



सत्यमेव जयते

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

FOR THE YEAR ENDED 31 MARCH 2000

**(CIVIL)
GOVERNMENT OF GUJARAT**

THE

GOVERNMENT OF

INDIA

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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the Year ended 31 March 2000.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock and audit of Autonomous Bodies.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1999-2000 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 1999-2000 have also been included wherever necessary.

OVERVIEW

This Report contains six chapters. The first two contain the observations of Audit on the Accounts of the State Government for 1999-2000 and the other four contain three reviews and 44 paragraphs based on the audit of certain selected schemes and programmes and financial transactions of the Government. A synopsis of the findings contained in the reviews and important paragraphs is presented in this overview.

1 An overview of the finances of the Government of Gujarat

All the five years (1995-2000) ended with revenue deficits. The year 1999-2000 registered increase in revenue deficit to Rs.3546 crore up by 24 *per cent* over the deficit of 1998-99 (Rs 2863.42 crore).

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.1620 crore in 1995-96 to Rs.2819 crore in 1999-2000 implying an increase of 74 *per cent*. The amounts received from the Government of India to the revenue receipts of the State increased from 19 *per cent* in 1998-99 to 20 *per cent* in 1999-2000. Tax receipts of the State increased marginally to Rs.8162 crore in 1999-2000 compared to Rs.7616 crore in 1998-99.

The Non-Plan revenue expenditure increased to Rs.14837 crore (10 *per cent*) in 1999-2000 from Rs.13456 crore in 1998-99. Plan revenue expenditure increased during 1999-2000 to Rs.2680 (25 *per cent*) crore from Rs.2150 crore during 1998-99. The expenditure on pension and interest payments were Rs. 1553 crore and Rs. 2808 crore respectively.

As at the end of 1999-2000, total investment in statutory corporations, Government companies etc., worked out to Rs.3771.71 crore (against Rs.3380.05 crore as at the end of 1995-96). Dividend and interest received thereon were a negligible 0.71 *per cent* of investments.

Public Debt of the State increased by 101 *per cent* from Rs.10484.99 crore at the end of 1995-96 to Rs.21075.65 crore at the end of 1999-2000. The repayment of principal and payment of interest worked out to 67 *per cent* of the fresh loans received from the Central Government during the year.

As on 31 March 2000, a total amount of Rs.468.84 crore including interest of Rs.71.87 crore was overdue for recovery against loans advanced to Municipalities, Panchayati Raj Institutions, Other Local Bodies and Public Sector Undertakings, etc.

The abbreviations used in this Report are listed in the Glossary in Appendix – XLVII.

The financial position of the State continued to decline with little sign of reversal of the downward trend. From a relatively comfortable position in 1995-96, the State had declined to a position of expanding revenue and fiscal deficits. Balance from Current Revenue which was positive till 1996-97 declined rapidly thereafter over past three years mainly due to huge pension and interest payments and steep increase in salaries due to Pay Commission award. The financial fortune of the State also declined due to ambitious plan expenditure and capital expenditure (mainly on Narmada Project) without corresponding increase in resources as seen from the stagnant State Tax/Gross Domestic Product ratio, flat revenue collection and decline in the ratio of Sales Tax to the total tax revenue of the State.

(Paragraphs 1.1 to 1.11)

2 Appropriation Audit and control over expenditure

Against total budget provision of Rs.23022 crore (including supplementary), actual expenditure was Rs.23042 crore. Overall excess of Rs.20.02 crore was the result of excess of Rs.587.93 crore in 35 grants and appropriations and saving of Rs.567.91 crore in 137 grants and appropriations. The excess required regularisation by the Legislature under Article 205 of the Constitution of India.

In 59 cases, supplementary provision of Rs.474.06 crore obtained in March 2000 proved unnecessary and/or could have been restricted to a token amount.

In 28 cases, expenditure fell short by more than Rs. one crore and also by 10 per cent of total provision.

In 24 cases, expenditure of Rs.87.46 crore was incurred without budget provision. In one case expenditure of Rs.1.61 crore was met by reappropriation without obtaining requisite approval of Legislature, since the case attracted the limitation of "New Service/New Instrument of Service", prior approval of the Legislature or advance from the Contingency Fund was required.

(Paragraphs 2.1 to 2.3)

3 Family Welfare Programme

Family welfare programme aimed at stabilising population at a level consistent with the needs of national development.

