments, Works Expenditure, Stores and Stock Accounts and Financial Assistance to Local Bodies. A synopsis of findings contained in the audit reviews and the more important paragraphs is presented in this overview.

### 1 Accounts of the State Government

The trend of revenue deficit has been arrested from 1993-94 and the year 1994-95 closed with a surplus of Rs. 262.17 crores.

The aggregate of the amount received by the State Government on account of the State's share of Union Taxes, Duties and Grants-in-aid increased from Rs.828.56 crores in 1990-91 to Rs.1575.42 crores in 1994-95; implying an increase of 90 *per cent*. The percentage of the amounts received from the Government of India to the total receipts of the State declined from 21 in 1990-91 to 20 in 1994-95

The plan revenue expenditure during 1994-95 was Rs. 825.46 crores against the budget estimates of Rs.825.97 crores (including supplementary). The non-plan revenue expenditure during the year was Rs. 6718.76 crores against the budget estimates of Rs.7028.77 crores (including supplementary).

As at the end of 1994-95, the total investment in statutory corporations, Government companies etc., worked out to Rs. 3219.68 crores (against Rs.1033.33 crores as at the end of 1990-91). Dividend and interest received thereon were only Rs.14.08 crores, i.e. 0.44 *per cent*.

Public Debt of the State increased from Rs. 5900.18 crores at the end of 1990-91 to Rs. 9183.15 crores at the end of 1994-95. The other liabilities also increased from Rs. 621.33 crores to Rs.1110.90 crores during the same period. Central loans/advances ranged between 76 and 79 *per cent* of the total liabilities. The repayment of Central loans and payment of interest thereon was Rs.1046.22 crores during 1994-95 which worked out to 108 *per cent* of the fresh loans received from the Central Government during the year. In 1993-94 also, such repayments had exceeded the loans received from the Central Government.

The total debt service obligation discharged during the year was Rs.1585.07 crores which constituted 21 *per cent* of the revenue expenditure during the year.

As on 31 March 1995, a total amount of Rs.274.15 crores including interest of Rs.55.28 crores was overdue for recovery against loans advanced to Municipalities, Panchayati Raj Institutions, Other Local Bodies and Public Sector Undertakings etc., for which accounts are maintained by the Accountant General (A&E). According to information furnished by 20 out of 84 departmental officers, Rs.37.02 crores, including interest of Rs.22.00 crores, were overdue for recovery in respect of loans and advances for which accounts are maintained by departmental officers.

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The abbreviations used in this Report are listed in Glossary in Appendix-XIV.

The revenue realised during the year from 5 commercial irrigation projects was a mere 4 *per cent* of the capital outlay of Rs.215.10 crores. All these projects were incurring heavy losses every year. The revenue realised was not sufficient to cover even the direct working expenses of the projects.

(Paragraphs 1.1 to 1.19)

## **2 Appropriation Audit and Control over Expenditure**

Against the total budget provision of Rs.11545.87 crores (including supplementary), the actual expenditure was Rs.9930.24 crores. The overall savings of Rs.1615.63 crores was the result of saving of Rs.1988.38 crores in 102 grants and 38 appropriations and excess of Rs.372.75 crores in 38 grants and 5 appropriations. The excess required regularisation by the Legislature under Article 205 of the Constitution of India.

The total supplementary provision of Rs. 1313.75 crores obtained during the year constituted 13 *per cent* of the original budget provision. In 14 cases, the supplementary provision of Rs.32.15 crores obtained in March 1995, was unnecessary.

In 13 grants and 2 appropriations, the expenditure fell short by more than Rs.1 crore and also by 10 *per cent* of the total provision.

In 6 grants, expenditure of Rs. 20.67 crores was incurred without budget provision. Since these cases attracted the limitation of 'New Service/New Instrument of Service', the prior approval of the Legislature or advance from the Contingency Fund should have been obtained.

(Paragraphs 2.1 to 2.6)

## **3 Restructuring and reorganisation of Teachers' Education**

Under the National Policy on Education, improvement in the status and professional competence of teachers was envisaged as the corner-stone of educational reconstruction. As a follow-up, this scheme was introduced in 1987-88.

Out of total non-recurring Central assistance of Rs.942.85 lakhs, expenditure of Rs.384.23 lakhs was incurred leaving unspent balance of Rs.558.62 lakhs with State Government/non-government organisation as of March 1995. Utilisation certificates for Rs.128.30 lakhs paid as non-recurring grant were not received. Central assistance of Rs.445 lakhs could not be utilised due to non-finalisation of proposals for land acquisition, plans and estimates.

Targets in respect of training and formation of academic branches could not be achieved due to shortage of staff.

Central assistance of Rs.20 lakhs sanctioned during 1992-93 as recurring grant for in-service training was not disbursed as no provision was made in the State budget. Evaluation of the scheme was not conducted at any level.

(Paragraph 3.1)

#### 4 Public Distribution System for Tribal and Backward Areas

Sixty one *per cent* of Central assistance for construction of godowns amounting to Rs. 63.70 lakhs remained unutilised with the State Government for two years ending 31 March 1995.

The quantity of foodgrains (wheat) lifted by the State Government was less than allotment by 10 to 23 *per cent* during three years ending 31 March 1995.

In the absence of complete particulars in the monthly stock account, it could not be verified whether the benefit of the scheme was availed of only by the intended beneficiaries.

Handling charges on foodgrains amounting to Rs.2830.45 lakhs to be borne by the State Government were instead passed on to other consumers under the Public Distribution System.

Amount of Rs.149 lakhs being the revised price difference on the closing stock of foodgrains as on 3 February 1993, payable to Government of India was not paid.

No Evaluation of the scheme was conducted.

(Paragraph 3.6)

#### 5 National Programme on Improved Chulhas

In spite of emphasis on training and publicity, only two *per cent* of the total expenditure was incurred on these items.

Out of the four agencies, two could not achieve the targets fixed for installation of improved chulhas.

Eighteen *per cent* of chulhas (38613) installed by Gujarat Energy Development Agency, during 1990-95 were found to be either not in working condition or missing. The amount of subsidy paid on non-functional chulhas was Rs.12.58 lakhs.

Proper feed back and monitoring system was not in force in the nodal agencies to assess the success of the programme.

(Paragraph 6.2)

#### 6 Gujarat Pollution Control Board

The Gujarat Pollution Control Board has been constituted under the Water (Prevention and Control of Pollution) Act, 1974. With the legislation of the Air (Prevention and Control of Pollution) Act, 1981 it has been entrusted with the work of air pollution control activities also.

Comprehensive programme for identification of industries causing pollution in the State had not been planned. Out of 1.27 lakh industries in the State, only 0.09 lakh were functioning under proper consent issued by the Board.

Samples were not collected and analysed according to the prescribed norms in any of the years under report.

Out of 678 and 169 cases decided by the courts during 1989-90 to 1994-95, charges were upheld only in respect of 9 and 39 cases under Water and Air Acts respectively.

Out of 982 units closed, 837 units were closed at the instance of the High Court because of Public interest litigation and 145 units were closed at the instance of Board in 1995. Due to non-adoption of the amendment of the Central Act passed by the Parliament giving more powers under the Water Act the State Board could not function effectively.

(Paragraph 6.13)

## **7 Urban Development Authorities**

In order to ensure planned development of notified areas within the State, Government has constituted seven area/urban development authorities (Authorities) under the provisions of the Gujarat Town Planning and Urban Development Act, 1976.

Approval of Draft Development plans by the Government was delayed by 50 to 124 months. No targets for preparation of town planning schemes by the Authorities were fixed by the Government.

As against 1596 hectares of land required to be acquired, the Authorities acquired 191 hectares only after 5 to 12 years of the approval of their Draft Development Plans. Land valued at Rs.90.06 lakhs purchased/acquired during 1983 to 1990 was not utilised by two Authorities.

Proposals sent by various Authorities during 1981 to 1987 for fixing contribution payable by the local Authorities were awaiting finalisation by Government.

Betterment charges amounting to Rs.334.49 lakhs were outstanding from the plot holders of two Authorities.

Seed money loan of Rs. 1744 lakhs and interest of Rs. 1056.74 lakhs due thereon was outstanding against the Authorities.

Shops and plinths constructed at a cost of Rs.42.48 lakhs by Ahmedabad Urban Development Authority in 1986-90 remained unallotted due to lack of demand.

(Paragraph 6.14)

## **8 Other points**

Lack of synchronisation of purchase of machinery with construction of buildings for polytechnics resulted in idle investment of Rs.47.81 lakhs.

(Paragraph 3.3)

Expenditure of Rs.29.15 lakhs on purchase of off-set printing machines and Rs.2.44 lakhs on repairs and renovation proved unfruitful, as the machines failed to give satisfactory out put.

(Paragraph 3.7)

There was delay in taking effective action to get the unauthorised occupation of Government accommodation vacated and also delay in recovery of rent to the tune of Rs.10.10 lakhs.

(Paragraph 3.11)

Excess purchase of sarees and dress materials resulted in blocking of funds to the extent of Rs. 4.27 lakhs since March 1991.

(Paragraph 3.12)

Irregular payment of Rs.4.43 lakhs towards encashment of leave travel concession was made to police personnel after retirement in three districts.

(Paragraph 3.15)

Expenditure of Rs.18.93 lakhs was incurred on unapproved items out of the grant received from Government of India for Modernisation of Prison Administration.

(Paragraph 3.16)

The procurement of ammunitions by the Police Department was far in excess of requirement and its utilisation ranged from 0.22 to 5.43 *per cent* of the stock available. There were boxes containing 245.65 lakh cartridges valued Rs.319.13 lakhs with year of manufacture ranging from 1930 to 1990 which were not opened.

(Paragraph 3.17)

Commencement of work before finalisation of design and without visualising serious technical problem in a work of augmentation of water supply rendered the expenditure of Rs.12.85 lakhs unfruitful.

(Paragraph 4.1)

Expenditure of Rs. 8.65 lakhs on construction of staff quarters for Fisheries Department proved wasteful since chances of its utilisation were remote due to foreclosure of the project concerned.

(Paragraph 4.8)

Awarding of a work without ensuring procurement and supply of material resulted in delay in its execution and consequential avoidable payment of price escalation amounting to Rs.13.33 lakhs.

(Paragraph 4.13)

Out of medicines worth Rs. 16.65 lakhs purchased between 1990-91 and 1994-95, medicines valued Rs. 14.59 lakhs were found sub-standard during laboratory tests but were already utilised by the time test reports were received.

(Paragraph 5.1.5)

Expenditure of Rs. 5.80 lakhs incurred on printing of two lakh certificates proved infructuous as not a single certificate was issued to the learners.

(Paragraph 6.4)

Hasty decision of Commissioner of Rural Development to conduct fresh household survey without anticipating increase in income level and instructions from Government of India resulted in unfruitful expenditure of Rs.18.30 lakhs.

(Paragraph 6.5)

Unilateral decision taken by the State Government, without consent of Nadiad Municipality and against the recommendations of Gujarat Water Supply and Sewerage Board resulted in avoidable expenditure of Rs.107.81 lakhs on the execution of Nadiad Sewerage Scheme.

(Paragraph 6.8)

Injudicious decision by the Gujarat Water Supply and Sewerage Board to relieve a contractor after recovering penalty for delay in completing the work instead of getting the balance work done at his risk and cost, as per contractual agreement, resulted in loss of Rs. 9.35 lakhs.

(Paragraph 6.10)



## CHAPTER - I

### ACCOUNTS OF THE STATE GOVERNMENT

#### 1.1 Summarised financial position

The summarised financial position of the Government of Gujarat as on 31 March 1995 emerging from the Appropriation Accounts and the Finance Accounts for the year 1994-95 and the abstract of Receipts and Disbursements for the year are given in the Statements I and II. The sources and application of funds are detailed in Statement III. The details are indicated in the following statements.

## STATEMENT-I

Statement of financial position of the Government of Gujarat as on 31 March 1995

(Rupees in crores)

Amount as on 31 March 1994	LIABILITIES	Amount as on 31 March 1995	Amount as on 31 March 1994	ASSETS	Amount as on 31 March 1995	
1131.69	<b>Internal Debt</b>		1355.39	7535.08	<b>Gross Capital Outlay on Fixed Assets</b>	8496.78
979.37	Market Loans bearing interest	1188.78		3087.40	Investment in Shares of Companies, Corporations, etc.	3219.68
2.55	Market Loans not bearing interest	2.55		4447.68	Other Capital Outlays	5277.10
67.25*	Loans from LIC	75.32				
82.52*	Loans from other Institutions	88.74		3672.58	<b>Loans and Advances</b>	4265.48
NIL	Ways and Means Advances	NIL		2376.74	Loans for Power Projects	2670.03
NIL	Overdraft from RBI	NIL		1166.45	Other Development Loans	1439.65
7108.59	<b>Loans and Advances from Central Government</b>	7827.76		129.39	Loans to Government Servants and Miscellaneous Loans	155.80
714.98	Pre 1984-85 Loans	647.49		0.42	<b>Other Advances</b>	0.85
4459.05	Non-Plan Loans	5004.92		62.06	<b>Remittance Balances</b>	37.61
1897.38	Loans for State Plan Schemes	2135.28		285.34	<b>Cash Balance</b>	508.82
7.46*	Loans for Central Plan Schemes	6.51		(-).1.58	Cash in Treasuries and Local Remittances	(-).5.14##
29.14*	Loans for Centrally Sponsored Plan Schemes	33.05		129.05	Departmental Cash Balances including Permanent Advances and investment of earmarked Funds	129.00
0.58*	Loans for Special Schemes	0.51		139.88	Cash Balance Investment	453.70
968.88	<b>Small Savings, Provident Funds etc.</b>	1110.90		17.99	Deposits with Reserve Bank of India	(-).68.74\$
2026.06	<b>Deposits</b>	2563.07		48.99	<b>Deficit on Government Account</b>	NIL
192.63	<b>Reserve Funds</b>	100.03				
136.50	<b>Suspense and Miscellaneous</b>	96.39				
40.12	<b>Contingency Fund</b>	42.83				
NIL	<b>Surplus on Government Account</b>	213.17				
	Current Year's Revenue Surplus	262.17				
	Miscellaneous Government Account	(-).0.01				
		262.16				
	<b>Deduct</b>					
	Deficit on Government Account as on 31 March 1994	48.99				
11604.47		13309.54	11604.47			13309.54

\* Revised due to *pro forma* corrections.

## Minus balance is due to remittances between treasuries and currency chest remaining unadjusted on 31 March 1995.

\$ Minus balance is under investigation.

## EXPLANATORY NOTES •

1 The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts for the year 1994-95 of the State Government and are subject to notes and explanations contained therein.

2 Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock, fixtures etc. do not figure in the accounts.

3 Although a part of the revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.

4 The closing cash balance as per Reserve Bank of India was Rs.68.61 crores against the general cash balance of Rs.(-)68.74 crores shown in accounts. The difference under Deposits with the Reserve Bank of India is yet to be reconciled.

5 Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government account with the result that cumulative position of such surplus or deficit is not ascertainable. The balancing figure of Rs.944.87 crores as on 31 March 1983 was, therefore, treated as cumulative surplus for drawing up the first instalment of financial position for 1983-84 which took the place of a Balance Sheet.

6 Suspense and Miscellaneous balance includes cheques issued but not paid, payments made on behalf of State and other pending settlement etc. The balance under Suspense and Miscellaneous had decreased from Rs.136.50 crores as on 31 March 1994 to Rs.96.39 crores as on 31 March 1995.

## STATEMENT-II

### Abstract of Receipts and Disbursements for the year 1994-95

#### Section A—Revenue

(Rupees in crores)

RECEIPTS	Amount	DISBURSEMENTS	Amount
<b>I Revenue Receipts</b>	<b>7806.39</b>	<b>I Revenue Expenditure</b>	<b>7544.22<sup>\$\$</sup></b>
(i) Tax Revenue	4742.86	<b>Sector</b>	<b>Non-Plan    Plan    Total</b>
(ii) Non-Tax Revenue	1488.11	(i) General Services	2278.29    9.37    2287.66
(iii) State's share of Union Taxes and duties	978.63	(ii) Social Services	2252.34    373.88    2626.22
(iv) Non-Plan Grants	27.31	(iii) Agriculture and Allied Activities	301.00    67.63    368.63
(v) State Plan Schemes	238.59	(iv) Rural Development	170.02    137.88    307.90
(vi) Grants for Centrally Sponsored Plan Schemes	330.89	(v) Special Areas Programmes	16.12    2.98    19.10
		(vi) Irrigation and Flood Control	641.34    79.77    721.11
		(vii) Energy	704.06    8.48    712.54
		(viii) Industry and Minerals	23.15    113.83    136.98
		(ix) Transport	256.08    26.91    282.99
		(x) Communications	0.01    NIL    0.01
		(xi) Science, Technology and Environment	0.12    0.58    0.70
		(xii) General Economic Services	41.39    4.15    45.54
		(xiii) Grants-in-aid and Contributions	34.84    NIL    34.84
<b>II Revenue deficit carried over to Section 'B'</b>	<b>NIL</b>	<b>II Revenue Surplus carried over to Section 'B'</b>	<b>262.17</b>
	<b>7806.39</b>		<b>7806.39</b>

<sup>\$\$</sup> Represents net expenditure after taking into account the recoveries accounted for in reduction of expenditure.

## Section B—Others

(Rupees in crores)

RECEIPTS		Amount	DISBURSEMENTS		Amount
III	Opening Cash Balance including Permanent advances and Cash Balance Investment	285.34	III	Opening Overdraft from Reserve Bank of India	NIL
IV	Miscellaneous Capital Receipts	NIL	IV	Capital Outlay Sector	961.70 <sup>@</sup>
			(i)	General Services	17.09
			(ii)	Social Services	205.41
			(iii)	Agriculture and Allied Activities	69.92
			(iv)	Rural Development	NIL
			(v)	Special Areas Programmes	0.31
			(vi)	Irrigation and Flood Control	545.00
			(vii)	Energy	7.25
			(viii)	Industry and Minerals	13.99
			(ix)	Transport	101.45
			(x)	Communications	NIL
			(xi)	Science, Technology and Environment	NIL
			(xii)	General Economic Services	1.28
V	Recovery of Loans and Advances	119.73	V	Loans and Advances Disbursed	712.63
	(i) From Power Projects	3.78	(i)	For Power Projects	297.05
	(ii) From Government Servants and Miscellaneous loans	36.77	(ii)	To Government Servants and Mis- cellaneous Loans	63.18
	(iii) From Others	79.18	(iii)	To Others	352.40
VI	Revenue Surplus brought down from Section "A"	262.17	VI	Revenue Deficit brought down from Section "A"	NIL
VII	Public Debt Receipts	1337.01	VII	Repayment of Public Debt	394.15
	(i) Internal Debt other than Ways and Means Advances and Overdraft from Reserve Bank of India	253.48	(i)	Internal Debt other than Ways and Means Advances and Overdraft from Reserve Bank of India	29.79
	(ii) Ways and Means Advances	101.11	(ii)	Ways and Means Advances	101.11
	(iii) Overdraft from Reserve Bank of India	13.86	(iii)	Repayment of Overdraft to Reserve Bank of India	13.86
	(iv) Loans and Advances from Central Government	968.56	(iv)	Repayment of Loans and Advances to Central Government	249.39
VIII	Inter-State Settlement Account	NIL <sup>\$\$\$</sup>	VIII	Inter-State Settlement Account	NIL
IX	Transfer from Contingency Fund	NIL	IX	Appropriation to Contingency Fund	NIL
X	Contingency Fund	9.89	X	Contingency Fund	7.17

\$\$\$ Exhibited "NIL" as receipts of Rs.1000 have been ignored due to rounding.

@ Represents net expenditure after taking in to account the recoveries accounted for in reduction of expenditure.

## Section B—Others

(Rupees in crores)

RECEIPTS		Amount	DISBURSEMENTS		Amount
<b>XI</b>	<b>Public Account Receipts</b>	<b>10093.69</b>	<b>XI</b>	<b>Public Account Disbursements</b>	<b>9523.36</b>
(i)	Small Savings and Provident Funds	322.37	(i)	Small Savings and Provident Funds	180.36
(ii)	Reserve Funds	21.07	(ii)	Reserve Funds	113.66
(iii)	Suspense and Miscellaneous	2637.27	(iii)	Suspense and Miscellaneous	2677.39
(iv)	Remittances	1706.87	(iv)	Remittances	1682.43
(v)	Deposits and Advances	5406.11	(v)	Deposits and Advances	4869.52
<b>XII</b>	<b>Closing Overdraft from the Reserve Bank of India</b>	<b>NIL</b>	<b>XII</b>	<b>Cash Balance at the end</b>	<b>508.82</b>
			(i)	Cash in Treasuries and Local Remittances	(-)5.14 <sup>\$\$</sup>
			(ii)	Departmental Cash Balances including Permanent Advances	129.00
			(iii)	Cash Balance Investment	453.70
			(iv)	Deposits with Reserve Bank of India	(-)68.74 <sup>x</sup>
		<b>12,107.83</b>			<b>12,107.83</b>

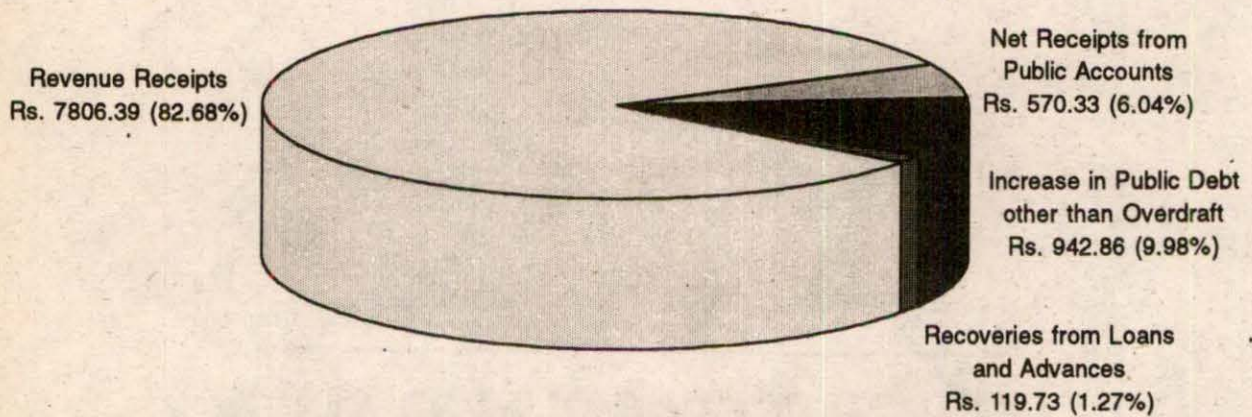
\$\$ Minus balance is due to remittances between treasuries and currency chest remaining unadjusted on 31 March 1995.

x Minus balance is under investigation.

# STATEMENT-III

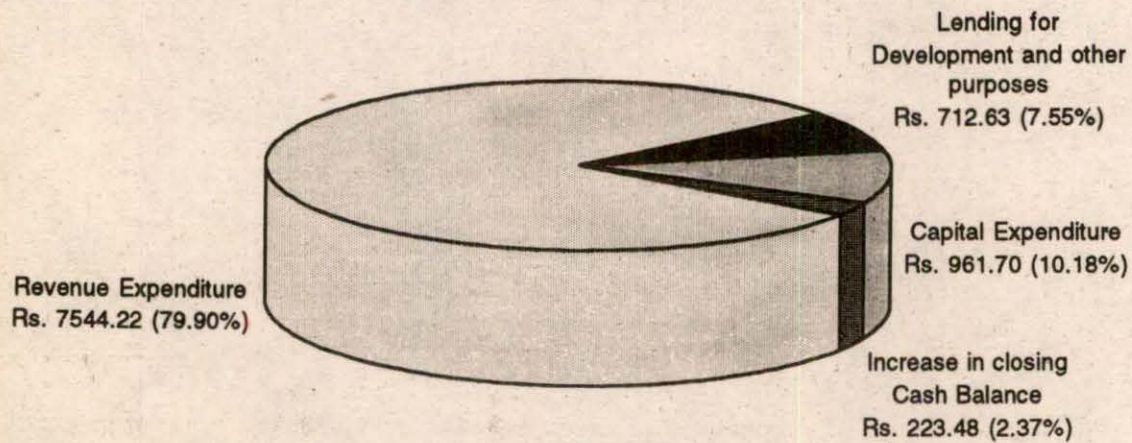
### Sources of Funds for 1994-95

(Rupees in crores)



### Application of Funds for 1994-95

(Rupees in crores)





## STATEMENT-III

### SOURCES AND APPLICATION OF FUNDS FOR 1994-95

	Amount (Rupees in crores)
<b>I Sources</b>	
1 Revenue Receipts	7806.39
2 Recoveries from Loans and Advances	119.73
3 Increase in Public Debt other than Overdraft	942.86
4 Net receipts from Public Accounts	570.33
Increase in Small Savings	142.01
Increase in Deposits and Advances	536.59
Decrease in Reserve Funds	(-) 92.59
Effect on Remittance balance	24.44
Decrease in Suspense balance	(-) 40.12
5 Net receipts from the Contingency Fund	2.72
<b>Net Funds available</b>	<u>9442.03</u>
<b>II Application</b>	
1 Revenue Expenditure	7544.22
2 Lending for Development and other purposes	712.63
3 Capital Expenditure	961.70
4 Increase in closing Cash Balance	223.48
	<u>9442.03</u>

Based on these Statements and other supporting data, an analysis of the management of the finance of the State Government during 1994-95 is presented in this Chapter.

## 1.2 Assets and Liabilities of the State

The assets comprising capital investments and loans advanced and the total liabilities of the State Government during the last five years were as under:

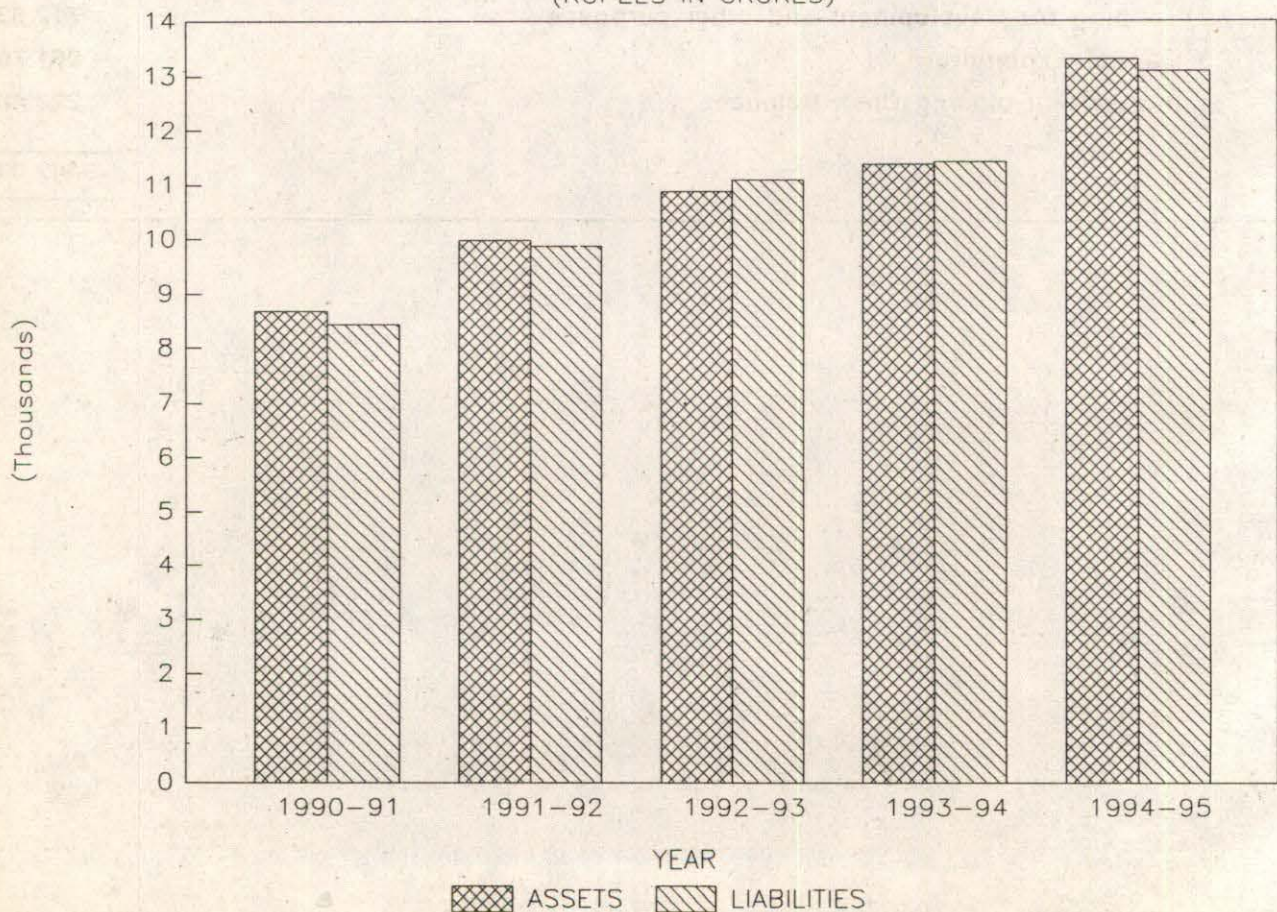
(Rupees in crores)

Year	Assets	Liabilities
1990-91	8676.57	8423.19
1991-92	9985.53	9875.04
1992-93	10872.75	11094.67
1993-94	11555.48	11604.47
1994-95	13309.54	13096.37

While the assets have grown by 53 per cent during the five years, the liabilities have grown by 55 per cent. A graphical presentation of the assets and liabilities is given below:

### ASSETS AND LIABILITIES OF THE STATE

(RUPEES IN CRORES)



### 1.3 Revenue Deficit/Surplus

The Ninth Finance Commission had observed that large scale revenue deficits year after year implied an infraction of one of the fundamental principles of sound public finance in any economy, particularly in a developing economy. The trend of revenue deficit has been arrested from 1993-94; and the year 1994-95 closed with a surplus of Rs.262.17 crores.

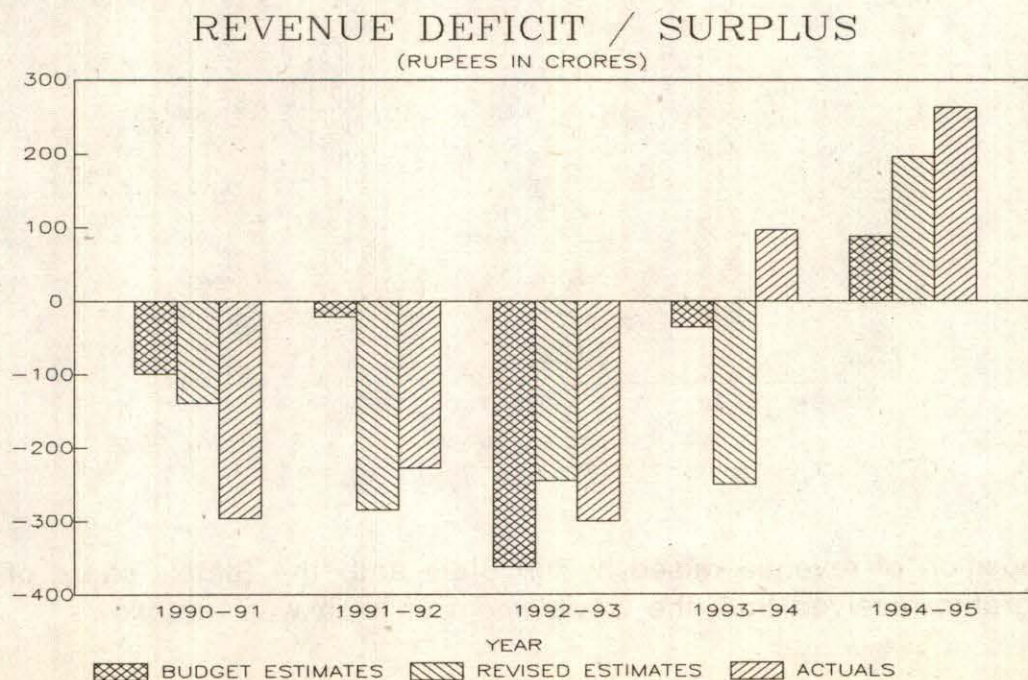
The position is summarised in the following table :

Year	Revenue			Percentage of increase over the previous year		Revenue deficit/surplus as a percentage of revenue expenditure
	Receipts	Expenditure	Deficit (-) Surplus(+)	Revenue Receipts	Revenue Expenditure	
(Rupees in crores)						
1990-91	4035.22	4331.18	(-) 295.96	14	17	(-) 6.83
1991-92	5017.56	5245.32	(-) 227.76	24	21	(-) 4.34
1992-93	5911.08	6210.90	(-) 299.82	18	18	(-) 4.83
1993-94	7030.01	6933.79	(+) 96.22	19	12	(+) 1.39
1994-95	7806.39	7544.22	(+) 262.17	11	9	(+) 3.48

The revenue deficit, as envisaged in the budget estimates and the revised estimates vis-a-vis the actuals are given below:

Year	Revenue Deficit (-)/ Surplus (+)			Percentage of actual deficit(-)/ surplus(+) to revenue receipts
	Budget estimates	Revised estimates	Actuals	
(Rupees in crores)				
1990-91	(-) 98.96	(-) 138.50	(-) 295.96	(-) 7.33
1991-92	(-) 20.61	(-) 284.72	(-) 227.76	(-) 4.53
1992-93	(-) 362.01	(-) 244.72	(-) 299.82	(-) 5.07
1993-94	(-) 34.10	(-) 249.88	(+) 96.22	(+) 1.37
1994-95	(+) 87.33	(+) 196.40	(+) 262.17	(+) 3.36

A graphical expression of it is given below:



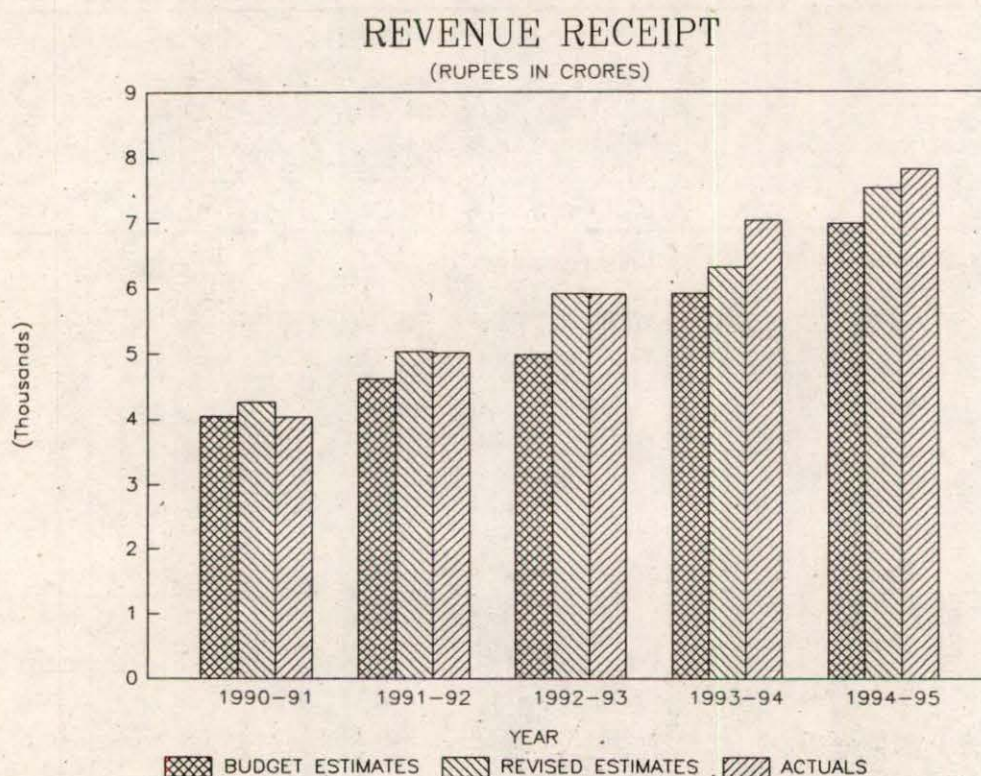
During 1990-95, revenue receipts and revenue expenditure increased by 93 per cent and 74 per cent respectively.

#### 1.4 Revenue receipts

The actual revenue receipts during the years 1990-91 to 1994-95 are given below:

Year	Budget Estimates	Revised Estimates	Actuals	
			Amount	Percentage growth over the previous year
(Rupees in crores)				
1990-91	4042.80	4258.63	4035.22	14
1991-92	4618.94	5023.06	5017.56	24
1992-93	4981.17	5915.83	5911.08	18
1993-94	5913.62	6319.92	7030.01	19
1994-95	6980.33	7526.02	7806.39	11

The preceding table is depicted below in a graphical form.



The position of revenue raised by the State and the State's share of taxes, duties and grants received from the Government of India was as follows:

	1990-91	1991-92	1992-93	1993-94	1994-95
(Rupees in crores)					
<b>I Revenue raised by the State Government</b>					
(a) Tax revenue	2399.83	2893.44	3456.55	3941.72	4742.86
(b) Non-tax revenue	806.83	1133.85	1157.97	1398.78	1488.11
<b>Total</b>	<b>3206.66</b>	<b>4027.29</b>	<b>4614.52</b>	<b>5340.50</b>	<b>6230.97</b>
<b>II Receipts from Government of India</b>					
(a) State's share of :					
(i) Income-Tax etc.	144.54	200.46	275.95	395.48	389.47
(ii) Union Excise Duties	312.29	392.73	537.14	587.61	589.16
(b) Grants-in-aid	371.73	397.08	483.47	706.42	596.79
<b>Total</b>	<b>828.56</b>	<b>990.27</b>	<b>1296.56</b>	<b>1689.51</b>	<b>1575.42</b>
<b>III Total receipts of State Government (Revenue Account)</b>	<b>4035.22</b>	<b>5017.56</b>	<b>5911.08</b>	<b>7030.01</b>	<b>7806.39</b>
<b>IV Percentage of revenue raised to total receipts</b>	79	80	78	76	80

The percentage of revenue raised by the State to total revenue had only marginally increased from 79 in 1990-91 to 80 in 1994-95.

### 1.5 Tax revenue

The growth of tax revenue in the last five years was as indicated below:

Year	Tax revenue	Percentage growth over previous year
(Rupees in crores)		
1990-91	2399.83	11
1991-92	2893.44	21
1992-93	3456.55	19
1993-94	3941.72	14
1994-95	4742.86	20

While the revenue receipts of the Government increased by 18, 19 and 11 *per cent* during 1992-93, 1993-94 and 1994-95 respectively, the tax revenue increased by 19, 14 and 20 *per cent* respectively during these years.