As against national goal of bringing down Crude Birth Rate to 21 per thousand, Infant Mortality Rate below 60 and Maternal Mortality Rate below 2 per 1000 by 2000 AD, State's achievement was 25, 64 and 3.89 till

March 2000 respectively. Basic objective of achieving the goal of Net Reproductive Rate of unity was below the target.

Due to erroneous maintenance of record and lack of monitoring, the State Government failed to claim for Rs.25.07 crore from Government of India. State Government diverted Central assistance of Rs.8.34 crore to boost its finances to overcome financial crisis. Four *per cent* of total budget provision of Rs.476 crore, was not spent during 1995-2000. Utilisation certificates for grants amounting to Rs.252.48 crore released during 1995-2000 were not furnished by District Panchayats.

State used Government of India assistance of Rs.61 crore for running unapproved Sub-centres during 1995-2000.

Rupees 3.57 crore spent on State Plan Scheme were irregularly got reimbursed from Government of India during 1995-2000.

The tribal districts did not have adequate sub-centers as per norm. The sub-centres were not adequately manned by Auxiliary Nurse Midwives, multi purpose health workers, medical officials and specialists.

More than 40 *per cent* of eligible couples were not protected. Even while number of eligible couples increased by 8.39 *per cent* during 1995-2000, the extent of their coverage declined by two *per cent*.

Laparoscopes valued at Rs.1.22 crore were lying unutilised for more than one to two years. Large number of sterilisation took place during the last quarter of the year.

26 to 35 *per cent* of the sterilisation beds showed nil performance of sterilisation operations. This was attributable to absence of specialist doctors at the post partum centres.

Actual distribution of Iron/folic acid tablets among pregnant women in District and Sub district Post Partum Centres ranged between one *per cent* and three *per cent* and five *per cent* and 11 *per cent* respectively during 1995-2000.

Rupees 10.71 crore remained unutilised under National Component of Reproductive and Child Health project as no activities were carried out. Coverage of immunisation was over reported by Government. Supply of medical kits were not monitored.

Shortfall in training of doctors and para medical staff increased significantly during 1995-99.

(Paragraph 3.1)

4 Working of Primary Education Wing

Primary Education wing deals with primary education in the State through primary schools under District Panchayats, Local Bodies and private bodies.

As against budget provision ranging between Rs.816.50 crore and Rs.1675.29 crore, Plan expenditure was between two *per cent* (1994-95) and nine *per cent* (1997-98) while Non-plan expenditure was between 91 *per cent* (1997-98) and 98 *per cent* (1994-95).

Expenditure of Rs.7.70 crore was incurred without budget provision during 1996-98. Savings of Rs.6.59 crore (1996-97) and Rs.12.46 crore (1998-99) were not surrendered.

In test-checked districts utilisation certificates for Rs.19.78 crore relating to 1990 to 1999 were not furnished.

No census of children was taken for implementation of free and compulsory primary education scheme resulting in reflection of unrealistic achievement.

As of March 1999 as many as 3963 primary schools were having one teacher only. In three districts 125 schools had no teachers for more than 6 months.

Only 66 to 68 *per cent* of eligible children were enrolled during 1996-99. Of the eligible girls only 58 to 60 *per cent* were enrolled.

Dropout rate of boys was 48 *per cent* and those of girls was 50 *per cent*. Government evolved no strategy to improve the dropout rate.

Literacy rate among children up to 14 years of age was only 13 *per cent* during 1996-99.

In Rajkot and Ahmedabad there was 54 and 25 *per cent* of shortage there in the class rooms.

Despite intervention of District Primary Education Programme, difference in enrolment in terms of gender and social groups was more than five *per cent*, dropout rates did not reduce and significant decline in achievement of class III students in language and mathematics was noticed. Rupees 4.48 crore were unauthorisedly paid as salary of teachers, books and education kits valued Rs.1.44 crore and Rs.0.38 crore respectively were purchased irregularly and Rs.0.75 crore were diverted for payment of pay arrears to staff on deputation from District Primary Education Programme fund by State Project Director.

(Paragraph 6.2)

5 Audit of Environment Acts and Rules relating to Water Pollution

Provisions of the Water (Prevention and Control of Pollution) Act, 1974 came into force in the State of Gujarat immediately on its enactment. State Forests and Environment Department co-ordinates all activities relating to pollution control through Gujarat Pollution Control Board. Gujarat has large concentration of textiles, chemicals, dyes and paints and petrochemical industries which have high pollution potential.

Board is not taking adequate action to recover Water Cess amounting to Rs.14.35 crore as of March 1999 from industries/local bodies. Most of them were recoverable from Municipal Corporations, Nagarpalikas and Nagarpanchayats.