An analysis of the tax revenue raised by the State Government revealed that Sales Tax constituted 73 and 67 *per cent* of the total collections in 1990-91 and 1994-95 respectively as indicated below :

	1990-91	1991-92	1992-93	1993-94	1994-95
(Rupees in crores)					
Sales Tax	1739.98 (73)	2010.53 (69)	2300.58 (67)	2771.03 (70)	3185.99 (67)
Taxes and Duties on Electricity	187.39 (8)	376.33 (13)	544.19 (16)	465.53 (12)	791.21 (17)
Taxes on Goods and Passengers	105.51 (4)	75.55 (3)	121.56 (3)	117.44 (3)	65.40 (2)
Taxes on Vehicles	95.75 (4)	113.01 (4)	145.02 (4)	174.69 (4)	208.17 (4)
Stamps and Registration Fees	125.26 (5)	166.94 (6)	184.56 (5)	210.77 (5)	270.68 (6)
Land Revenue	34.19 (1)	36.61 (1)	46.00 (2)	59.16 (2)	60.75 (1)
Other Taxes on Income and Expenditure	38.06 (2)	38.93 (1)	40.63 (1)	44.39 (1)	44.24 (1)
<b>Other Taxes</b>					
Estate duty and Taxes on Immovable Property other than Agricultural Land	0.21	0.28	0.28	0.41	0.56
State Excise	12.00	13.08	14.85	18.42	21.08
Other Taxes and Duties on Commodities and Services	61.48	62.18	58.88	79.87	94.78
<b>Total Other Taxes</b>	<b>73.69</b> (3)	<b>75.54</b> (3)	<b>74.01</b> (2)	<b>98.70</b> (3)	<b>116.42</b> (2)
<b>Total Collections</b>	<b>2399.83</b> (100)	<b>2893.44</b> (100)	<b>3456.55</b> (100)	<b>3941.71</b> (100)	<b>4742.86</b> (100)

**Note :** Percentage of individual taxes to the total collection is given in brackets.

### 1.6 Non-tax revenue

The growth of non-tax revenue during the years 1990-91 to 1994-95 is indicated below:

Year	Non-Tax revenue	Percentage growth over the previous year
(Rupees in crores)		
1990-91	806.83	18
1991-92	1133.85	41
1992-93	1157.97	2
1993-94	1398.78	21
1994-95	1488.11	6

Non-tax revenue receipts in 1994-95 registered an increase of Rs.89.33 crores over the previous year. Increase was mainly under 'Interest Receipts' (Rs.44.16 crores); 'Non-ferrous Mining and Metallurgical Industries' (Rs.29.44 crores); 'Miscellaneous General Services' (Rs.13.02 crores); 'Major and Medium Irrigation' (Rs.11.60 crores) and 'Police' (Rs.7.10 crores); partly offset by decrease under 'Dividends and Profits' (Rs.7.18 crores) and 'Other Special Areas Programme' (Rs.5.24 crores) etc.

### 1.7 State's share of Taxes, Duties and Grants-in-aid

The aggregate of State's share of taxes, duties and grants-in-aid from the Central Government during the year 1994-95 was Rs.1575.42 crores representing 20 per cent of the revenue receipts and 21 per cent of the revenue expenditure of the State Government. The year-wise details for the five years (1990-91 to 1994-95) are given below:

Year	State's share of taxes and duties	Grants-in-aid	Total	Percentage of total to	
				Revenue Receipts	Revenue Expenditure
(Rupees in crores)					
1990-91	456.83	371.73	828.56	21	19
1991-92	593.19	397.08	990.27	20	19
1992-93	813.09	483.47	1296.56	22	21
1993-94	983.09	706.42	1689.51	24	24
1994-95	978.63	596.79	1575.42	20	21

### 1.8 Arrears of revenue

The position of arrears of revenue and total revenue realised by the State Government during the period 1990-91 to 1994-95 is given below :

Year	Revenue realised	Arrears of revenue	Percentage of arrears to revenue realised	Percentage of growth of revenue over previous year	Percentage growth of arrears over previous year
(Rupees in crores)					
1990-91	3206.66	202.10	6	13	(-) 13
1991-92	4027.29	507.88	13	26	151
1992-93	4614.52	364.29	8	(-) 15	(-) 28
1993-94	5340.50	589.96	11	16	62
1994-95	6230.97	802.18	13	17	36

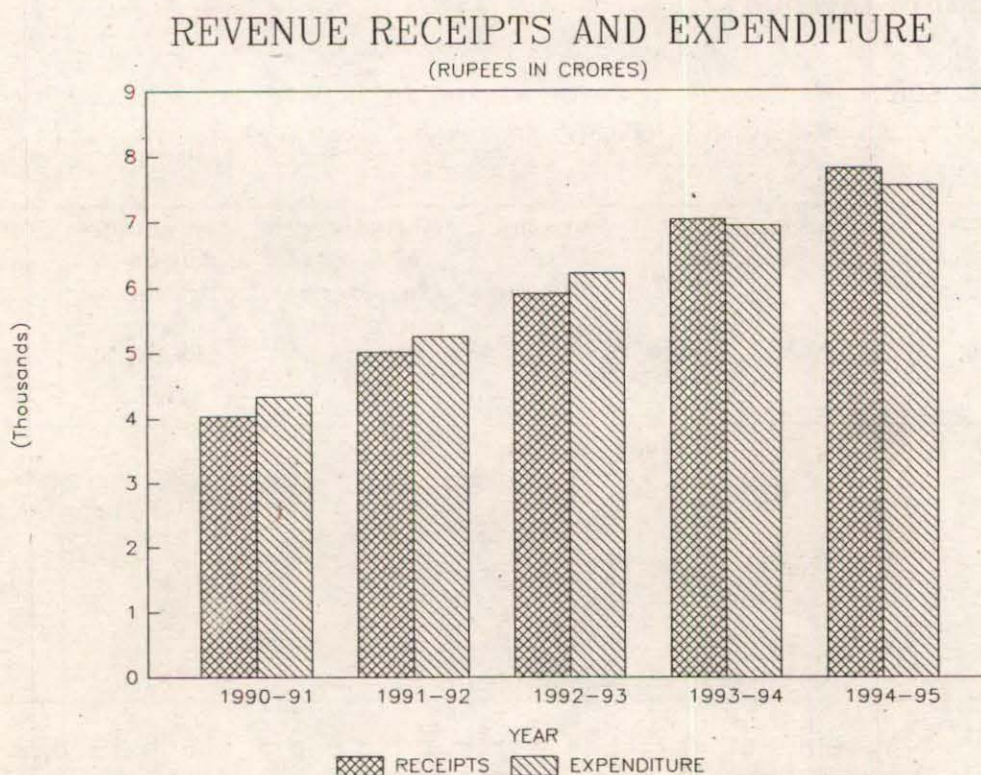
Arrears of revenue of Rs.802.18 crores at the end of March 1995, as reported by the Departments, included mainly Rs.770.66 crores under Sales Tax, Rs.14.21 crores under Professional Tax and Rs.13.45 crores under Motor Vehicles Tax.

## 1.9 Revenue expenditure

The revenue expenditure (Plan) during 1994-95 was Rs.825.46 crores against the budget estimates of Rs.825.97 crores (including supplementary) disclosing a shortfall of Rs.0.51 crore in expenditure. The Non-Plan revenue expenditure during the year was Rs.6718.76 crores (Rs.6271.46 crores during the previous year) against the budget estimates of Rs.7028.77 crores (including supplementary) resulting in saving of Rs.310.01 crores. The main reasons for variations are given in Chapter II of this Report. Further details are available in the Appropriation Accounts of the Government of Gujarat for the year 1994-95.

The total revenue expenditure (both Plan and Non-Plan) during 1994-95 was Rs.7544.22 crores as against Rs.6933.79 crores during 1993-94. Revenue expenditure *vis-a-vis* revenue receipts during 1990-95 are indicated in the graph given below. The broad reasons for variations are given in Statement No.1 of the Finance Accounts for the year 1994-95 of the Government of Gujarat.

Substantial increase in revenue expenditure occurred under 'General Education' (Rs.185.51 crores); 'Interest Payment' (Rs.144.96 crores); 'Pension and other Retirement Benefits' (Rs.83.36 crores); 'Major and Medium Irrigation' (Rs.61.44 crores); 'Police' (Rs.51.40 crores); 'Medical and Public Health' (Rs.48.54 crores); 'Roads and Bridges' (Rs.45.98 crores); 'Village and Small Industries' (Rs.41.92 crores) and 'Election' (Rs.40.99 crores).



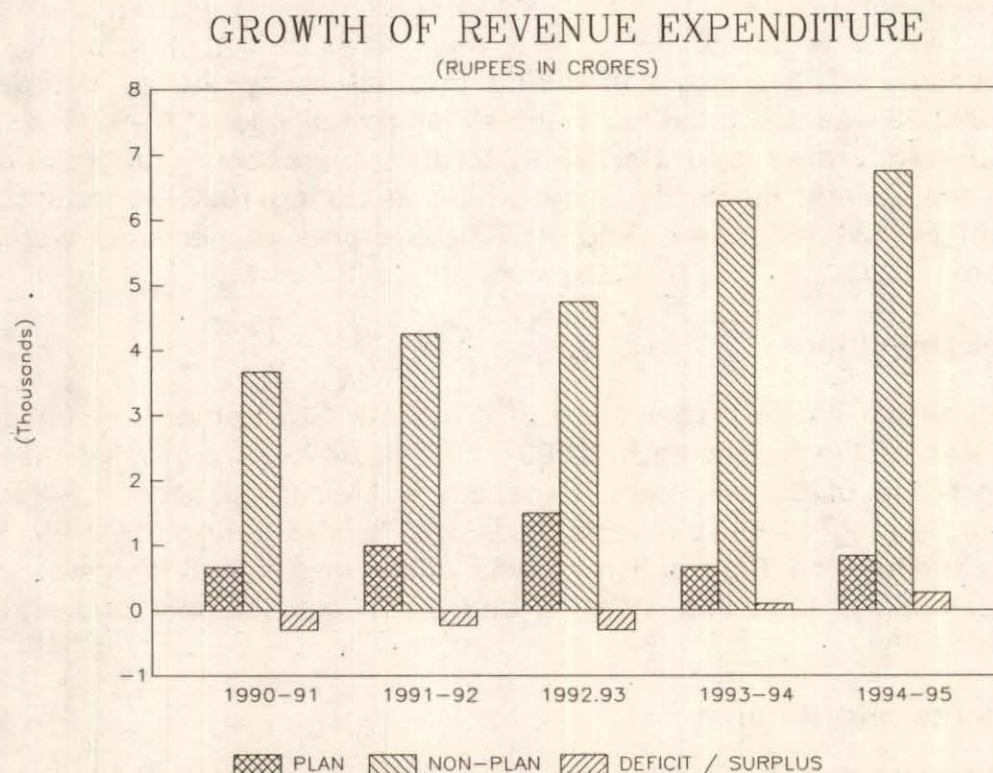


## 1.10 Growth of revenue expenditure

The growth of revenue expenditure (both Plan and Non-Plan) during the last five years was as follows :

Year	Revenue Expenditure			Revenue Deficit(-)/ Surplus(+)	Percentage of Deficit(-)/ Surplus(+) to Non-Plan expenditure
	Plan	Non-Plan	Total		
	(Rupees in crores)				
1990-91	659.56	3671.62	4331.18	(-) 295.96	(-) 8.06
1991-92	995.80	4249.52	5245.32	(-) 227.76	(-) 5.36
1992-93	1482.44	4728.46	6210.90	(-) 299.82	(-) 6.34
1993-94	662.33	6271.46	6933.79	(+) 96.22	(+) 1.53
1994-95	825.46	6718.76	7544.22	(+) 262.17	(+) 3.90

A graph showing the growth of revenue expenditure is given below:



The revenue expenditure (both Plan and Non-Plan) went up from Rs.4331.18 crores in 1990-91 to Rs.7544.22 crores in 1994-95 showing an increase of 74 per cent. The expenditure under Non-Plan increased during the period by Rs.3047.14 crores (83 per cent) while that under Plan by Rs.165.90 crores (25 per cent).

### 1.11 Growth of Plan expenditure

The actual expenditure on Plan Schemes on all accounts and the Plan provision during the years 1990-91 to 1994-95 were as under:

Year	Provision	Expenditure	Savings (Percentage)
	(Rupees in crores)		
1990-91	1657.69	1587.63	70.06 (4)
1991-92	2651.47	2240.90	410.57 (15)
1992-93	2766.49	2636.07	130.42 (5)
1993-94	1985.44	1550.14	435.30 (22)
1994-95	2177.57	2135.07	42.50 (2)

In none of the years, the entire provision could be utilised. However, the savings during 1994-95 was only 2 per cent of the provision as against 22 per cent in the preceding year.

The reduction in Plan provision during the last two years as compared to 1991-92 and 1992-93 was due to the fact that the Plan provision for 1991-92 and 1992-93 included Rs.368.75 crores and Rs.798.97 crores on account of subsidy and subventions to the Gujarat Electricity Board where as during 1993-94 and 1994-95, the provision of Rs.651.18 crores and Rs.701.58 crores respectively were made under Non-Plan.

### 1.12 Capital Expenditure

The progressive capital expenditure of the State Government increased from Rs.4480.25 crores at the beginning of 1990-91 to Rs.8496.78 crores at the end of 1994-95, an increase of 90 per cent. Expenditure on capital account which was Rs.689.34 crores during 1990-91 rose to Rs.961.70 crores during 1994-95. Bulk of the capital expenditure on Plan schemes was under irrigation and flood control, transport, water supply, sanitation, housing and urban development and agriculture and allied activities.

### 1.13 Investments and Returns

Government invested Rs.132.28 crores during 1994-95 in capital contribution, equity, debentures, etc. in statutory corporations, Government companies, etc. It was made up of Rs.2.76 crores in statutory corporations, Rs.119.66 crores in Government companies and Rs.9.86 crores in co-operative societies, other joint stock companies, etc.

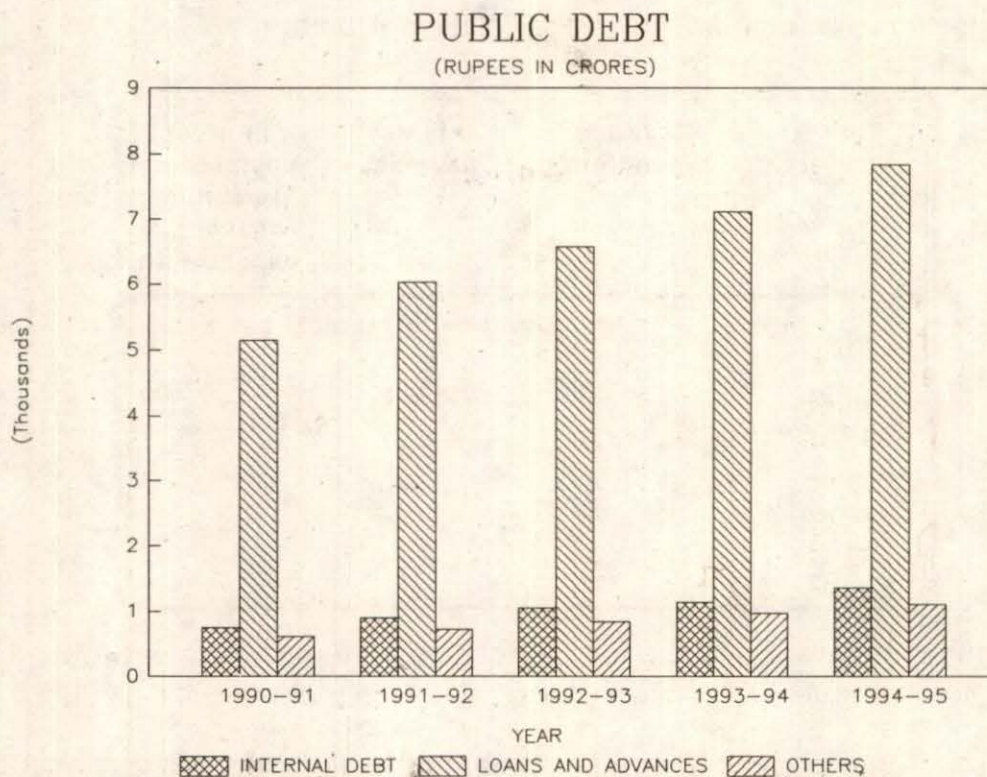
The total investment of the Government in capital contribution, equity and debentures, etc. of different concerns at the end of 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95 were Rs.1033.33 crores, Rs.1093.53 crores, Rs.3026.12 crores,

Rs.3087.40 crores and Rs.3219.68 crores respectively. Dividend and interest received therefrom were Rs.5.46 crores, Rs.9.65 crores, Rs.12.26 crores, Rs.21.26 crores and Rs.14.08 crores which worked out to 0.53 per cent, 0.88 per cent, 0.41 per cent, 0.69 per cent and 0.44 per cent of the investments in the respective years against the average rate of interest of 12.50 per cent for Government borrowings during this period.

### 1.14 Public Debt

Under Article 293(1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Act of the Legislature of the State. No law has been passed by the Gujarat Legislature laying down such a limit.

The details of the total liabilities of the State Government during the five years ending March 1995 are given in the graph and the table below:



Year	Internal Debt	Loans and Advances from Central Government	Total Public Debt	Other liabilities	Total*
(Rupees in crores)					
1990-91	749.02	5151.16	5900.18	621.33	6521.51
1991-92	895.99	6023.83	6919.82	720.05	7639.87
1992-93	1186.94	6566.84	7753.78	844.75	8598.53
1993-94	1131.69	7108.59	8240.28	968.88	9209.16
1994-95	1355.39	7827.76	9183.15	1110.90	10294.05

\* Differs from total liabilities mentioned in para 1.2, as liabilities indicated in para 1.2 includes liabilities on account of Deposits, Reserve Funds, Suspense and Miscellaneous and Contingency Fund.

Total liabilities of the Government had increased from Rs.6521.51 crores at the end of 1990-91 to Rs.10294.05 crores at the end of 1994-95 registering an increase of 58 *per cent* over the year 1990-91. Loans and advances received from the Central Government represented the single major source ranging between 76 and 79 *per cent* of the total debt of the Government.

### 1.15 Debt Service

As against the budget provision of Rs.2543.02 crores for repayment of principal and payment of interest, the actual payment was Rs.1585.07 crores compared to Rs.2331.69 crores in 1993-94. The amount paid constitutes 21 *per cent* of the total revenue expenditure during the year.

The State Government had not made any amortisation arrangements for open market loans, bonds and loans from the Government of India.

The outflow of funds on account of interest payments (gross) has been gradually rising. The position is summarised in the following table:

Year	Revenue expenditure	Interest payment	Interest payment as a percentage of revenue expenditure
(Rupees in crores)			
1990-91	4331.18	539.33	12
1991-92	5245.32	723.67	14
1992-93	6210.90	928.83	15
1993-94	6933.79	1045.96	15
1994-95	7544.22	1190.92	16

Thus, the outflow of funds for payment of interest was between 12 and 16 *per cent* of the revenue expenditure during the five years period 1990-95.

Position of the repayment of Government of India loans and payment of interest thereon by the State Government during the last five years was as follows:

Year	Repayments			Loans received during the year	Percentage of repayment to loans received
	Principal	Interest	Total		
(Rupees in crores)					
1990-91	306.90	352.37	659.27	1256.70	52
1991-92	219.23	493.85	713.08	1091.90	65
1992-93	305.95	641.41	947.36	848.97	112
1993-94	255.52	716.74	972.26	797.26	122
1994-95	249.39	796.83	1046.22	968.56	108

The repayment of Central loans and interest had thus exceeded the loans received from Central Government from 1992-93 onwards.

### 1.16 Loans and advances by State Government

(i) The State Government have been advancing loans to Government companies, corporations, autonomous bodies, co-operatives, non-Government institutions, etc. for developmental and non-developmental activities. The position of such loans for the five years from 1990-91 to 1994-95 is given below:

	1990-91	1991-92	1992-93	1993-94	1994-95
(Rupees in crores)					
Opening balance	2918.01	3245.88	3598.77	3673.76	3672.58
Amount advanced during the year	497.79	448.91	514.96	454.49	712.63
Amount repaid during the year	169.92	96.02	439.97	455.67	119.73
Closing balance	3245.88	3598.77	3673.76	3672.58	4265.48
Net increase (+)/ decrease (-)	(+)327.87	(+)352.89	(+)74.99	(-)1.18	(+)592.90
Interest received and credited to revenue	65.00	246.29	168.42	324.48	478.76

(ii) The terms and conditions in respect of 5 loans aggregating Rs.62.55 lakhs sanctioned and paid upto the year 1994-95 (Industries, Mines and Energy Department: 2 items: Rs.53.80 lakhs; Information, Broadcasting and Tourism Department: 1 item : Rs.6.75 lakhs; Revenue Department: 2 items: Rs.2.00 lakhs) had not been prescribed (November 1995). Year-wise details are given below:

Year	Number of items	Amount (Rupees in lakhs)
1988-89	2	53.80
1991-92	2	2.00
1994-95	1	6.75

(iii) The total amount overdue for recovery against loans advanced to municipalities, panchayatiraj institutions, other local bodies, public sector undertakings, etc. as on 31 March 1995, the detailed accounts of which are maintained by the Accountant General (A&E), was Rs.274.15 crores including Rs.55.28 crores on account of interest. This included Rs.151.11 crores (55 per cent) pertaining to periods prior

to 1991-92. During last 4 years, only 19 per cent of overdue loan and interest for the period prior to 1991-92 was recovered indicating slow pace of recovery process. In respect of loans granted to others, the detailed accounts were kept by 84 departmental officers. Information regarding overdue instalments of principal and interest thereon were not furnished by 58,69,74, 74 and 64 departmental officers as at the end of March 1991, 1992, 1993, 1994 and 1995 respectively. Rupees 37.02 crores (principal: Rs.15.02 crores, Interest: Rs.22.00 crores) had become overdue as on 31 March 1995 as per information furnished by 20 departmental officers.

### 1.17 Ways and Means Advances and Overdraft

Under an agreement with the Reserve Bank of India, the Government of Gujarat had to maintain with the Bank a minimum cash balance of Rs.70 lakhs on all days during 1994-95. The Bank informs the Government of the daily balance with the Bank at the close of each working day and if the balance falls below the agreed minimum, the deficiency is made good either by discounting Government of India treasury bills held on behalf of the Government of Gujarat or by obtaining ordinary ways and means advances upto a maximum of Rs.58.80 crores. The Bank had also agreed to give special ways and means advances not exceeding Rs.15.91 crores against the securities of the Government of India held by the Government of Gujarat.

The extent to which the Government maintained the minimum balance with the Bank during 1990-91 to 1994-95 was as under :

	1990-91	1991-92	1992-93	1993-94	1994-95
<b>1 Number of days on which the balance was maintained</b>					
(a) Without obtaining any advance	328	127	148	237	354
(b) by obtaining Ways and Means advances	26	145	105	95	10
<b>2 Number of days on which there was shortfall even after availing of Ways and Means Advances but without taking overdraft</b>	NIL	NIL	2	NIL	NIL
<b>3 Number of days on which overdrafts were obtained</b>	11	94	110	33	1

(all days inclusive of Sundays and holidays)

The position of ways and means advances and overdrafts taken by the Government of Gujarat and interest paid thereon during the same period was as under:

	1990-91	1991-92	1992-93	1993-94	1994-95
<b>(Rupees in crores)</b>					
<b>Ways and Means Advances</b>					
(a) Opening balance	28.82	Nil	9.73	53.20	NIL
(b) Advances taken during the year (gross)	214.18	886.82	720.06	451.89	101.11
(c) Advances repaid during the year (gross)	243.00	877.09	676.59	505.09	101.11
(d) Advances outstanding at the end of the year	Nil	9.73	53.20	Nil	NIL
(e) Interest paid	0.52	2.55	2.61	1.51	0.10
<b>Overdrafts</b>					
(i) Overdraft taken during the year (gross)	141.44	2593.67	4812.21	246.24	13.86
(ii) Overdraft outstanding at the end of year	Nil	Nil	@138.64	Nil	NIL
(iii) Interest paid	0.06	1.20	1.59	0.61	0.01

@ Revised due to *pro forma* correction

### 1.18 Guarantees given by the Government

Under Article 293 of the Constitution of India, an Act *viz.*, the Gujarat State Guarantees Act, 1963 as amended by the Act of 1994 has been passed by the State Legislature laying down the limit upto Rs.8000 crores within which Government may give guarantee on the security of the Consolidated Fund of the State. State guarantees, constituting contingent liabilities on the revenue of the State, are being given on behalf of State corporations and statutory bodies, municipal corporations, municipalities, Nagar Panchayats, etc., co-operative banks and societies, joint stock companies and others for discharge of certain liabilities like repayment of capital, loans, fixed deposits etc., raised and for payment of minimum dividend or interest. The guarantee given by Government, sums guaranteed and outstanding, during the last five years are indicated below:

(Rupees in crores)

As on 31 March	Maximum amount guaranteed (Principal only)	Amount outstanding
1991	4478.87	3852.15
1992	5139.60	4513.88
1993	5815.18	5189.61
1994	5970.25	5387.33
1995	7083.74	6500.82

The following comments are offered:

(i) As regards the amount outstanding, details of principal and interest were not separately available.

(ii) Government had paid Rs.4.60 crores in respect of 6 cases towards discharge of guarantee liabilities upto March 1995. No amount was recovered against the discharge during 1994-95.

#### 1.19 Financial results of irrigation works

The financial results of one major irrigation commercial project and four medium irrigation commercial projects with a total capital outlay of Rs.215.10 crores at the end of March 1995 showed that revenue realised from these projects during 1994-95 was only 3.99 *per cent* of the capital outlay. During 1990-91 to 1994-95 the total revenue realised from all the five projects was not sufficient even to cover the direct working expenses.



## CHAPTER—II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 2.1 General

2.1.1 The summarised position of actual expenditure during 1994-95 against grants/appropriations is as follows:

	Original grant/ Appropriation	Suppl- ement- ary	Total	Actual* expenditure	Variation Saving - Excess +
(Rupees in crores)					
<b>I Revenue</b>					
Voted	5853.84	921.04	6774.88	6532.52	- 242.36
Charged	1177.74	40.72	1218.46	1205.95	- 2.51
<b>II Capital</b>					
Voted	1468.81	69.78	1538.59	1083.40	- 455.19
Charged	0.04	2.04	2.08	1.59	- 0.49
<b>III Public Debt</b>					
Charged	1340.70	NIL	1340.70	394.15	- 946.55
<b>IV Loans and Advances</b>					
Voted	390.90	280.17	671.07	712.63	+ 41.56
Charged	0.08	NIL	0.08	NIL	- 0.08
<b>V Others</b>					
Inter-State Settlement					
Charged	0.01	NIL	0.01	NIL	- 0.01
<b>Grand Total</b>	<b>10232.12</b>	<b>1313.75</b>	<b>11545.87</b>	<b>9930.24</b>	<b>- 1615.63</b>

#### 2.2 Results of Appropriation Audit

The following results emerge broadly from Appropriation Audit.

2.2.1 Supplementary provision of Rs.1313.75 crores, obtained in March 1995, constituted 13 per cent of the original provision as against 10 per cent in the preceding year.

##### 2.2.2 Unnecessary/excessive/inadequate supplementary provision

(a) The total supplementary provision of Rs.1313.75 crores, obtained in March 1995, proved excessive in view of overall saving of Rs.1615.63 crores.

(b) Supplementary provision of Rs.32.15 crores (Revenue: Rs. 14.63 crores, Capital: Rs. 17.52 crores) in 14 cases (involving 13 grants, 1 appropriation) as detailed in Appendix-I, proved unnecessary.

(c) In 20 more cases (all grants) as detailed in Appendix-II, additional funds required were only Rs.852.87 crores (Revenue: Rs. 806.18 crores, Capital: Rs.46.69 crores) against the Supplementary provision of Rs. 899.17 crores (Revenue: Rs.834.21 crores, Capital: Rs. 64.96 crores) with saving in each case exceeding Rs. 20 lakhs.

\* Represents gross expenditure without taking into account the recoveries accounted for in reduction of expenditure.

(d) In 18 cases (involving 17 grants and 1 appropriation), as detailed in Appendix-III, Supplementary provision of Rs. 254.06 crores (Revenue: Rs.63.90 crores, Capital: Rs.190.16 crores) was inadequate by more than Rs. 20 lakhs in each case leaving an aggregate uncovered excess expenditure of Rs. 366.70 crores.

### 2.2.3 Saving/Excess over provision

The overall saving of Rs.1615.63 crores was the result of saving of Rs. 1988.38 crores in 102 grants (Rs.1027.63 crores) and 38 appropriations (Rs.960.75 crores) offset by excess of Rs.372.75 crores in 38 grants (Rs.371.65 crores) and 5 appropriations (Rs.1.10 crores) vide Appendix-IV. The excess of Rs.3,72,75,00,584 details of which are given in Appendix-IV, requires regularisation under Article 205 of the Constitution.

### 2.2.4 Unutilised provision

In 13 grants and 2 appropriations, 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 (i) Savings under Plan Schemes

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

Sl. No.	Name of the Department Number and Name of the Grant	Name of the Scheme	Saving (Rupees in lakhs)	Percentage of Saving
1	2	3	4	5
<b>Revenue Section</b>				
<b>Forests and Environment</b>				
1	27-Environment	WSS-I-Gujarat Pollution Control Board	28.00	74
<b>Industries and Mines</b>				
2	50-Industries	IND-9-Pollution Control Scheme for common affluent treatment Scheme	83.90	100
3	---Do---	IND-66(A) (Adj) Margin Money Scheme for women's enterpreneurs	30.00	100
<b>Information, Broadcasting and Tourism</b>				
4	55-Tourism	Development of picnic spots- TRS 2-District level Tourist Centres	21.00	100
<b>Panchayats and Rural Housing</b>				
5	71-Rural Housing	Border Area Plan Housing Activities	92.20	100

	1	2	3	4	5
6	73-other expenditure pertaining to Panchayats and Rural Housing Department	Non-Conventional sources -National Project on improved chulhas	24.10		64
	<b>Social Welfare and Tribal Development</b>				
7	93-Special component plan for scheduled castes	Minor Irrigation-Ground Water-other expenditure Special component plan for Scheduled Castes	227.22		56
	<b>Urban Development and Urban Housing</b>				
8	99-Other expenditure pertaining to Urban Development and Urban Housing Department	UDP-6-Urban Community Development Project	14.00		47
<b>Capital Section</b>					
	<b>Roads and Buildings</b>				
9	82-Non-Residential Buildings	Technical Education Buildings	183.76		59
10	---Do---	Employment-World Bank Aided Buildings	79.86		95
11	---Do---	Elementary Education Buildings	67.00		100
	<b>Social Welfare and Tribal Development</b>				
12	91-Welfare of Scheduled Tribes	BCK-construction of Government Hostels for boys	15.00		100
13	94-Tribal Area Sub-Plan	IND-22-Adjustment Loan to Gujarat Industrial Development Corporation for Project	270.00		100
14	---Do---	Building	53.46		88
15	---Do---	HSG-11-Loans for Rural Housing for Low Income Group Scheme (LIC Loan)	46.96		100

### **2.2.5 (ii) Significant savings under the Centrally Sponsored Schemes**

Test check revealed large savings under Grant Nos. 3 and 6 of the Agriculture and Rural Development Department, Grant No. 39 of Health and Family Welfare Department, Grant No. 47 of Home Department, Grant No. 85 of Roads and Buildings Department and Grant No. 93 of Social Welfare and Tribal Development Department. Significant cases are discussed below:

(a) A provision of Rs. 30.00 lakhs (Grant No.6) was made under the scheme "Agriculture Credit Stabilisation Fund of Co-operative" (Non-Plan). The entire provision was not utilised due to non-sanction of proposal by the Government of India.

(b) A provision of Rs.150.00 lakhs (Plan: Rs.75.00 lakhs, Non-Plan: Rs.75.00 lakhs) was made under Grant No.6 for 50 *per cent* Centrally Sponsored Scheme Cop-21-Rural Societies Godowns. Provision of Rs.44.60 lakhs (Plan: Rs.22.30 lakhs, Non-Plan: Rs.22.30 lakhs) remained unutilised due to less release of grant by Government owing to unspent balances lying with institutions.

(c) A provision of Rs.145.95 lakhs (Grant No.39) was made under the scheme "Aids Cell" (Non-Plan), of which Rs.90.25 lakhs remained unutilised due mainly to vacant posts.

(d) Out of total provision of Rs.130.00 lakhs under the scheme "HLT-31. National T.B. Control Programme" (Plan) under Grant No.39, provision of Rs.33.78 lakhs was withdrawn through reappropriation. The reasons thereof have not been stated.

(e) A provision of Rs. 1552.70 lakhs (Grant No.47) was made under the scheme "Home Guards" (Non-Plan). Of this, the provision of Rs.454.59 lakhs remained unutilised, reasons for which have not been intimated.

(f) Out of Rs.110.00 lakhs provided for the scheme "BCK-57 Nagrik Cell" (Non-Plan) under Grant No.93, provision of Rs. 38.57 lakhs was not utilised due to less demand by District Officer.

(g) A provision of Rs.956.40 lakhs was made under the scheme "Special Component Plan" for Scheduled Caste-Jawahar Rojgar Yojna, (Non-Plan) in Grant No.93 (Revenue). Provision of Rs.178.66 lakhs remained unutilised due mainly to release of Central assistance directly to D.R.D.As by the Government of India.

(h) A provision of Rs.770.00 lakhs was made under the scheme "Special Component Plan for Scheduled Caste-Government of India's Scholarship for post S.S.C. students". Provision of Rs.167.84 lakhs remained unutilised.

### 2.2.6 Persistent Savings

Persistent savings were noticed in the following grants:

Sl. No.	Name of the Department Number and Name of the Grant/Appropriation	Percentage of saving			
		1991-92	1992-93	1993-94	1994-95
<b>Revenue Section</b>					
<b>Grants</b>					
<b>Agriculture, Co-operation and Rural Development</b>					
1	3-Minor Irrigation Soil Conservation and Area Development	26	44	9	13
<b>Forests and Environment</b>					
2	27-Environment	59	60	45	55
<b>Information, Broadcasting and Tourism</b>					
3	55-Tourism	10	68	14	21
<b>Capital Section</b>					
<b>Grants</b>					
<b>Agriculture, Co-operation and Rural Development</b>					
4	2-Agriculture	51	47	53	99
<b>Narmada and Water Resources</b>					
5	66-Narmada Development Scheme	48	15	76	45
<b>Appropriation</b>					
<b>Panchayats and Rural Housing</b>					
6	70-Community Development	24	37	100	100

### 2.2.7 Significant cases of excess

In the following grants, the expenditure exceeded the provision by more than Rs.50 lakhs and also by more than 10 per cent of the total provision:

Sl. No.	Name of the Department Number and Name of the grant	Amount of excess (Percentage to total provision)	Main reasons for excess
1	2	3	4
(Rupees in crores)			

#### Revenue Section

##### Grants Agriculture, Co-operation and Rural Development

1	6-Co-operation	18.49 (96)	Reasons for the excess have not been intimated (December 1995).
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1	2	3	4
<b>Industries and Mines</b>			
2	50-Industries	22.15 (25)	Excess was due mainly to payment of pending claims of subsidy on travel and other expenses to attend seminars and exhibition and computerisation
<b>Narmada and Water Resources</b>			
3	67-Irrigation and Soil Conservation	183.88 (36)	Excess was anticipated due mainly to clear old dues of NABARD and Bank of Baroda, increase in pay, DA and allowances. Repairs of xerox machines and computers, increase in cost of materials, maintenance and repairs of vehicles, purchase of spareparts etc.
<b>Roads and Buildings</b>			
4	82-Non-Residential Buildings	13.70 (14)	Reasons for the excess have not been intimated (December 1995).
5	83-Residential Buildings	4.65 (12)	Reasons for the excess have not been intimated (December 1995).
6	84-Roads and Bridges	56.51 (24)	---do---
7	87-Other Expenditure pertaining to Roads and Buildings Department	1.36 (19)	Reasons for the excess have not been intimated (December 1995).
<b>Appropriation</b>			
<b>Narmada and Water Resources</b>			
8	68-Other expenditure pertaining to Narmada and Water Resources Department	0.87 (56)	Reasons for the excess have not been intimated (December 1995).
<b>Capital Section</b>			
<b>Grants</b>			
<b>Education</b>			
9	10-Other expenditure pertaining to Education Department	3.48 (15)	Excess was due mainly to more demands for advances from Government employees.
<b>Energy and Petrochemicals</b>			
10	13-Energy Projects	44.57 (16)	Excess was due mainly to more loans granted to Gujarat Electricity Board in lieu of market borrowings (Rs.13.00 crores). Reasons for the remaining balance have not been stated (December 1995).

## 2.2.8 Surrender of savings

(a) As against available saving of Rs.1988.38 crores, a sum of Rs.1967.67 crores was surrendered in March 1995.

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

Grant No.	Department	Amount of Saving	Amount surrendered	Amount of excess surrender
(Rupees in lakhs)				
<b>Revenue Section</b>				
<b>Grants</b>				
9	Education	494.77	1185.52	690.75
13	Energy and Petrochemicals	120.16	192.76	72.60
19	Finance	47623.55	47724.02	100.47
93	Social Welfare and Tribal Development	710.85	819.76	108.91
94	---do---	793.94	888.68	94.74
<b>Appropriation</b>				
20	Finance	1033.74	4837.27	3803.53
<b>Capital Section</b>				
<b>Grant</b>				
84	Roads and Buildings	1414.97	1928.00	513.03

(c) Though the expenditure incurred exceeded the provisions, amounts exceeding Rs.50 lakhs were surrendered in the following grants:

Grant No.	Department	Actual excess over provision	Amount surrendered
(Rupees in lakhs)			
<b>Revenue Section</b>			
<b>Grants</b>			
46	Home	102.98	63.45
50	Industries and Mines	2214.61	120.00
83	Roads and Buildings	465.31	101.50
84	---do---	5651.06	181.71
<b>Capital Section</b>			
<b>Grants</b>			
10	Education	348.16	1103.80
77	Revenue	42.52	138.64

(d) Significant savings of Rs. 50 lakhs or more in each case were not surrendered in the following cases:

Grant/ Appropriation Number	Department	Total saving	Amount surrendered	Amount not surrendered
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(Rupees in lakhs)

#### Revenue Section

##### Grants

2	Agriculture, Co-operation and Rural Development	1250.57	1186.36	64.21
3	---do---	444.52	336.10	108.42
18	Finance	308.22	6.00	302.22
41	Health and Family Welfare	191.54	NIL	191.54
54	Information, Broad-casting and Tourism	367.80	255.00	112.80
58	Labour and Employment	143.89	18.15	125.74
61	Legal	228.41	176.88	51.53
62	---do---	99.82	6.34	93.48
71	Panchayats and Rural Housing	161.49	94.22	67.27
90	Social Welfare and Tribal Development	94.81	NIL	94.81
101	Youth Services and Cultural Activities	138.45	45.13	93.32

##### Appropriations

84	Roads and Buildings	56.85	NIL	56.85
87	---do---	158.05	NIL	158.05

#### Capital Section

##### Grants

26	Forests and Environment	146.76	82.08	64.68
47	Home	318.99	NIL	318.99
50	Industries and Mines	6377.77	10.00	6367.77
67	Narmada and Water Resources	301.44	79.00	222.44
83	Roads and Buildings	315.80	231.52	84.28
94	Social Welfare and Tribal Development	470.23	249.40	220.83

### 2.3 Injudicious re-appropriations

Re-appropriation 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 urgent expenditure under another unit.