Though Rs.3.38 crore was received from Government of India for adoption of clean process technologies Board took no initiative to develop such technology.

Government had no comprehensive programme for prevention, control and abatement of pollution of streams and wells in the State. Board took no initiative in this regard, though funds are not a constraint.

Water of five rivers and two khadis was highly polluted due to discharging of untreated/partly treated trade effluents. Number of villages with problems of total dissolved solids, high nitrate and high fluoride content increased.

Board did not conduct any comprehensive survey to identify polluting industrial units. It relied on the information furnished by such units who applied for consent. As per a survey 65 per cent of the medium and large industries and 45 per cent of small industries are polluting ones.

Thirty industrial units with high pollution potential operated without consent for six months to 16 years. Board has no mechanism to check whether units are operating even after they were refused consent.

Board was not inspecting more than 30 per cent of the highly polluting units.

Out of 170 operational industrial estates, only 10 had Common Effluent Treatment Plants. None of them observed the norms in discharging trade effluent into natural water source and one is directly discharging untreated effluents in Damanganga river.

All the six Municipal Corporations failed to observe the norms for disposal of sewage.

Non-adoption of the Water Amendment Act, 1988 for 11 years considerably delayed penal actions against defaulting units.

Out of 113 cases decided by the courts during 1994-99 in Surat and Vadodara, Board was not able to get conviction in any case. In most of the cases acquittal was the result of procedural lapse.

Despite directives of the High Court of Gujarat (August 1995) and creation of fund of Rs.13.64 crore for improvement of socio-economic condition of affected villages of Ahmedabad and Kheda districts, only Rs.0.31 crore were spent as of February 2000.

Government did not co-ordinate activities of different agencies and department, to effectively prevent water pollution in the State.

(Paragraph 6.3)

6 Other points of interest

(a) Food Adulteration Act

Shortage of Food Inspectors for the State and in test-checked districts increased from 62 per cent to 65 per cent and 76 per cent to 88 per cent respectively in 1999 compared to 1995. Shortfall in drawing samples by Food Inspectors in test-checked districts ranged between 69 per cent and 82 per cent. The Commissioner has no records of food establishments operating in the State. Consequently there was no systematic sampling in identified areas. Eighty four per cent of the establishments had no proper licence. Eventhough, samples of milk, *pan masala*, salt etc. showed high rate of adulteration, lifting of samples for these items did not increase. The administration failed to prove adulteration in 95 per cent of cases decided by courts.

(Paragraph 3.9)

(b) Drought Relief Works

Scarcity relief works valued Rs.25.17 crore taken up during 1999-2000 remained incomplete as of July 2000. Of these, works valued Rs.13.15 crore were not brought to safe stage. Rupees 1.11 crore were spent in the villages which were not affected by scarcity. Norms of assistance was increased beyond the limit prescribed by Government of India and Rs.88.95 lakh was thus spent in excess. Huge quantity of fodder (grass) was purchased without safeguarding the interest of Government. A supplier who backed out in earlier contract was unduly awarded business for Rs.19.20 crore in subsequent contract though he was liable to be blacklisted. Rupees 2.38 crore were not recovered from defaulting contractors.

Revenue of Rs.1.59 crore realised from the sale of grass during December 1999 to July 2000 was not transferred to Calamity Relief Fund as of

August 2000. Works valued Rs.1.05 crore were carried out in one district without Administrative Approval.

In the absence of prescribed checking of measurements of works by a Deputy Engineer and Executive Engineer genuineness of payments of Rs.63.38 lakh was doubtful. Rupees 1.32 crore were irregularly paid as subsidy to three Non-Government Organisations.

(Paragraph 3.13)

(c) Members of Parliament Local Area Development

Only 43 *per cent* of funds under Members of Parliament Local Area Development Scheme was utilised during 1997-2000. Implementing agencies did not refund unutilised balance of Rs.1.40 crore pertaining to 1997-2000. Only 63 *per cent* of the works recommended by Members of Parliament during 1997-2000 were completed. Rupees 1.24 crore of the fund were spent on inadmissible works and Rs.1.93 crore were diverted for purchase of computer, water cooler etc.

No register of assets was maintained for assets valued Rs.13.22 crore created during 1997-2000.

Out of 106 works, 81 works (76 *per cent*) were recommended with rubber stamp of the signature of Member of Parliament from Rajkot constituency during his absence. Of these 22 works valued Rs.0.61 crore were sanctioned in violation of scheme guidelines. The scheme was very poorly monitored.

(Paragraph 3.8)

(d) Special Problem Grants

As the State Government delayed submission of Action Plan special problem grants by Government of India was released late by two years due to delay at various levels of. Rupees 5.90 crore were debited in excess towards establishment, tools and plant charges disregarding Government of India instructions. Due to belated completion of works benefit of providing fluoride free water to the people was delayed though funds were not a constraint.

Rupees 3.81 crore were not transferred by the State Government to Calamity Relief Fund during 1998-99 and Rs.1.70 crore were unauthorisedly retained by District Panchayat, Jamnagar.

In the absence of detailed break-up of beneficiaries genuineness of payment of Rs.6.55 crore towards cash assistance to cattle owners was doubtful.

Rupees 9.92 crore were spent on unapproved items and Detailed Contingent bills for Rs.1.72 crore drawn between June 1998 and March

1999 were not submitted as of January 2000. Balance of Rs.95.96 crore was not invested as required.

The programmes were poorly monitored.

(Paragraph 3.12)

(e) Foreign Travel

Private visit of Chief Minister was converted to official one on the ground of meeting Non Resident Indians. Object of the tour was not achieved as commitments of donation worth Rs.5.11 crore did not materialise. One Assistant of Chief Minister's office accompanied Chief Minister without obtaining approval of Ministry of Finance and clearance from Ministry of Economic Affairs. Detailed account for US \$ 2500 drawn by the Advisor to Chief Minister towards entertainment allowance was not submitted.

Number of members in delegation for the Eighth Annual World Economic Development Congress at the United States of America headed by Minister of Industries increased from three to eight. Justification for inclusion of four members was not available on record. Audit could not verify whether Foreign Travel for attracting Non Resident Indian investment was in conformity with Government of India guidelines. Expenditure on foreign travel of Minister of Industries and Secretary, Industries and Mines Department was irregularly debited to Indext-b and Gujarat Infrastructure Development Board respectively in contravention of Government of India guidelines. Similarly, expenditure of foreign travel of other officers was debited to various Board/Corporation in violation of Government of India guidelines.

In majority of the cases of foreign travel, Government of India guidelines were routinely flouted.

(Paragraph 3.7)

(f) Personal Ledger Accounts

342 Drawing and Disbursing Officers did not reconcile Personal Ledger Accounts with treasuries during 1999-2000. Difference between figures in passbook and cash book ranged upto Rs.3.28 crore.

Non-finalisation of rules, regulations etc. for business of Panchayat Finance Board resulted in blocking of Rs.15.99 crore in Personal Ledger Account for more than one year to four years.

Rupees 18.87 crore were irregularly deposited by two Drawing and Disbursing Officers in Personal Ledger Account not earmarked for the purpose.

(Paragraph 3.5)

(g) Guhai Reservoir Project

Rupees 67.82 crore was spent on the unviable Guhai Reservoir Project, execution of which was delayed by 15 years. Irrigation potential was not fully utilised as envisaged though Rs.15.55 crore of World Bank assistance was availed for the project.

(Paragraph 4.1)

(h) Urban Employment Generation Programme

Gujarat Municipal Finance Board released only Rs.27.82 crore to local bodies under Urban Employment Generation Programme during 1995-2000 though Rs.51.21 crore was available with it during the period. Programme fund was deposited in Personal Ledger Account instead of separate bank account resulting in loss of interest of Rs.3.91 crore and misutilisation of Government of India fund by the State Government to shore up its cash balance. Actual utilisation of funds by local bodies was only 43 per cent. Belated completion of survey by 27 local bodies deprived Audit in checking veracity of utilisation of grant of Rs.3.75 crore.

(Paragraph 6.5)

(i) Fraudulent payment

Executive Engineer, Roads and Buildings Division, Junagadh grossly violated codal provisions and Government instructions in execution of piece works for maintenance and repairs. Rupees 19.52 crore was reportedly spent on these works during 1996-99. Colour work, special repairs to roads etc. valued Rs.99.98 lakh reportedly executed by the Division was also doubtful. SE and the CE failed to prevent such unjustifiably heavy expenditure by one division.

(Paragraph 4.2)

Executive Engineers, Roads and Buildings Division, Mehsana, National Highway Division, Gandhinagar and Capital Project Division No.-II Gandhinagar executed piece works valued Rs.8.75 crore during 1998-2000 in gross violation of codal provisions and Government instructions. Genuineness of these expenditure is doubtful.