In 9 cases, the re-appropriations turned out to be injudicious in view of final excess/saving being more than amount reappropriated as detailed in Appendix-VI.



## 2.4 Expenditure on 'New Service/New Instrument of Service'

The existing rules provide that expenditure on any item coming under 'New Service/New Instrument of Service' should not be incurred without obtaining the specific approval of the Legislature. In case of urgency, such expenditure can be incurred by obtaining an advance from the Contingency Fund.

In the cases, mentioned in Appendix-VII, expenditure totalling Rs.20.67 crores was incurred without budget provision. No supplementary grant or an advance from the Contingency Fund was, however, obtained though these satisfied the criteria for being treated as a 'New Service/New Instrument of Service'.

## 2.5 Trend of recoveries

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

In 5 grants in the Revenue Section, the actual recoveries (Rs.179.26 crores) were more than the estimated recoveries (Rs. 98.88 crores) by Rs. 80.38 crores. On the other hand in 75 grants, the actual recoveries (Rs.15.00 crores) were less than the estimated recoveries (Rs.39.72 crores) by Rs.24.72 crores.

Similarly, in the Capital Section, in respect of 7 grants, the actual recoveries (Rs.18.75 crores) were more than the estimated recoveries (Rs.2.28 crores) by Rs.16.47 crores. Further, in 5 grants, the actual recoveries (Rs.104.54 crores) were less than the estimated recoveries (Rs.481.71 crores) by Rs.377.17 crores.

Less recoveries in the Revenue Section were partly due to exhibition of recoveries on account of Food Grain Advances and Festival Advances granted to the employees as recoveries distinctly in the grants, instead of treating such recoveries as reduction in expenditure under the programme minor head 'Direction and Administration'. To that extent, the Budget estimates were framed incorrectly.

Detailed reasons for variations have not been intimated (December 1995). Further details of grant-wise recoveries are given in Appendix-II of the Appropriation Accounts for the year 1994-95.

## 2.6 Advances from Contingency Fund

The Contingency Fund of the State was established under the Gujarat Contingency Fund Act, 1960 and under the provision of Article 267(2) of the Constitution of India.

The Corpus of the Fund is Rs.50 crores. As on 1 April 1994, the balance in the Fund was Rs.40.11\* crores. During the year, advances amounting to Rs.19.22 crores were drawn from the fund against Rs.41.43 crores sanctioned. Rupees 21.94 crores were recouped to the fund including Rs.9.89 crores pertaining to previous year, leaving an unrecouped balance of Rs.7.17 crores at the end of the year.

\* Differs by Rs.0.01 crore from the closing balance shown in Statement-I due to rounding.

According to the provision of the Gujarat Budget Manual, it is the responsibility of the Administrative Department to watch the progress of expenditure in respect of the advance obtained from the Contingency Fund and wherever necessary, to get it cancelled, reduced or increased. Further, the administrative department should, after collecting the details of the withdrawals from the controlling officers, reconcile the figures of the expenditure incurred from the Contingency Fund with those booked in the Accountant General's Office. The budget manual further lays down that the application for advance should contain a certificate that the amount would be fully utilised before its recoupment.

A review of the operation of the Contingency Fund during the year 1994-95 revealed the following:

(i) Out of 317 sanctions involving Rs.4142.70 lakhs issued during the year, 96 sanctions involving Rs.1735.90 lakhs were not operated.

(ii) In respect of 9 sanctions aggregating Rs.109.38 lakhs, the utilisation was only Rs.17.77 lakhs, (16 *per cent*) of the sanctioned amount. However, no action was taken by the Administrative Departments to reduce the amount of advance.

(iii) Five sanctions for Rs.110.14 lakhs were cancelled and 3 sanctions were increased by Rs.750.90 lakhs indicating that the requirement was assessed incorrectly.

(iv) There was no monitoring of the progress of expenditure from the Fund by the Administrative Departments. No independent reconciliation of expenditure figures was carried out by the Administrative Departments concerned, though the Budget Manual enjoins them to do so.

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## CHAPTER—III

### CIVIL DEPARTMENTS

#### EDUCATION DEPARTMENT

### 3.1 Restructuring and Reorganisation of Teachers' Education

#### 3.1.1 Introduction

Under the National Policy on Education (NPE) 1986, improvement in the status and professional competence of teachers was envisaged as the corner-stone of educational reconstruction. As a follow up, the scheme of Restructuring and Reorganisation of Teachers' Education was introduced in 1987-88. It was revised during 1993-94 for implementation during the VIIIth Five Year Plan as a Centrally sponsored scheme. The broad objectives of the scheme were:

- (a) Organisation of regular pre-service and in-service education of elementary and secondary school teachers;
- (b) planning and organisation of training programme for part-time teachers and local youth to shoulder responsibility in the elementary school system;
- (c) provision of resource support to secondary schools and elementary teacher education institutions and
- (d) research, innovation and extension work in the field of secondary education and elementary teacher education.

The District Institutes of Education and Training (DIETs) and Colleges of Teacher Education/ Institutions of Advanced Study in Education (CTEs/IASEs) were entrusted with the implementation of the scheme. According to the scheme, cent *per cent* Central assistance is given to the State Government for non-recurring items *viz.*, civil works and equipment for approved purposes and for expenditure arising out of new posts/upgradation of existing posts.

#### 3.1.2 Organisational set up

The scheme was implemented by the Secretary, Education Department, who was assisted by the Director, Gujarat State Council of Educational Research and Training (GSCERT), Ahmedabad in the administration of the scheme in 19 District Institutes of Education and Training (DIETs) of the State. The Commissioner of Higher Education, Gandhinagar was entrusted with the work of recruitment of staff (below class I level) in all the DIETs of the State apart from implementation of the scheme in 4 Colleges of Teacher Education (CTEs) and in 2 Institutions of Advanced Study in Education (IASEs).

### **3.1.3 Audit coverage**

The implementation of the scheme for the period from 1987-88 to 1994-95 was reviewed in audit between March and June 1995 through test check of records of the Director, GSCERT, Ahmedabad, Commissioner of Higher Education, Gandhinagar, Principals of 12 selected DIETs\*, 4 CTEs\*\* and 2 IASEs\*\*\*

The important points noticed are mentioned in the succeeding paragraphs:

### **3.1.4 Highlights**

# Against the total non-recurring Central assistance of Rs.942.85 lakhs for the period 1987-88 to 1994-95, utilisation of fund on civil works and equipment was Rs.384.23 lakhs leaving an unspent balance of Rs.558.62 lakhs lying with the State Government/non-Government organisations as of March 1995.

(Paragraph 3.1.5)

# Utilisation certificates for Rs.128.30 lakhs paid as non-recurring grants to five non-Government organisations were awaited (September 1995).

(Paragraph 3.1.5(d))

# Central assistance of Rs.445 lakhs could not be utilised on account of non-finalisation of proposal for land acquisition and non-rectification of defective plans and estimates in respect of 17 upgraded DIETs.

(Paragraph 3.1.8(A)(ii))

# Various Government and non-Government organisations procured stores (equipment and furniture) valued at Rs.9.26 lakhs and Rs.3.59 lakhs respectively without inviting tenders in contravention of codal provisions.

(Paragraph 3.1.9)

# Targets in respect of training and formation of academic branches could not be achieved due to shortage of staff in 19 upgraded/new DIETs.

(Paragraphs 3.1.11 and 3.1.12)

# Central assistance of Rs.20 lakhs sanctioned during 1992-93 as recurring grant for in-service training was not disbursed to CTEs/IASEs by the State Government as the amount was not provided for in the State budget.

(Paragraph 3.1.12(B))

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\* (1) Bhavnagar, Bhuj, Idar, (District Sabarkantha), Junagadh, Kathlal (District Kheda), Limbdi (District Surendranagar), Palanpur, Rajkot, Rajpipala (District Bharuch), Santrampur (District Panchmahal), Surat and Vadodara

\*\* (2) Ahmedabad, Billimora (District Valsad), Modasa (District Sabarkantha), and Vallabh Vidyanagar (District Kheda)

\*\*\* (3) Ahmedabad and Porbandar (District Junagadh).

#There was an idle outlay of Rs.14.59 lakhs on purchase of furniture and equipment by 4 DIETs.

(Paragraph 3.1.13)

# No monthly progress reports, as envisaged in scheme, were sent in respect of CTEs/IASEs. No quarterly progress reports in respect of 19 DIETs were sent by due dates during last four years.

# Evaluation of scheme was not conducted at any level.

(Paragraph 3.1.15)

### 3.1.5 Financial arrangement

Under the scheme, cent *per cent* Central assistance was provided for setting up of new DIETs or for upgrading institutions to DIET, but the State was required to commit the existing level of expenditure on the selected institutions. The Central assistance was to be only in the nature of developmental support over and above the existing level. Cent *per cent* Central assistance was to be provided for upgradation/development of existing Secondary Teacher Education Institutions (STEIs) to Colleges of Teacher Education (CTEs) or Institutions of Advanced Study in Education (IASEs). In respect of non-recurring items i.e. civil works and equipment, cent *per cent* Central assistance was to be provided to the State.

The Government of India released, total Central assistance of Rs.1434.44 lakhs (non-recurring grant: Rs.942.85 lakhs and recurring grant: Rs.491.59 lakhs) during the period from 1987-88 to 1994-95. Central assistance towards recurring grant is reimbursed to the State Government after the expenditure is incurred for the approved purposes.

Against the total non-recurring grant of Rs.942.85 lakhs for civil works and equipment, expenditure of Rs.384.23 lakhs (41 *per cent*) was incurred during the period under review leaving unspent balance of Rs.558.62 lakhs as on 31 March 1995. Of this, Rs.505.40 lakhs were lying unspent with the State Government and Rs.53.22 lakhs were lying unspent since 1989-90 with 5 non-Government organisations.

The details of grants released by the Government of India and expenditure incurred therefrom during 1987-88 to 1994-95 were as shown in the Appendix-VIII.

It may be seen from the Appendix-VIII that:

(a) Out of Rs.543 lakhs in respect of DIETs, expenditure incurred was Rs.115.48 lakhs leaving unspent balance of Rs.427.52 lakhs. Utilisation of non-recurring grant (civil works and equipment) was very low. It was 27 *per cent* in respect of grants released for DIETs and 78 *per cent* for CTEs/IASEs. Central assistance of Rs.558.62 lakhs (59 *per cent*) remained unutilised at the end of March 1995. The department attributed the shortfall of expenditure to non-availability of suitable land and slow progress of civil works.

(b) Due to non provision of funds in the State budget for the year 1992-93 and onwards, recurring grant of Rs.20.00 lakhs sanctioned by the Government of India in the year 1992-93 for the purpose of training in CTEs/IASEs could not be utilised by the Education Department. Thus, beneficiaries were deprived of intended benefits of in-service training as envisaged in the scheme.

(c) The A.G. Teachers college, Ahmedabad (non-government organisation-CTE) was paid non-recurring grant of Rs.24 lakhs during the year 1989-90. Out of this grant, unspent balance of Rs.22.11 lakhs was lying with the CTE since 1989-90. However, in addition to this, additional non-recurring grant of Rs.19 lakhs was paid during the year 1992-93. The expenditure being Rs.24.89 lakhs (Rs.18.27 lakhs in 1992-93, Rs.4.04 lakhs in 1993-94 and Rs.2.58 lakhs in 1994-95) an unspent balance of Rs.16.22 lakhs was lying with the institution as on 31 March 1995.

(d) Out of non-recurring grants of Rs.213.80 lakhs released to 5 CTEs (non-government organisations) during 1987-88 to 1993-94, utilisation certificates for Rs.85.50 lakhs only were received by 31 March 1995.

### 3.1.6 Physical Performance

In pursuance of the New Educational Policy 1986, it was decided (August 1987) to convert existing Government Primary Teachers Training Colleges (PTCs) to DIETs in a phased manner. Against 16 PTCs, 7 were selected for conversion to DIETs in the first phase.

#### Targets and Achievement

##### (A) DIETs

As on 31 March 1995, civil works in respect of 2 DIETs were complete and the work in respect of remaining 17 were in progress. Year-wise position of upgraded DIETs is shown below:

Year	Target	Achievement	Remarks
1987-88	7 (upgraded)	7	Civil works of two DIETs completed. Civil works in 5 DIETs were in progress.
1988-89	5 (upgraded) 1 (new establishment)	6	Civil works were in progress.
1992-93	4 (upgraded)	4	Civil works were in progress.
1994-95	2 (new establishment)	2	Civil works were yet to start.
<b>Total:</b>	<b>19</b>	<b>19</b>	

Though targets regarding upgradation of existing PTCs to DIETs/establishment of new DIETs were achieved during all the years, infrastructural facilities, mainly civil works, furniture and equipment were not completed/acquired even upto the year 1994-95.

## (B) CTEs/IASEs

Four STEIs and 2 CTEs, as approved by Government of India, were upgraded at the end of 1993-94. Out of 4 STEIs (non-government organisations), 2 were upgraded as CTEs during 1987-88 and remaining 2 were upgraded during 1988-89. Out of 2 CTEs, one Government institution was upgraded as IASE in 1987-88 and another CTE (non-government organisation) was upgraded as IASE during 1993-94.

### 3.1.7 Identification of institutions

According to the guidelines of the scheme, Elementary Teacher Education Institutions (ETIs) and Secondary Teacher Education Institutions (STEIs) which were either surplus or sub-standard or had been indulging in malpractices were to be identified and penal action was required to be taken against them. There was no such case in respect of ETIs and as regards STEIs, no survey was conducted.

### 3.1.8 Physical Progress in Civil Works

Position of civil works in respect of 12 DIETs, 4 CTEs/2 IASEs test-checked during review was as under:

(A) **DIETs**: Out of twelve DIETs, civil works were completed only at two DIETs (Idar and Santrampur) of which possession of hostel and staff quarters was not handed over by PWD authorities at Santrampur on account of problems regarding basic amenities. Construction of hostel at one DIET (Junagadh) was in progress and staff quarters were yet to be constructed. Civil works at the remaining 9 DIETs were not taken up due to various problems like land acquisition, revision of plans and estimates, etc.

(i) Cent *per cent* Central assistance was released to the State Government for non-recurring expenditure on civil works which included construction of institute building, hostel, staff quarters and special repairs to existing building.

Out of the approved Central assistance of Rs.854 lakhs for civil works to 19 DIETs, an amount of Rs.543 lakhs was released to State Government by Government of India up to the year 1994-95 as shown below :

Sl. No.	Name of DIET	Number of DIETs	Central assistance released	Percentage of approved Central assistance released
(Rupees in lakhs)				
1	Bhuj, Junagadh, Rajkot, Idar, Santrampur, Vadodara, Surat	7	232	100
2	Bhavnagar, Kathlal, Limbdi, Rajpipla, Palanpur, Waghai	6	99	50
3	Ahmedabad, Dhrol, Patan, Vadia	4	112	50
4	Gandhinagar, Valsad	2	100	50
<b>Total</b>		<b>19</b>	<b>543</b>	

(ii) Out of Central assistance of Rs.543 lakhs for civil works, unutilised amount of Rs.427.52 lakhs included Rs.145 lakhs on account of non-finalisation of acquisition process and non-availability of suitable land for six upgraded DIETs and Rs.73 lakhs on account of non-rectification of defective estimates involving four upgraded DIETs. Rupees.209.52 lakhs remained unutilised due to late release of Central assistance and slow progress of works in respect of 7 DIETs.

Details of works indicating the reasons for their remaining incomplete were as under :

Sl. No.	DIET At	Unspent Central assistance	Central grant could not be utilised due to:			Remarks
			Non-acquisition of land	Preparation of defective estimates	Other reasons	
(Rupees in lakhs)						
1	Ahmedabad	28.00			28.00*	
2	Bhavnagar	17.50	17.50			
3	Bhuj	25.49	25.49			
4	Dhrol	28.00			28.00*	(##)Grant released in
5	Gandhinagar	50.00			50.00##	1994-95 only.
6	Junagadh	26.50		26.50		
7	Kathlal	7.50		7.50		
8	Limbdi	16.50	16.50			
9	Palanpur	25.00		25.00		
10	Patan	28.00			28.00*	
11	Rajkot	46.00	46.00			(*)Late release of grant.
12	Rajpipla	15.00	15.00			
13	Surat	25.00	25.00			
14	Vadodara	13.75		13.75		
15	Vadia	28.00			28.00*	
16	Valsad	50.00			50.00##	
17	Waghai	15.00			15.00*	
<b>Total</b>		<b>445.24</b>	<b>145.49</b>	<b>72.75</b>	<b>227.00</b>	
<b>i.e.</b>		<b>445</b>	<b>145</b>	<b>73</b>	<b>227</b>	

**Note :** Unspent Central assistance of Rs.445.24 lakhs included excess expenditure of Rs.17.72 lakhs on civil works by DIETs

During test-check of records relating to construction of civil works at DIETs executed by the Public Works Department, the following irregularity was noticed:

According to the norms fixed, Central assistance to the extent of 50 per cent of the approved outlay for civil works was required to be released as first instalment. The remaining 50 per cent was to be released as second instalment after State Government confirmed that at least 75 per cent of the first instalment released by the Government of India had been utilised.



It was noticed that as land acquisition had not been finalised in respect of DIETs upgraded (during 1987-88) at Rajkot and Surat, construction work was not started. However, Central assistance of Rs.35.50 lakhs (Rs.23 lakhs-Rajkot; Rs.12.50 lakhs-Surat) was claimed by the State Government and released by the Government of India (March 1993) as second and final instalment on civil works, which was irregular.

**(iii) Construction in violation of the norms of the scheme**

Instead of constructing student hostel with double bedded-room as per the guidelines of the scheme the proposal for construction of hostel with dormitory blocks for accommodating sixty students and ninety students at Bhavnagar and Junagadh respectively was made in May 1993 (Bhavnagar) and finalised in February 1993 (Junagadh).

**(b) CTEs/IASEs**

Out of non-recurring grant of Rs.261.65 lakhs received from the Government of India during 1987-95 and released to CTEs/IASEs by the Education Department, an amount of Rs.203.58 lakhs was utilised, leaving unutilised balance of Rs.58.07 lakhs upto March 1995.

It was observed in audit in respect of Gujarat Vidyapith, Ahmedabad that:

(a) No time limit was fixed for completion of works (institute building, boys and girls hostels, staff quarters) in contracts of 4 civil works awarded to private agencies.

(b) The tenders for civil works were finalised without technical sanction from PWD authorities.

(c) No completion certificates in respect of various civil works completed were found on record.

**3.1.9 Purchase of furniture and equipment without inviting tenders**

According to rules, advertisement in the newspapers is mandatory for inviting tenders for purchase of stores worth Rs.10,000 and above. However, purchases worth Rs.12.85 lakhs (equipment Rs.9.26 lakhs, furniture Rs.3.59 lakhs) were made by various Government and non-government organisations from open market without inviting tenders.

**3.1.10 Staffing**

**DIETs**

As against 733 posts sanctioned by the Government of India for 17 upgraded DIETs, after adjusting 283 posts existing prior to upgradation of DIETs, 450 posts were required to be created and filled up in accordance with the norms of the scheme. However, only 90 (20 per cent) posts were filled in. Shortfall in filling up of sanctioned posts was attributed by the Department to non-availability of persons with prescribed qualifications. As against 19 admissible posts of Principals, only 4 posts were filled in as on 31 March 1995.

### **3.1.11 Establishment of academic branches**

#### **(A) DIETs**

Out of 7 academic branches envisaged for establishment in Model DIET, only two academic branches viz. Pre-Service Teacher Education (PSTE) and Inservice Programmes Field Inter-action and Innovation Co-ordination (IFIC) were set up and put to function. The remaining five branches could not be set up due to non-recruitment of suitable academic staff in all DIETs.

#### **(B) CTEs/IASEs**

According to guidelines, CTEs and IASEs were required to set up 8 academic branches/groups for inservice training programmes but no academic branch/group was established by CTEs/IASEs. The non formation of academic branches were attributed by the department to non-filling of academic posts.

### **3.1.12 Training Programmes**

#### **DIETs**

According to norms, every DIET was required to constitute a Programme Advisory Committee (PAC) to advise and guide the Institute in the planning and conduct of its entire range of programme and activities.

Though implementation of scheme started from 1987-88 in the State, orders relating to formation of PAC in each DIET were issued in October 1993. Out of nineteen upgraded DIETs, PACs were functioning in 6 DIETs viz., Bhavnagar, Palanpur, Rajpipla, Santrampur, Surat and Vadodara and in thirteen DIETs, the PACs were yet to be constituted.

### **Programmes-Achievement**

#### **(A) DIETs**

According to guidelines of the scheme, each DIET was required to conduct inservice training programmes viz. main programmes (with 40 to 45 trainees each) to be conducted in 12 to 14 DIETs covering about 500 to 600 trainees per annum and other short-duration programmes with suitable numbers annually in order to cover entire primary teachers of a district in a period of five years.

Inservice training programmes conducted by DIETs during the period from 1991-92 to 1994-95 are shown in the table given below:

Year	Total Number of DIETs	Number of DIETs in which training was conducted	Nature of Training programme Duration	Number of Trainees		Short-fall (per cent)
				Target	Achievement	
1991-92	13	7	<u>Other Theme</u> (short term) 3 days	4450	3533	21
1992-93	13	13	<u>Other Theme</u> (short term) 3 to 6 days	3750	3195	15
1992-93	13	6	<u>Main Programme</u> 20 days	750	576	23
1993-94	17	4	<u>Other Theme</u> (short term) 3 to 6 days	1550	1360	12
1993-94	17	4	<u>Main Programme</u> 20 days	500	425	15
1994-95	19	16	<u>Other theme</u> (short term) 6 days	42100	42100	--
<b>Total :</b>				<b>53100</b>	<b>51189</b>	

It would be observed from the above table that training programmes were not conducted by all the upgraded DIETs. Targets were not fixed as per guidelines of the scheme but were fixed taking into account funds provided by the department for 53100 teachers, against which, 51189 teachers were trained during the four years. Shortfall ranged from 12 to 23 *per cent*. The shortfall was attributed to shortage of academic staff and insufficient funds provided by Government.

### (B) CTEs/IASEs

Programme Advisory Committee, required to be constituted as per scheme, was not formed in any of the institutions.

Government of India sanctioned Rs.20 lakhs in January 1993 as recurring grant to the Education Department for conducting inservice training programmes in CTEs/IASEs. However, no recurring grant was disbursed to these institutions as there was no provision of funds in the State budget during the year 1992-93. Training programmes could, thus, not be conducted by them as per targets provided in the scheme.

#### 3.1.13 Idle outlay on purchase of furniture and equipment

There was idle outlay of Rs.14.59 lakhs on purchase of furniture and equipment by 4 DIETs (Bhuj, Limbdi, Palanpur and Rajpipla) due to non-recruitment of admissible academic staff in 3 upgraded DIETs and for hostel building (DIET at Bhuj) yet to be constructed.

### **3.1.14 Other topic of interest**

#### **Idle outlay on purchase of copier**

Copier machine (xerox) costing Rs.1.09 lakhs purchased in May 1991 from open market without inviting tenders by the A.G. Teachers College, Ahmedabad (CTE-non-government organisation) out of Central assistance was lying idle and was not in working condition due to non-receipt of recurring grant for maintenance of equipment.

### **3.1.15 Monitoring and evaluation**

#### **DIETs**

Though the scheme was implemented from 1987-88, the State level steering-cum-monitoring committee was formed by the Department only in June 1993. First meeting of the committee was held in September 1993.

Monthly progress report required to be sent by the 15th of the following month, was not sent to the Human Resource Department (HRD) by State Government. Quarterly Progress Report (QPR) was required to be sent within a month of close of the relevant quarter. It was noticed that during 1991-94, 10 out of 12 QPRs were sent to HRD, but due dates were not observed in sending the progress reports during the last four years. The delay ranged between one and four months.

No reconciliation of expenditure figures was carried out with those booked in the office of the Accountant General (Accounts and Entitlement) by Directorate, GSCERT, Ahmedabad as required under the provisions of the Gujarat Budget Manual.

No evaluation of the scheme was conducted at any level.

#### **CTEs/IASEs**

The State level empowered Committee and the State level Steering-cum-Monitoring Committee were constituted in 1987-88 and 1993-94 respectively for undertaking review and evaluation of the scheme however, no review/evaluation of the implementation/ performance of the scheme was conducted.

Neither, monthly nor quarterly Progress Reports were collected regularly from any institution and sent to the Human Resource Department during the period under review.

### **3.1.16 External evaluation**

No external agency was engaged for conducting evaluation of performance of the scheme.

**3.1.17** The matter was referred to Government in July 1995; reply has not been received (December 1995).

### 3.2 Blocking of Government money

The Executive Engineer (Roads and Buildings Division), Surendranagar undertook (October/November 1991) the work of construction of C.U. Shah Polytechnic College Campus consisting of workshop buildings, boys hostel, ladies hostel, women's wing, Learning Resource Centre (LRC) block and quarters for faculty members. The civil works were completed during January 1993 and October 1993 at the cost of Rs.250.43 lakhs. However, the buildings could not be put to any use for want of electricity.

Scrutiny of records revealed (May 1994) that the Electrical Division, Rajkot had applied for electric connections after a lapse of five to fifteen months from the date of completion of civil works. This not only resulted in the campus remaining unused even after completion of its construction, but also in blocking of Government money aggregating Rs.250.43 lakhs, and loss of rent of Rs.0.57 lakh due to quarters remaining vacant and avoidable payment of house rent allowance of Rs.1.45 lakhs up to September 1995. In the absence of LRC block and workshop facilities, all the courses were affected to some extent and students were deprived of hostel facilities.

250.43  
1.45  
251.88  
0.57  
252.45  
lakh

The Director of Technical Education stated (September 1995) that the workshop building, ladies hostel, women's wing and LRC blocks were put to use from February 1995 and that the possession of boy's hostel (cost: Rs. 77.59 lakhs) and faculty quarters (cost: Rs. 15.43 lakhs) had not been taken due to poor and incomplete civil works and lack of electricity.

The matter was referred to Government in May 1995; reply has not been received (December 1995).

### 3.3 Idle Machinery

Under the World Bank assisted project for strengthening polytechnics (Project) in the State, Government decided (August 1990) to establish Maintenance Centre (MC) at Ahmedabad and new polytechnics at Gandhinagar and Surendranagar and to expand the workshop of the existing polytechnic at Jamnagar. The Project also envisaged providing of machinery, equipment, tools and plants, etc. to MC and polytechnics under the quality improvement and efficiency improvement schemes.

It was noticed in audit that Director of Technical Education (Director) purchased between January 1992 and October 1994, 81 pieces of various machines at the total cost of Rs.47.81 lakhs to equip MC and polytechnics. The machines received between March 1992 and October 1994 could not be put to use (May 1995) due to MC at Ahmedabad not having been constructed, construction of polytechnics at Gandhinagar not having been completed, the buildings at Surendranagar not being electrified and foundation for fixing machines at Jamnagar not having been provided.

Thus, lack of synchronisation of purchase of machinery with construction activities resulted in idle investment of Rs.47.81 lakhs.

The Director of Technical Education to whom the matter was reported (June 1994), stated (August 1995) that the machinery at Jamnagar were utilised (July 1994) without providing foundations and that due to dropping of construction of MC at Ahmedabad, the equipment procured were transferred (April 1995) to needy polytechnics.

The matter was referred to Government in January 1995; reply has not been received (December 1995).

### **3.4 Non-recovery of Government money**

With a view to increasing the literacy level in the State, a scheme for providing mid-day meal to primary school children had been in operation since 1984. According to the Government order of March 1986, mid-day meal organisers (Organisers) were to deposit the stock of foodgrain remaining unutilised with the fair price shops on commencement of summer vacation. Shopkeepers in turn were to deposit the value of such stock in to Government accounts after deducting their margin of profit.

Scrutiny of records maintained by the Deputy Collector, mid-day meal programme, Vadodara (Deputy Collector) revealed (July 1994) that out of Rs.7.11 lakhs recoverable from the owners of fair price shops of 13 Talukas in respect of foodgrain deposited with them by the Organisers during 1989-90, Rs.2.54 lakhs remained to be recovered as of March 1995 from eleven shopkeepers of three Talukas (Vadodara Rural, Padra and Tilakwada). When the non recovery was pointed out in audit, the Deputy Collector stated (December 1994) that in spite of several notices to the shopkeepers, and action to effect recovery as arrears of land revenue in some cases, the amount could not be realized.

The matter was referred to Government in January 1995; reply has not been received (December 1995).

## **FORESTS AND ENVIRONMENT AND EDUCATION DEPARTMENTS**

### **3.5 Outstanding Inspection Reports**

A review of the position of outstanding inspection reports of the Forests and Environment Department and five districts of the Education Department (Ahmedabad, Amreli, Banaskantha, Gandhinagar and Rajkot) revealed the following.

(i) Action was pending (July 1995) on 844 paragraphs included in 170 inspection reports issued upto December 1994; Forests and Environment Department 223 paragraphs of 95 inspection reports and Education Department (five districts) 621 paragraphs of 75 inspection reports. The year-wise break-up is given below :

Year	Forests and Environment Department		Education Department	
	Reports	Paragraphs	Reports	Paragraphs
Upto				
1987-88	3	3	17	202
1988-89	2	2	5	20
1989-90	5	6	7	34
1990-91	1	2	6	20
1991-92	9	15	8	73
1992-93	51	131	13	90
1993-94	21	58	9	80
1994-95	3	6	10	102
<b>Total</b>	<b>95</b>	<b>223</b>	<b>75</b>	<b>621</b>

(ii) In spite of instructions of the Government for sending the first reply within four weeks of receipt of the inspection report by the department, replies had not been received for 32 inspection reports containing 92 paragraphs in respect of Forests and Environment Department and 13 inspection reports containing 123 paragraphs in respect of Education Department as of July 1995. Even in cases where first replies were received, there were delays upto two years in respect of 61 inspection reports containing 129 paragraphs and two to five years in respect of 2 inspection reports containing 2 paragraphs, pertaining to Forests and Environment Department. Similar delays upto two years in respect of 55 inspection reports containing 467 paragraphs and two to five years in respect of 7 inspection reports containing 31 paragraphs by the Education Department were also noticed.

(b) The Public Accounts Committee had recommended (November 1977) constitution of Audit Committee, in each department to discuss periodically the audit objections in order to expedite the settlement. No committee has been formed in respect of Forests and Environment Department (July 1995). In respect of Education Department, though the Audit Committee was formed in July 1991 the last meeting was held on 23 June 1993.

The matter was referred to Government in August 1995; reply has not been received (December 1995).

## **FOOD AND CIVIL SUPPLIES DEPARTMENT**

### **3.6 Public Distribution System for Tribal and Backward Areas**

#### **3.6.1 Introduction**

In order to supply essential commodities at affordable price to poor and vulnerable sections of society, Government of India (GOI) launched a centrally sponsored scheme called "Revamped Public Distribution System (RPDS)" in April 1992.

The objectives of the scheme were:-

(i) To maintain uninterrupted flow of essential commodities at affordable prices to common man throughout the year.

(ii) To supply essential commodities to poor and vulnerable sections of the society, specifically in the far flung hilly, remote and inaccessible areas.

According to the scheme, foodgrains (*viz.*, wheat and rice) were to be supplied at a rate lower by Rs.50 per quintal than the Central Issue Price, (CIP) and uniform predetermined retail price was to be charged from all the consumers in the areas identified under the scheme *viz.*, the blocks covered by Drought Prone Area Programme (DPAP), Integrated Tribal Development Project (ITDP), Desert Development Programme (DDP) and certain Designated Hill Areas (DHA).

The GOI was to supply foodgrains and the State Government was responsible for lifting the foodgrains from the central godown of the Food Corporation of India for distribution to consumers through fair price shops (FPS).

The scheme was launched in the State in June 1992 covering 97 blocks as identified under the scheme by the GOI. However, the State Government extended the scheme to the families having income upto Rs.28000 per annum and small and marginal farmers.

### **3.6.2 Organisational set up**

At the State level, the Secretary, Food and Civil Supplies Department, Director of Food and Director of Civil Supplies Department were responsible for planning, administration and monitoring of the scheme.

At the District level, the execution of the scheme was entrusted to the Collector of the district assisted by the District Supply Officer. The scheme was implemented by Mamlatdars at the taluka level. The foodgrains were distributed to the beneficiaries through network of FPS.

The storage, transportation and supply of foodgrains lifted from the central godowns were managed by the Gujarat State Civil Supplies Corporation (GSCSC).

### **3.6.3 Audit Coverage**

The review of the scheme for the period from 1992-93 to 1994-95 was conducted between April and June 1995. The records relating to the scheme were test checked in the office of the Director of Food, Director of Civil Supplies, GSCSC and in 4\* districts and 10 talukas selected out of 16 districts. Important points noticed during test-check are discussed in the succeeding paragraphs.

### **3.6.4 Highlights**

**# Sixty one per cent of Central assistance (loan and subsidy) for construction of godowns amounting to Rs.63.70 lakhs remained unutilised with the State Government for two years ending 31 March 1995. Utilisation certificates for the assistance were also not furnished by the State Government.**

(Paragraph 3.6.5)

\* District : Banaskantha, Dangs, Panchmahals and Surendranagar Talukas : Ahwa, Danta, Dahod, Limkheda, Limbdi, Muli, Shehra, Tharad, Wav and Wadhwan.



# The quantity of foodgrains (wheat) lifted by the State Government was less (by 10 to 23 per cent) than allotment during three years ending 31 March 1995. The actual distribution also ranged from 15 kg. to 11 kg. per month per card against the provision of 20 kg. during the period. The decline in offtake was attributed to poor purchasing power of beneficiaries and their food habits.

(Paragraph 3.6.6 (iii))

# In the absence of complete particulars of ration cards correlated to the issues in the stock records of the fair price shops, it could not be verified whether the benefit of the scheme was availed of only by the intended beneficiaries.

(Paragraph 3.6.6 (iii))

# An additional expenditure of Rs.2830.45 lakhs as handling charges of foodgrains to be borne by the State Government under the specially subsidised scheme (RPDS) was passed on to other consumers under the public distribution system (PDS).

(Paragraph 3.6.7 (i))

# A revised price differential of Rs.149.00 lakhs payable to the Government of India on the closing stock of foodgrains as on 3 February 1993 had not been credited by the GSCSC as of June 1995.

(Paragraph 3.6.7 (ii))

# No evaluation of the scheme was conducted.

(Paragraph 3.6.9)

### 3.6.5 Pattern of financing

RPDS was a subsidised scheme comprising (i) subsidy for commodities (ii) loan and subsidy on 50:50 basis for construction of godowns and for purchase of mobile vans and (iii) subsidy for intelligence, enforcement and manpower training under PDS.

The details of Central assistance received as loan/subsidy and expenditure incurred during the period from 1992-93 to 1994-95 were as under.

Year	Central assistance		Total	Expenditure	Balance
	Loan	Subsidy			
(Rupees in lakhs)					
<b>Construction of Godowns</b>					
1993-94	32.32	32.32	64.64	NIL	64.64
1994-95	20.15	20.15	40.30	41.24	(-)00.94
<b>Total</b>	<b>52.47</b>	<b>52.47</b>	<b>104.94</b>	<b>41.24</b>	<b>63.70</b>
<b>Training Workshops</b>					
1993-94	NIL	0.19	0.19	0.19	NIL
1994-95	NIL	0.15	0.15	0.15	NIL
<b>Total</b>	<b>NIL</b>	<b>0.34</b>	<b>0.34</b>	<b>0.34</b>	<b>NIL</b>

**Note :** No Central assistance was received during 1992-93 either for construction of godowns or Training Workshop.

No Central assistance for purchase of van was received during 1992 to 1995. The department stated that the Central assistance did not cover the entire cost of van and hence no proposal for purchase of van was sent.

Out of Rs.104.94 lakhs received by the State as Central assistance, the State Government released (March 1995) Rs.41.24 lakhs (50 *per cent* loan and 50 *per cent* subsidy) to GSCSC towards construction of 4 godowns leaving Rs.63.70 lakhs unutilised (March 1995). Sixty one *per cent* of Central assistance thus remained unutilised with the State Government.

Out of Rs.41.24 lakhs, GSCSC spent Rs.38.94 lakhs towards construction of 4 godowns during 1994-95 leaving Rs.2.30 lakhs unutilised.

For manpower training under PDS, Central assistance of Rs.0.34 lakh was sanctioned during 1993-94 and 1994-95 as subsidy. The entire amount was spent as of March 1995.

Utilisation certificates of Central assistance were not furnished to the GOI by the State Government as required under the scheme.

### **3.6.6 Performance**

#### **(i) Construction of Godowns**

The State Government had sent plans for construction of 8 godowns with storage capacity of 1000 tonnes each and 5 godowns with storage capacity of 250 tonnes each involving total outlay of Rs.169.64 lakhs in November 1993 and August 1994 respectively. Against this, GOI had sanctioned Rs.64.64 lakhs (50 *per cent* loan and 50 *per cent* subsidy) for 4 godowns (capacity : 1000 tonnes) and Rs.40.30 lakhs for 5 godowns (capacity: 250 tonnes) in the year 1993-94 and 1994-95 respectively. Only Rs.38.94 lakhs were spent during 1994-95 for construction of five godowns through GSCSC.