(Paragraph 4.3)

(j) Injudicious payments

Injudicious payment of loan to Gujarat Dairy Development Corporation, a loss making unit, resulted in loss of Rs.50.21 crore.

(Paragraph 3.2)

(k) Injudicious investments

Government unjustifiably invested Rs.8.96 crore in two mismanaged/loss making sugar co-operative societies. Possibility of malpractice in this case was not ruled out.

(Paragraph 3.3)

Rajkot Urban Development Authority unjustifiably constructed a commercial complex in excess of demand resulting in idle investment of Rs.35.27 lakh for over six years, watch and ward expenditure of Rs.2.59 lakh and loss of interest of Rs.25.39 lakh.

(Paragraph 6.10)

(l) Disregard of Rules/instructions/agreements

Rupees 88.74 lakh were drawn by three Drawing and Disbursing Officers from Contingency Fund for non-emergent cases. Rupees 3.54 crore were drawn in excess of requirements and retained outside Government Account for more than one year.

(Paragraph 3.6)

Executive Engineers, National Highway Divisions, Gandhidham and Gandhinagar and Capital Project Division-III, Gandhinagar paid Rs.3.18 crore to contractors in violation of Government instructions.

(Paragraph 4.7)

Executive Engineers of six divisions failed to recover royalty of Rs.1.04 crore from contractors.

(Paragraph 4.10)

Cost of material issued from stores to contractors by Executive Engineer, Roads and Buildings Division, Nadiad was not accounted for in Stock Account resulting in suppression of excess expenditure of Rs.5.37 crore and undervaluation of works.

(Paragraph 5.1)

Gujarat Maritime Board extended unauthorised financial aid of Rs.70.09 lakh to Saurashtra Cement Limited and allowed benefit of deferred payments in violation of contract conditions.

(Paragraph 6.7)

Gujarat Maritime Board provided financial assistance to a State Government Corporation in violation of provision of its Act resulting in blocking of Rs. one crore for more than two years beside loss of interest of Rs.0.27 crore.

(Paragraph 6.9)

(m) Blocking of funds

Oriented Development Related Export Transaction Project created liability of Rs.140 crore as the hospital equipments imported under the

Project were lying idle. Rupees 41.25 crore lying blocked and Rs. three crore of duty and consultancy charges were unnecessarily paid.

(Paragraph 3.10)

(n) Irregular expenditure

Government imported an Aircraft and other related items valued Rs.19.12 crore bypassing global tenders without availing of competitive rates.

(Paragraph 3.11)

Executive Engineers, National Highway Divisions, Gandhinagar and Valsad and Roads and Buildings Divisions, Junagadh and Mehsana irregularly diverted funds from various heads to make advance payment of Rs.13 crore to oil companies for purchase of bulk asphalt between April 1997 and May 1999.

(Paragraph 4.4)

Executive Engineer, National Highway Division, Rajkot irregularly executed works valued Rs.3.28 crore without inviting tenders resulting in avoidable payment of Rs.0.51 crore and undue benefit of Rs.0.25 crore to the contractor.

(Paragraph 4.6)

Adoption of higher specification in execution of road works by 10 divisions resulted in unauthorised expenditure of Rs.2.49 crore.

(Paragraph 4.8)

Government receipts amounting to Rs.75.32 lakh was irregularly spent by Executive Engineer, National Highway Division, Bharuch on purchase of vehicles, office equipments etc. instead of crediting these to government account. Executive Engineers of four divisions irregularly purchased vehicles and office equipments valued Rs.77.38 lakh from Government receipts.

(Paragraphs 4.12 and 4.13)

(o) Loss of revenue

As the tax plaza was not constructed in time by the National Highway Division, Valsad revenue of Rs.3.65 crore was lost and tax of Rs.3.58 crore was undercollected.

(Paragraph 4.5)

Gujarat Maritime Board injudiciously retained three barges at Bhavnagar port resulting in idle investment of Rs.91.80 lakh for more than three years and loss of revenue of Rs.68.94 lakh.

(Paragraph 6.8)

(p) Procedural points

Only two out of a total of 23 departments furnished required information relating to grants and/or loans given to various bodies and authorities during 1999-2000. For the last three years other departments did not furnish required information at all.

(Paragraph 6.1.3)

Examiner, Local Fund Accounts failed to apprise the legislature of the latest financial condition of District and Taluka Panchayats though audit of most of these institutions was completed upto 1998-99.

(Paragraph 6.1.4)

CHAPTER - I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter discusses the financial position of the State Government, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on the analysis of indicators of financial performance of the Government, based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are described in the Annexure to this chapter.

1.2 Financial position of the State

In the Government accounting system comprehensive accounting of the fixed assets like land and buildings etc., owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Exhibit I gives an abstract of such liabilities and the assets as on 31 March 2000, compared with the corresponding position on 31 March 1999. While the liabilities in this statement consist mainly of external and internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would be seen from Exhibit I that while the liabilities grew by 25.83 *per cent*, the assets grew by only 14.78 *per cent* during 1999-2000, mainly as a result of a high (23.83 *per cent*) increase in the deficit on the Government account. This shows an overall deterioration in the financial position of the Government.

EXHIBIT-I

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
GUJARAT AS ON 31 MARCH 2000

(Rupees in crore)

As on 31.03.1999	Liabilities		As on 31.03.2000
3104.02	Internal Debt		4021.13
2538.85	Market Loans bearing interest	3023.63	
7.43	Market Loans not bearing interest	46.29	
193.71	Loans from LIC	185.29	
364.03	Loans from other Institutions	538.87	
Nil	Ways and Means Advances	227.05	
Nil	Overdrafts from Reserve Bank of India	Nil	
13975.64	Loans and Advances from Central Government		17054.52
374.85	Pre 1984-85 Loans	307.36	
9665.35	Non-Plan Loans	11745.14	
3816.21	Loans for State Plan Schemes	4878.99	
73.27	Loans for Central Plan Schemes	70.43	
45.74	Loans for Centrally Sponsored Plan Schemes	52.45	
00.22	Loans for Special Schemes	0.15	
178.80	Contingency Fund		186.25
2108.86	Small Savings, Provident Funds, etc.		2535.48
5357.57	Deposits		7606.36
27.10	Cash in treasuries and local remittances		27.73
43.05	Deposits with Reserve Bank		---
221.54	Reserve Funds		353.92
893.11	Suspense and Miscellaneous		865.44
97.44	Remittance Balances		68.08
26007.13			32718.91
As on 31.03.1999	Assets		As on 31.03.2000
15390.57	Gross Capital Outlay on Fixed Assets		18085.71
3661.78	Investments in shares of Companies, Corporations, etc.	3771.71	
11728.79	Other Capital Outlay	14314.00	
5574.37	Loans and Advances		6054.43
3660.66	Loans for Power Projects	3970.22	
1608.04	Other Development Loans	1731.80	
305.67	Loans to Government servants and Miscellaneous loans	352.41	
(-) 00.49	Advances		00.45
582.51	Cash -		587.96
	Deposit with Reserve Bank	81.21	
129.15	Departmental Cash Balances including Permanent Advances and investment of earmarked Funds	129.88	
453.36	Cash Balance Investments	376.87	
4460.17	Deficit on Government Accounts		7990.36
2863.42	(i) Revenue Deficit of the Current Year	3545.66	
0.02	(ii) Miscellaneous Government Account	0.14	
1597.76	Add :	4460.17	
	Deficit on Government Account as on 31 March 1999		
(-)1.03	Other Adjustments	(-) 15.61	
26007.13	Total		32718.91

EXHIBIT-II
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 1999-2000
(Rupees in crore)

Receipts				Disbursements					
1998-99			1999-2000	1998-99		Non-Plan	Plan	Total	1999-2000
Section-A: Revenue									
12742.74	I Revenue receipts		13971.44	15606.16	I Revenue expenditure-	14837.08	2680.02	17517.10	
7615.78	Tax revenue	8161.73		4769.31	<u>General services</u>	5710.23	42.84	5753.07	5753.07
				5436.37	<u>Social Services-</u>				6229.35
2766.49	Non-tax revenue	2990.36		3124.63	Education, Sports, Art and Culture	3124.91	268.04	3392.95	
				840.59	Health and Family Welfare	765.31	147.82	913.13	
1641.60	State's share of Union Taxes	1665.04		543.91	Water Supply, sanitation Housing and Urban Development	232.26	397.76	630.02	
				21.16	Information and Broadcasting	13.94	8.20	22.14	
210.59	Non-Plan grants	260.73		356.90	Welfare of Scheduled Castes, Scheduled tribes and Other Backward Classes	138.61	275.97	414.58	
				97.19	Labour and labour Welfare	74.37	33.92	108.29	
271.43	Grants for State Plan Scheme	574.48		434.14	Social Welfare and Nutrition	570.89	159.55	730.44	
				18.15	Others	17.50	0.30	17.80	
236.85	Grants for Central and Centrally sponsored Plan Schemes	319.10		5439.14	<u>Economic Services-</u>				5484.96
				568.52	Agriculture and Allied Activities	442.20	230.99	673.19	
				612.61	Rural Development	146.56	418.52	565.08	
				26.65	Special Areas Programmes	21.15	3.80	24.95	
				1520.57	Irrigation and Flood control	1593.15	180.85	1774.00	
				1646.82	Energy	1310.41	75.58	1385.99	
				233.90	Industry and Minerals	31.79	212.69	244.48	
				601.67	Transport	412.10	179.72	591.82	
				0.02	Communications	0.02	--	0.02	
				3.10	Science, Technology and Environment	0.27	14.92	15.19	
				135.28	General Economic Services	181.69	28.55	210.24	
				51.04	Grants-in-aid and Contributions	49.72	--	49.72	49.72
2863.42	II Revenue deficit carried over to Section B		3545.66						
15606.16			17517.10	15606.16	Total				17517.10