As against 4 godowns with the capacity of 1000 tonnes each, for which Rs.41.24 lakhs was paid to GSCSC by the State, 4 godowns with the capacity of 500 tonnes each were constructed at the total cost of Rs.37.89 lakhs upto October 1994. Three godowns were put to use in October 1994 and remaining one godown at Khambha (Dist. Amreli) was put to use in April 1995. The delay in the use of one godown was due to non-availability of approach road. The Department stated (May 1995) that work of adding capacity of 500 tonnes to each of these four godowns was in progress and would be completed by 1995-96.

According to guidelines of the scheme, the cost of land development and approach road was to be borne by the State Government. It was, however, noticed in audit that the expenditure of Rs.1.25 lakhs was incurred for construction of approach road of godown at Khambha (Dist. Amreli) from the Central assistance.

The status of construction (May 1995) of 5 godowns with the capacity of 250 tonnes each, for which an assistance of Rs.40.30 lakhs was provided by the GOI, was as under :

Sl. No.	Name of the District	Name of Block	Expenditure (Rupees in lakhs)	Status of construction
1	Panchmahals	Jhalod	1.05	Work was in progress (May 1995)
2	Broach	Valia	NIL	Detailed estimates were yet to prepared (May 1995)
3	Dangs	Ahwa	NIL	Tender was to be finalised by the committee (May 1995)
4	Surendranagar	Lakhtar	NIL	Work order was issued in April 1995
5	Kutch	Dayapar	NIL	Land was not yet allotted by the Collector, Kutch (May 1995)

### (ii) Procurement and distribution of foodgrains

The GOI had decided (June 1992) to provide atleast 20 kgs of foodgrains per month to each family residing in the identified areas for which additional allotment of foodgrains was made from June 1992 onwards. The State Government was to ensure the distribution and availability of foodgrains.

The State Government had issued (December 1992) special ration cards (Green Colour) to the beneficiaries of RPDS. The number of such cardholders as on 31 March 1995 was 14,45,973.

### (iii) Allocation, Lifting and Distribution

No guidelines regarding the basis for raising demand for foodgrains by the State Government were laid down under RPDS. After considering number of cards, offtake and population covered and after consultation with the district Collectors, monthly demands were prepared by the State Government. A fixed quota of 45250 tonnes of foodgrains was, however, allotted every month by the GOI for distribution in RPDS areas of the State from October 1993 onwards. The year-wise allocation, lifting and distribution of foodgrains during the period 1992-93 to 1994-95 were as under :-

Period	Allotment		Lifting		Offtake per Card per month in Kg.		Number of Ration Card holders as at the end of March each year (In lakhs)
	Wheat	Rice	Wheat (In lakhs tonnes)	Rice	Wheat	Rice	
1992-93	2.34	1.03	2.09 (90)	0.92 (89)	1.97 (84) 15	0.92 (89) 7	12.70
1993-94	2.52	1.79	1.97 (78)	1.33 (75)	1.88 (75) 11	1.50 (84) 9	13.98
1994-95	3.41	2.01	2.63 (77)	1.39 (69)	2.26 (66) 13	1.47 (73) 8	14.46

**Note :** Figures within brackets represent percentage with reference to allotment of foodgrains. Excess quantity of offtake of rice in comparison to quantity lifted was due to adjustment of inter-stock transfer from PDS by GSCSC.

It would be observed that though the number of card holders increased from 12.70 lakhs in 1992-93 to 14.45 lakhs in 1994-95, the percentage of wheat and rice lifted against allotment declined from 90 in 1992-93 to 77 in 1994-95 and 89 in 1992-93 to 69 in 1994-95 respectively. The offtake of wheat per card per month declined from 15 Kg. in 1992-93 to 11 Kg. in 1993-94 whereas the offtake of rice declined from 9 Kg. in 1993-94 to 8 Kg. in 1994-95. The decline in offtake was attributed (May 1995) by the Department to the following reasons:

- (1) Staple food of consumers of tribal area as maize and jowar and in other areas bajra and nagli in Dangs district.
- (2) Local small farmers grew their requirement of foodgrains themselves.
- (3) Purchasing power was limited due to poor economic condition of the beneficiaries.
- (4) Difference between market price and RPDS price becoming less due to increase in issue price.

The allotment of foodgrains for districts and talukas was made by the Director of Food and Collector respectively. The details of allotment, lifting and distribution of foodgrains during 1992-93 to 1994-95 in respect of four selected districts and nine selected talukas are given in Appendices IX and X. It was observed that in Dangs and Banaskantha districts, (Tribal and Desert Zone respectively), the percentage of offtake of foodgrains against the allotment declined from 68 in 1992-93 to 49 in 1994-95 and from 100 in 1992-93 to 71 in 1994-95. The offtake of foodgrains per card per month declined from 28 Kg. in 1992-93 to 11 Kg. in 1994-95 and from 13 Kg. in 1992-93 to 6 Kg. in 1994-95 in Banaskantha and Dangs district respectively. As regards talukas test checked, the offtake of foodgrains per card per month declined from 24 Kg. in 1992-93 to 13 Kg. in 1994-95, 20 Kg. in 1992-93 to 8 Kg. in 1994-95 and 20 Kg. in 1992-93 to 9 Kg. in 1994-95 in Danta, Tharad and Wav talukas of Banaskantha district respectively.

During the test-check of relevant records of the taluka level, it was further noticed that though the monthly stock accounts were being submitted by the Fair Price Shopkeepers to the mamlatdar concerned, the vital information regarding actual number of card holders who purchased the foodgrains were not being shown in the monthly stock accounts. In the absence of this vital information, Audit could not verify the actual benefit availed of by the intended beneficiaries. On this being pointed out, the Director of Food, Gandhinagar issued (May 1995) a circular directing furnishing of the required information in the monthly stock account.

#### **(iv) Fair price shops**

The position of FPS required as per norms and in existence in respect of 4 districts and 9 talukas (Dangs being one block) selected for test check was as under:

Year	Number of shops required	Number of shops in Existence	-Shortfall +Excess	Remarks
Position of district:*				
1992	1654	1609	- 45	
1993	1947	1991	+ 44	
1994	2008	2238	+ 30	
1995	2129	2106	- 23	
Position of Taluka:**				
1992	536	518	- 18	1 shop excess in Muli
1993	542	532	- 10	1 shop excess in Muli
1994	553	538	- 15	3 shops excess in Muli
1995	558	542	- 16	4 and 1 excess in Muli & Limkheda respectively

### 3.6.7 Other points of interest

#### (i) Diversion of additional expenditure to consumers under PDS

The scheme provided for a uniform end retail price throughout the country. The State Government should cover the handling cost/commission etc., within Rs.25 per quintal. The additional expenditure in excess of Rs.25 per quintal was to be borne by the State Government from their own fund.

In the State, the stock, storage, transport and supply of foodgrains were managed by the GSCSC. The profit or loss, if any, on this account were being adjusted in the accounts of the State Government. The cost structure of end retail price in respect of wheat and rice was prepared by GSCSC and approved by the State Government.

It was noticed from the cost structure effective from 11 January 1993 and 1 February 1994 that there was a loss of Rs.20.60, Rs.35.10, Rs.36.50 and Rs.66.70 per quintal in respect of wheat and rice respectively to be distributed under RPDS. This loss was included in the cost price of wheat and rice to be distributed under Public Distribution System (PDS). A total additional expenditure of Rs.2830.45 lakhs which was to be borne by the State Government was thus passed on to the other consumers under PDS.

#### (ii) Non payment of price differential of foodgrains issued from Central godowns

In January 1993, GOI revised the CIP of wheat from Rs.230 per quintal to Rs.280 per quintal and of superfine rice from Rs.458 per quintal to Rs.518 per quintal. Consequently, the State Government revised the retail price of wheat and rice from 3 February 1993. The price differential of Rs.149 lakhs applicable to the closing stock of wheat and rice with GSCSC and the fair price shopkeepers payable to the Government of India was, however, not credited by GSCSC till June 1995. Interest on the above dues to the GOI worked out to Rs.41.72 lakhs as of 30 June 1995.

\* Banaskantha, Dangs, Panchmahals and Surendranagar

\*\* Danta, Dahod, Limkheda, Limdi, Muli, Shehra, Tharad, Wav and Wadhwan.

### 3.6.8 Vigilance Committee

In order to have control over FPS and over distribution of foodgrains at subsidised rate in the identified areas and to ensure that there was no leakage/diversion of foodgrains, various committees were envisaged under the scheme viz. (1) Vigilance Committee at village level (2) Taluka Civil Supplies and Consumer Protection Advisory Committee and (3) Inspection units. Test check in this regard revealed as under :

(a) Out of 31, 57 and 101, vigilance committees at village level, 8 committees in Wadhwan Taluka, 19 committees in Tharad taluka and 2 committees in Limkheda taluka respectively were not functioning.

(b) Similarly, Taluka Civil Supplies and Consumer Protection Advisory Committees were required to meet once in a month. However, in 9 talukas (as Dangs Ahwa district has no taluka) it was noticed that as against 306 monthly meetings required to be held during June 1992 to March 1995, only 106 meetings were actually held.

(c) Inspection units at various levels were prescribed to check whether proper account of stock, distribution of foodgrains, rate charged, elimination of bogus/duplicate ration cards, etc. were maintained by fair price shopkeepers or not. Norms of inspection by various authorities were also prescribed by the State Government. Test check of records revealed the following shortfall of inspection during June 1992 to March 1995 (34 months).

Sr. No.	Authority	Total number of teams/ posts operated	Norms for inspection per month 6/92 to 3/95	Total inspection to be done for (34 months)	Total inspection actually done	Shortfall
1	State level teams	7	4	952	782	170
2	District Supply Officer (Except Dangs-Ahwa)	3	4	408	496	Nil
3	Chief supply Inspector	4	6	816	863	Nil
4	Supply Inspector	33	10	11220	9346	1874
5	Mamlatdar	10	5	1700	1385	315
6	Supply Aval Karkoon	10	5	1700	1719	Nil
7	Circle Officer	4	5	680	49	631

Reasons for shortfall were attributed by the department to (i) posts of supply inspector being vacant (ii) entrustment of additional duty of identity cards and elections (iii) pressure of work, flood relief work and other contingencies.

### 3.6.9 Evaluation

No separate evaluation for the Revamped Public Distribution System (RPDS) was undertaken by the Government to assess the effectiveness of the programme.

3.6.10 The matter was referred to the Government in September 1995, reply has not been received (December 1995).

## INDUSTRIES AND MINES DEPARTMENT

### 3.7 Idle investment

With a view to keeping pace with modern technology and to facilitate quick and accurate printing, Director of Stationery and Printing (Director) purchased four off-set printing machines (Machines) between March 1983 and January 1985 at the cost of Rs.29.15 lakhs for the Government Press, Baroda. A scrutiny of records relating to working of machines revealed that:

Two machines, with capacity of 10,000 impressions per hour (IPH) purchased (April-1983) at the total cost of Rs.9.71 lakhs, failed during trial run. Despite expenditure of Rs.1.58 lakhs incurred (November 1986) on their renovation and repairs on the advice of the manufacturer and subsequent expenditure of Rs.0.68 lakh on repairs up to January 1993; the machines failed to give satisfactory output.

The remaining two machines with capacity of 7500 IPH purchased (March 1984 and January 1985) at the total cost of Rs.19.44 lakhs also went out of order immediately after commissioning (April 1984 and April 1985). Despite expenditure of Rs.0.18 lakh incurred on repairs till April 1990, the machines did not give satisfactory output and the manufacturing firm could not be approached as same was not in existence.

When the non-operation of the machines was pointed out in audit (June 1993), the Director stated (December 1993) that according to the policy of Government, the machines were required to be operated by the existing workers, who were not conversant with modern technology, and due to non-availability of skilled workers, the machines could not be operated satisfactorily. The contention of the Director was not tenable as two machines failed during trial run and the other two went out of order immediately after commissioning.

Thus, expenditure of Rs.29.15 lakhs on purchase of machinery and Rs.2.44 lakhs on repairs and renovation proved unfruitful resulting in the investment of Rs.31.59 lakhs remaining idle for over 10 years.

The matter was referred to Government in April 1994; reply has not been received (December 1995).

### 3.8 Blocking of Government money

Government presses use kraft paper (Paper) for preparing envelopes, file covers and for binding of publications, books, etc. On receipt of indent (July 1988) from the Director of Printing and Stationery (Director) for purchase of 400 tonnes of paper, the Director General of Supplies and Disposals, New Delhi (DGS&D) placed (August 1989) order for supply of the same at Rs.13980 per tonne, which included 100 tonnes of paper for Government photo litho press, Ahmedabad (Press). Against the supply order for 100 tonnes, the press received between January and September 1991, 206.86 tonnes of paper valued at Rs.31.73 lakhs (including railway freight and carting).

It was noticed during audit (November 1994) that though average yearly consumption of paper by the Press was 19.62 tonnes, the Director assessed the requirement at 100 tonnes for 1988-89, and pending receipt of above consignment, fresh orders for 107 tonnes was placed (February 1990-January 1991) for the same year. Since actual consumption of paper during 1991-92 to 1993-94 was only 60.60 tonnes, purchase of Paper in excess of requirement resulted in blocking of fund to the extent of Rs.22.43 lakhs.

The Director stated (March 1995) that the orders placed for purchase of paper during 1985-86 to 1988-89 were not executed by DGS&D, hence looking at irregular supply position, the requirement for the year 1988-89 was assessed on the higher side and presuming that the allocation against this indent would not be received, a fresh order for 107 tonnes of paper during 1989-90 was placed.

Government stated (July 1995) that due to uncertainty in supply of paper by mills, the requirement was enhanced, and that receipt of allocation of two years in less than one year had resulted in huge stock of kraft paper. The contention of the Government was not tenable as the actual consumption during 1991-92 to 1993-94 was 60.60 tonnes against the procurement of 206.86 tonnes during the two years.

### **3.9 Irregular payment of additional subsidy**

Government introduced (October 1986) new Industrial subsidy scheme under which five *per cent* additional subsidy was to be paid if the investment made in an enterprise by women partner was at least 51 *per cent* of the total investment in that enterprise. According to the circular issued by the Industries Commissioner (May 1991), before sanctioning the additional subsidy, field officers were required to verify the partnership deed of the firm to see whether women partners had a minimum of 51 *per cent* investment.

It was, however, noticed (July 1992) during audit of District Industries Centre (DIC), Godhra that additional subsidy of Rs.5.93 lakhs was paid between July 1989 and December 1991 to 12 enterprises though the partnership deed of the enterprises indicated that investment by the women partners was less than 51 *per cent* of the total investment.

The Manager, DIC, Godhra stated (July 1992) that before sanctioning subsidy, the certificates of chartered accountants were called for from the units and it was found that the investment made by women partners was more than 51 *per cent*. The reply was not tenable as the circular of May 1991 required verification of partnership deed before sanctioning of subsidy.

Thus, failure to verify the partnership deeds resulted in irregular payment of Rs.5.93 lakhs.

The matter was referred to Government in March 1995; reply has not been received (December 1995).



### **3.10 Excess payment of subsidy**

The scheme of cash subsidy to industrial units set up in developing areas of the State was introduced in November 1977. According to the terms and conditions, subsidy at the prescribed rates was payable on investment in fixed capital assets for setting up new industrial units or for substantial expansion or diversification of existing units. However, movable assets such as furniture, furnishings, crockery, linen, mattresses, carpets, recreational equipments, etc., did not qualify for subsidy.

It was noticed in audit (October 1994) that five units, to which subsidy of Rs.7.14 lakhs was paid by the District Industries Centre, (DIC), Bhuj from September 1980 to September 1982, were engaged in hotel industry and an amount of Rs.2.73 lakhs was paid to these industries on non-eligible items. Except for issuing routine notices (1984, 1992 and 1994), no step like initiating action for recovery as arrears of land revenue was taken. The recovery was awaited as of November 1995.

The matter was referred to Government in March 1995; reply has not been received (December 1995).

## **HEALTH AND FAMILY WELFARE DEPARTMENT**

### **3.11 Delay in recovery of rent**

According to Government orders (October 1982), Government servants on their transfer, retirement, etc. are allowed to retain Government accommodation for two months. The heirs of a deceased employee can, however, retain the accommodation for four months. Retention of accommodation beyond permissible prescribed period, is to be considered as un-authorised occupation and steps for eviction are to be initiated immediately. Pending eviction, rent at the market rate is recoverable for the period of un-authorised occupancy.

It was noticed in audit (June 1993, November 1994) that:

(i) twenty two ex-employees/heirs of ex-employees of the Civil Hospital (Hospital), Ahmedabad did not vacate the accommodation for two to ten years after their retirement (17 cases) and death (5 cases). The Hospital Authority approached (September 1994) the Revenue Department for taking action under Public Premises Eviction Act at the instance of audit. The details of actual eviction, were however, awaited (June 1995). Besides, rent totalling Rs.8.75 lakhs remained unrecovered upto December 1994.

(ii) two employees of the Government Dental College, Ahmedabad (College) retained accommodation beyond two months. While one of the employees who retired in November 1991 vacated the accommodation in July 1994 the other one transferred in June 1992 had vacated the accommodation only in June 1995. Both the employees had not paid the rent of Rs.0.63 lakh and Rs.0.72 lakh respectively. The College Authorities took no action for eviction except issuing notices.

Thus, there was delay in taking effective action to get the un-authorised occupation of accommodation vacated and also delay in recovery of rent to the tune of Rs.10.10 lakhs.

The matter was referred to Government in March 1995; reply has not been received (December 1995).

## **SOCIAL WELFARE AND TRIBAL DEVELOPMENT DEPARTMENT**

### **3.12 Blocking of Government money**

As a part of its programme for upliftment of weaker sections of society, Government introduced (December 1989) a scheme for free distribution of sarees and dress materials to infirm and destitute women. Under the scheme, either two sarees or dress material were to be distributed free of cost to female members above 18 years of age of a family having annual income upto Rs.1200.

It was noticed in audit (September 1993) that the Director of Social Defence (Director) purchased between February 1990 and March 1991, 1,41,382 sarees and 15,552 metres of dress materials from the National Textile Corporation at the cost of Rs.46.27 lakhs, of which 14,426 sarees and 3,672 metres dress materials costing Rs.4.27 lakhs remained undistributed. The scheme was not continued after March 1991.

This resulted in blocking of funds to the tune of Rs.4.27 lakhs.

The matter was referred to Government in December 1994; reply has not been received (December 1995).

### **3.13 Un-productive expenditure**

With a view to meeting shortage of water in Beggars Home, Baroda, Government accorded (November 1985) administrative approval for Rs.2.78 lakhs for construction of overhead tank, ground level sump, electrical installations and new water connection from the Municipal Corporation. The Public Works Department (PWD) revised the estimated cost to Rs.4.86 lakhs and asked (January 1986) for additional funds. Government, instead of providing additional funds, directed (March 1986) that the work be executed within the approved provision. Accordingly, construction of overhead tank (Tank) excluding other items was entrusted (June 1987) at the tendered cost of Rs.2.68 lakhs to a contractor and was completed (September 1989) at a cost of Rs.3.66 lakhs. As the remaining items of work were essential, the Tank could not be put to use. The Public Works Department subsequently revised (October 1992) the estimates to Rs.7.10 lakhs and asked the Social Welfare Department to accord approval to the revised estimate and provide additional funds for completion of remaining items of work. The approval was still awaited (August 1995). Due to non-provision of additional funds the remaining items of work were not executed which resulted in expenditure of Rs.3.66 lakhs remaining unproductive and the objective of overcoming the shortage of water remaining unfulfilled.

The matter was referred to Government in March 1994; reply has not been received (December 1995).

### **3.14 Avoidable expenditure**

During scrutiny of the accounts of the office of the Child Marriage Prevention cum Social Defence Officer Baroda, who was in charge of the building, it was noticed (March 1994) that there was delay up to eight months in payment of municipal taxes raised by the Baroda Municipal Corporation (BMC) for the years 1991-92, 1992-93 and 1993-94 in respect of a rented building on which Municipal taxes were payable by the Government as result of which BMC charged Rs.1.06 lakhs on account of penalty, interest and notice fee. The Child Marriage Prevention Officer cum Social Defence Officer stated that there was delay in payment due to protracted correspondence for getting sanction from the Government. The reply was not tenable as payment of rent, rate and taxes were of recurring nature, budget provision for which was required to be made in advance.

The matter was referred to Government in May 1994; reply has not been received (December 1995).

## **HOME DEPARTMENT**

### **3.15 Irregular payment of leave travel concession**

It was noticed in Audit (June-September 1994 and March 1995) that District Superintendents of Police Panchmahals, Sabarkantha and Vadodara (Rural) accepted the options for encashment of leave travel concession (LTC) for the block year 1992-95 submitted by 90 officials after their retirement and paid them Rs.4.43 lakhs towards encashment of LTC. When the irregular payment was objected to in audit, Suprintendents of Police stated that the LTC claim of retired employees were regulated as per Government orders of January 1992. The reply furnished is not correct as the order under reference do not extend the benefit of encashment of LTC to retired employees.

Government stated (October 1995/January 1996) that the notices for recovery of irregular payment were issued by the District Suprintendents of Police, Sabarkantha and Panchmahals and action was being taken for the recovery.

### **3.16 Modernisation of Prison Administration**

In 1986, the Government of India (GOI) launched a Centrally sponsored scheme for Modernisation of Prison Administration (scheme) based on the recommendations of the Eighth Finance Commission and the All India Jail Reforms Committee. Eight areas were identified for improvement. The main areas were:

- (i) Security and discipline in prisons keeping in view different classification of prisoners;
- (ii) Improvement and renovation of old jail buildings;
- (iii) Providing medical and dispensary facilities;
- (iv) Strengthening arrangement for training of entrants and for inservice training and
- (v) Providing vocational training programmes for the prison population in jail premises.

The State Government was required to submit appropriate schemes in conformity with these objectives to GOI by May 1987. The Government submitted the perspective plan to the GOI involving total outlay of Rs.332.52 lakhs for five components of the Scheme covering all 10\* jails of the State. Based on the perspective plan submitted by the State Government, the GOI released Central assistance aggregating Rs.144 lakhs between 1987-88 and 1991-92.

(ii) On the request of the Government, GOI extended the scheme as Plan-scheme for the period from 1993-94 to 1996-97. In January 1995, the Government of India sanctioned Rs.33.19 lakhs as Central assistance. The State Government also provided Rs.13.56 lakhs as the matching fund.

The schemes were implemented by the Inspector General of Prisons (IGP). The Gujarat State Police Housing Corporation Limited (GSPHCL) and Public Works Department (PWD) of the State were entrusted with the execution of civil works.

### 3.16.1 Outlay and expenditure

The GOI provided financial assistance under the scheme on 50:50 basis except for assistance for strengthening security and discipline which was provided on cent *per cent* basis. Details of Central assistance received, provisions made by the State Government and actual expenditure incurred during 1987 to 1995 were as follows:

Sl. No.	Year	Central assistance received on		State provision	Amount released	Actual expenditure	(-)Excess/ (+)Saving
		50 <i>per cent</i> basis	100 <i>per cent</i> basis				
(Rupees in lakhs)							
1	1987-88	17.19	---	17.19	34.38	---	(+)34.38
2	1988-89	3.00	23.17	3.00	29.17	1.70	(+)27.47
3	1989-90	25.09	28.50	25.09	78.68	89.55	(-)10.87
4	1990-91	41.27	5.10	41.27	87.64	---	(+)87.64
5	1991-92	---	0.68	---	0.68	87.01	(-)86.33
6	1992-93	---	---	---	---	---	---
7	1993-94	---	---	---	---	---	---
8	1994-95	3.75	29.44	13.56	46.75	---	(+)46.75
<b>Total</b>		<b>90.30</b>	<b>86.89</b>	<b>100.11</b>	<b>277.30</b>	<b>178.26</b>	<b>(+)99.04</b>

**Note :** The scheme was in operation upto 1991-92 and was extended on the request of State Government by Government of India from 1993-94 to 1996-97.

There were no provision and expenditure on the scheme during 1992-93 and 1993-94. Against the provision of Rs.46.75 lakhs for 1994-95, no expenditure was incurred during the year.

The table below indicates the status of expenditure on the five component of the scheme during 1987 to 1995.

\* Ahmedabad, Amreli, Baroda, Bhavnagar, Bhuj, Jamnagar, Junagadh, Porbandar, Rajkot and Surat.

Sl. No.	Name of component	Amount of grant	Total expenditure	Saving	Items of the work approved by the Government of India	Items of the work completed to the end of March 1995	Items of the work not completed to the end of March 1995
(Rupees in lakhs)							
1	Security and discipline in prisons	87.25	82.11	5.14	62	50	12
2	Improvement and renovation of old jail buildings	72.31	55.49	16.82	19	16	3
3	Providing medical and dispensary facilities including clinical laboratory	2.00	1.70	0.30	2	2	--
4	Strengthening arrangements for training of the entrants and in-service training	21.00	---	21.00	2	---	2
5	Providing vocational programme for prison population	47.99	38.96	9.03	24	20	4
<b>Total</b>		<b>230.55</b>	<b>178.26</b>	<b>52.29</b>	<b>109</b>	<b>88</b>	<b>21</b>

As against the total outlay of Rs.230.55 lakhs (Central assistance Rs.144 lakhs and State provision Rs.86.55 lakhs), expenditure of Rs.178.26 lakhs was incurred on the scheme leaving unutilised amount of Rs.52.29 lakhs constituting 23 *per cent* of the total outlay. Of this, Rs.48.49 lakhs were lying with the GSPHCL since March 1991 and remaining amount of Rs.3.80 lakhs with the Public Works Department.

### 3.16.2 Execution of works

#### (I) Security and discipline in Prisons

Under cent *per cent* assistance, sanctions aggregating Rs.3.26 lakhs (March 1989 Rs.2 lakhs, January 1991 Rs.1.26 lakhs) were accorded by the GOI for purchase of walkie-talkie sets for Ahmedabad and Baroda Central Prisons. The orders for supply of 16 walkie-talkie sets were placed in January 1990. The sets were not received till March 1995. It was, however, noticed that an amount of Rs.1.27 lakhs drawn in March 1990 for the payment of advance, was lying in the personal ledger account of the Superintendents of Ahmedabad and Baroda Central Prisons since July 1990. The department stated (June 1995) that the amount would be surrendered to the GOI.

## (II) Improvement and renovation of old jail buildings

For the improvement and renovation of old jail buildings, the GOI had allotted Rs.31 lakhs during 1987-88 to 1990-91 for the following items of work.

Month/Year of sanction	Amount (Rupees in lakhs)	Name of jails/ prison	Items of work
February 1991	10	Ahmedabad Central Prison	Repairing and plastering of barracks and yard walls.
December 1987	7	--do--	Raising height of main wall.
February 1991	6	Bhavnagar District Jail	Raising height of main wall and plastering.
December 1987	8	Baroda Central Prison	Raising height of main wall.
<b>Total</b>	<b>31</b>		

(a) In March 1991, the execution of the above mentioned works were entrusted by the Government to GSPHCL (a State Government undertaking). It was, however, noticed (May 1995) that the entire amount of Rs.17 lakhs in respect of Ahmedabad Central Prison remained unutilised with the GSPHCL. The GSPHCL stated (June 1995) that the funds provided were not sufficient as the same were on the basis of unrevised and old Scheduled of rates of PWD which were not workable. The GSPHCL therefore, demanded additional funds of Rs.43 lakhs.

(b) As regards Bhavnagar Jail, against the sanction of Rs.6 lakhs for raising height (total 440 metres length) of main wall including plastering, the expenditure of Rs.8.65 lakhs was incurred up to March 1995 for completing the work of 158 metres length of main wall. GSPHCL stated that as the wall to be raised was an old one, it was required to be strengthened prior to raising its height and demanded additional fund of Rs.21 lakhs for completing remaining length of 282 metres of wall.

(c) As regards Rs.8 lakhs, provided for raising height of wall of Baroda Central Prison, the entire amount was spent (May 1992) for construction of compound wall of Danteshwar open jail. Though the Government requested (March 1991) approval of the above diversion, the same was not approved by GOI (April 1991). The expenditure of Rs.8 lakhs was yet to be regularised.

## (III) Arrangement for training of jail staff

The Government proposed (July 1987/ September 1989) construction of new training school (Rs.6 lakhs) and hostel building for jail staff (Rs.15 lakhs) at Ahmedabad at the total estimated cost of Rs.21 lakhs, which was approved by the GOI in March 1989/March 1990 respectively. The work was entrusted to GSPHCL in March 1991. It was noticed that the title clearance of land on which training centre/ hostel building was to be constructed was made available only in June 1994 by Ahmedabad Municipal Corporation (AMC). Thus the plans and estimates were prepared (June 1987/September 1989) before taking possession of land. The work had not been taken up as of May 1995 and the funds were lying unutilised with the executing agency.

GSPHCL stated (June 1995) that the estimated cost for construction of 'training centre' and 'hostel building' was Rs.32.25 lakhs and Rs.35.18 lakhs against the provision of Rs.6 lakhs and Rs.15 lakhs respectively and had demanded additional fund of Rs.52.09 lakhs. The Government had not provided additional fund during the year 1994-95 also. This resulted in a sum of Rs.21 lakhs remaining unutilised for 5 years, apart from non-fulfilment of the objectives.

#### (IV) Vocational Programme

The vocational programme component included a sanction of Rs.5 lakhs for purchase of an Auto Printing Press Machine including accessories. An amount of Rs.1.68 lakhs was drawn for the purchase of printing machine in March 1992 and was kept in Personal Ledger Account of Ahmedabad Central Prison. Accessories and equipments relating to the press were, however, purchased in 1989-90 at the cost of Rs.1.18 lakhs. The department stated (June 1995) that the supplier had failed to supply the printing machine and accessories were used in binding work. The objective of the grant, therefore, could not be achieved.

#### (V) Diversion of fund

Out of Rs.57.45 lakhs sanctioned for the purpose of security and discipline (Rs.55.88 lakhs) and for vocational programme (Rs.1.57 lakhs), Rs.18.93 lakhs were diverted for purchase of items not covered by the scheme. The details of the amount diverted were as under:

Items of expenditure	Amount of diversion (Rupees in lakhs)	Name of office
(i) Office equipments (copier machine, computer, electronic typewriter, A.C. machine, duplicator machine)	3.78	I.G. prisons and central prisons Ahmedabad and Baroda.
(ii) Vehicles (Maruti van and Jeeps)	11.85	I.G. prisons and special jails Bhuj and Porbandar.
(iii) Machinery for jail industries (scooter repairing, book binding, weaving carpet, carpentry, tailoring, printing press, bakery, steel furniture, etc.)	3.02	Central prisons Ahmedabad and Baroda and District jails Surat and Rajkot.
(iv) Purchase of door frame metal detectors	0.28	Special jail Porbandar.
<b>Total</b>	<b>18.93</b>	

The matter was referred to Government in August 1995; reply has not been received (December 1995).

#### 3.17 Over-stocking of ammunition

Mention was made in paragraph 5.1.3 (v) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1994 No. 3 (Civil)- Government of Gujarat about non-opening of sealed boxes containing 221.58 lakh cartridges valued

at Rs.268.08 lakhs with the year of manufacture ranging from 1930 to 1987 till June 1994. The irregularity was also commented upon in the Report of the Comptroller and Auditor General of India for the year 1983-84 and the department had informed the Public Accounts Committee (1988) through the detailed explanation to the relevant paragraph that explanation of the concerned officials would be called for in all cases. However, no action had been taken by the Government as of October 1995.

Government was also requested in May 1995 to furnish a copy of revised instruction, if any, issued to avoid recurrence of such accumulation. Even after repeated reminders, Government did not confirm that any such revised instructions had been issued and merely stated (August 1995) that Director General and Inspector General of Police (DG and IGP) was competent to issue such instructions. The DG and IGP issued instructions in November 1995 reiterating the observations of existing provisions of Police Manual regarding physical verifications of ammunitions, including opening of boxes containing cartridges, by the concerned officers.

Further scrutiny of the records (July September 1995) revealed that stock of cartridges in sealed boxes had further increased by 24.07 lakh valued at Rs.51.05 lakhs between June 1994 and July 1995 raising the total accumulation to 245.65 lakh cartridges valued at Rs.319.13 lakhs with the year of manufacture ranging from 1930 to 1990.

The DG and IGP procures the required quantities of arms and ammunition for the entire State Police Organisation in accordance with the scales laid down in the Police Manual and the various instructions issued by the Ministry of Home Affairs. For the purpose of indenting, the ammunitions have been bifurcated in to two categories i.e. controlled stores and small arms and ammunition. In respect of controlled stores, the indent for one year's requirement is to be sent fifteen months in advance and in case of small arms, it is to be sent three years in advance to the Ministry of Home Affairs. Test-check of system of indenting and procurement of ammunition for the years 1986-87 to 1993-94 revealed the following:

- (i) While indenting the quantity of ammunition required for a particular year, the stock actually held and the quantities already ordered but not received were not taken into consideration.
- (ii) Indent for ammunition for 1986-87 was made for a quantity, which was four times the scale admissible under the Manual for reasons not available on record.
- (iii) In respect of 0.22 ball cartridges the indents for 1989-90 and 1992-93 were projected for the quantitative requirement merely as requested by the respective units instead of in accordance with the scales prescribed in the Manual and no basis for working out the final figures was shown to Audit.
- (iv) The indent for cartridges for 303 rifles was worked out for 82714 rifles against 45224 rifles actually available in stock resulting in over indenting of 37.49 lakh cartridges. Reasons for indenting for the larger number were not available on record.



While admitting the fact (November 1995), the Director General and Inspector General of Police stated that non-issue or non-use of old ammunition was due to police personnel not being drafted for training and also due to ban on recruitment and constant engagement of Police personnel for law and order, bandobast, election duty, terrorists and rioting situation. The contention of the department is not tenable as the maintenance of law and order, bandobast etc. are their normal duties. Even the quantities of ammunition issued were negligible compared to the stocks available during 1985-86 to 1991-92 ranging from only 0.22 to 5.43 *per cent* of the stocks available.

The matter was referred to Government (September 1995); reply has not been received (December 1995).

## GENERAL

### 3.18 Misappropriation, losses, etc.

Finalisation of 184 cases of alleged misappropriation, losses, etc. reported to the Audit upto March 1995 was pending at the end of September 1995 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 the end of March 1994 and pending at the end of September 1994	59	6.20	133	118.26
Cases reported during 1994-95	--	--	4#	1.56
Cases closed during October 1994 to September 1995	1@	0.23	11\$	1.60
Cases outstanding at the end of September 1995	58	5.97	126	118.22

Department-wise and year-wise details of these cases are given in Appendix-XI.

# Agriculture and Rural Development Department: 1 case (Rs. 0.29 lakh), Forests and Environment Department: 1 case (Rs. 0.99 lakh), Panchayat and Rural Housing Department: 1 case (Rs. 0.08 lakh) and Roads and Buildings Department: 1 case (Rs. 0.20 lakh).

@ Revenue Department

\$ Home Department :1 case (Rs. 0.01 lakh), Forests and Environment Department: 3 cases (Rs. 0.93 lakh), Roads and Buildings Department: 6 cases (Rs. 0.24 lakh) and Narmada and Water Resources Department: 1 case (Rs. 0.42 lakh).

## CHAPTER—IV

### WORKS EXPENDITURE

#### ROADS AND BUILDINGS DEPARTMENT

##### 4.1 Commencement of work before finalisation of design

The work of providing and laying 900 mm cast iron inlet pipes into the overhead tank (estimated to cost Rs.10.80 lakhs) was awarded to a contractor in January 1992 by the Executive Engineer, Capital Project Division No.III, Gandhinagar at the tendered cost of Rs.20.71 lakhs for completion by July 1992. The objective was to maintain pressure in distribution lines from the overhead tank at Choredi, the only source of supply of water to Gandhinagar Township. Under the contract, pipeline was to be connected with the overhead tank by breaking its bottom slab as per the drawings to be supplied by the Executive Engineer or the Architect from time to time.

Scrutiny of divisional records, however, disclosed that despite repeated requests by the contractor (31 January 1992, 27 February 1992), the Executive Engineer did not supply the said design drawings for connecting pipeline with the overhead tank. As a result, the contractor could execute work of the value of Rs.12.85 lakhs by November 1992. During execution, the division found (July 1992) that taking 900 mm cast iron pipes through bottom slab of the overhead tank, as proposed, would not only necessitate temporary stoppage of water to the Township but also cause damage to the present structure of the tank which might create leakage problem nullifying the improvement intended. Similarly, laying of proposed pipes outside the tank and through the top instead of bottom of the tank also involved technical problems and was not found feasible. As an alternative the division proposed (January 1994) to provide 600 mm mild steel pipeline with certain modification involving additional expenditure of Rs.9.33 lakhs towards extra items like concrete foundation and preparation of M.S.Pipe. The issue regarding appropriate designs of pipeline was under correspondence with the division and circle level, but no decision could be taken as of December 1995.

As the issue could not be finalised due to indecision, the contractor filed (March 1993) a civil suit praying for foreclosure of the work and payment of dues. The division also opined (June 1994) for immediate relief to the contractor since the departmental case was weak.

Thus, commencement of work before finalisation of designs and without visualising serious technical problems rendered the expenditure of Rs.12.85 lakhs unfruitful.

The matter was referred to Government in March 1995; reply has not been received (December 1995).

## **4.2 Work conceived without planning**

In order to augment supply of water to the Gandhinagar Township by replacing 29 identified valves in the mains and at entry points, the Executive Engineer, Capital Project Division No.III, Gandhinagar awarded (November 1990) the work of providing, lowering and fixing in position 29 valves of different dimensions (3" to 30") to a contractor for Rs.4.97 lakhs for completion by April 1991. Anticipating eventual interruption of water supply during the execution, the contract agreement provided that process of changing of valves should be arranged as per convenience of the Department and without interrupting the water supply time schedule for the Township.

Scrutiny of records in the Division in October 1994 revealed that the contractor brought 25 valves at the site of work in July 1991 and replaced only 12 valves (7 of 6 inches in November 1991 and 5 of 9 inches in September 1992) by temporary rescheduling of the water supply to the Township without bringing out any significant improvement in water supply.

The contractor was paid Rs.4.86 lakhs in October 1992 for the above items of work. For completion of remaining work, contractor demanded (December 1993) complete stoppage of water in the respective pipelines as under:

- (i) Minimum 1 day for replacement of each valve upto 15 inches (12 valves).
- (ii) Minimum 3 days for replacement of each valve exceeding 15 inches (5 valves).

However, due to complaints of inadequate supply of water received from the public during the execution in September 1992, the division found it difficult to stop the water supply. Therefore, the division not only stopped the work (September 1992) but also submitted a proposal to the Superintending Engineer (May 1993) for foreclosure of the contract which was turned down by him (December 1993) without mentioning solution to the problem. On reconsideration, the Superintending Engineer took up (November 1995) the matter with Government seeking permission to relieve the contractor. The work remained suspended from October 1992 rendering the expenditure of Rs.4.86 lakhs incurred upto September 1992 unfruitful.

Thus the work, which was taken up without proper planning and anticipation of the problems involved in it, remained incomplete as of December 1995.

The matter was referred to Government in March 1995; reply has not been received (December 1995).

## **4.3 Injudicious acceptance of tender**

The Executive Engineer, Capital Project Division No. IV, Gandhinagar invited (August 1993) tenders for construction of Equipment Maintenance Testing Centre at Gandhinagar at the estimated cost of Rs.8.41 lakhs. Three offers were received with validity period upto 8 December 1993. The Divisional Officer forwarded the offers to the Superintending Engineer, Capital Project Circle on 11 October 1993 with the

observation that the lowest offer of Rs.7.40 lakhs was unworkable being 12.01 *per cent* below the estimated cost. Such a conclusion was arrived at by the division on the basis of Government instruction of December 1987 and after calling for rate analysis from the lowest tenderer. The second lowest offer of Rs.7.65 lakhs was 9.04 *per cent* below the estimated cost. The circle officer, however, conveyed the acceptance of the lowest offer on 17 November 1993 which was communicated to the tenderer by the Division on 24 November 1993. Records did not, however, indicate reasons for accepting the same. As the lowest tenderer did not pay the security deposit in time, earnest money was forfeited. On reinvitation, four tenders were received (February 1994). The lowest offer of Rs.10.25 lakhs from the second lowest tenderer on the first invitation, was accepted by Government in August 1994. Injudicious acceptance of offer contrary to Government instructions on first invitation resulted in avoidable additional liability of Rs.2.60 lakhs.

The Division while accepting the facts stated in September 1994 that had the Circle Office intimated the acceptance of the lowest offer on first invitation early, there was a possibility that the second lowest offer would have been accepted within the stipulated time limit when the lowest did not pay the security deposit.

The matter was referred to Government in May 1995; reply has not been received (December 1995).

#### **4.4 Irregular payment of secured advance**

During audit of Capital Project Division NO.IV, Gandhinagar in September 1994, it was noticed that the Executive Engineer paid Rs.34.49 lakhs between April 1990 and December 1991 as secured advance on cement and steel procured fully on credit basis by the contractors who were awarded 9 works during 1989-1991. Though the amount so advanced was recovered fully as per the time schedule prescribed, granting of such advance on materials for which the contractors had not paid to the seller amounted to extending financial help beyond the scope of the agreement.

The division had not contested the facts (September 1994).

The matter was referred to Government in January 1995; reply has not been received (December 1995).

#### **4.5 Avoidable extra expenditure**

The work of construction of R.C. Technical Institute at Ahmedabad with the assistance of the World Bank was administratively approved by the Government in March 1991 for Rs.352 lakhs. According to the instructions of the World Bank of March 1991 which was received by Director of Education in the same month, the entire work consisting of the main building, workshop and hostel building including electrification, drainage, water supply, internal roads and compound wall was to be awarded to a single agency for execution. However, Government approved (August 1991) splitting up of the work and accordingly, separate tenders for construction of civil works for main building, workshop and hostel buildings were floated in September/October 1991 and the lowest offers aggregating Rs.210.10 lakhs were accepted by

Government in February 1992. Work orders could not be issued as the World Bank rejected the tenders as the same were not in accordance with its instructions of March 1991. Government was, therefore, required to go in for reinvitation of tenders for the entire work and awarded the work in November 1993 at the tendered cost of Rs.487.95 lakhs. Against the earlier tendered cost of Rs.210.10 lakhs received for main building, workshop and hostel buildings corresponding cost as re-tendered for the same was higher by Rs.98.07 lakhs. This extra expenditure as also the delay of 2 years in completion of the work could have been avoided had the Government followed the guidelines ab-initio.

Government stated in April 1995 that according to usual practice, separate tenders were invited for civil works of 3 buildings with the object of early completion. Revised instructions of the World Bank were received only in November 1991 and the World Bank directed the Government to reject those tenders not finalised as per revised guidelines and go in for reinvitation. Reply was not tenable as the instructions of the World Bank was received by the Government in March 1991 itself.

#### 4.6 Injudicious awarding of work

For the work of construction of 23 staff quarters for police personnel at Gambhoi in Himatnagar taluka, the Executive Engineer, Roads and Buildings Division, Himatnagar issued work order (September 1987) to a contractor stipulating March 1989 as the date of completion. The rates (Rs.8.88 lakhs) quoted by the contractor were 8 per cent below the estimated cost of Rs.9.65 lakhs based on schedule of rates for 1984-85.

Scrutiny of divisional records disclosed (November 1992) that there was no approach road to bring material to the site. The work was awarded by the division in anticipation of providing passage for transportation of materials through adjoining land after negotiations with land-owners. As the land owners did not agree, the division had to provide an alternative route which involved construction of passage over pipes across a *nullah* at the cost of Rs.0.80 lakh. By the time alternative approach road could be provided in September 1988, about 2/3rd of stipulated time for completing the work lapsed and the contractor was not ready to carryout the work due to price rise during the period. As the contractor did not commence the work, the Department initiated action (December 1989) under the 'risk and cost' clause of the agreement to get the work executed by another agency. As a countermove, the contractor filed a civil suit for Rs.2.34 lakhs for loss of profit etc. in January 1990. At the request of the contractor, Government withdrew the work subject to withdrawal of court case unconditionally by him. The construction of proposed staff quarters was then got completed through another contractor in December 1991 for Rs.13.82 lakhs.

Failure of the division to sort out problem of approach road prior to award of work had thus resulted in extra expenditure of Rs.4.94 lakhs besides depriving the police staff of housing facility for over two years.

Government stated (September 1994) that the rates received in September 1987 were most competitive and accepted in Government interest. Government further stated that (i) the field officers could not succeed in persuading owners of the private

land to allow the contractor to transport his materials and (ii) had the approach road work been taken up and completed first, the work would have been completed at the same cost as actually paid for. The contention of Government was not in order. The construction of passage over the *nullah* to facilitate transportation of the material by the contractor took less than 3 months. Had the department held negotiations with the land owners prior to award of work or on their refusal, constructed the passage over the *nullah* the work could have been completed at the cost of Rs.8.88 lakhs as per original schedule. Delay of 33 months in getting this work completed through another agency at Rs.13.82 lakhs could have been avoided.

#### **4.7 Delay in construction of a hostel building**

The work of construction of a hostel building for mini Industrial Training Institute at Zankhavav, a tribal area of Surat district, was awarded (July 1987) by the Roads and Buildings Division No.II, Surat, to a contractor at his tendered cost of Rs.18.91 lakhs for completion by October 1988. Progress of work was slow from the beginning. In spite of several notices issued by the division between August 1987 and December 1991 and levy of compensation from October 1988 to December 1991 (restricted to amount of security deposit), the contractor failed to expedite the work. The contractor stopped the work in August 1991 leaving work of the value of Rs.2.59 lakhs incomplete although a period of three years had lapsed since scheduled date of completion of the work. The contract was terminated at the risk and cost of the defaulting contractor in January 1992 and the balance work was awarded (March 1993) to another contractor. Remaining work (valued Rs.2.59 lakhs) was completed in July 1994 at the cost of Rs.6.99 lakhs. A proposal of the division (September 1994) for legal action against defaulting contractor for recovery of Rs.4.77 lakhs towards risk and cost (Rs.4.40 lakhs) and other dues (Rs.0.37 lakh) was pending with Government for decision (April 1995).

Failure of the department to rescind the contract with defaulting contractor, in spite of progress of work being unsatisfactory had thus resulted in delay of over 5 years in completion of work and denial of hostel facilities to students of tribal area.

The department had also not initiated legal action (April 1995) for recovery of dues (Rs.4.40 lakhs) from defaulting contractor which in accordance with Government instructions of December 1980, should have been taken immediately on fixing second contract (March 1993).

Government while accepting the facts in September 1994 attributed the slow progress to location of work being at an odd site in forest area.

#### **4.8 Unfruitful expenditure on construction of staff quarters**

The work of construction of 15 staff quarters of different categories at Madhwad, for Fisheries Department, was awarded (May 1985) by the Roads and Buildings division, Amreli to a contractor at his tendered cost of Rs.10.34 lakhs (estimated cost: Rs.12.49 lakhs) for completion in August 1986.

Approved estimates of work provided masonry work to be executed in brick. This had, however, been substituted by stone masonry, approval to which was accorded by the Superintending Engineer only in October 1985 i.e. 5 months after the date of issue of work order. Delay in execution of work was also caused by the time taken on deciding the height of plinth, as site of work was near sea and raise in height was felt necessary to prevent sea water entering these houses. Besides slow progress by the contractor, execution of work was further delayed as wooden doors and windows for quarters were supplied by the department only in May 1987 i.e. 9 months after the scheduled period of completion. As a result, work of the value of Rs.8.65 lakhs (84 *per cent*) only was completed by the contractor till December 1988 and thereafter, it was abandoned (January 1989) without completing items of sanitary fittings, glazed tile fittings, grill work, water tank, window glass and shutters, etc. While decision on proposals for levy of compensation and termination of contract by the Superintending Engineer was pending (June 1995), no action was also taken by the Department to complete the remaining work or bring the already executed work to a safe stage. As a result work done also got dilapidated and required substantial repairs.

Belatedly, in May 1994, the division requested the Fisheries Department to provide further sum of Rs.9 lakhs for completion of remaining work and repairs to damages. The Fisheries Department, however, stated (May 1994) that the Madhwad project was closed and the possibility of use of these quarters was remote as another project in the vicinity was neither on hand nor likely to be undertaken in near future. The work, therefore, remained incomplete as of August 1995.

Thus the expenditure of Rs.8.65 lakhs on the work proved to be wasteful.

The matter was referred to Government in April 1995; reply has not been received (December 1995).

#### **4.9 Delay in taking follow up action in cases of abandoned works**

According to Government instructions (June-December 1980) if a contractor fails to complete a work within the period stipulated under the agreement or abandons the work before completion, the balance work should immediately be executed by engaging another contractor, at the risk and cost of the defaulting contractor. For recovery of extra expenditure, suit against the defaulting contractor is to be filed immediately on fixing up the second contractor, the amount to be recovered is to be calculated at the approved rates of the second contractor. A few cases, wherein, inaction/delayed action by the Department were noticed during August 1992 to June 1994 are summed up in the following sub-paragraphs.

(a) The work of construction of missing link of proposed Kukarmanda-Kavitha-Veltha State Highway to Akkalkuva-Shahda in Maharashtra was entrusted to a contractor at the tendered cost of Rs.15.52 lakhs by the Executive Engineer, Roads and Buildings Division No.II Surat. The work order was issued in January 1987 and the work was to be completed by July 1988.

After executing the work of the value of Rs.5.66 lakhs, the contractor abandoned the work in March 1988. After issuing two notices (April 1988 and May 1988), the

division terminated the contract in December 1988. The remaining work was entrusted to another contractor only in March 1994 i.e. after a delay of over five years at the risk and cost of the first contractor in spite of instruction that the work should immediately be executed by engaging another contractor; the reasons for delay, however, were not on record.

An amount of Rs.20.22 lakhs was to be recovered from the defaulting contractor on account of extra cost of completion for which Law Officer's Report (LOR) for filing suit was submitted by the division in May 1995, decision of Government had not been received as of December 1995.

(b) The work of widening Patan-Sidhpur road (km 16/6 to 24/2) was entrusted to a contractor at the tendered cost of Rs.11.51 lakhs in March 1990 by the Executive Engineer, Roads and Buildings Division, Mehsana. The work was to be completed in October 1990. Since the progress of work was very slow the contract was terminated in December 1992, by which time the contractor had executed work valued at Rs.8.19 lakhs. The new agency was fixed by the department in July 1993 to carry out the remaining work at the risk and cost of the defaulting contractor and the work was completed in April 1994.

An amount of Rs.4.44 lakhs was to be recovered from the defaulting contractor, LOR for filing suit was submitted (February 1995) by the division on which decision of Government was pending (December 1995).

(c) The work of construction of staff quarters for the Fisheries Department at Jafrabad was awarded to a contractor at the tendered cost of Rs.7.95 lakhs by the Executive Engineer, Roads and Buildings Division, Amreli in January 1988 for completion by January 1989. After executing work of the value of Rs.2.02 lakhs, the contractor abandoned the work in February 1992 in spite of several notices issued by the division. The contract was, therefore, terminated in August 1992 and it was decided to carry out the remaining work through another contractor at the risk and cost of the first contractor. Accordingly, the remaining work was entrusted to another contractor in July 1994. An amount of Rs.8.71 lakhs was to be recovered from the defaulting contractor on account of extra cost and other dues for which the report submitted to higher authorities was awaiting approval from the Government (September 1995).

Government stated (September 1994) that amount to be recovered from the original contractor could only be ascertained and action for recovery of risk and cost from the defaulting contractor initiated after completion of work.

The reply, however, was not in conformity with Government's own instructions of June and December 1980, which provided for immediate action on entrustment of remaining work to the second agency.



## NARMADA AND WATER RESOURCES DEPARTMENT

### 4.10 Delay in finalisation of tender

Tenders for earth work and lining of Khatalwada Distributary Chainage 5100 to 10200, estimated to cost Rs.19.93 lakhs were invited four times (September 1987, May 1988, February 1989 and April 1989) by the Executive Engineer, Damanganga Canal Distributary Division No.III, Vapi.

The lowest offer received in response to first and third invitations were rejected by the Government and the Superintending Engineer, Damanganga Project Circle, Valsad due to high rates and the unsuitability of the contractor respectively.

The lowest offer for second invitation received from contractor 'P' for Rs.22.23 lakhs was sent to Government for acceptance on 25 August 1988 but was returned by Government on 30 September 1988 with some observations. By the time this was returned on 2 December 1988 after furnishing replies to the observations, the validity period of the offer had expired on 22 September 1988. The validity period was got extended by the division thrice, at the instance of Government first upto 22 November 1988 then to 22 December 1988 and lastly upto 22 January 1989. As the tender was not accepted by the Government even within the extended validity period, the contractor refused to extend the time beyond 22 January 1989 and Government rejected the tender formally on 29 April 1989.

Finally, on fourth invitation, the lowest offer of the same contractor 'P' for Rs.25.33 lakhs was accepted by the Government in September 1989. The work was in progress with the value of work completed as of December 1994 being Rs.24.78 lakhs.

Had the Government accepted the offer of Rs.22.23 lakhs on second invitation (May 1988) within the validity period (21 January 1989), Government could have avoided an additional liability of Rs.3.10 lakhs.

The matter was referred to Government in April 1995; reply has not been received (December 1995).

### 4.11 Short levy of water charges

Government permitted the Gujarat Narmada Valley Fertiliser Company Limited (GNFC), Bharuch in March 1980 and the Oil and Natural Gas Commission (ONGC), Ankleshwar in February 1991 to draw water from the Narmada river for their use at the rate of Re.1.00 and Rs.5.50 respectively per 10,000 litres. These rates were subject to revision by the Government of Gujarat. The water rates were revised and raised to Rs.5.50 with effect from 1 December 1986 and Rs.7.50 with effect from 1 April 1990 by the Government of Gujarat. The revised rates were applicable for both the institutions.

During the audit (November 1994) of the Vadodara Irrigation Division, it was noticed that the water charges were, however, continued to be levied at Re.1 for GNFC and at Rs.5.50 for ONGC respectively per 10,000 litres of water. On this

being pointed out in audit, the Division preferred (September 1995) water charges claim on the basis of revised rates from GNFC for Rs.522.34 lakhs for the period from December 1986 to June 1995 and from ONGC for Rs.22.83 lakhs for the period from February 1991 to May 1995; the details of the recovery were awaited.

The matter was referred to Government in May 1995; reply has not been received (December 1995).

#### **4.12 Delay in supply of departmental material**

The work of fabrication, supply and erection of stop-log gates for gated waste weir of the Watrak Reservoir Project was awarded (October 1986) to a contractor at his tendered cost of Rs.17.07 lakhs (estimated cost: Rs.19.23 lakhs) by the Executive Engineer, Irrigation Project Division, Modasa for completion by September 1987. Heavy structural steel (211.50 tonnes) required for the work was to be provided by the division of which 174.40 tonnes was to be carted from another division at Thasra. Proposal of the division to cart the steel, initiated in May 1986, was approved by the Government belatedly in April 1987 when 6 out of 11 months including rainy season provided for the work were lost. By the time the contractor could start the work in May 1987 and complete the fabrication work in August 1987, water level in the Reservoir rose above crest level of 128 metres compelling stoppage of work. The water level stood above the crest level in subsequent years also, and Government was not prepared to release water to bring it down to workable level. It was decided in September 1991 to foreclose the work without completing the balance work valued at Rs.2.84 lakhs. The contract was terminated after settling final claim of Rs.16.75 lakhs in December 1991 which included Rs.0.25 lakh towards compensation for foreclosure. Remaining work of erection was got done at the cost of Rs.5.26 lakhs in February 1993 when the water level during 1992 became favourable for working. Failure to provide departmental materials in time, resulted in avoidable extra expenditure of Rs.2.67 lakhs including compensation for foreclosure. Government attributed (July 1994) the delay mainly to the initial time lag in deciding the mode of transportation of material either departmentally or by fixing agency.

This delay could have been avoided, had the department brought to site the already available steel in advance. Besides a period of one year spent in exploring the possibility of carting was not justified.

#### **4.13 Incorrect payment towards price adjustment**

The work of providing and erecting spill way crest gates for the Karjan Reservoir Project was withdrawn under the Government orders of July 1986 from contractor 'A' for non-execution of work according to the terms and conditions of the contract by the Executive Engineer, Irrigation Project Division No.IV, Rajpipla and awarded in June 1987 to another contractor 'B' at his tendered cost of Rs.38.66 lakhs for completion within 12 months. Since the work was to be completed within 12 months time under Local Competitive Bidding (LCB) agreement, relevant clause of price escalation was deleted from the agreement. The contract also provided for supply of material including 340 fabricated items and certain other items like yoke girders, rest beams, cast steel etc. which were lying in the workshop of contractor 'A'. Although

contractor 'A' had filed (August 1986) a suit against the department, he agreed (May 1987) to handover the materials. However, work to contractor 'B' was awarded without taking over possession of said materials from contractor 'A'.

Scrutiny of divisional records disclosed (October 1993) that contractor 'A' did not release possession of materials till March 1988. From April 1988, he started releasing the materials piecemeal and the major portion was released by March 1989 when all his claims had been settled by the department. The department could provide to contractor 'B' only 80 per cent of the material while the balance were procured and provided to him in December 1989. Thus, due to delay in supply of material by the division, the contractor 'B' could execute work worth Rs.3.14 lakhs within the stipulated time limit of 12 months and on completion of the work in December 1991 he claimed and was paid price escalation amounting to Rs.13.33 lakhs for the period beyond the first year, under the Government orders (June 1992), though not provided under the agreement.

Thus, the issue of work order in June 1987 by the division without ensuring and planning procurement and supply of material before taking up the work proved to be hasty and resulted in extra contractual payment of Rs.13.33 lakhs towards price escalation.

The division attributed (October 1993) it to delay in releasing the fabricated parts by the old agency for making them available to the new agency. The department, however, could have taken over possession of materials from contractor 'A' in May 1987 to ensure timely supply to contractor 'B'.

The matter was referred to Government in September 1994; reply has not been received (December 1995).

## GENERAL

### 4.14 Cash Settlement Suspense Account

Expenditure incurred on services rendered or supplies made by one Public Works Division to another is initially classified under the suspense head 'Cash Settlement Suspense Account (CSS)'. This is cleared on receipt of cheque/bank draft from the receiving Division. Such transactions are required to be settled within 10 days of receipt of claims. Therefore, normally no balance should remain outstanding under this head at the end of the year.

Mention was made in paragraph 4.8 of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil) about the delay in settlement of outstanding balances under the CSS. From December 1984, the procedure of CSS was dispensed with and the outstanding balance was required to be cleared. The Public Accounts Committee (PAC) recommended (July 1988) in their 12th Report of the 7th Gujarat Legislative Assembly that Secretaries of Finance, Roads and Buildings and the Narmada and Water Resources Departments should arrange a meeting with the Accountant General (A&E) for this purpose. The meeting was held in May 1989, wherein it was decided to clear the outstanding balances. However, the details given below for six years ending March 1995 reveal that the pace of clearance of outstanding balance was very slow.

Year ending	Closing Balance (Rupees in crores)
March 1990	44.45
" 1991	43.08
" 1992	35.51
" 1993	34.41
" 1994	34.03
" 1995	31.92

Position of outstanding balances in respect of seven divisions test checked was as under:

Division	Outstanding Balance		Reasons for slow clearance
	Inward Accounts	Outward Accounts	
(Rupees in lakhs)			
(1) City Roads and Buildings Division, Ahmedabad	175.55	13.85	Due mainly to non-availability of funds and records viz., measurement books, out ward and in-ward account registers
(2) Watrak Project Construction Division, Modasa	3.58	—	
(3) District Roads and Buildings Division, Ahmedabad	25.57	18.02	
(4) Electrical Division, Ahmedabad	15.54	136.53	
(5) Capital Project Division No.I, Gandhinagar	16.13	9.23	
(6) Capital Project Division No.III, Gandhinagar	33.33	55.87	
(7) Capital Project Division No.IV, Gandhinagar	0.11	68.92	
<b>Total</b>	<b>269.81</b>	<b>302.42</b>	

(i) The outstanding balance of inward account i.e. payable by the seven divisions amounted to Rs.269.81 lakhs to which five divisions had to pay Rs.266.12 lakhs to 66 divisions. Details of divisions to whom the payments were to be made were not available in respect of two divisions (Watrak Project Construction Division, Modasa and Capital Project Division-IV, Gandhinagar). In respect of two divisions

(Capital Project Division-IV, Gandhinagar and Electrical Division, Ahmedabad) the period to which the items pertained was not known to the divisions.

(ii) Similarly, a sum of Rs.302.42 lakhs was outstanding in respect of outward account i.e. amount receivable by the six divisions of which four divisions had to recover Rs.270.55 lakhs from 143 divisions. The details of divisions from whom Rs.31.87 lakhs were to be recovered by two divisions were not available from the records. The outstanding items pertained to the period 1978-79 and onwards. The age of outstanding items was not verifiable from records in respect of Capital Project Division No.III, Gandhinagar and Electrical Division, Ahmedabad.

(iii) Pendency of such huge amounts for a long time under suspense head would indicate that budgetary sanctions were allowed to be exceeded. By keeping such expenditure outside the final head the excess or savings against voted grants and appropriations of the year did not represent a true picture. In addition, continued retention of large sums under a transitory head would ultimately result in understatement of expenditure on related works.

(iv) The correctness of figures could not be cross checked owing to failure of all the seven divisions to maintain the related register and to submit relevant schedules with monthly accounts to the Accountant General (A&E).

(v) Of the total amount outstanding under Inward Accounts, the Capital Project Division No.III, Gandhinagar (Rs.33.33 lakhs) and City Roads and Buildings Division, Ahmedabad (Rs.175.55 lakhs) could produce supporting bills for only Rs.4.13 lakhs and Rs.91.39 lakhs respectively. The District Roads and Buildings Division, Ahmedabad (Rs.25.57 lakhs) and Electrical Division, Ahmedabad (Rs.15.54 lakhs) could not produce supporting bills.

(vi) The outstanding balance under Outward Account i.e. amount receivable remained static since the closure of cash settlement suspense adjustment procedure due to non-pursuance.

(vii) Out of Rs.68.92 lakhs receivable (Outward Account) by the Capital Project Division No.IV, Gandhinagar, a sum of Rs.48.49 lakhs was recoverable from two divisions situated in the same building/location and falling under the control of the same Circle.

(viii) Though the procedure of CSS Accounts was dispensed with by the Government with effect from December 1984, the capital Project Division No.IV, Gandhinagar continued to operate this suspense account upto 1986-87. Reasons therefor were not furnished.

The District Roads and Buildings Division, Ahmedabad attributed the pendency to non-allocation of funds. The City Roads and Buildings Division, Ahmedabad and Capital Project Division Nos. III and IV, Gandhinagar attributed the pendency to non-availability of old records apart from non-allocation of funds. While Capital Project Division No.I, Gandhinagar did not assign any reason, the remaining three divisions attributed outstanding balances to non-availability of vouchers and related records,

non-receipt of communications from responding divisions and non-observance of prescribed procedure. The explanation that pendency was due to non-availability of provision is not tenable as the Government provided funds after the meeting of Secretaries in May 1989.

The matter was referred to Government in August 1994; reply has not been received (December 1995).

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**CHAPTER—V**  
**STORES AND STOCK**  
**HEALTH AND FAMILY WELFARE DEPARTMENT**

**5.1 Stores and Stock Accounts of the Employees State Insurance Scheme**

**5.1.1 Introduction**

There are 9 hospitals and 120 dispensaries in the State under the Employees State Insurance Scheme (ESIS). The requirement of medical stores for the dispensaries is met by procurement through the Central Medical Stores (CMS) at Ahmedabad, Baroda and Rajkot. Medicines for Surat region were being procured from (CMS) Baroda upto March 1993. From April 1993, Insurance Medical Officer, Surat (IMO) was empowered to procure medicines for Surat region. The CMS, IMO and Superintendent of nine hospitals had been declared (between April 1979 and April 1993) as direct demanding officers and were empowered to procure medical stores by operating running rate contracts and fixed quantity rate contracts fixed by the Employees State Insurance Corporation, New Delhi (ESIC) and the Central Medical Stores Organisation (CMSO) of the State. The Assistant Director of Medical Services (ADMS), ESIS at Ahmedabad, Baroda and Rajkot were to co-ordinate all the activities relating to ESIS in their region. Drugs and Medicines not covered by rate contracts were to be purchased by local units after inviting quotations/tenders within the allotted budget and within the financial powers of the indenting officers.

**5.1.2 Consolidated Stores and Stock Account**

The table below indicates the position of stores and stock during the period 1990-91 to 1993-94. The accounts for the year 1994-95 due for submission in May 1995, had not been prepared as of December 1995.

Year	Opening balance	Receipt	Issue	Closing balance
(Rupees in lakhs)				
1990-91	300.85	781.36	834.27	247.94
1991-92	247.94	894.10	895.95	246.09
1992-93	246.09	1122.17	1078.31	289.95
1993-94	289.95	1439.68	1383.09	346.54

The reasons for non-preparation of the accounts for the year 1994-95 were attributed (December 1995) to non-receipt of accounts from subordinate offices.

**5.1.3 Audit Coverage**

Test check of stores and stock accounts of CMS, Ahmedabad, Baroda and Rajkot, Assistant Director of Medical Services (ADMS) ESIS, Baroda and Rajkot, ESIS Hospitals at Ahmedabad (Bapunagar), Bhavnagar, Baroda and Rajkot was conducted between April 1995 and June 1995. The irregularities and deficiencies noticed are incorporated in the succeeding paragraphs.

#### 5.1.4 Purchase procedure

5.1.4.1 The ESIC had laid down (March 1977) comprehensive guidelines for forecasting, working and indenting different categories, based on value (High value, Medium value and Low value items) and essentiality (Vital, Essential and Desirable) of drugs for effective inventory control and for working out the level of reserve and safety stock. According to guidelines, CMS were required to maintain minimum stock equivalent to six months of requirement of each medicine worked out on average monthly consumption. The State Director of the Scheme had also issued instructions (March 1993) on maintenance of stock of seventy commonly used essential medicines in order to avoid local purchase. The records maintained by the three CMS revealed that no stock of essential medicines was maintained for period ranging from 8 days to 365 days as detailed below:

Year	CMS Ahmedabad	CMS Baroda (Number of items)	CMS Rajkot
1992-93	21	47	42
1993-94	25	32	44
1994-95	22	36	21

The CMS attributed the non-maintenance of reserve stock to non-availability of rate contract and non-supply of medicines by the suppliers.

5.1.4.2 Drugs and medicines for the hospitals and dispensaries are required to be procured at the rate in the rate contracts fixed by ESIC or CMSO whichever is cheaper and beneficial. Test check of medicines purchased by CMS, Ahmedabad, Baroda and Rajkot and Bapunagar hospital revealed that though the rates fixed by CMSO were cheaper and beneficial, the procurement was made at ESIC rate contract, which resulted in excess expenditure of Rs.14.88 lakhs in respect of five medicines.

5.1.4.3 Under the terms and conditions of contracts, the extra expenditure incurred on medicines not supplied was recoverable under risk purchase clause, from the rate contract holders. Test check of records of CMS Ahmedabad and Bapunagar hospital revealed that Rs.5.16 lakhs had remained to be recovered from the suppliers from 1990-91 onwards.

#### 5.1.5 Testing of medicines

(i) In September 1982, a special cell in the Drugs Control Laboratory, Baroda was set up for random testing of 1000 samples of medicines, injections etc., annually. The number of samples tested and expenditure incurred on the cell during 1990-91 to 1994-95 were as under:



Year	Number of samples tested	Shortfall	Expenditure (Rupees in lakhs)
1990-91	1005	—	3.70
1991-92	850	150	4.42
1992-93	884	116	4.37
1993-94	500	500	4.41
1994-95	269	731	4.99

Though the expenditure on cell increased from Rs.3.70 lakhs in 1990-91 to Rs.4.99 lakhs in 1994-95, the number of samples test checked decreased from 1005 to 269 during the same period. The shortfall ranged from 12 per cent (1992-93) to 73 per cent (1994-95).

(ii) In three CMS and Bapunagar hospital, test check of 40 cases revealed that out of injections, tablets, syrup etc., procured between 1990-91 and 1994-95 at a cost of Rs.16.65 lakhs, medicines valued at Rs.14.59 lakhs were found substandard during testing and had already been utilised by the time laboratory reports were received. Replacement of substandard medicines valued at Rs.11.04 lakhs by the suppliers was pending (July 1995) in three CMS and two hospitals (Bapunagar and Baroda) from 1983 and onwards due to non-recovery of dues as arrears of land revenue by Revenue Authority and the matter being under correspondence.

#### 5.1.6 Idle equipment

Scrutiny of 20 cases of purchase of equipment disclosed that in four cases there was delay in installation and commissioning of equipment, resulting in blocking up of funds for varied periods.

(i) In January 1989, CMSO place order on a firm for supply of 300MA X-Ray machine for General Hospital, Bhavnagar at the cost of Rs.3.40 lakhs. The machine, received in July 1989, was installed in March 1990 due to delay in arranging electricity connection by Public Works Department. Immediately on its commissioning, some manufacturing defects were noticed during trial run which were attended to by the manufacturer and machine was declared fully in working condition in August 1992. However, it was sparingly used but remained idle from January 1994 as the post of X-Ray technician was not filled despite repeated requests from the Hospital and the Director.

(ii) In March 1994, CMSO placed order on a firm for supply of Automatic Refractometer at a cost of Rs.2.35 lakhs for Bapunagar hospital. The equipment carried guarantee for twelve months against manufacturing defects. It was noticed that the equipment installed in April 1994 went out of order in November 1994 and was not repaired (July 1995) by the manufacturer in spite of repeated reminders.

Similarly, a Respiratory Function test machine was purchased from a USA based firm by the hospital in March 1993 through CMSO at the cost of Rs.1 lakh. The equipment received in August 1993 was opened in the presence of the representative of the local agent of the firm. It was noticed that the power supply unit was not in accordance with the specifications of the contract and the equipment, therefore, could not be put to use. On the matter being referred to it, the firm agreed (August 1994) to repair or replace the equipment. The equipment was taken back by the local agent of the firm in September 1994 and had not been returned till December 1995.

(iii) A blood autoanalyser purchased in March 1992 at a cost of Rs.1.90 lakhs was stolen from the General Hospital Baroda. A complaint for the theft was lodged with the Police in May 1992, but the police could not detect the culprit. The equipment was not insured for theft though required as per instructions issued (September 1987) by Director ESIS. The hospital could not fix responsibility for the loss of the equipment.

(iv) Machinery worth Rs.4.51 lakhs declared condemned or unserviceable was lying undisposed of in the Bapunagar hospital and General Hospital, Baroda since March 1985 to September 1994.

#### **5.1.7 Non-verification of stores and stocks**

According to Government instructions, annual physical verification of stores and stock was required to be conducted by the head of office. However, physical verification of dead stock items had not been conducted by ADMS, Baroda, CMS, Rajkot and in the hospitals at Bapunagar, Baroda and Rajkot during the last five years.

The matter was referred to Government in September 1995; reply has not been received (December 1995).

## CHAPTER—VI

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### GENERAL

##### 6.1 Grants and Loans

During the year 1994-95, grants aggregating Rs.2624.06 crores and loans amounting to Rs.140.66 crores were given to various bodies and authorities by eighteen departments from which information was received. Eight departments did not furnish the required information in spite of repeated reminders. The broad category-wise details of the organisations to which grants and loans were given was as under:

Organisation	Amount of assistance	
	Grants	Loans
	(Rupees in crores)	
District Panchayats	1510.89	15.73
Universities and other educational institutions	352.19	NIL
Municipal Corporations and Municipalities	146.75	69.16
Co-operative Societies	11.62	21.52
Statutory bodies, authorities and others	602.61	34.25
<b>Total</b>	<b>2624.06</b>	<b>140.66</b>

##### 6.1.1 Financial assistance to local bodies and others

Under Section 14(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies or authorities which receive grants and/or loans of not less than Rs.25 lakhs 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.

According to the Government instructions issued in May 1975, information regarding grants and/or loans given to various bodies and authorities and the expenditure incurred by the recipient bodies and authorities in the preceding financial year was to be furnished to Audit by all departments by July every year. However, only four departments furnished such information for 1994-95, and several had not furnished similar information for the earlier years as indicated below:

Name of department	Years for which information had not been furnished
1 General Administration	1994-95
<b>2 Agriculture, Co-operation and Rural Development</b>	<b>1992-93</b> <b>1993-94</b> <b>1994-95</b>
3 Education	1992-93 1993-94 1994-95
<b>4 Energy and Petrochemicals</b>	<b>1994-95</b>
5 Finance	1993-94 1994-95
<b>6 Forests and Environment</b>	<b>1993-94</b> <b>1994-95</b>
7 Food and Civil Supplies	1992-93 1993-94 1994-95
<b>8 Health and Family Welfare</b>	<b>1992-93</b> <b>1993-94</b> <b>1994-95</b>
9 Industries and Mines	1992-93 1993-94 1994-95
<b>10 Information, Broadcasting and Tourism</b>	<b>1992-93</b> <b>1994-95</b>
11 Labour and Employment	1992-93 1993-94 1994-95
<b>12 Narmada and Water Resources</b>	<b>1992-93</b> <b>1993-94</b> <b>1994-95</b>
13 Panchayat and Rural Housing	1992-93 1993-94 1994-95
<b>14 Revenue</b>	<b>1993-94</b> <b>1994-95</b>
15 Roads and Buildings	1991-92 1992-93 1993-94 1994-95
<b>16 Urban Development and Urban Housing</b>	<b>1994-95</b>
17 Social Welfare and Tribal Development	1993-94 1994-95

Failure of the departments to furnish the requisite information may result in some of the grantee organisations being left out of the audit scrutiny prescribed.

### **6.1.2 Entrusted Audit under Sections 19(3) and 20(1) of Comptroller and Auditor General's (DPC) Act, 1971**

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

The reports on the accounts of an autonomous body or authority, the audit of which has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act, are required to be submitted to the State Government for laying the same before the Legislature. Government prescribed (December 1985), a schedule according to which the organisations were required to submit the accounts to Audit within three months after closure of the financial year (i.e. by 30 June). Out of three autonomous bodies, Gujarat Housing Board (GHB), Gujarat Slum Clearance Board (GSCB) and Gujarat Rural Housing Board (GRHB), the audit of which was entrusted to the Comptroller and Auditor General of India under Section 19(3), only GHB furnished the accounts for the year 1994-95. Out of nine 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*, eight had not submitted the accounts for the year 1994-95 (November 1995).

The matter was referred to Government in September 1995; reply has not been received (December 1995).

### **Audit under Section 14 of CAG's (DPC) Act, 1971**

#### **PANCHAYAT AND RURAL HOUSING DEPARTMENT**

### **6.2 National Programme on Improved Chulhas**

#### **6.2.1 Introduction**

The "National Programme on Improved Chulhas" (NPIC) was launched in the year 1982-83 as a demonstration project and was upgraded as "National Programme" from April 1985. The main objectives of the Programme are conservation of forest and fuelwood and upgradation of environment, reduction of smoke in kitchen, reduction in health hazards, cooking time and drudgery of women and children and also creation of employment opportunities for the rural poor.

The programme is targeted to cover beneficiaries in rural, semi-urban, slum and urban areas. Due preferences were to be given through differential incentives to the beneficiaries belonging to Scheduled Castes and Scheduled Tribes and those living in hilly and far flung areas.

### **6.2.2 Organisational set up**

The programme was launched in the State on 1 April 1985 and implemented through certain nodal agencies like the National Tree Growers Co-operative Federation Ltd. (NTGCF) on behalf of the National Dairy Development Board (NDDB), Khadi and Village Industries Commission (KVIC), Gujarat Energy Development Agency (GEDA), Gujarat Agro-Industries Corporation (GAIC) and through the District Development Officers/ Taluka Development Officers of the Panchayat supervised by Development Commissioner. The Panchayat and Rural Housing Department exercises the overall supervision and coordinates the implementation of the programme.

### **6.2.3 Audit Coverage**

The implementation of the programme for the period from 1990-91 to 1994-95 was reviewed in audit between April and July 1995 through test check of the records of NTGCF, KVIC, GEDA, GAIC and the Development Commissioner, Gandhinagar and 3 out of 19 District Panchayats (Ahmedabad, Baroda and Sabarkantha). The important points noticed are mentioned in the succeeding paragraphs.

### **6.2.4 Highlights**

# Out of the Central assistance of Rs.231.11 lakhs, total expenditure incurred on the scheme upto March 1995 was Rs. 272.93 lakhs. The excess expenditure of Rs.41.82 lakhs was yet to be regularised (July 1995). In spite of emphasis on training and publicity, only 2 *per cent* of the total expenditure was incurred on these components.

(Paragraph 6.2.5 (ii))

# Two agencies (KVIC and NTGCF) out of the four agencies could not achieve the targets fixed for installation of improved chulhas during 1990-91 to 1993-94.

(Paragraph 6.2.6.1)

# Eighteen *per cent* of chulhas (38613) installed during 1990-1995 by an agency (GEDA) were found to be either not in working condition or missing (July 1995). The amount of subsidy paid on non-functional/missing chulhas was Rs.12.58 lakhs.