Receipts		Disbursements							
1998-99		1999-2000	1998-99	Non-Plan	Plan	Total	1999-2000		
	<u>Section-B</u>								
729.67	III Opening Cash balance including Permanent Advances and Cash Balance Investment	512.36	Nil	III Opening Overdraft from RBI					Nil
1.03	IV Miscellaneous Capital receipts	15.61	2288.73	IV Capital Outlay-	30.85	2664.29	2695.14	2695.14	
			28.72	<u>General Services-</u>	1.71	28.06	29.77		
			16.52	<u>Social Services-</u>	12.77	618.62	631.39		
				Education, Sports, Art and Culture	5.42	13.64	19.06		
			36.58	Health and Family Welfare	0.04	38.04	38.08		
			312.84	Water Supply, Sanitation,	7.16	552.29	559.45		
			72.49	Housing and Urban Development					
			0.06	Information and Broadcasting	---	0.10	0.10		
			7.09	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.13	11.97	12.10		
			0.80	Social Welfare and Nutrition	0.01	1.17	1.18		
			3.37	Others	0.01	1.41	1.42		
				<u>Economic Services-</u>	16.37	2017.61	2033.98		
			187.31	Agriculture and Allied Activities	10.11	198.64	208.75		
			Nil	Rural Development	---	---	Nil		
			1.35	Special Areas Programmes	---	1.30	1.30		
			1377.05	Irrigation and Flood Control	---	1425.80	1425.80		
			(-)64.25	Energy	---	5.94	5.94		
			44.01	Industry and Minerals	0.65	51.28	51.93		
			247.85	Transport	5.50	326.40	331.90		
				Science & Technology	--	0.11	0.11		
				Communication	0.11	--	0.11		
			16.94	General Economic Services	--	8.14	8.14		
266.59	V Recoveries of Loans and Advances-	145.98	733.48	V Loans and Advances disbursements					626.05
55.32	From Power Projects	15.41	434.73	For Power Projects			324.97		
73.95	From Government Servants and Miscellaneous Loans	89.57	125.00	To Government Servants and Miscellaneous Loans			136.32		
137.32	From others	41.00	173.75	To Others			164.76		
Nil	VI Revenue surplus brought down	Nil	2863.42	VI Revenue deficit brought down					3545.66

Receipts			Disbursements						
1998-99			1999-2000	1998-99		Non-Plan	Plan	Total	1999-2000
3648.21	VII Public debt receipts-		5707.82	627.63	VII Repayment of Public Debt-				1711.85
722.45	Internal debt other than ways and means Advances and Overdraft	814.76		96.88	Internal debt other than Ways and Means Advances and Overdraft			124.71	
84.25	Ways and Means Advances	1291.25		84.25	Ways and Means Advances			1064.20	
	Over draft	20.44		--	Over draft			20.44	
2841.51	Loans and Advances from Central Government	3581.37		446.50	Repayment of Loans and Advances to Central Government			502.50	
Nil	VIII Appropriation to Contingency Fund		Nil		VIII Appropriation to Contingency Fund				Nil
58.18	IX Amount transferred to Contingency Fund		21.20	21.20	IX Expenditure from Contingency Fund				13.75
19343.93	X Public Account receipts-		22453.16	17000.79	X Public Account disbursements-				19703.45
766.74	Small Savings and Provident funds	809.19		287.41	Small Savings and Provident Funds			382.59	
206.61	Reserve funds	337.53		153.71	Reserve Funds			205.15	
5261.72	Suspense and Miscellaneous	5995.96		4582.12	Suspense and Miscellaneous			6023.67	
3301.74	Remittance	3574.65		3236.64	Remittances			3604.03	
9807.12	Deposits and Advances	11735..83		8740.91	Deposits and Advances			9488.01	
				512.36	XI Cash Balance at end-				560.23
				(-)27.10	Cash in Treasuries and Local Remittances			(-)27.73	
				(-)43.05	Deposits with Reserve Bank			81.21	
				129.15	Departmental Cash Balance Including permanent Advances			129.88	
				453.36	Departmental Cash Balances				
					Cash Balance Investment			376.87	
24047.61	Total		28856.13	24047.61	Total				28856.13