(Paragraph 6.2.6.2(a))

# No details of staff employed were made available by an agency for which Central assistance of Rs.2.40 lakhs was sanctioned for employment of supporting staff .

(Paragraph 6.2.8)

# No proper feed back and monitoring system was available with the nodal agencies to assess the success of the Programme.

(Paragraph 6.2.11)

### **6.2.5 Pattern of assistance and expenditure**

(i) In respect of fixed chulhas, a token amount of Rs.5 to Rs.15 was to be contributed by the beneficiaries and the remaining amount of expenditure was to be borne by the Government of India upto 1992-93. From 1993-94 onwards, 50 *per cent* of the approved cost of fixed chulha was to be borne by the beneficiary and the rest by the Government of India.

On portable chulhas, 75 *per cent* of the approved cost of the chulha was admissible as Central subsidy to beneficiaries belonging to SC/ST and those living in hilly areas, while 50 *per cent* of the approved cost of the chulha was admissible to other beneficiaries during 1990-91 to 1992-93. From 1993-94 onwards, Central subsidy was reduced to 50 *per cent* subject to a maximum of Rs.75 to the beneficiaries belonging to SC/ST and those living in hilly areas and 33 *per cent* subject to a maximum of Rs.50 to other general category beneficiaries.

(ii) The Government of India provided subsidy and grant-in-aid for the implementation of the Programme upto limits prescribed from time to time on each component of the programme. Funds were placed directly by the Government of India with the implementing nodal agencies. Besides the Central assistance, State Government also provided subsidy for ST/SC category and sanctioned grant-in-aid to the implementing agencies from 1993-94 onwards.

Against the grants totalling Rs.231.11 lakhs (Central) and Rs.34 lakhs (State) during 1990-91 to 1994-95, expenditure incurred was Rs.272.93 lakhs and Rs.33.27 lakhs respectively. The excess expenditure of Rs.41.82 lakhs against the Central assistance was yet to be regularised (July 1995).

A component-wise break-up of the expenditure incurred by various nodal agencies against the Central assistance (break-up in respect of State Government not intimated) is tabulated below:

Name of Agency	Construction cost of chulhas	Self Employed Worker Charges	Training	Core organisation	Publicity/Users education	Other expenditure	Total
(Rupees in lakhs)							
1 GEDA	93.83	12.16	1.58	9.48	NIL	NIL	117.05
2 NTGCF (NDDDB)	31.15	7.55	0.75	2.40	0.93	1.65	44.43
3 Development Commissioner (Panchayat)	47.69	18.05	0.37	1.68	1.05	6.32	75.16
4 GAIC	10.09	1.30	NIL	1.17	0.39	9.15	22.10
5 KVIC	2.87	0.84	0.06	NIL	NIL	0.09	3.86
6 Technical Back-up Support Unit	NIL	NIL	NIL	10.33	NIL	NIL	10.33
<b>Total</b>	<b>185.63</b>	<b>39.90</b>	<b>2.76</b>	<b>25.06</b>	<b>2.37</b>	<b>17.21</b>	<b>272.93</b>

Although the programme laid emphasis on training and propaganda for successful implementation, the overall expenditure incurred on the two components was 1 *per cent* and 0.86 *per cent* respectively of the total outlay, which was negligible.

### (iii) Excess claim of Central subsidy

It was noticed from the records of the nodal agency (NTGCF) that Central assistance was claimed during 1993-94 and 1994-95 at the rate of Rs.50, although 50 per cent of approved cost of chulha was less than Rs.50 per chulha (Rs.61 per chulha 50 per cent Rs.30.50). This resulted in excess claim of Rs.4.45 lakhs in respect of 22,829 fixed chulhas installed in the years 1993-94 and 1994-95. Out of Rs.4.45 lakhs, the sanction of the claim of subsidy of Rs.2.71 lakhs for the year 1994-95 was awaited from Government of India.

### (iv) Irregular payment of subsidy

The programme envisaged due preference through differential incentive (by way of higher rate of subsidy) to beneficiaries belonging to SC/ST and to those living in hilly areas.

An amount of Rs.2.56 lakhs was received during 1990-1995 by two agencies viz., NTGCF and Agro Centre Dabhoi, against the distribution of 7894 chulhas among SC/ST beneficiaries. The proof of identification of caste was, however, not available on record.

### (v) Utilisation Certificate

Though expenditure of Rs.20.10 lakhs only had been incurred by GEDA during 1990-91, utilisation certificates for Rs.22.75 lakhs were furnished.

Utilisation certificates in respect of Rs.3.98 lakhs released to KVIC for 1991-92 to 1993-94 had not been furnished as of July 1995.

## 6.2.6 Physical target and achievement

6.2.6.1 The target of installation of improved chulhas and achievement thereof by the nodal agencies during the period from 1990-91 to 1994-95 were as under:

Agency	1990-91	1991-92	1992-93	1993-94	1994-95
GEDA	T- 60,000	60,000	35,000	30,000	30,000
	A- 56,276	30,305	41,024	39,945	48,063
KVIC	T- 1,500	3,000	4,000	5,000	2,000
	A- 1,000	2,000	1,350	2,000	2,000
GAIC	T- NIL	NIL	5,000	8,000	8,000
	A- NIL	1,488	5,244	7,942	11,280
Development Commissioner	T- 40,000	30,000	20,000	20,000	25,000
	A- 38,661	34,415	23,054	20,703	25,238
NTGCF	T- 10,000	20,000	15,000	15,000	15,000
	A- 8,446	14,233	12,709	9,446	15,195

T- target A- achievement



It would be observed from the table that GEDA could not achieve the target during the years 1990-91 and 1991-92, whereas the KVIC and NTGCF could not achieve the target during the years 1990-91 to 1993-94. The shortfall was attributed by GEDA, KVIC and NTGCF to (i) heavy monsoon (GEDA), (ii) additional subsidy on NPIC being provided by other implementing agencies (KVIC) and (iii) opting out of the programme by milk unions due to heavy work load (NTGCF).

#### 6.2.6.2 Working of chulhas installed

(a) Out of 2.16 lakh chulhas installed by GEDA through non-Governmental organisations during the period from 1989-90 to 1994-95, a survey was conducted by various Non-Government Organisations (NGO) and nodal agency (GEDA) during 1990-95 in respect of 1.61 lakh chulhas to assess the working of the programme. It was revealed that 22,935 chulhas were not in working condition, 8652 had been dismantled and 7026 chulhas were not found installed. These non-functional/missing chulhas forming 18 per cent of the total number of chulhas installed involved a subsidy of Rs.12.58 lakhs.

(b) Similarly, out of 2783 chulhas installed by Panchayat and GEDA during 1990-91, it was observed in a survey conducted by the Technical Back-up Support Unit (TBSU) during 1991-92 that 364 chulhas were found unidentifiable and 867 chulhas had not been installed. These 1231 chulhas forming 44 per cent of the number installed involved a subsidy of Rs.0.50 lakh.

The NTGCF, GAIC, KVIC and the Development Commissioner had not carried out any survey during 1990-91 to 1994-95 to assess performance of chulhas.

#### 6.2.6.3 Installation of chulhas for SC/ST Category

The guidelines envisaged due preference in installation of chulhas for the beneficiaries belonging to Scheduled Castes (minimum 20 per cent of target of the year) and Scheduled Tribes (minimum 10 per cent of target of the year).

According to the report furnished by GEDA, the achievements, however, fell short of the target. The achievement and shortfall in terms of percentage of coverage during 1990-95 was as under :

Year	Total number of chulhas installed	Targeted to be installed		Achievement Number of chulhas installed		Shortfall in installations	
		For Scheduled Caste (20 per cent)	For Scheduled Tribe (10 per cent)	For Scheduled Caste	For Scheduled Tribe	For Scheduled Caste	For Scheduled Tribe
		Number	Number	Number	Number	Number	Number
1990-91	56,276	11,255	5,627	5,115 (45)	No shortfall	6,140 (55)	No shortfall
1991-92	30,305	6,060	3,030	No shortfall	2,182 (72)	No shortfall	848 (28)
1994-95	48,063	9,612	4,806	2,346 (24)	2,360 (49)	7,266 (76)	2,446 (51)

The figures within the bracket represent percentage with reference to target.

The department stated (October 1995) that the SC/ST communities were not coming forward to accept this technology.

### **6.2.7 Self-Employed Workers**

The installation of improved chulhas was to be done through Self Employed Workers (SEW). Guidelines envisaged that due care should be taken in selection of SEW. The SEW were to be local skilled artisans and preference was to be given to women. They were to be deployed in the field after training. The SEWs were responsible for the construction of chulhas and for their maintenance and repair for one year from the date of installation. The SEW was paid Rs.10 per chulha during 1990-91 to 1992-93 and Rs.20 from 1993-94 onwards, for the above work.

(ii) In a survey conducted by "Lok Bharati" (a private agency) on behalf of GEDA in the year 1990-91, it was observed that out of 27111 chulhas installed in the year 1989-90, 16969 chulhas (63 *per cent*) were either not working properly or demolished. This *inter alia* indicated lack of proper maintenance of chulhas (involving Rs.1.70 lakhs as installation/ maintenance charges) for one year by SEWs. The GEDA stated that the fact had been reported to the private Agency but no re-survey was conducted.

(iii) As against the fixed charges of Rs.10 and Rs.20 for construction of chulhas to SEW upto the year 1992-93 and from 1993-94 onwards respectively, the District Development Officer, Himatnagar had paid Rs.0.93 lakh for construction of 5865 chulhas in the year 1990-91 to 1992-93 and Rs.0.59 lakh for construction of 2000 chulhas for the year 1993-94 and 1994-95 as against Rs.0.99 lakh payable resulting in excess payment of Rs.0.53 lakh.

### **6.2.8 Core organisational support**

Central assistance for core organisational support is provided to the nodal agencies to meet the expenditure of staff employed for the programme.

The nodal agency (NTGCF) received Rs. 2.40 lakhs as Central assistance towards core organisational support during the year from 1990-91 to 1994-95, and passed on the assistance to 67 milk unions through which the NPIC programme was being implemented. But no details regarding staff employed was produced to Audit.

### 6.2.9 Training programme

For successful implementations of the NPIC, the guidelines prescribed various annual training programmes as under :

Type of training	Number of trainees	Duration Cost	Partici- pants	Remarks
Main Training	20	10 days Rs.8000	Fresh SEWs potter Technicians	According to requirement
Refresher Training	20	3 days Rs.3000	SEWs	One in each District
State level Training	30	1 day Rs.2000	State District	1-2 in each State
District level Training	45	1 day Rs.1000	District Block and village level Officers	One per District
Users Training	45	1 day	Users	Minimum one per Block

The training was to be organised by the implementing agencies through TBSU. The target, achievement in respect of numbers of courses and shortfall of the training programme by various implementing agencies during the year 1990-91 to 1994-95 were as under:

Year	Target/Achievement in respect of training courses				
	Main Training	Refresher Training	State level Training	Divisional level Training	District level Training
1990-91	T 6 A 4	17 15	3 2	4 4	17 15
<b>Shortfall</b>	<b>2</b>	<b>02</b>	<b>1</b>	<b>-</b>	<b>02</b>
1991-92	T 8 A 4	19 14	4 2	4 2	19 11
<b>Shortfall</b>	<b>4</b>	<b>05</b>	<b>2</b>	<b>2</b>	<b>08</b>
1992-93	T 10 A 6	19 11	4 2	- -	19 08
<b>Shortfall</b>	<b>04</b>	<b>08</b>	<b>2</b>	<b>-</b>	<b>11</b>
1993-94	T 7 A 7	19 07	1 -	- -	19 17
<b>Shortfall</b>	<b>-</b>	<b>12</b>	<b>1</b>	<b>-</b>	<b>02</b>
1994-95	T 7 A 6	8 8	- -	- -	17 15
<b>Shortfall</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>02</b>

T - Target A - Achievement

There was shortfall in training programmes in all the five years. As regards participants, the guidelines provided for minimum 20 participants in main and refresher training courses. But there were less than 10 participants in 5 main and 32 refresher training courses conducted by the TBSU during the year 1990-1995. The reason for shortfall was attributed by TBSU to very low turn up of trainees due to inability on the part of the local NPIC implementing bodies to identify self motivated persons to participate in the programme.

### **Self Employed Workers**

The scheme provided for preference being given to women for training as SEWs. It was, however, noticed that out of 893 SEWs trained during 1990-91 to 1994-95, only 93 were women. The reasons for shortfall was attributed by TBSU to socio-cultural reasons.

### **User's Training programme**

According to provisions of the programme, atleast one user's training programme was to be arranged by the implementing agency in each block for creating awareness among beneficiaries for identifying correct model of chulhas for use.

The NTGCF, claimed Rs.0.93 lakh for arranging user's training programmes during the year 1990-91 to 1994-95. However, the amount was reimbursed without details regarding the number of user's training programmes arranged and expenditure incurred thereon having been furnished by it.

### **Non-submission of training accounts**

A nodal agency (GEDA) organised 35 training programmes through TBSU during the year 1990-91 to 1992-93 involving an expenditure of Rs.1.58 lakhs but no detailed accounts were produced to Audit.

#### **6.2.10 Other points of interest**

### **Non-submission of accounts of advances paid**

(i) GEDA had paid an advance of Rs.7.05 lakhs and Rs.5.53 lakhs in April 1991 and March 1992 respectively to Lalbhai Group Rural Development (a voluntary agency) for construction of chulhas. The agency had installed 37,473 chulhas during 1990-91 to 1994-95. However, no final accounts had been received from the Agency as of July 1995.

(ii) In November 1992, GEDA had placed an order for supply of 2000 'Uttam' portable chulhas at the rate of Rs.128 on GAIC and paid advance of Rs.2.56 lakhs in December 1992. GAIC supplied only 500 chulhas as of July 1995. The balance amount of advance of Rs.1.92 lakhs was still outstanding (July 1995) against GAIC. It was stated that the records of GAIC were destroyed in fire and hence the balance amount of advance could not be recovered.

### **6.2.11 Feed back and monitoring**

A system of feed back and monitoring of the programme by the implementing agencies was envisaged in the scheme to assess the performance of the chulhas installed. The system provided for :

- (a) Survey of 100 *per cent* chulhas through block/village level officers;
- (b) Survey of at least 5 *per cent* through district level officials and
- (c) Random sample survey through State level officials.

Monitoring and receiving feed back on the programme was to be carried out on regular basis through the TBSU.

Neither surveys were conducted to assess the working of chulhas installed nor was any system of feed back followed by nodal agencies NTGCF, KVIC and the Development Commissioner (Panchayat) in regard to the programme. Only GEDA had conducted periodical survey. The TBSU conducted survey in respect of 4016 (1.51 *per cent*) chulhas only during the year 1992-93 to 1994-95 as against 2,65,249 chulhas installed by nodal agencies during the period. The shortfall in surveys was attributed by TBSU to shortage of staff.

**6.2.12** The matter was referred to Government in September 1995; reply has not been received (December 1995).

## **NARMADA AND WATER RESOURCES DEPARTMENT**

### **6.3 Blocking of funds**

The Irrigation Divisions (Division) District Panchayat, Vadodara and Broach (Panchayat) paid during 1987 to 1989 advances aggregating Rs.19.03 lakhs to the Gujarat State Civil Supplies Corporation (Corporation) for supply of 1675 tonnes cement. The Corporation supplied between May 1987 and November 1988, 999.35 tonnes cement valued at Rs.10.93 lakhs and retained balance Rs.8.10 lakhs pending reconciliation of accounts by all the offices under Panchayat. The Panchayat confirmed the non supply of remaining cement and stated (January-May 1995) that the matter for refunding the balance amount of advance was being pursued with the Corporation.

This resulted in blocking of Panchayat funds of Rs.8.10 lakhs for more than five years.

The matter was referred to Government in November 1994 and June 1995; reply has not been received (December 1995).

## EDUCATION DEPARTMENT

### 6.4 Infructuous expenditure

In order to increase and sustain motivation in learners in the age group 15-35 years, under the Centrally Sponsored Scheme for Adult Literacy, the District Panchayat, Ahmedabad decided in March 1992 to award certificate to them on satisfactory completion of the course. Accordingly, 2 lakh certificates were printed by the District Adult Education Officer (DAEO) at the cost of Rs.5.80 lakhs. But of the 2 lakh copies printed, only 1.05 lakh copies were distributed (April 1992) to seven Talukas for issue to the concerned learners. However, not even one certificate was issued (December 1994) due to lack of staff. There was no possibility of these certificates being issued subsequently as the same were printed with the signature of officers who had retired from service. Thus, the entire expenditure of Rs.5.80 lakhs incurred on printing of certificates proved infructuous.

The matter was referred to Government in October 1994; reply has not been received (December 1995).

## AGRICULTURE, CO-OPERATION AND RURAL DEVELOPMENT DEPARTMENT

### 6.5 Wasteful expenditure on household survey

A Centrally sponsored Integrated Rural Development Programme (IRDP) has been in operation in the State from 1978-79. The object of IRDP was to assist families living below the poverty line (Targeted family) in rural areas to enable them to cross the poverty line. Under the programme, District Rural Development Agencies (DRDAs) were required to conduct household surveys for identification of the targeted families. A net annual income of Rs.3500 fixed by Government of India as cut-off-line for identification of targeted families during Sixth Five Year Plan period was increased to Rs.6400 for Seventh Five Year Plan period for which household survey was conducted during 1986-87.

Soon after the Seventh Five Year Plan was over in March 1990, the Commissioner of Rural Development (Commissioner), without awaiting any instruction from Government of India directed (May 1990) DRDAs to conduct fresh survey for Eighth Five Year Plan adopting the same cut-off-line of annual income of Rs.6400/- for identification of targeted families. Scrutiny of eight out of nineteen DRDAs (Ahmedabad, Bhuj, Godhra, Junagadh, Kheda, Mehsana, Sabarkantha and Vadodara) revealed (April 1994) that an expenditure of Rs.18.30 lakhs was incurred by the Agencies between June 1991 and May 1992 for this fresh survey as per the direction of Commissioner.

While this survey was in progress, the Government of India raised (November 1991) the cut-off-line to Rs.11,000 for Eighth Five Year Plan period to commence from April 1992 which necessitated re-survey for identification of families.

Thus hasty decision by the Commissioner for fresh survey, without anticipating increase in income level and without waiting for instruction from Government of India resulted in unfruitful expenditure of Rs.18.30 lakhs on fresh survey of identification of families.

Government, accepting the position, stated (July 1995) that survey conducted earlier was rendered wasteful due to early decision by Government and due to raising of income level by the Government of India for deciding poverty line.

### **6.6 Infructuous expenditure**

The Gujarat Agricultural University (University), established in 1972, had 686 sanctioned posts under various discipline, of which 171 posts were vacant. In order to fill up some key posts in the faculties of science, agricultural engineering and technology, fisheries etc., the University invited applications from suitable candidates by advertising (September 1992) in various news papers. Expenditure of Rs.3.48 lakhs was incurred towards advertisement charges. However, the candidates were not interviewed as the Administrative Reforms Committee (Committee) set up (December 1991) for improvement of the University administration, directed (September 1992) that no post be filled up till its recommendations on recruitment rules and procedure of filling up posts were received by the University.

When the infructuous expenditure of Rs.3.48 lakhs on advertisement was pointed out in audit, the Registrar of the University stated (February 1994) that it was neither within the purview of the Committee to make recommendation on recruitment rules and procedure for filling up various posts nor had it made any recommendations in this regard in their final report. He further added that the interviews were not held as per Committee's direction to avoid administrative complication.

The matter was referred to Government in May 1994; reply has not been received (December 1995).

## **GENERAL**

### **6.7 Outstanding Inspection Reports**

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 (July 1970), first replies to the Inspection Reports should be sent to the Accountant General within four weeks of their receipt.

The position of outstanding paragraphs relating to all the District Panchayats and District Rural Development Agencies as on 31 March 1995 is indicated below:

Period	District Panchayats		District Rural Development Agencies	
	Number of Inspection Reports	Number of Paragraphs	Number of Inspection Reports	Number of Paragraphs
<b>Upto</b>				
1987-88	195	544	36	245
1988-89	60	205	3	48
1989-90	17	56	9	127
1990-91	36	173	2	12
1991-92	93	243	4	52
1992-93	123	417	13	111
1993-94	190	691	13	169
1994-95	57	193	6	52
<b>Total</b>	<b>771</b>	<b>2522</b>	<b>86</b>	<b>816</b>

Analysis of the outstanding Inspection Reports issued upto 31 December 1994 in respect of District Panchayat, Valsad (Panchayat) and District Rural Development Agency (DRDA), Jamnagar revealed that:

(i) Out of 64 Inspection Reports containing 481 paragraphs (Panchayat 60 reports, 353 paragraphs and DRDA 4 reports, 128 paragraphs) issued upto December 1994, action was pending on 48 Inspection Reports containing 309 paragraphs as of July 1995.

(ii) In spite of the instructions of the Government for furnishing the first reply within four weeks of receipt of the Inspection Reports by the Department, no reply had been received for 22 outstanding Inspection Reports containing 167 paragraphs (Panchayat: 19 Reports, 79 paragraphs and DRDA: 3 Reports, 88 paragraphs).

Even in cases where first replies were received, there were delays upto two years in respect of 107 paragraphs, two to five years in respect of 21 paragraphs and more than 5 years in respect of 2 paragraphs of Panchayat. Similar delays upto two years in respect of 12 paragraphs of DRDA were also noticed.

(iii) According to the directions issued (March 1992) by Government, Heads of Departments are required to depute their parties regularly for on the spot discussion/settlement of outstanding audit objections. However, no such parties were deputed by Heads of Panchayat and DRDA during the year 1994-95.

The matter was referred to Government (July 1995); reply has not been received (December 1995).



## HEALTH AND FAMILY WELFARE DEPARTMENT

### GUJARAT WATER SUPPLY AND SEWERAGE BOARD

#### 6.8 Avoidable extra expenditure

The Nadiad Sewerage Scheme was administratively approved and technically sanctioned by the Gujarat Water Supply and Sewerage Board (GWSSB) in August 1982. Out of this scheme, the work in respect of Sewer District-2 estimated to cost Rs.244.66 lakhs was awarded (July 1986) to contractor 'A' at his tendered cost of Rs.260.65 lakhs. While the work of the scheme was in progress, Government decided (January 1987) to suspend further execution of work and directed (July 1987) GWSSB to reduce the cost by eliminating certain component of the scheme due to backlog of local body's contribution towards the scheme. GWSSB while submitting (September 1987) the proposal for truncation opined that the truncation may have an adverse effect on other components of the scheme. Government, however, ordered (December 1987) truncation of the scheme on account of financial constraint of the Nadiad Municipality; the work of Sewer District-2 was largely affected with its scope reduced to Rs.127.45 lakhs. The agency was directed (January 1988) to execute the reduced quantum of work against its tendered value of work of Rs.260.65 lakhs.

The Nadiad Municipality stated (May 1988) that the decision of the Government was unilateral and without its consent and approval and would result in work of the value of Rs.30 lakhs already executed remaining unlinked and infructuous. Government, therefore, approved (April 1991) proposal to revive the essential items of the truncated portion estimated to cost Rs.54.92 lakhs. This revived work was bifurcated into two parts with both the parts being awarded (May 1991) to the same contractor 'A' at his aggregated tendered cost of Rs.166.32 lakhs. The contractor completed one part of the work and abandoned (October 1993) the second part in spite of several notices. The contract was, therefore, terminated (May 1994) and the amount of security deposit together with value of work done but not paid for forfeited. The leftover work was decided to be completed at the risk and cost of contractor for which revised proposal was reported to be under preparation.

Thus, the portion of the work which could have been got completed at Rs.58.51 lakhs, but for its truncation was reawarded to the same contractor at Rs.166.32 lakhs. This not only resulted in avoidable expenditure of Rs.107.81 lakhs, but also delayed completion of the project.

Government stated (February 1994) that the decision to truncate the scheme was taken due to the financial constraints of the Municipality and that only the essential items were taken up subsequently. The decision was however, taken unilaterally without obtaining the consent of the Municipality and also against the recommendation of the GWSSB.

#### 6.9 Avoidable extra expenditure

Tenders for purchase of 200/250 mm dia Electric Resistance Welded (ERW) Pipes to be supplied on rate contract basis during the year 1991-92 were invited (April 1991) by the Gujarat Water Supply and Sewerage Board (GWSSB). The lowest offer of the Steel Authority of India (SAIL) at Rs.335.27 and Rs.420.37 per metre of

200 mm and 250 mm dia pipes respectively was accepted (July 1991). As delivery period was to be fixed after discussion, while accepting the order, SAIL intimated delivery schedule between July to September 1992 and March to April 1992 respectively for 200 mm and 250 mm dia pipes. As the pipes were urgently required, it was decided (July 1991) to purchase 7500 metres of 200 mm dia pipes from second lowest tenderer viz., the Gujarat Steel Tubes Limited (GSTL) at the rate of Rs.461.78 per metre to meet the urgent requirement and the remaining quantity from SAIL as per its delivery schedule. Accordingly, supply order was placed with GSTL (July 1991) against which 7000 metres of pipes were supplied by GSTL.

Though remaining quantity of pipes were decided (July 1991) to be purchased from SAIL and order was also pending with SAIL, fresh tenders were invited (August 1991) for fixing rate contract from September 1991 to August 1992. The lowest offer of GSTL at Rs.542.54 and Rs.691.83 per metre of 200 mm and 250 mm dia pipes respectively was accepted (February 1992) and supply order for 7000 metres and 2500 metres respectively of above pipes was placed (February 1992) against which 6998 metres of 200 mm dia and 2499 metres of 250 mm dia pipes were supplied by GSTL between April and November 1992.

Following observations were made (February 1994).

- (1) Though offer of SAIL was pending, fresh tenders were invited (August 1991) and contract was awarded to GSTL who quoted rates higher by Rs.207.27 per metre and Rs.271.46 per metre for 200 mm and 250 mm dia pipes respectively than SAIL.
- (2) Order was placed for 7000 metre 200 mm and 2500 metre 250 mm dia pipes with GSTL. This had resulted in avoidable extra expenditure of Rs.14.50 lakhs for the purchase of 6998 metres of 200 mm dia pipes and Rs.6.78 lakhs for the purchase of 2499 metres of 250 mm dia pipes.

20.28

The matter was referred to Government in March 1995; reply has not been received (December 1995).

#### 6.10 Abandoned work

The work of laying of sewers in zone 12C under the Rajkot Drainage Project estimated to cost Rs.27.89 lakhs was awarded (July 1988) to a contractor at his lowest tendered cost of Rs.29.01 lakhs by the Executive Engineer, Public Health World Bank Division (Division) of the Gujarat Water Supply and Sewerage Board (GWSSB). The work was to be completed by July 1989. Though the time limit for completion of the work was extended up to October 1989, the agency did not complete the work and abandoned (September 1989) the remaining work of the value of Rs.20.63 lakhs.

It was noticed in audit (March 1994) that though the contract agreement contained the standard clause for getting the work completed at the risk and cost of defaulting contractor, the contractor was relieved of his contractual obligation after imposing a penalty of Rs.2.99 lakhs being 10 per cent of the contract value. Thereafter the abandoned work was retendered and got executed through another agency at the cost of Rs.32.97 lakhs.

Thus, the injudicious decision to relieve the contractor after charging Rs.2.99 lakhs, instead of getting the work done at his risk and cost resulted in loss of recovery of Rs.9.35 lakhs. The Division stated (March 1995) that the tender purchase committee had decided to relieve the contractor after imposing penalty for delay in completing the work. The reply furnished is not tenable as the risk and cost clause also existed in the contract agreement and action thereunder could have been taken.

The matter was referred to Government in April 1995; reply has not been received (December 1995).

#### **6.11 Unauthorised aid to the contractor**

The Gujarat Water Supply and Sewerage Board (GWSSB) awarded (March 1990) the work of manufacture, supply, erection, testing, commissioning and maintenance of pumping machinery with associated ancillaries and electrical equipment on turn key basis for the Nadiad Sewerage Scheme to a contractor at his tendered cost of Rs.83.17 lakhs with stipulated completion by March 1991.

During test check of records, it was noticed (January 1993) that the contractor had neither completed the work within the stipulated period, nor had sought extension of time. The GWSSB had allowed the contractor to continue construction and had imposed (July 1992) compensation for the delay limited to Rs.8.32 lakhs being 10 *per cent* of contract value. The amount was, however, not recovered from payments made up to October 1994 and the work was reported (March 1995) to be in progress.

It was further observed that though the contractor had quoted his rates inclusive of all Central and State taxes and his tender of Rs.83.17 lakhs was also accepted inclusive of all taxes, GWSSB reimbursed Rs.4.76 lakhs till 22nd bill (paid up to February 1992) of excise duty paid by the contractor. Even after Audit pointed out the irregular payment in January 1993, the amount had not been recovered (July 1995). The GWSSB stated (March 1995) that recovery was not effected from contractor in the interest of work. Thus, non-recovery of compensation and irregular reimbursement of excise duty not contemplated in the contract agreement resulted in unauthorised financial aid to the contractor.

Government stated (November 1994) that the matter was being examined with reference to similar tenders in respect of other works.

#### **6.12 Wasteful expenditure**

The Gujarat Water Supply and Sewerage Board (GWSSB), Gandhinagar, placed an order (April 1988) with a supplier for supply of 2000 tonnes ordinary portland cement having ISI mark at the rate of Rs.1112 per tonne. The conditions mentioned in the supply order, stipulated that 80 *per cent* payment be made in advance alongwith the order and the remaining 20 *per cent* payment within seven days after receipt of cement by the consignee in sound and acceptable condition.

Out of 2000 tonnes of cement ordered, the Public Health Works Division No.1, Bhavnagar (Division) of GWSSB received 299.950 tonnes in May 1988 on payment of Rs.2.67 lakhs in April 1988 being the 80 *per cent* advance payment. Subsequently on getting the cement tested, (July 1988) it was found that the cement received was sub-standard without having ISI mark. Meanwhile, the division had already utilised 143.65 tonnes of cement, due to shortage of cement and the urgent nature of works.

Remaining 156.30 tonnes cement valued at Rs.1.74 lakhs, 80 *per cent* advance payment of which worked out to Rs.1.39 lakhs was lying unutilised in a rented godown for which the division paid a rent of Rs.2.42 lakhs for the period from May 1988 to April 1994. No effective steps were taken either to get the sub-standard quantity of cement replaced or to recover the cost from the supplier.

For remaining quantity of cement, information was not supplied by the GWSSB.

Tardy action on the part of the GWSSB in getting the sub-standard cement replaced resulted in wasteful expenditure of Rs.1.39 lakhs and unavoidable payment of godown rent of Rs.2.42 lakhs in addition to sub-standard cement being utilised on works. The GWSSB stated (May 1995) that the supplying company had been declared (July 1991) a sick unit and merged with the Gujarat Mineral Development Corporation and the work of fixing actual modality for clearing its liabilities was under process.

3.81  
lakh

## FORESTS AND ENVIRONMENT DEPARTMENT

### GUJARAT POLLUTION CONTROL BOARD

#### 6.13 Gujarat Pollution Control Board

##### 6.13.1 Introduction

The Gujarat Pollution Control Board (Board) was constituted on 15 October 1974 under the Water (Prevention and Control of Pollution) Act, 1974, which came into force on 23 March 1974. With the legislation of the Air (Prevention and Control of Pollution) Act, 1981, the Board was entrusted with the work of air pollution control activities as well. With the enforcement of Environment (Protection) Act, 1986 the Board has been assigned the responsibilities for the enforcement of some of the provisions under this Act, pertaining to Water and Air pollution and for the management of hazardous wastes.

The main functions of the Board are

- (i) to give consent to person who shall bring into use any new or altered outlet for the discharge of sewage or trade effluent besides promoting cleanliness of wells and streams and to improve the quality of air and to prevent control or reduce water/air pollution in the State:
- (ii) to advise the State Government with reference to the location or suitability of any premises for setting up of any industry which is likely to cause water/air pollution and to plan and execute state-wide programmes on pollution control:
- (iii) to identify the sources of water and air pollution as also sites for storage and disposal of hazardous chemicals and waste:
- (iv) to lay down standards for treatment of sewage and trade effluent and for exhaust and stack gas cleaning systems for industrial plants, automobiles and for other polluting sources and to evolve economical and reliable methods of treatment of sewage and trade effluents and

- (v) to disseminate the collected information relating to water and air pollution and to perform other such functions as may be prescribed by the State Government or Central Pollution Control Board (CPCB).

In addition, the Board was empowered to levy and collect cess on water consumption by certain industries/local authorities under the Cess Act 1977.

### **6.13.2 Organisation**

The Board has its Head Office and central laboratory at Gandhinagar, Regional Offices with attached laboratories, at Rajkot, Surat and Vadodara and Sub-Regional Offices at Bharuch and Vapi to cover the entire area of the State.

The Board, as reconstituted from time to time, has a full time Chairman and a Member Secretary. A technical committee and a personnel committee also advise the Board on various matters.

As on 31 March 1995, the Board had 345 employees which included 39 engineers and 76 scientists and analysts.

### **6.13.3 Audit Coverage**

The Board is audited under section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Test check of records of the activities of the Board at Gandhinagar, Regional offices at Vadodara, Surat and Sub-regional offices at Vapi and Bharuch for the period from 1989-90 to 1994-95 was conducted between May and July 1995. The result of review are set forth in the succeeding paragraphs.

### **6.13.4 Highlights**

# Comprehensive programme for identification of industries causing pollution in the State had not been planned. Only two surveys, were carried out during 1994-95.

(Paragraph 6.13.6.1)

# Out of 1,26,632 industries in the State, only 9061 were functioning (31 March 1995) under proper consent issued by the Board under the Water and Air Acts.

(Paragraph 6.13.6.2)

# Samples were not collected and analysed according to the prescribed norms in any of the years under report.

(Paragraph 6.13.6.3)

# Despite release of assistance of Rs.110 lakhs in March 1991 by the Central and State Governments, the Gujarat Industrial Development Corporation had not taken up the construction of Common Effluent Treatment Plants for the small scale industries at Ankleshwar, Sarigam, Panoli and Sachin and only 30 per cent of civil work was completed as of March 1995 in respect of construction of Plant at Vapi.

(Paragraph 6.13.6.6)

# Out of the 678 and 169 cases decided by the courts during 1989-90 to 1994-95, charges were upheld only in respect of 9 and 39 cases under Water and Air Acts respectively. Procedural lapses on the part of the Board were observed in certain judgements.

(Paragraph 6.13.7.1)

# Cases recommended for action under Environment Protection Act, 1986 ranging from 17 (1989-90) to 30 cases till 1993-94, rose to 837 in 1994-95 due to public interest petition filed in the High Court. Eight hundred and thirty seven units were closed down at the instance of High Court during 1994-95.

(Paragraph 6.13.7.2)

# The Board had not undertaken any work relating to pollution control measures on behalf of the industries though empowered under the Act.

(Paragraph 6.13.8.1)

# Pending adoption of an amendment for more powers under the Water Act, 1974 passed by the Parliament, the State Board could not function effectively.

(Paragraphs 6.13.8.2)

# The activities of Board had not been evaluated.

(Paragraph 6.13.9)

#### 6.13.5 Finance and Expenditure

The Board derives its income mainly from its share of water cess and from consent fees, sample testing fees and sale proceeds of application forms for obtaining consent. Besides this, the State/Central Government sanction grants to the Board for implementing various schemes.

The Board maintains its accounts on cash basis. The summary of the receipt and expenditure of the Board for the years from 1989-90 to 1994-95 is tabulated below:

Particulars	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95*
	(Rupees in lakhs)					
Grants received from State Government	89.50	144.00	75.00	105.00	145.00	30.00
Grants from Central Government including water cess	51.59	43.69	73.04	39.45	13.13	116.34
Other revenue receipts	76.15	92.34	182.18	164.02	228.20	224.29
Opening balance	222.91**					
<b>Total</b>	<b>440.15</b>	<b>280.03</b>	<b>330.22</b>	<b>308.47</b>	<b>386.33</b>	<b>370.63</b>
Expenditure	231.16	235.85	288.02	262.71	284.52	360.00
<b>Total</b>	<b>231.16</b>	<b>235.85</b>	<b>288.02</b>	<b>262.71</b>	<b>284.52</b>	<b>360.00</b>

\* As the Accounts for the year 1994-95 have not been finalised. (September 1995) the figures are provisional.

\*\* Since the receipt is less than the expenditure during the year, the closing balance of the previous year is taken as opening balance.

## **6.13.6 Implementation**

### **6.13.6.1 Surveys**

Industries have to be identified by the Board for planning and execution of a comprehensive programme of pollution control and for enforcing the provisions of the Acts, including those for according consent to industries for carrying on their activities in the specified areas.

It was, however, noticed that the Board had neither prepared any comprehensive programme nor laid down procedure for a comprehensive survey with a view to identifying and categorising industries for taking pollution control measures except area developed by Gujarat Industries Development Corporation (GIDC) at Ankleshwar and Vapi as discussed below:

A decision was taken (October 1994) by Government to form a task force comprising District Industries Commissioner, Regional officer, Bharuch of the Board and Factory Inspector of the GIDC and Collector, Bharuch for carrying out a unit-to-unit survey at Ankleshwar to identify the units causing pollution and for taking suitable action against those units. Only ten high pollution causing units were identified by the task force. The Board referred these cases to Government for taking suitable action under the relevant provisions of the Environment Protection Act, 1986. The Government issued (January 1995) orders for closure of only one unit.

Further, only one survey was conducted (April 1995) in GIDC, Vapi where 656 chemical industries were identified as pollution causing units and recommended to the Government to take suitable action, twenty two units of which were closed down (December 1995).

Board stated (July 1995) that in the absence of special team the constitution of which required additional funds, this important work of survey could not be undertaken. The reply of the Board was not tenable as the accounts of the Board revealed that there were accumulated surplus ranging from Rs.237.40 lakhs in 1989-90 to of Rs.471 lakhs at the end of March 1994 for discharging the statutory responsibility.

### **6.13.6.2 Processing and finalisation of consent applications**

Under the Act, every agency causing pollution has to obtain consent of the Board for discharging sewage or trade effluent. The details of application received and action taken on consent applications under the Water Act and Air Act were as under:

Table—A Water Act

Year	Opening Balance	Number of applications received	Total	Consent granted	Number of applications rejected and files closed	Number of Applications under scrutiny
Up to March-89	253	4513	4766	3776	990	—
1989-90	—	365	365	201	103	61
1990-91	61	337	398	207	126	65
1991-92	65	362	427*	202	81	79
1992-93	79	370	449	246	97	106
1993-94	106	501	607	298	121	188
1994-95	188	735	923*	283	250	202
<b>Total</b>	<b>752</b>	<b>7183</b>	<b>7935</b>	<b>5213</b>	<b>1768<sup>#</sup></b>	

Table—B Air Act

Year	Opening Balance	Number of applications received	Total	Consent granted	Number of applications rejected and file closed	Number of Applications under scrutiny
Up to March-1989	202	1962	2164	2007	157	—
1989-90	—	527	527	433	33	61
1990-91	61	349	410	287	59	64
1991-92	64	343	407*	248	44	51
1992-93	51	321	372	238	56	78
1993-94	78	428	506	328	40	138
1994-95	138	581	719*	307	104	170
<b>Total</b>	<b>594</b>	<b>4511</b>	<b>5105</b>	<b>3848</b>	<b>493<sup>##</sup></b>	

\* The figures are taken from the Board's Annual Report. Difference in the years 1991-92 and 1994-95 (Table A and B) have not been reconciled by the Board.

# Out of 1768 units applications of 1532 units were rejected and the remaining 236 case files were closed as the units were found non-polluting.

## Applications of 443 units were rejected and 50 applications closed as those units were found non-polluting.



It was observed that in respect of 1975 cases (1532 cases under Water Act and 443 cases under Air Act) consent was not given by the Board as of March 1995 till the commencement of commercial production by the units concerned. All these 1975 units however, commenced production and continued to produce causing either water or air pollution.

Out of 1,26,632 industries in the State as on March 1995, only 9061 units constituting 7 per cent were functioning under proper consent.

### 6.13.6.3 Sampling and analysis

For sampling and monitoring under the Water and Air Acts and installations of pollution control measures, the periodicity of collection of samples prescribed by the Board according to pollution potential was as under:

Category	Periodicity of collection
A Large Scale industry	Monthly
B Medium Scale industry	every four months
C Small Scale industry	6 monthly/yearly

In addition, the Board was expected to collect additional samples as and when required or directed by the court, Legislative Assembly, Government or at the instance of Member of Parliament, Member of Legislative Assembly or on a public complaint. According to the information available on record, the number of samples collected and number for which consent was granted during 1989-90 to 1994-95 were as under:

Year	Water Act		Air Act	
	Consent granted	*Number of samples actually collected	Consent granted	Number of samples actually collected
1989-90	3977	5130	2440	953
1990-91	4184	5695	2727	1278
1991-92	4386	3633	2975	657
1992-93	4632	3780	3213	848
1993-94	4930	4225	3541	15433
1994-95	5213	4889	3848	1077

\* Since the Board had not categorised industries into large, medium and small scale, number of samples required to be collected was not available

It would be observed that even though the number of industries to which consent was granted under Water Act increased from 3977 in 1989-90 to 5213 in 1994-95, the samples actually collected and analysed decreased from 5130 to 4889. Besides, whether the samples were collected according to norms could not be ascertained as categorisation of industries as large, medium and small scale was not available. However, it would be seen that from 1991-92 onwards (except for the year 1993-94 under the Air Act), the number of samples actually collected were less than the number of cases where consent was granted.

#### **6.13.6.4 Vehicular emission**

Under the provisions of the Air (Prevention and Control of Pollution) Act, 1981, responsibility for control of vehicular emission lies with the Transport Department. This includes testing of vehicles to ensure the following standards as laid down by the Board.

- (i) Every motor vehicle powered by Compression ignition (diesel) engine, smoke density should not exceed 65 Hartridge smoke units as measured by free acceleration method.
- (ii) Vehicles, powered by spark ignition engine should comply with the emission standards which require that carbon monoxide should not exceed 3 *per cent* by volume of exhaust gases during idling. Vehicles which have completed 5 years of life should comply with emission standard requiring that carbon monoxide not exceed 4.5 *per cent* by volume of exhaust gases during idling.

These standards were incorporated in the Motor Vehicle Act, 1989 by the State Government. However, the Board had no information about the check exercised by the Transport Authority.

#### **6.13.6.5 Construction of Common Effluent Treatment Plants (CETP)**

According to the information furnished by the Board, out of the 5213 industries to whom consent was granted upto March 1995 under the Water Act, only 2789 industries had treatment plants while remaining 2424 units had no pollution potential. The control equipments after their installation were to be kept in good running condition at all times. It was, however, noticed (October 1994) by the Board that treatment plants installed were not working. Information as to the number of treatment plants operated, partly operated or not operated after their installation during the period 1989-90 to 1994-95 was not furnished by the Board. Hence, the effectiveness of pollution control measures could not be verified.

Under the Air Act, consent was granted to 3848 industries upto March 1995 but only 1334 units had installed Air pollution control measures. No investigation was conducted by the board as to the status of the remaining units.

#### **6.13.6.6 Non-execution of Common Effluent Treatment Plant**

In order to control the problem of pollution in the small scale industries, the Government of India had launched a major scheme in June 1990 to provide assistance towards the construction of Common Effluent Treatment Plants (CETP) for clusters of small scale industries.

The scheme was to be financed through 25 *per cent* Central assistance with a matching contribution of 25 *per cent* by the State, the remaining 50 *per cent* to be contributed by beneficiary industries

Accordingly, five proposals were sent to the Government of India by the Board in consultation with State Government for construction of CETP at Vapi, Ankleshwar, Sarigam, Panoli and Sachin. The Government of India and the State Government released (March 1991) their shares as shown below:

Location of CETP	State share	Central share
	(Rupees in lakhs)	
Vapi	20	20
Ankleshwar	20	20
Sarigam	5	5
Panoli	5	5
Sachin	5	5
Total	55	55

The State Government released Rs.55 lakhs in March 1991 directly to the GIDC which was the executing agency, whereas the Government of India released (March 1991) matching share of Rs.55 lakhs to the Board on the condition that the amount would be paid to the GIDC only after receipt of utilisation certificate in respect of the grant paid by the State Government. However, GIDC did not start construction of CETP in any of the Industrial Estates except Vapi where approximately 30 *per cent* of the civil works had been completed as reported (May 1995) by GIDC to the Board. The Central share of Rs.55 lakhs had also remained idle for more than four years with the Board on which it earned interest of Rs.20.54 lakhs (upto March 1995).

### **6.13.7 Launching of prosecutions**

#### **6.13.7.1 Court cases**

The Water Act, 1974, provided for the Board to apply to a court of law where it was apprehended that water in any stream or well was likely to be polluted on account of disposal of any matter therein or any likely disposal of any matter therein or otherwise, for restraining the person who was likely to cause such pollution. The number of such court cases outstanding as on 31 March 1995 was 1492.

The number of court cases filed under both the Acts during 1994-95 came down substantially to 96 as compared to 487 cases filed during 1989-90.

It was noticed that out of the 678 cases disposed of under the Water Act as on 31 March 1995, conviction orders were issued in respect of only nine cases for imprisonment or fine or both. Under the Air Act, out of the 169 cases disposed of, in 39 cases penalty in the form of fine was imposed. Thus, majority of cases were finalised against the Board. A perusal of judgements passed by the court revealed the following type of procedural lapses on the part of the Board:

- 1 Notices for collection of samples not issued as required under the Act.
- 2 Delay in sending samples for testing.
- 3 Samples not collected in the presence of the occupier or authorised agent.
- 4 No preservative chemicals added before sending the samples for testing.
- 5 Maps, Sketches etc. of sampling points either not drawn or drawn incorrectly.
- 6 Samples not analysed in the Government laboratory as demanded by the owner but was analysed in the Board's Laboratory.
- 7 Contradictory statements made by Board's representatives.
- 8 The units from where the samples were collected not clear.
- 9 Samples were not put in two separate containers.
- 10 Representatives of the Board failed to remain present in the court, despite sufficient notice.

During the years 1989-90 to 1994-95, 209 (Water Act : 166 and Air Act : 43) Judgements/orders were awarded against the Board for which preferring of appeal before the High Court was denied.

The Board stated (July 1995) that all the adverse Judgements delivered by the Court pertained to earlier periods and the correct procedure for framing the Court cases would be followed henceforth.

#### **6.13.7.2 Action under Environment Protection Act, 1986**

The Board is empowered to initiate legal action against defaulting units, while the powers to take stringent action like closure, stoppage of electricity or water supply, etc., vest with the State Government. Scrutiny of records revealed that the Board recommended action against 999 defaulting units to the Government upto March 1995 as under:

Year	Up to March 1989	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	Total
Cases	47	17	29	21	18	30	837	999

The number of cases recommended by the Board to the Government for action under Environment (Protection) Act, 1986 ranging from 17 (1989-90) to 30 cases till 1993-94 which rose to 837 in 1994-95 due to public interest petitions filed in the High Court. 982 units were closed down (837 at the instance of the High Court) by the Government in 1995 and action could not be taken in respect of the remaining 17 cases for want of sufficient information from the Board.

#### **6.13.8 Other topics of interest**

##### **6.13.8.1 Non-execution of works relating to Pollution Control measures**

The Water Act provided that if any condition imposed on any person while granting consent, required such person to execute any work in connection therewith and such work had not been executed within the time specified in this behalf, despite Board's notice, the Board may itself execute such work. All the expenses on the above work together with interest as may be fixed by the Government were to be recovered from the person concerned.

The Board, however, did not have the information on the number of industries which did not fulfill the required conditions as also the number of notices issued for execution of works. Registers for pollution control as prescribed under Water Act and Air Act were also either not maintained at all or did not contain complete information. The Board had not executed any work on behalf of the units causing pollution but legal action was initiated against 2339 units incurring legal expenses of Rs.16.89 lakhs from 1989-90 to 1994-95. Thus, due to non-execution of certain works specified in the consent order granted by the Board, polluting industries continued to discharge effluent till the court cases were finalised.

##### **6.13.8.2 Non-adoption of amendment of Central Act**

In order to strengthen the functioning of the Pollution Control Board effectively, Parliament amended Water Act 1974, whereby, Boards were empowered to issue directions such as for closure, prohibition or regulation of any industry, operation or process or for the stoppage or regulation of supply of electricity, water or any other service. Necessary resolution adopting the above amendment had not been passed in the State as of 31 August 1995. As a result prompt pollution control measures could not be exercised by the Board.

##### **6.13.8.3 Un-authorized expenditure**

The Board paid insurance premium of Rs.1.44 lakhs from 1988-89 to 1994-95 to the New India Assurance Company towards Group Personal Accident Policy in respect of the technical staff i.e. Engineers, Scientific Officers, Drivers, Havildars, Naiks, Peon-cum-Chowkidar etc., without any approval either by the technical committee, or the personnel committee of the Board or Government.

#### **6.13.9 Monitoring and Evaluation**

The activities of the Board had not been evaluated since its inception in 1974 either by the State Government or any other outside agency.

**6.13.10** The matter was referred to Government in September 1995; reply has not been received (December 1995).

**Entrusted Audits under Sections 19(3) and 20(i)  
of CAG's (DPC) Act, 1971**

**URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT**

**URBAN/AREA DEVELOPMENT AUTHORITIES**

**6.14 Urban Development Authorities**

**6.14.1 Introduction**

In order to ensure planned development of notified areas within the State, Government constituted in February 1978 (except Hajira Area Development Authority which was created in October 1985) 7\* area/ urban development authorities (Authority) under the provisions of the Gujarat Town Planning and Urban Development Act, 1976 (Act).

Some of the main functions of these authorities under the Act were as follows:

- (i) to prepare plans for development of the area;
- (ii) to undertake town planning schemes;
- (iii) to control development activities in the area in accordance with the development plan;
- (iv) to acquire, hold, manage and dispose of property, movable or immovable, as it may deem necessary;
- (v) to execute works in connection with supply of water, disposal of sewerage and provisioning of other services and amenities and,
- (vi) to guide, direct and assist the local authorities and other statutory authorities functioning in the urban development area in matters pertaining to the planning, development and use of urban land.

In the initial years of establishment of Authorities, funds in the form of seed money loans to the Authorities for meeting expenditure in implementation of the plans/ schemes were provided by the state Government. Finance for subsequent years was to be derived by the Authorities by way of creating income from their project, undertakings, contribution from local authorities, scrutiny fee, development charge etc.

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*1) Ahmedabad Urban Development Authority	(AUDA)
2) Rajkot Urban Development Authority	(RUDA)
3) Surat Urban Development Authority	(SUDA)
4) Vadodara Urban Development Authority	(VUDA)
5) Bhavnagar Area Development Authority	(BADA)
6) Hajira Area Development Authority	(HADA)
7) Jamnagar Area Development Authority	(JADA)

### **6.14.2 Organisational set up**

The Chairman of Authority is responsible for the implementation of development activities and is assisted by the Chief Executive Authority (CEA) appointed by the State Government. The administrative control rests with the Urban Development and Urban Housing Department (Department) of the State Government.

### **6.14.3 Audit Coverage**

The working of Authorities for the period from 1990-91 to 1994-95 was reviewed in audit between April and July 1995 by test-check of records of all the seven authorities.

### **6.14.4 Highlights**

# There were delays in approval by Government of Draft Development Plans ranging from 50 to 124 months with corresponding delays in implementation of the town planning schemes.

(Paragraph 6.14.6.1)

# As against 1596 hectares of land required to be acquired, the Authorities could acquire only 191 hectares even after 5 to 12 years of the approval of their Draft Development Plans, affecting the development of the areas adversely.

(Paragraph 6.14.6.3)

# Land valued at Rs. 90.06 lakhs purchased/acquired between 1983 and 1990 was not utilised by AUDA and VUDA.

(Paragraph 6.14.6.4)

# No target for preparation of town planning scheme by the Authorities was fixed by the Government. Expenditure incurred (Rs.24.29 lakhs) on five town planning schemes handed over to the concerned Municipal Corporations had not been recovered by BADA and JADA.

(Paragraph 6.14.7.1)

# Shops and plinths constructed at the cost of Rs.42.48 lakhs by AUDA between April 1986 and May 1990 remained unallotted due to lack of demand from the public.

(Paragraph 6.14.7.2)

# Proposals sent by various Authorities between 1981 and 1987 for fixing contribution payable by the local Authorities (Rs.33.66 lakhs) were awaiting finalisation by Government.

(Paragraph 6.14.7.3)

# Betterment charges of Rs.334.49 lakhs were outstanding as on 31 March 1995 from the final plot holders of AUDA and VUDA.

(Paragraph 6.14.7.4)

# Seed money loan of Rs.1744 lakhs was not repaid by the Authorities to the Government. Interest other than penal interest due as on 31 March 1995 to Government on this loan amounted to Rs.1056.74 lakhs.

(Paragraph 6.14.8.1)

# In spite of specific orders of the Government to invest surplus money in the Personal Ledger Account with Government, Rs.662 lakhs were invested elsewhere by five authorities.

(Paragraph 6.14.8.3)

# Fifteen works valued at Rs.97.05 lakhs were executed by RUDA between August 1991 and January 1995 without following the normal process of tendering.

(Paragraph 6.14.9.3)

#### 6.14.5 Finance and expenditure

The details of loans, grants and other receipts and revenue expenditure in respect of all the 7 authorities received during 1990-91 to 1994-95 were as under except JADA which has yet (as of October 1995) to prepare accounts for the year 1993-94. The accounts for 1994-95 have not been prepared by any of these authorities:-

Name of authority	Loan	Grant	Other receipts	Revenue expenditure
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
AUDA	183.00	390.03	1405.89	518.97
RUDA	137.00	306.00	299.70	129.04
SUDA	100.00	134.00	767.28	275.63
VUDA	155.00	341.00	441.15	337.38
BADA	51.50	91.00	83.75	67.18
HADA	38.00	—	18.67	29.74
JADA	80.50	122.00	21.16	34.21

Other financial details such as revenue deficit or surplus and capital expenditure in respect of all authorities were as given in Appendix-XII.

It would be observed from the details given in Appendix-XII that BADA, HADA, JADA and VUDA incurred nil/negligible expenditure on works of capital nature and showed negative working results in the past years.

#### 6.14.6.1 Draft Development Plan

After the constitution of Area/Urban Development Authority for any area, the Authority is required to submit to the State Government, a draft development plan (DDP) for the whole or any part of the development area to be declared a development area under the provisions of the Act, within a period not later than three years after such declaration or within such time as the State Government may from time to time extend.



The details of the DDPs submitted by the Authorities and the sanction accorded by Government were as under:-

Sl. No.	Name of authority	Month/Year of declaration of development area	Submission of DDP by Authority to Government	Sanction accorded by Government	Extent of delay in according sanction by Government (in months)
(1)	(2)	(3)	(4)	(5)	(6)
1	AUDA	January 1978	July 1981	November 1987	76
2	RUDA	—do—	May 1980	April 1988	96
3	SUDA	—do—	January 1980	January 1986	72
4	VUDA	—do—	May 1979	December 1983	55
5	BADA	—do—	July 1979	January 1990	124
6	JADA	—do—	July 1981	September 1985	50
7	HADA	October 1985	August 1989	May 1994	57

It would be observed from the above that all the Authorities had submitted their draft plans to the State Government within the specified time limit except JADA and HADA which delayed submission by 5 and 10 months respectively.

Further, in the absence of any time limit fixed under the provisions of the Act for approval of the DDP by Government, there were delays ranging from 50 to 124 months between submission of draft plans by various Authorities and their approval by Government.

Due to delay in approval of DDP by the Government, there was corresponding delay in approval of town planning schemes and their implementation.

#### **6.14.6.2 Revision of Development Plan**

Under the Act, the Authority shall revise the development plan after carrying out, if necessary, a fresh survey at least once in ten years from the date on which a final development plan comes into force.

SUDA, which had not yet completed 10 years from the date of sanction of development plan, decided to revise its draft plans in September 1993 and entrusted the work of preparation of revised development plan to the Association of Metropolitan Development Authorities (AMDA) in October 1993 for a lump sum payment of Rs.6 lakhs. According to the agreement, the work was to be completed in phased manner by June 1995. However, as against the six stages prescribed for completion of the whole work by June 1995, only three stages had been completed by April 1995.

The delay in completion of work was attributed (February 1995) by the AMDA to heavy flood and outbreak of plague (September 1994) in the area.

### 6.14.6.3 Acquisition of land

Under the provisions of the Act, the Authorities were required to acquire land for discharging various functions entrusted to them after the approval of the Development Plan by Government.

Details of land thus required to be acquired and the land actually acquired by these Authorities upto March 1995 were as under:

Sl. No.	Name of authority	Date of approval of Development plan	Land to be acquired	Land actually acquired
				(in hectares)
1	AUDA	November 1987	85.14	58.05
2	RUDA	April 1988	370.53	8.22
3	SUDA	January 1986	360.10	86.88
4	VUDA	December 1983	430.11	30.91
5	BADA	January 1990	221.44	Nil
6	HADA	May 1994	16.95	6.77
7	JADA	September 1985	112.10	Nil
<b>Total</b>			<b>1596.37</b>	<b>190.83</b>

It would thus be seen that despite lapse of over 5 to 12 years, the land acquired in respect of AUDA, HADA, RUDA, SUDA and VUDA was 68, 40, 2, 24 and 7 *per cent* respectively of the requirement and adversely affected the development of the area.

No specific reasons were assigned for non-acquisition (by BADA and JADA) or shortfall in acquisition by the other Authorities.

### 6.14.6.4 Non-utilisation of land

- (i) The AUDA and VUDA purchased/acquired land valued at Rs.90.06 lakhs between December 1983 and September 1990 for different purposes as detailed below. Despite lapse of over 4 to 11 years, land was not utilised (June 1995) for the purposes for which the same was acquired.

Sl. No.	Name of Authority	Month/Year of Acquisition/ purchase/ award	Area (in hectares)	Amount paid (Rupees in lakhs)	Purpose of acquisition
1	AUDA	May 1986	30.71	16.51	Growth Centre
2	—do—	June 1986	3.58	1.76	Township
3	—do—	September 1986	23.08	11.58	Township
4	—do—	—do—	00.68	2.25	D.P. road
5	VUDA	February 1984	08.00	4.80	Residence
6	—do—	June 1990	08.02	46.37	Residence
7	—do—	December 1983	03.16	2.55	Land Development Scheme
8	—do—	September 1990	00.42	4.24	Residence
			<b>77.65</b>	<b>90.06</b>	

Non-utilisation of land was attributed by AUDA (July 1994) to non-approval of change by the Government in the purpose for which it was purchased/acquired whereas VUDA did not furnish any reason for non-utilisation of land.

(ii) It was noticed in audit that VUDA also acquired .0568 hectare land valued at Rs.8.52 lakhs in February 1989 for construction of office building at Vadodara. The Authority, however, could take clear possession of land only in February 1995 after removal of unauthorised occupation. On a representation by VUDA that the land was insufficient for office building, the Government permitted (October 1993) the Authority to sell the land by public auction. The land was yet to be auctioned (June 1995).

(iii) Similarly, BADA too obtained 27 hectares of Government land in September 1982 for the purpose of providing housing facilities to the economically weaker sections (EWS) of society. The possession thereof was taken in February 1986 but it was also not utilised for intended purpose. Instead, the Authority dropped the idea of construction of quarters for EWS for which no specific reasons were furnished by the Authority and decided (February 1991) to dispose of the land for which permission of Government was awaited (June 1995).

It was noticed that no payment was made (June 1995) towards the cost of land to the Government. However, BADA paid land revenue and education cess amounting to Rs.2.06 lakhs and incurred liability of Rs.4.49 lakhs towards it for the period upto March 1995.

#### **6.14.7.1 Town Planning Schemes**

(a) According to the provisions of the Act, the Authority may make one or more town planning schemes (TPS) for the development area or any part thereof keeping in view the proposals made in the final development plan.

No target was fixed by the Government for preparation of Town Planning Schemes by the various authorities.

It was noticed that 11 schemes in respect of three Authorities (AUDA 1, RUDA 4 and VUDA 6) were approved by the Government during 1990-95. HADA, however, did not prepare any Town Planning Scheme during the period 1990-95 or earlier as no micro-level planning was required due to the major area under the Authority falling under industrial zone and mega industries having been established (June 1995).

(b) (i) Two schemes prepared by JADA incurring an expenditure of Rs.2.29 lakhs during 1978-79 to 1983-84 were handed over to the Jamnagar Municipal Corporation, under Government instructions of September 1984. However, the corresponding amount of Rs.2.29 lakhs had not been recovered by JADA (June 1995) from the Municipal Corporation.

(ii) Similarly, expenditure of Rs.22 lakhs incurred by BADA towards three Town Planning Schemes handed over to the Bhavnagar Municipal Corporation under the instructions of Government had also not been recovered by BADA from the Bhavnagar Municipal Corporation as of June 1995.

#### 6.14.7.2 Blocking of funds

In order to develop the areas under TPS, AUDA constructed shopping centres and also executed plinth level work as detailed in the table below:-

Sl. No.	Description of property	Total number of Shops/Plinths	Total Cost of construction (Rupees in lakhs)	Months of completion	Balance remaining to be disposed of (as of August 1995)	Cost of properties undisposed of (Rupees in lakhs)
1	Sanand Shopping Centre	31 Shops	7.32	April 1986	18 shops ( 58)	4.25
2	Sardarnagar Shopping Centre	139 Shops	62.53	May 1990	71 shops ( 51)	31.94
3	Plinths for economically weaker section Dahegam	198 Plinths	6.29	May 1986	198 plinths (100)	6.29
<b>76.14</b>						<b>42.48</b>

(Figures within bracket represent percentage)

The shops/plinths, constructed between April 1986 and May 1990, remained unallotted as of June 1995, thereby blocking funds of Rs.42.48 lakhs.

Non-allotment of shops/plinths was attributed by Authority to lack of demand from the public.

#### 6.14.7.3 Contribution by local authority

Under the Act, the State Government was required to determine the amount of contribution, which a local authority (such as municipal corporation, municipality, gram or nagar Panchayat) functioning in the development area shall make to the Authorities either in one lump sum or in such instalments as may be specified in the

order, towards the expenses incurred by an area/urban development Authority in the discharge of its functions such as (i) to control the development activities in accordance with the development in the development area; (ii) to acquire, hold, manage and dispose of property, movable or immovable and (iii) to execute works in connection with supply of water, disposal of sewerage and formation of other services and amenities etc. For this purpose, respective Authorities were required to submit their statement of expenditure incurred on the functions to the Government.

The expenditure incurred by 3 out of the 7 Authorities and the contribution claimed by these Authorities through Government from local authorities are given below. No proposals for recovery of contribution were sent by AUDA and BADA and reasons therefor were also not furnished. The two remaining authorities viz., HADA and SUDA had not carried out any development activity.

Year	Expenditure incurred	Amount admissible and claimed upto 50 per cent
(Rupees in lakhs)		
<b>JADA</b>		
1977-78	0.36	0.18
1978-79	2.84	1.42
1979-80	3.44	1.72
1980-81	4.47	2.24
1981-82	4.01	2.00
1982-83	4.31	2.16
1983-84	3.81	1.90
1984-85	4.39	2.20
<b>Total</b>	<b>27.63</b>	<b>13.82</b>
<b>RUDA</b>		
1984-85	4.25	2.12
1985-86	2.62	1.31
1986-87	3.45	1.72
1987-88	4.47	2.24
1988-89	3.40	1.70
<b>Total</b>	<b>18.19</b>	<b>9.09</b>
<b>VUDA</b>		
1977-78	0.11	0.05
1978-79	5.35	2.68
1979-80	6.64	3.32
1980-81	9.40	4.70
<b>Total</b>	<b>21.50</b>	<b>10.75</b>

The proposals sent by JADA (September 1987), RUDA (January 1990) and VUDA (September 1981) were awaiting Government approval. Further proposal for subsequent periods were not sent (June 1995) by these three authorities.

Non-furnishing of details of expenditure incurred on the development activities for subsequent years by the Authorities to Government and the delay by Government in determining the dues payable by the local authorities to the Authorities resulted in blocking of funds and consequential loss of interest.

#### **6.14.7.4 Recovery of contribution**

According to the Act, (i) the cost of Town Planning Scheme was to be met wholly or in part by a contribution to be levied by the appropriate Authority on each plot included in the final scheme calculated in proportion to the increment, which was estimated to accrue in respect of such plot and (ii) the owner of each plot included in the final scheme was to be primarily liable for the payment of the contribution (known as betterment charges) leviable in respect of such plot.

As reported by AUDA (June 1995), a sum of Rs.321.65 lakhs was recoverable as contribution from the final plot holders towards the cost of Town Planning Schemes finalised upto March 1995. By the end of March 1995, AUDA, however, had recovered only Rs.26.14 lakhs from plot holders who sought permission for development of plot leaving a balance of Rs.295.51 lakhs. Since the Act provided for recovery of contribution from final plot holders, AUDA's action to recover the contribution only from persons who sought permission for development was not in order.

Similarly, VUDA too effected recovery of contribution only from owners who applied for permission for development. A sum of Rs.38.98 lakhs was outstanding for recovery towards contribution at the end of March 1995.

RUDA too effected recovery of contribution only from the owners who applied for permission for development. The information regarding amount due as recovery of contribution from final plot holders under the Act was, however, awaited (June 1995).

No action was taken for recovery of Contribution towards development charges from those plot holders who did not seek permission for development of their plots.

#### **6.14.8 Seed money loan**

**6.14.8.1** The funds required by the Authority for carrying out these functions were to be met out of contributions payable by the local authorities functioning in the development area and by levying development charges on lands and buildings within the development areas. However, in the initial years of establishment of these Authorities, the State Government provided funds to them in the form of seed money loan for meeting their initial expenditure in implementation of the plans/schemes, making preliminary arrangements for smooth and effective functioning and for carrying out various day-to-day functions in accordance with the provisions of the Act.

The rate of interest on the loan was 11 *per cent* per annum. The repayment of loan was to commence after three years and in case of default, penal compound interest was chargeable @ 2 1/2 *per cent* per annum whereas a rebate of one *per cent* in interest rate was admissible for timely repayment of principal and payment of interest.

Scrutiny of records, however, disclosed that none of the 7 Authorities, which were granted seed money loan by the State Government refunded either the principal amount or paid interest thereon to the Government till the date of audit (June 1995) except BADA and JADA which repaid Rs.0.20 lakh each in 1980-81 despite large accumulation of funds kept in PLA/Bank/Investment ranging from Rs.118 lakhs in respect of JADA to Rs.1152.42 lakhs in respect of SUDA at the end of March 1995.

Details of seed money loan paid to the Authorities from the inception to end of March 1995 by Government were as under :

Year	AUDA	RUDA	SUDA	VUDA	BADA	HADA	JADA
(Rupees in lakhs)							
Prior to 1990-91	454.26	83.80	160.05	178.50	49.66	9.00	63.73
1990-91	12.00	11.00	9.00	12.00	5.00	4.00	7.00
1991-92	18.00	16.00	9.00	18.00	7.00	2.00	10.00
1992-93	33.00	30.00	25.00	30.00	7.00	9.00	16.00
1993-94	25.00	25.00	22.00	25.00	12.50	3.00	12.50
1994.95	95.00	55.00	35.00	70.00	20.00	20.00	35.00
<b>Total</b>	<b>637.26</b>	<b>220.80</b>	<b>260.05</b>	<b>333.50</b>	<b>101.16</b>	<b>47.00</b>	<b>144.23</b>

It was observed that interest due upto March 1985 on the outstanding loan with the Authorities was waived by Government in May 1984. The interest due and payable by the Authorities for the period subsequent to March 1985 amounted to Rs.1056.74 lakhs as on 31 March 1995 as detailed below:

Sl. No.	Name of the authority	Amount of interest (Rupees in lakhs)
1	AUDA	465.88
2	RUDA	104.14
3	SUDA	153.35
4	VUDA	196.29
5	BADA	54.60
6	HADA	11.55
7	JADA	70.93
<b>Total</b>		<b>1056.74</b>

No arrangement for repayment of principal or interest thereon was made by the Authorities on the ground that matter regarding conversion of loan into grant was pending with Government.

### 6.14.8.2 Negligible expenditure on development activities

The details given below indicate that the Authorities spent negligible amount (except VUDA in 1992-94) towards development activities despite having substantial funds.

#### Expenditure on

Year (1)	Works (2)	Admini- stration (3)	Contin- gencies (4)	Total 3+4 (5)	Percentage of 2 to 5 (6)
(Rupees in lakhs)					
<b>(A) BADA</b>					
1990-91	0.33	5.79	1.72	7.51	4.39
1991-92	0.30	6.19	1.27	7.46	4.02
1992-93	0.24	5.92	2.67	8.59	2.79
1993-94	0.43	9.17	4.15	13.32	3.29
1994-95	0.26	8.44	2.80	11.24	2.31
<b>(B) SUDA</b>					
1990-91	1.45	18.20	4.54	22.74	6.38
1991-92	0.67	19.57	5.32	24.89	2.69
1992-93	—	21.35	6.40	27.75	—
1993-94	0.80	33.98	10.64	44.62	1.79
1994-95	—	26.92	3.70	30.62	—
<b>(C) VUDA</b>					
1990-91	0.13	16.87	3.45	20.32	0.63
1991-92	0.48	21.54	6.86	28.40	1.69
1992-93	12.77	25.04	15.49	40.53	31.50
1993-94	28.15	25.59	8.41	34.00	82.79
1994-95	4.08	29.52	9.95	39.47	10.33

It was also seen that JADA and VUDA did not execute works of sewerage.

### 6.14.8.3 Non-investment in Personal Ledger Accounts

According to Government orders issued in September 1992, all Boards/Corporations of the Government were required to open a Personal ledger account (PLA) in Government treasury and transfer immediately all the surplus funds deposited with the commercial banks to the PLA. The funds, which were invested in term deposits, were to be transferred to PLA on maturity of such deposits.

It was, however, noticed that in spite of specific orders, the following five Authorities did not transfer their surplus funds to PLA in Government Treasury but invested elsewhere.



Sl. No.	Name of authority	Amount invested	Month/year of investment	Invested in
1	2	3	4	5
(Rupees in lakhs)				
1	JADA	2.00	November 1992	Sardar Sarovar Narmada Nigam (Nigam)
2	-do-	3.00	December 1992	- do -
3	BADA	10.00	November 1993	- do -
4	AUDA	500.00	November 1993	- do -
5	BADA	3.00	December 1993	- do -
6	-do-	7.00	January 1994	- do -
7	SUDA	100.00	January 1994	- do -
8	BADA	1.00	February 1994	- do -
9	JADA	1.00	April 1994	Co-operative bank
10	RUDA	25.00	July 1994	Nigam
11	RUDA	10.00	September 1992	Kisan Vikas Patra
		<u>662.00</u>		

After depositing Rs.500 lakhs in the Sardar Sarovar Narmada Nigam in November 1993, the AUDA approached the State Government in February 1994 for post facto approval of the investment. While not approving the proposal, the State Government instructed (AUDA) in April 1994 to immediately withdraw the amount from Nigam and to credit it in the PLA. The instructions of the Government had not been complied with as of June 1995.

#### **6.14.9 Other topics of interest**

##### **6.14.9.1 Unfruitful expenditure**

JADA engaged a financial consultant for preparation of financial details along with loan application, for financial assistance from HUDCO for works of construction of commercial-cum-residential complex, at a remuneration of 3 per cent of capital cost of the project.

After payment of Rs.1.25 lakhs to the consultant in September 1994, JADA keeping in view its weak financial position and repaying capacity for the loan proposed from HUDCO, decided to dispense with the construction of A type quarters. Construction of C type quarters was abandoned in October 1994 after partial construction and the idea of obtaining HUDCO loan was also dropped.

Thus, expenditure of Rs.6.13 lakhs incurred on the construction of C type quarters inclusive of Rs.1.25 lakhs paid to the consultant proved to be unfruitful.

##### **6.14.9.2 Infructuous expenditure**

According to the Act, revision of the development plan was essential at least once in ten years from the date on which a final development plan came into force.

Accordingly, in order to remove certain defects and contradictions noticed in the approved development plan, JADA decided in January 1993 to revise the development plan. JADA entered into an agreement (November 1993) with a consultant for a lump sum payment of Rs.3 lakhs for preparation of a revised development plan with relevant supplementary documents, maps etc., as required under the Act. The consultant completed the work in June 1994, for which he was paid Rs.2.50 lakhs between November 1993 and June 1994. However, Government did not approve the plan and ordered (August 1994) preparation of afresh revised development plan in consultation with the Chief Town Planner and the Administrative Department. The plan submitted was stated to be incomplete and prepared without due care for which the consultant was black-listed (October 1994) by the Government. The Authority could not get back any amount of Rs.2.50 lakhs already paid to him as the agreement itself provided that any amount paid to him could not be recovered. Thus, the entire expenditure on the preparation of revised development plan proved to be infructuous.

#### **6.14.9.3 Execution of works without invitation of tender**

In the absence of separate sets of rules for execution of works, supply of material etc. by the Authorities, the rules framed by the State Government for construction of works in the State under the State Public Works Department were applicable to these authorities.

It was, however, noticed that RUDA awarded (between August 1991 and January 1995) 15 works without following the normal process of tenders as detailed in the Appendix-XIII.

Award of works without inviting tenders was not only irregular but also deprived the Authority of the benefit of getting competitive rates.

#### **6.14.10 Internal audit**

The system of internal audit had not been introduced in any of the authorities in spite of heavy investment in development and construction activities. No evaluation of the working of these Authorities had been conducted since inception.

**6.14.11** The matter was referred to Government in September 1995; reply has not been received (December 1995).

## **PORTS AND FISHERIES DEPARTMENT**

### **GUJARAT MARITIME BOARD**

#### **6.15 Non-recovery of extra cost**

The Executive Engineer (Civil), Design Division (Ports), Ahmedabad (Division) awarded (November 1989 and January 1992) the works of improving the road from Dahej port to Dahej village and special repair to godown at second stage at Dahej port (estimated cost Rs.10.03 lakhs and Rs.4.78 lakhs) to contractors 'A' and 'B' at

their lowest tendered cost of Rs.13.04 lakhs and Rs.6.21 lakhs respectively. The work was to be completed within three months. As both the agencies did not commence the works, the contracts were terminated (September 1990 and May 1992). It was decided to complete the works at the risk and cost of the agencies and the same were accordingly awarded (January 1992 and November 1992) to contractors 'C' and 'D' at their lowest tendered cost of Rs.29.24 lakhs and Rs.7.67 lakhs and were completed in May 1992 and July 1993 respectively. As a result, Rs.2.08 lakhs and Rs.1.11 lakhs were assessed to be recoverable from contractor 'A' and 'B' respectively, being the extra expenditure due to termination of their contracts.

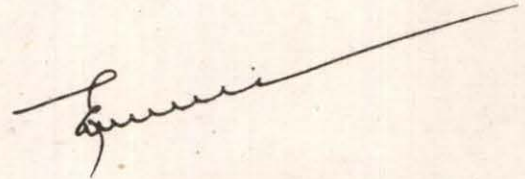
It was noticed in audit (December 1993) that despite Government instructions of December 1980 to file Civil Suit for recovery of risk cost dues immediately on fixing second agency for execution of work, the Division relieved the agencies by forfeiting the security deposits instead of filing Civil Suits.

Thus non-enforcement of Government orders resulted in non-recovery of Government dues amounting to Rs.3.19 lakhs.

Government while justifying Division's action stated (March 1995) that the contractors were relieved in public interest as per the provisions of clause-3 of contract agreement. The above reply was not tenable as the orders terminating the contract clearly stated that the works be completed at the risk and cost of the defaulting contractors.

Rajkot  
The

29 FEB 1996



(B.R. MANDAL)  
Accountant General (Audit) II, Gujarat

Countersigned

New Delhi  
The 6 MAR 1996



(C.G. Somiah)  
Comptroller and Auditor General of India

1997 FEB 1992

1997 FEB 1992

# APPENDICES



## APPENDIX-I

Statement showing cases where supplementary provision proved unnecessary

(Reference : Paragraph 2.2.2(b) at page 25)

Sl. No.	Grant No.	Department	Original Grant	Supple- mentary	Expen- diture	Saving
(Rupees in lakhs)						
<b>Revenue Section</b>						
<b>(a) Grants</b>						
1	3	Agriculture, Co-operation and Rural Development	2964.19	364.70	2884.37	444.52
2	8	Education	133.80	6.20	130.35	9.65
3	41	Health and Family Welfare	6789.15	106.00	6703.61	191.54
4	71	Panchayats and Rural Housing	2899.00	160.60	2898.11	161.49
5	91	Social Welfare and Tribal Development	2712.45	9.55	2702.19	19.81
6	97	Urban Development and Urban Housing	4729.39	48.97	4657.21	121.15
7	101	Youth Services and Cultural Activities	865.03	23.75	750.33	138.45
<b>Total</b>			<b>21093.01</b>	<b>719.77</b>	<b>20726.17</b>	<b>1086.61</b>
<b>(b) Appropriation</b>						
1	20	Finance	106737.95	742.91	106447.12	1033.74
<b>Total</b>			<b>106737.95</b>	<b>742.91</b>	<b>106447.12</b>	<b>1033.74</b>
<b>Capital Section</b>						
<b>Grants</b>						
1	26	Forests and Environment	4495.85	24.00	4373.09	146.76
2	50	Industries and Mines	13218.85	1277.52	8118.60	6377.77
3	82	Roads and Buildings	3309.56	69.93	3203.76	175.73
4	93	Social Welfare and Tribal Development	823.65	153.08	815.47	161.26
5	94	—do—	9005.53	223.41	8758.71	470.23
6	102	Youth Services and Cultural Activities	17.50	4.13	14.55	7.08
<b>Total</b>			<b>30870.94</b>	<b>1752.07</b>	<b>25284.18</b>	<b>7338.83</b>
<b>Grand Total</b>			<b>158701.90</b>	<b>3214.75</b>	<b>152457.47</b>	<b>9459.18</b>

## APPENDIX-II

Statement showing cases where supplementary provision was made in excess of actual requirement

(Reference : Paragraph 2.2.2(c) at page 25)

Sl. Grant No.	Department	Original Provision	Expenditure	Additional requirement	Supplementary Provision
(Rupees in lakhs)					
<b>Revenue Section</b>					
<b>Grants</b>					
1	5 Agriculture, Co-operation and Rural Development	1220.93	1224.08	3.15	32.78
2	9 Education	152175.68	159638.52	7462.84	7957.61
3	13 Energy and Petrochemicals	20500.00	70667.84	50167.84	50288.00
4	17 Finance	1839.17	1849.08	9.91	55.54
5	18 —do—	25718.50	33518.78	7800.28	8108.50
6	31 General Administration	1578.02	4376.60	2798.58	3137.49
7	34 —do—	435.88	441.55	5.67	43.12
8	35 —do—	4338.46	6289.40	1950.94	2000.01
9	40 Health and Family Welfare	6760.00	6875.81	115.81	269.24
10	44 Home	31712.34	36736.98	5024.64	5055.08
11	70 Panchayats and Rural Housing	8709.35	8753.46	44.11	158.65
12	72 —do—	1682.83	2010.78	327.95	352.72
13	74 Revenue	301.55	325.70	24.15	60.55
14	76 —do—	2851.40	3273.06	421.66	496.15
15	77 —do—	8475.00	11518.09	3043.09	3893.00
16	90 Social Welfare and Tribal Development	7113.66	8531.44	1417.78	1512.59
<b>Total</b>		<b>275412.77</b>	<b>356031.17</b>	<b>80618.40</b>	<b>83421.03</b>
<b>Capital Section</b>					
<b>Grants</b>					
1	6 Agriculture, Co-operation and Rural Development	1118.39	2436.03	1317.64	1385.55
2	47 Home	851.85	1031.04	179.19	498.18
3	68 Narmada and Water Resources	342.95	369.28	26.33	51.12
4	84 Roads and Buildings	4817.00	7962.73	3145.73	4560.70
<b>Total</b>		<b>7130.19</b>	<b>11799.08</b>	<b>4668.89</b>	<b>6495.55</b>
<b>Grand Total</b>		<b>282542.96</b>	<b>367830.25</b>	<b>85287.29</b>	<b>89916.58</b>



### APPENDIX - III

#### Statement showing cases where supplementary provision was inadequate

(Reference : Paragraph 2.2.2 (d) at page 26)

Sl. No.	Grant No.	Department	Original provision	Supplementary provision	Total Grant/ Appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in lakhs)							
<b>Revenue Section</b>							
<b>(a) Grants</b>							
1	4	Agriculture, Co-operation and Rural Development	3236.36	651.74	3888.10	4056.93	168.83
2	6	-do-	1910.40	23.53	1933.93	3782.73	1848.80
3	26	Forests and Environment	4301.13	262.62	4563.75	4843.35	279.60
4	39	Health and Family Welfare	29177.34	2099.86	31277.20	32235.41	958.21
5	45	Home	883.05	275.95	1159.00	1208.84	49.84
6	46	—do—	1176.67	0.02	1176.69	1279.67	102.98
7	50	Industries and Mines	7711.10	1131.47	8842.57	11057.18	2214.61
8	67	Narmada and Water Resources	50622.30	1174.50	51796.80	70184.86	18388.06
9	73	Panchayats and Rural Housing	984.10	177.90	1162.00	1259.88	97.88
10	78	Revenue	1330.10	54.96	1385.06	1437.75	5269
11	82	Roads and Buildings	9187.02	321.38	9508.40	10878.67	1370.27
12	84	—do—	23206.57	27.80	23234.37	28885.43	5651.06
13	87	—do—	673.80	32.40	706.20	842.02	135.82
<b>Total</b>			<b>134399.94</b>	<b>6234.13</b>	<b>140634.07</b>	<b>171952.72</b>	<b>31318.65</b>
<b>(b) Appropriation</b>							
1	68	Narmada and Water Resources	NIL	155.50	155.50	242.93	87.43
<b>Total</b>			<b>NIL</b>	<b>155.50</b>	<b>155.50</b>	<b>242.93</b>	<b>87.43</b>
<b>Capital Section</b>							
<b>(a) Grants</b>							
1	10	Education	1829.90	461.29	2291.19	2639.35	348.16
2	13	Energy and Petro-chemical	23590.50	3778.00	27368.50	31825.50	4457.00
3	19	Finance	333.05	13776.91	14109.96	14525.90	415.94
4	77	Revenue	25.00	1000.00	1025.00	1067.52	42.52
<b>Total</b>			<b>25778.45</b>	<b>19016.20</b>	<b>44794.65</b>	<b>50058.27</b>	<b>5263.62</b>
<b>Grand Total</b>			<b>160178.39</b>	<b>25405.83</b>	<b>185584.22</b>	<b>222253.92</b>	<b>36669.70</b>

## APPENDIX-IV

### Statement showing the excess over Grant/Appropriation requiring regularisation

(Reference : Paragraph 2.2.3 at page 26)

Sl. No.	Number and name of the Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
<b>(a) Grants</b>				
<b>Revenue Section</b>		Rs.	Rs.	Rs.
1	4- Animal Husbandry and Dairy Development	38,88,10,000	40,56,93,147	1,68,83,147
2	6- Co-operation	19,33,93,000	37,82,73,342	18,48,80,342
3	10- Other expenditure pertaining to Education Department	4,99,32,000	5,02,86,253	3,54,253
4	21- Food and Civil Supplies Department	3,08,25,000	3,13,36,470	5,11,470
5	26- Forests	45,63,75,000	48,43,35,102	2,79,60,102
6	30- Council of Ministers	3,36,75,000	3,37,79,093	1,04,093
7	39- Medical and Public Health	3,12,77,20,000	3,22,35,41,492	9,58,21,492
8	43- Home Department	2,09,00,000	2,17,95,153	8,95,153
9	45- Jail	11,59,00,000	12,08,84,163	49,84,163
10	46- Transport	11,76,69,000	12,79,66,537	1,02,97,537
11	49- Stationery and Printing	23,90,48,000	23,92,58,669	2,10,669
12	50- Industries	88,42,57,000	1,10,57,18,071	22,14,61,071
13	53- Information, Broadcasting and Tourism Department	34,45,000	34,83,072	38,072
14	57- Labour and Employment Department	70,27,000	70,83,232	56,232
15	63- Legislative and Parliamentary Affairs Department	76,75,000	76,77,797	2,797
16	65- Narmada and Water Resources Department	1,90,40,000	1,99,67,731	9,27,731
17	67- Irrigation and Soil Conservation	5,17,96,80,000	7,01,84,86,025	1,83,88,06,025
18	68- Other Expenditure pertaining to Narmada and Water Resources Department	14,25,000	14,27,042	2,042
19	73- Other Expenditure pertaining to Panchayats and Rural Housing Development Department	11,62,00,000	12,59,87,723	97,87,723
20	78- Dangs District	13,85,06,000	14,37,74,957	52,68,957
21	79- Compensation and Assignments	12,78,15,000	12,78,25,760	10,760
22	82- Non-Residential Buildings	95,08,40,000	1,08,78,66,840	13,70,26,840

Sl. No.	Number and name of the Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
23	83- Residential Buildings	39,27,50,000	43,92,81,007	4,65,31,007
24	84- Roads and Bridges	2,32,34,37,000	2,88,85,43,388	56,51,06,388
25	86- Gujarat Capital Construction Scheme	2,26,93,000	2,74,23,378	47,30,378
26	87- Other Expenditure pertaining to Roads and Buildings Department	7,06,20,000	8,42,02,282	1,35,82,282
27	95- Urban Development and Urban Housing Department	68,75,000	72,58,316	3,83,316
28	98- Compensations, Assisgnments and Tax collection charges	26,77,60,000	26,97,08,964	19,48,964
<b>Total</b>		<b>15,29,42,92,000</b>	<b>18,48,28,65,006</b>	<b>3,18,85,73,006</b>
<b>Capital Section</b>				
1	10- Other Expenditure pertaining to Education Department	22,91,19,000	26,39,34,760	3,48,15,760
2	13- Energy Projects	2,73,68,50,000	3,18,25,50,000	44,57,00,000
3	15- Finance Department	3,56,000	3,90,313	34,313
4	19- Other Expenditure pertaining to Finance Department	1,41,09,96,000	1,45,25,89,516	4,15,93,516
5	24- Other Expenditure pertaining to Food and Civil Supplies Department	48,15,000	48,42,700	27,700
6	42- Other Expenditure pertaining to Health and Family Welfare Department	5,13,55,000	5,22,76,047	9,21,047
7	52- Other Expenditure pertaining to Industries and Mines Department	1,48,24,000	1,52,19,735	3,95,735
8	73- Other Expenditure pertaining to Panchayats and Rual Housing Department	8,17,62,000	8,17,62,300	300
9	77- Relief on acccount Natural Calamities	10,25,00,000	10,67,52,300	42,52,300
10	92- Other Expenditure pertaining to Social Welfare and Tribal Development Department	94,93,000	96,39,159	1,46,159
<b>Total</b>		<b>4,64,20,70,000</b>	<b>5,16,99,56,830</b>	<b>52,78,86,830</b>
<b>(b) Appropriations</b>				
<b>Revenue Section</b>				
1	61- Administration of Justice	5,02,70,000	5,19,86,763	17,16,763
2	68- Other Expenditure pertaining to Narmada and Water Resources Department	1,55,50,000	2,42,92,880	87,42,880
3	82- Non-Residentdial Buildings	3,12,000	4,62,692	1,50,692
4	94- Tribal Area Sub-Plan	56,86,000	60,68,483	3,82,483
<b>Total</b>		<b>7,18,18,000</b>	<b>8,28,10,818</b>	<b>1,09,92,818</b>
<b>Capital Section</b>				
1	94- Tribal Area Sub-Plan	<b>51,68,000</b>	<b>52,15,930</b>	<b>47,930</b>
<b>Total</b>		<b>51,68,000</b>	<b>52,15,930</b>	<b>47,930</b>

## APPENDIX - V

Statement showing cases where expenditure fell short by Rs.1 crore and  
by 10 per cent of the provision

(Reference : Paragraph 2.2.4 at page 26)

Sl. No.	Number and name of Grant	Amount of saving (Percentage to total provision)	Main reasons for saving
(1)	(2)	(3)	(4)
(Rupees in crores)			
<b>Revenue Section</b>			
<b>Grants</b>			
<b>Agriculture, Co-operation and Rural Development Department</b>			
1	3- Minor Irrigation, Soil Conservation and Area Development	4.45 (13)	The saving was due mainly to less release of grant by the Union Government and non-sanction of the scheme.
<b>Industries and Mines Department</b>			
2	51- Mines and Minerals	1.18 (15)	The saving was due mainly to vacant posts, economy, non purchase of machinery, water tankers and Laboratory equipments owing to non-receipt of sanction from Government
<b>Information, Broadcasting and Tourism Department</b>			
3	54- Information and Publicity	3.68 (26)	The saving was due mainly to less expenditure on advertisement and on purchase of raw stock of films, closing of publication of Gujarat Weekly and reduction in price of colour T.V. Sets (Rs.2.65 crores). Reasons for remaining saving have not been intimated.
<b>Urban Development and Urban Housing Department</b>			
4	96- Urban Housing	2.06 (32)	The saving was due mainly to less payment of grant-in-aid to the Gujarat Housing Board and Gujarat Slum Clearance Board for poverty alleviation programme owing to reduction in plan outlay
<b>Youth Services and Cultural Activities Department</b>			
5	101- Youth Services and Cultural Activities	1.38 (16)	The saving was due mainly to non-receipt of administrative approval for expansion of activities of Sports Council and Sangeet Nritya, Natya Academy and integrated schemes of Youth Welfare (Rs. 0.54 crore). Reasons for the remaining saving have not intimated (December 1995).
<b>Appropriation</b>			
<b>Roads and Buildings Department</b>			
1	87- Other expenditure pertaining to Roads and Buildings Department	1.58 (72)	Reasons for the saving have not been intimated (December 1995).

Sl. No.	Number and name of Grant	Amount of saving (Percentage to total provision)	Main reasons for saving
(1)	(2)	(3)	(4)
(Rupees in crores)			
<b>Capital Section</b>			
<b>Grants</b>			
<b>Agriculture, Co-operation and Rural Development Department</b>			
1	2- Agriculture	15.00 (99)	Saving was due to non-receipt of sanction from the Union Government for Centrally Sponsored Scheme of purchase and distribution of agricultural inputs.
<b>Home Department</b>			
2	47- Other Expenditure pertaining to Home Department	3.19 (24)	Less expenditure on construction of buildings for police (Rs.0.61 crore). Reasons for the remaining saving have not been intimated (December 1995).
<b>Industries and Mines Department</b>			
3	50- Industries	63.78 (44)	The saving was due mainly to non-payment of pre nationalised dues and compensation in respect of closed textile mills (Rs.1.95 crores). Reasons for the remaining saving have not been intimated (December 1995).
<b>Narmada and Water Resources Department</b>			
4	66- Narmada Development Scheme	342.53 (45)	Reasons for saving have not been intimated (December 1995).
<b>Roads and Buildings Department</b>			
5	83- Residential Buildings	3.16 (42)	Reasons for saving have not been intimated (December 1995).
6	84- Roads and Bridges	14.15 (15)	Reasons for saving have not been intimated (December 1995).
7	85- Ports	8.20 (100)	Saving was due to non-receipt of proposal for loan from the Gujarat Maritime Board.
<b>Social Welfare and Tribal Development Department</b>			
8	93- Special Component Plan for Scheduled Caste	1.61 (16)	The saving was due to non-receipt of sanction for share capital contribution to Scheduled Caste Economic Development Corporation (Rs.0.51 crore). Reasons for the remaining saving have not been intimated (December 1995).
<b>Appropriation</b>			
<b>Finance Department</b>			
1	20- Repayment of Debt pertaining to Finance Department and its Servicing	946.19 (71)	Availing of less Ways and Means Advances from Reserve Bank of India. Extension of moratorium in respect of small savings loan, less receipt of loan from NABARD, receipt of less claims for expired loans, non receipt of Ways and Means advance and Loans for Agriculture from the Union Government.

## APPENDIX - VI

### Statement showing instances of injudicious reappropriation

(Reference : Paragraph 2.3 at page 32)

Sl. No. (1)	Grant No. (2)	Head of Account (3)	Provision (4)	Reappropriation (5)	Total Grant (6)	Expenditure (7)	Excess(+) Saving (-) (8)
(Rupees in lakhs)							
1	10	7615- Miscellaneous Loans (200)(4B) Advances for purchase of Food Grains	1062.00	(-)1057.41	4.59	1086.39	(+ )1081.80
2	13	6801- Loans for Power Projects 202(1)PWR-1221 Loans to Gujarat Electricity Board	19590.50	(-)700.00	18890.50	23347.50	(+ )4457.00
3	46	2041- Taxes on Vehicles (101) (1) Transfer of amount of percentage Cost of expenditure on inspection of Motor Vehicles	343.12	(-)157.84	185.28	350.52	(+ ) 165.24
4	66	4701- Capital Outlay on Major and Medium Irrigation 80 (190) (1) Share Capital contribution to Sardar Sarovar Narmada Nigam Ltd. (Plan)	19081.60	(-)5501.16	13580.44	13980.44	(+ ) 400.00
5	77	2245- Relief on account of Natural Calamity 02(800) (2) Repairs/ Restoration of other public properties	801.09	(-) 227.40	573.69	628.66	(+ ) 54.97
6	77	6245- Loans for Relief on account of Natural Calamities 02 (800) (5) seeds and grass Tagavi	905.00	(-) 84.82	820.18	1020.17	(+ ) 199.99
7	82	2059- Public Works (01)(052)(1) New Supplies	45.00	(-) 4.25	40.75	103.99	(+ ) 63.24
8	93	2216- Housing (03) (800)(10) HIG-9 (ADJ) Repayment of loans other than State Government loans paid for construction of houses on house-sites allotted to landless labourers in Rural Areas	24.86	(-) 4.86	20.00	95.32	(+ ) 75.32
9	94	5054- Capital out lay on Roads and Bridges (04)(796)(1) construction of roads in Command Areas of Irrigation Projects (Plan)	400.00	(+ ) 278.59	678.59	310.20	(-) 368.39

## Appendix-VII

### Statement showing expenditure on New Service/New Instrument of Service

(Refererence: Paragraph 2.4 at page 33)

Sl. No.	Number and Name of Grant	Major head and sub-head	Amount of expenditure (Rupees in crores)
1	6- Co-operation	2425(792) write off of Agriculturists debt under Debt Relief Schem	19.14
2	39-Medical and Public Health	2210(01) (110)(20) Cardiology Unit	0.37
3	55-Tourism	3452(01)(101)(i) Development of Picnic Spots TRS (ii) District Level Tourist Centre	0.21
4	82-Non-Residential Buildings	2059(80)(001)(i) Direction (Plan)	0.43
5	84-Roads and Bridges	3054(80)(001) Direction	0.31
6	84-Roads and Bridges	3054(80)(001) Administration	0.21

## APPENDIX-VIII

Statement Showing the details of grant released by the Government of India and expenditure incurred there against.

(Reference : Paragraph 3.1.5 at page 37)

Non-Recurring Grants released for DIETs.

Year	Budget Provision	Civil Works			Equipment			Total		
		Grant Released	Expenditure	Unspent balance	Grant Released	Expenditure	Unspent balance	Grant Released	Expenditure	Unspent balance
(Rupees in lakhs)										
1987-88	—	154.57	Nil		65.60	Nil		220.17	Nil	
1988-89	—	60.43	Nil		32.00	Nil		92.43	Nil	
1989-90	—	Nil	Nil		Nil	17.42		Nil	17.42	
1991-92	243.99	Nil	60.10		Nil	Nil		Nil	60.10	
1992-93	200.00	228.00	35.19		23.60	33.66		251.60	68.85	
1993-94	218.33	Nil	15.13		Nil	13.20		Nil	28.33	
1994-95	300.00	100.00	5.06		17.00	0.89		117.00	5.95	
<b>Total</b>	<b>962.32</b>	<b>543</b>	<b>115.48</b>	<b>427.52</b>	<b>138.20</b>	<b>65.17</b>	<b>73.03</b>	<b>681.20</b>	<b>180.65</b>	<b>500.55</b>
<b>Percentage</b>			<b>21</b>			<b>47</b>			<b>27</b>	<b>73</b>

Non-Recurring Grants released for CTEs/IASEs

Year	Budget provision	Civil Works		Equipment		Total		
		Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Unspent
(Rupees in lakhs)								
1987-88	—	40.07	Nil	21.05	Nil	61.12	Nil	
1988-88	61.12	54.00	7.00	15.80	Nil	69.80	7.00	
1989-90	69.80	Nil	16.14	Nil	Nil	Nil	16.14	
1990-91	—	Nil	48.84	Nil	5.32	Nil	54.16	
1991-92	—	94.73	29.83	Nil	3.46	94.73	33.29	
1992-93	—	Nil	33.75	Nil	1.21	Nil	34.96	
1993-94	94.73	26.00	12.60	10.00	4.61	36.00	17.21	
1994-95	36.01	—	37.97	Nil	2.85	Nil	40.82	
<b>Total</b>	<b>261.66</b>	<b>214.80</b>	<b>186.13</b>	<b>46.85</b>	<b>17.45</b>	<b>261.65</b>	<b>203.58</b>	<b>58.07</b>
<b>Percentage</b>			<b>87</b>		<b>37</b>		<b>78</b>	<b>22</b>

Recurring grant (DIETs)

Year	Grant	Expenditure	Balance
Rupees in lakhs)			
1988-89	21.00	Nil	
1990-91	Nil	55.88	
1991-92	Nil	100.20	
1992-93	283.23	123.89	
1993-94	Nil	166.07	
1994-95	167.36	211.60	
<b>Total :</b>	<b>471.59</b>	<b>657.64</b>	<b>(—) 186.05</b>

Recurring grant (CTEs/IASEs)

Year	Budget Provision	By Government of India	Expenditure	Balance
(Rupees in lakhs)				
1992-93	Nil	20.00	Nil	20.00



## APPENDIX- IX

**Statement showing district & year-wise position of  
allotment, lifting & offtake of foodgrains (Total wheat and Rice)**

(Reference : Paragraph 3.6.6 at page 52)

Name of District	Allotment	1992-93		Total number of Cards	Allotment	1993-94		Total number of Cards	Allotment	1994-95		Total number of Cards
		Lifting	Offtake			Lifting	Offtake			Lifting	Offtake	
	( In tonnes )			Per Card in Kg per month	( In tonnes )			Per Card in Kg per month	( In tonnes )			Per Card in Kg per month
D.S.O. Palanpur (Banaskantha)	37355	30700 (82)	41097 (110)	144456 28.45	34300	26696 (78)	28113 (82)	146250 16.02	27600	20120 (73)	19615 (71)	148064 11.04
D.S.O. Dangs, Ahwa	4572	3558 (78)	3122 (68)	23678 13.18	4100	2079 (50)	2026 (49)	24118 7.00	3750	2673 (71)	1852 (49)	25305 6.10
D.S.O. Godhra (Panchmahals)	70000	60972 (87)	74177 (106)	340384 21.79	93800	81547 (87)	87161 (93)	343145 21.17	100200	87709 (88)	90776 (91)	351366 21.53
D.S.O. Surendranagar	31200	35187 (113)	18494 (59)	148805 12.43	49600	30291 (61)	20489 (41)	148801 11.47	31200	31334 (100)	20203 (65)	148805 11.31

Note : Figures in bracket represent percentage with reference to allotment.

## APPENDIX- X

### Statement showing Taluka and year-wise position of allotment, lifting and offtake of foodgrains (Wheat and Rice)

(Reference : Paragraph 3.6.6 at page 52)

Name of Taluka	1992-93				1993-94				1994-95			
	Allotment	Lifting	Offtake	Total number of Cards	Allotment	Lifting	Offtake	Total number of Cards	Allotment	Lifting	Offtake	Total number of Cards
		( In tonnes )		Per Card in Kg per month		( In tonnes )		Per Card in Kg per month		( In tonnes )		Per Card in Kg per month
Mamlatdar Muli	1682	1652 (98)	1396 (83)	15950 8.75	1509	1376 (91)	1315 (91)	15926 6.88	1423	1297 (91)	1112 (78)	16029 5.78
Mamlatdar Wadhwan	2550	1188 (47)	1304 (51)	17319 7.53	11040	2979 (27)	2316 (21)	17358 11.12	6240	2293 (37)	2098 (34)	17308 10.10 Conversion in FFA
Mamlatdar Limbd	2150	7119 (331)	4639 (216)	37735 12.29	6929	5337 (77)	3683 (53)	36816 8.33	7128	6671 (94)	4852 (68)	15085 26.80
Mamlatdar Tharad	5423	4305 (79)	4234 (78)	21345 19.84	6380	2189 (34)	2225 (35)	21345 8.68	5960	2761 (46)	2757 (46)	27519 8.34
Mamlatdar Vav	6655	4955 (74)	4941 (74)	25314 19.52	5325	2606 (49)	2587 (49)	25314 8.51	5040	2191 (43)	2081 (41)	20265 8.55
Mamlatdar Danta	<b>No. separate allotment</b>	1933	1900	8030 23.66	<b>No. separate allotment</b>	1369	1366	8030 14.17	<b>No. separate allotment</b>	1249	1244	8190 12.65
Mamlatdar Shehra	4925	2576 (52)	2576 (52)	13190 19.53	6015	3998 (66)	3998 (66)	13168 25.30	7010	6332 (90)	6332 (90)	13254 39.81
Mamlatdar Limkheda	9800	7850 (80)	7850 (80)	28098 27.94	10375	10014 (97)	10014 (97)	28105 29.69	12325	11340 (92)	11340 (92)	16958 55.72
Mamlatdar Dahod	9550	7772 (81)	7772 (81)	22006 32.32	11780	10635 (90)	10635 (90)	22003 40.27	12920	13050 (101)	13050 (101)	20825 52.22

**Note :** Figures in bracket represent percentage with reference to allotment.

## APPENDIX-XI

**Year-wise cases of Misappropriation, losses etc. (reported upto 31 March 1995 and outstanding at the end of 30 September 1995)**

(Reference : Paragraph 3.18 page 65)

(Rupees in lakhs)

SL. No.	Name of the Department	Upto																Total			
		1986-87		1987-88		1988-89		1989-90		1990-91		1991-92		1992-93		1993-94			1994-95		
		No.	Am- ount	No.	Am- ount	No.	Am- ount	No.	Am- ount	No.	Am- ount	No.	Am- ount	No.	Am- ount	No.	Am- ount		No.	Am- ount	
1	Food and Civil Supplies	3	0.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	0.69	
2	<b>Agriculture, Co-operation and Rural Development</b>	-	-	-	-	-	1	0.75	1	1.92	-	-	1	29.01	1	3.89	1	0.29	5	35.86	
3	Agriculture, Co-operation and Rural Development (Fisheries)	1	0.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0.60	
4	Forest and Environment	1	0.50	-	-	-	-	-	4	2.84	-	-	-	2	0.11	1	0.99	8	4.44		
5	Labour and Employment	-	-	-	-	-	-	-	-	-	-	1	0.04	-	-	-	-	-	1	0.04	
6	<b>Home</b>	3	0.70	-	-	-	1	0.06	1	(*)	6	5.93	-	-	2	0.51	-	-	13	7.20	
7	Home (Transport)	1	2.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2.18	
8	<b>Finance</b>	2	2.62	-	-	-	-	-	1	3.00	-	-	-	-	-	-	-	-	3	5.62	
9	Gujarat Legislature Secretariat	1	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0.41	
10	<b>Health and Family Welfare</b>	14	13.17	2	0.33	1	0.58	1	0.50	3	2.48	2	3.36	-	1	0.13	-	-	24	20.55	
11	Roads and Buildings	2	0.20	-	-	-	1	0.89	2	3.86	1	1.11	2	1.83	1	1.36	1	0.20	10	9.45	
12	<b>Narmada and Water Resources (Water Resources)</b>	25	10.38	-	-	-	2	0.62	1	2.33	2	0.61	2	0.89	1	0.77	-	-	33	15.60	
13	Narmada and Water Resources (Narmada)	1	0.45	1	0.92	-	-	-	-	-	-	-	-	-	-	-	-	-	2	1.37	
14	<b>Legal</b>	-	-	1	0.15	-	-	-	-	-	-	-	1	0.86	-	-	-	-	2	1.01	
15	Education	-	-	-	-	-	-	-	-	-	-	-	-	1	1.13	-	-	-	1	1.13	
16	<b>Panchayat and Rural Housing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0.08	1	0.08		
17	Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Land Revenue</b>	38	4.88	1	0.03	13	0.59	3	0.20	2	0.07	1	0.20	-	-	-	-	-	58	5.97	
	Other than Land Revenue	15	2.69	-	-	-	-	-	-	-	-	-	-	1	3.44	1	5.86	-	-	17	11.99
<b>Total</b>		<b>107</b>	<b>39.47</b>	<b>5</b>	<b>1.43</b>	<b>14</b>	<b>1.17</b>	<b>9</b>	<b>3.02</b>	<b>15</b>	<b>16.50</b>	<b>12</b>	<b>11.21</b>	<b>8</b>	<b>36.07</b>	<b>10</b>	<b>13.76</b>	<b>4</b>	<b>1.56</b>	<b>184</b>	<b>124.19</b>

(\*) The figures have been rounded in thousand, hence the amount of misappropriation of Rs.394 being less than Rs.500 not included.

## Appendix - XII

### Statement showing details of loan, grant, receipt, expenditure, capital expenditure etc.

(Reference: Paragraph 6.14.5 at page 112)

Particulars 1	Year				
	1990-91 2	1991-92 3	1992-93 4	1993-94 5	1994-95 6
	(Rupees in lakhs)				
<b>(i) AUDA</b>					
Loan	12.00	18.00	33.00	25.00	95.00
Grant	—	—	1.00	189.03	200.00
Other Receipts	176.95	205.58	331.15	692.21	<b>A/cs to be prepared</b>
Revenue Expenditure	67.44	77.01	98.21	276.31	—
Excess of income over Expenditure	109.51	128.57	232.94	415.90	—
Capital Expenditure	126.28	290.32	202.19	894.19	—
<b>(ii) RUDA</b>					
Loan	11.00	16.00	30.00	25.00	55.00
Grant	—	—	1.00	125.00	180.00
Other Receipts	48.94	59.68	99.34	91.74	<b>A/cs to be prepared</b>
Revenue Expenditure	24.43	29.05	33.95	41.61	—
Excess of income over Expenditure	24.51	30.63	65.39	50.13	—
Capital Expenditure	16.04	97.80	334.76	228.01	—
<b>(iii) SUDA</b>					
Loan	9.00	9.00	25.00	22.00	35.00
Grant	—	—	1.00	98.00	35.00
Other Receipts	117.25	167.52	163.02	319.49	<b>A/cs to be prepared</b>
Revenue Expenditure	86.20	47.26	48.08	94.09	—
Excess of income over Expenditure	31.05	120.26	114.94	225.40	—
Capital Expenditure	86.25	3.54	26.94	42.85	—

Particulars 1	Year				
	1990-91 2	1991-92 3	1992-93 4	1993-94 5	1994-95 6
(Rupees in lakhs)					
<b>(iv) VUDA</b>					
Loan	12.00	18.00	30.00	25.00	70.00
Grant	—	—	1.00	160.00	180.00
Other Receipts	24.19	52.13	138.74	226.09	A/cs to be prepared
Revenue Expenditure	22.41	35.10	215.07	64.80	—
Excess of income over Expenditure	1.78	17.03	(-)76.33	161.29	—
Capital Expenditure	0.23	7.35	—	66.01	—
<b>(v) BADA</b>					
Loan	5.00	7.00	7.00	12.50	20.00
Grant	—	—	0.50	20.50	70.00
Other Receipts	6.35	2.00	30.32	45.08	A/cs to be prepared
Revenue Expenditure	13.65	15.08	19.32	19.13	—
Excess of income over Expenditure	(-)7.30	(-)13.08	11.00	25.95	—
Capital Expenditure	—	—	4.74	—	—
<b>(vi) HADA</b>					
Loan	4.00	2.00	9.00	3.00	20.00
Grant	—	—	—	—	A/cs to be prepared
Other Receipts	7.00	6.33	2.21	3.13	—
Revenue Expenditure	7.51	6.24	6.85	9.14	—
Excess of income over Expenditure	(-)0.51	0.09	(-)4.64	(-)6.01	—
Capital Expenditure	0.15	—	—	3.76	—
<b>(vii) JADA</b>					
Loan	7.00	10.00	16.00	12.50	35.00
Grant	—	—	0.50	21.50	100.00
Other Receipts	3.13	8.59	9.44	A/cs to be prepared	A/cs to be prepared
Revenue Expenditure	9.34	10.45	14.42	—do—	—do—
Excess of income over Expenditure	(-)6.21	(-)1.86	(-)4.98	—do—	—do—
Capital Expenditure	—	2.72	2.73	—	—

Other receipts include various items such as sale of tender forms, scrutiny fee, interest, balcony cover fee, development charge etc.

## APPENDIX-XIII

### Statement showing execution of work without inviting tenders

(Reference : Paragraph 6.14.9.3 at page 122)

Sl. No.	Name of work executed	Total estimated cost	Date of work order	Date of completion	Reasons advanced by the authority
1	2	3	4	5	6
<b>(Rupees in lakhs)</b>					
<b>(a) Electrification works</b>					
1	Street light on Kalawad road	57.17	02.10.1994	in progress	The company being a Government of Karnataka undertaking which was also entrusted with work by the Gujarat Tourism Development Corporation
2	Street light on Mavdi road	1.17	10.03.1992	Nov. 1993	No reasons furnished by the authority
3	Street light on Kotharia road	1.91	23.06.1994	July 1994	No reasons furnished by the authority
4	Street light at Anandpar	1.64	23.01.1995	March 1995	No reasons furnished by the authority
<b>(b) Work related to Office building</b>					
5	Plumbing in office building	3.17	30.08.1991	March 1993	To maintain proper co-ordination with civil work
6	Electrification work in transportnagar Commercial Complex	3.50	01.01.1993	July 1993	For immediate starting of civil work
7	EPABX system in RUDA office building	8.03	10.01.1993	November 1993	Being authorised dealer of HCL who had installed system in AUDA and Rajkot District Bank
<b>(c) Road works</b>					
8	Road work of Gandhigram	1.86	20.02.1994	March 1994	For utilisation of grant in the same year
9	Road work of university road	7.19	30.06.1994	August 1994	Work was entrusted to the agency at the same tender rate another part of work
10	Road work of Mavdi road	2.60	19.08.1994	November 1994	Due to political pressure

Sl. No.	Name of work executed	Total estimated cost	Date of work order	Date of completion	Reasons advanced by the authority
1	2	3	4	5	6
					(Rupees in lakhs)
11	Road work of Kotharia EWS Housing	4.27	01.07.1994	November 1994	As the contractor was well conservant with site condition and his team and machinery were already working on that site
	<b>(d) Water supply</b>				
12	Construction of RCC slab at Kotharia sump	1.62	28.08.1992	October 1992	For immediate commissioning water supply scheme
13	Lowering, laying of A.C. pipeline and construction of stand post in RUDA area.	0.98	16.04.1993	June 1993	As decided by RUDA Board in the meeting of April 1993
14	Lowering, laying and jointing A.C. pipeline for University campus.	1.94	15.9.1993	Nov. 1993	At the same tender rates approved by Board for other work
15	RUDA Water Supply Schemes store work	Not furnished	20.3.1992	July 1992	For urgent requirement of store to commission pipeline
		<u>97.05</u>			

## APPENDIX XIV

### GLOSSARY OF ABBREVIATIONS

ADMS	Assistant Director of Medical Services
AMC	Ahmedabad Municipal Corporation
AMDA	Association of Metropolitan Development Authorities
AUDA	Ahmedabad Urban Development Authority
Act	Gujarat Town Planning and Urban Development Act, 1976
BADA	Bhavnagar Area Development Authority
BMC	Baroda Municipal Corporation
Board	Gujarat Pollution Control Board
CEA	Chief Executive Authority
CETP	Common Effluent Treatment Plant
CIP	Central Issue Price
CMS	Central Medical Stores
CMSO	Central Medical Stores Organisation
CPCB	Central Pollution Control Board
CSS	Cash Settlement Suspense Account
CTEs	College of Teachers' Education
DAEO	District Adult Education Officer
DDP	Draft Development Plan
DDP	Desert Development Programme
DG and IGP	Director General and Inspector General of Police
DGS & D	Director General of Supplies and Disposals
DHA	Designated Hill Area
DIC	District Industries Centre
DIETs	District Institutes of Education and Training
DPAP	Drought Prone Area Programme
DRDA	District Rural Development Agency
DTP	Draft Tender Papers
ESIC	Employees State Insurance Corporation
ESIS	Employees State Insurance Scheme
ETIs	Elementary Teacher Education Institutions
EWS	Economically Weaker Section
FPS	Fair Price Shop
GAIC	Gujarat Agro Industries Corporation
GEDA	Gujarat Energy Development Agency
GHB	Gujarat Housing Board
GIDC	Gujarat Industrial Development Corporation
GNFC	Gujarat Narmada Valley Fertiliser Corporation
GOI	Government of India
GRHB	Gujarat Rural Housing Board
GSCB	Gujarat Slum Clearance Board
GSCERT	Gujarat State Council of Educational Research and Training
GSCSC	Gujarat State Civil Supplies Corporation
GSPHCL	Gujarat State Police Housing Corporation Limited
GSTL	Gujarat Steel Tubes Limited



GWSSB	Gujarat Water Supply and Sewerage Board
HADA	Hajira Area Development Authority
HRD	Human Resource Development
HUDCO	Housing and Urban Development Corporation
IASEs	Institutions of Advanced Study in Education
IFIC	Inservice Programmes Field Interaction and Innovation Co-ordination
IGP	Inspector General of Prisons
IMO	Insurance Medical Officer
IRDP	Integrated Rural Development Programme
ISI	Indian Standard Institute
ITDP	Integrated Tribal Development Programme
JADA	Jamnagar Area Development Authority
KVIC	Khadi and Village Industries Commission
LOR	Law Officer's Report
LRC	Learning Resource Centre
LTC	Leave Travel Concession
MC	Maintenance Centre
MPR	Monthly Progress Report
NDDDB	National Dairy Development Board
NPE	National Policy on Education
NPIC	National Programme on Improved Chulhas
NTGCF	National Tree Growers Co-operative Federation Limited
Nigam	Sardar Sarovar Narmada Nigam
ONGC	Oil and Natural Gas Commission
PAC	Programme Advisory Committee
PDS	Public Distribution System
PLA	Personal Ledger Account
PSTE	Pre-Service Teacher Education
PTCs	Primary Teachers Training Colleges
PWD	Public Works Department
QPR	Quarterly Progress Report
R & B	Roads and Buildings
RPDS	Revamped Public Distribution System
RTC	Regional Training Centre
RUDA	Rajkot Urban Development Authority
SAIL	Steel Authority of India
SC	Scheduled Caste
SEW	Self Employed Worker
ST	Scheduled Tribe
STEIs	Secondary Teacher Education Institutions
SUDA	Surat Urban Development Authority
TBSU	Technical Back up Support Unit
TPS	Town Planning Scheme
USA	United States of America
VUDA	Vadodara Urban Development Authority

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