**EXHIBIT - III
SOURCES AND APPLICATION OF FUNDS**

(Rupees in crore)

1998-99		Sources	1999-2000
12742.74	1	Revenue receipts	13971.44
266.59	2	Recoveries of Loans and Advances	145.98
1.03	3	Miscellaneous Capital Receipts	15.60
3020.58	4	Increase in Public debt other than overdraft	3995.98
2343.14	5	Net receipts from Public account	2757.16
479.33		Increase in Small Savings	426.60
1066.21		Increase in Deposits and Advances	2247.82
52.90		Increase in Reserve Funds	132.38
679.60		Net effect of suspense and Miscellaneous transactions	(-) 27.71
65.10		Net effect of Remittance transactions	(-) 29.38
36.98	6	Net effect of Contingency Fund transactions	7.45
217.31	7	Decrease in closing Cash balance	---
18628.37		Total	20886.16
		Application	
15606.16	1	Revenue expenditure	17517.10
733.48	2	Lending for development and other purposes	626.05
2288.73	3	Capital expenditure	2695.14
--	4	Increase in closing Cash balance	47.87
18628.37		Total	20886.16

Explanatory Notes for Exhibit I, II and III

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.

Government accounts being mainly on cash basis, the deficit on Government account, as shown in Exhibit I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.

Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.

There was a difference of Rs.562.29 lakh (debit) between the figures reflected in the accounts i.e. Rs.8120.80 lakh (Debit) and that intimated by the RBI i.e. Rs.8683.09 lakh (Credit) under "Deposit with Reserve Bank" included in cash balance as of 31 March 2000.

EXHIBIT - IV
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Part A. Receipts					
I. Revenue Receipts	8544	9668	11125	12743	13971
(a) Tax Revenue	5323(62)	6066(63)	6591(59)	7616(60)	8162(59)
Sales Tax	3593(67)	4026(66)	4403(67)	4796(63)	5134(63)
Taxes and duties on	696(13)	901(15)	1024(15)	1447(19)	1402(17)
State Excise	21	24	24	27	32
Taxes on vehicles	306(6)	334(5)	396(6)	460(6)	602(7)
Stamps and Registration	356(7)	399(7)	411(6)	507(7)	522(6)
Land Revenue	77(1)	77(1)	75(1)	72(1)	117(1)
Taxes on goods and	107(2)	96(2)	38(1)	62(1)	89(1)
Other Taxes	167	198	220	245	264
(b) Non Tax Revenue	1601(19)	1573(16)	2221(20)	2766(21)	2990(21)
(c) State's share in Union	1139(13)	1174(12)	1574(14)	1642(13)	1665(12)
(d) Grants in aid from	481(6)	855(9)	739(7)	719(6)	1154(8)
II. Capital Receipts	1516	1727	2597	3577	4358
Market Borrowings	312	407	508	722	815
Loans and advances from	1308	1437	2021	2842	3581
Other Receipts (Public	(-) 104	(-) 117	68	13	(-) 38
Part B. Expenditure	10027	11745	14002	17895	20212
I. Revenue Expenditure	8766(87)	10260(87)	12143(87)	15606(87)	17517(87)
Plan	1134(13)	1146(11)	1501(12)	2150(14)	2680(15)
Non Plan	7632(87)	9114(89)	10642(88)	13456(86)	14837(85)
General Services	2592(30)	3298(32)	3674(31)	4769(31)	5753(33)
Economic Services	3004(34)	3492(35)	4177(34)	5349(34)	5485(31)
Social Services	3129(36)	3422(33)	4240(35)	5437(35)	6229(36)
Interest Payments	1328	1610	1884	2262	2808
Arrears of Revenue (% Tax	831(12)	3299(43)	1832(21)	1686(16)	4130(37)
II. Capital Expenditure	1261(13)	1485(13)	1859(13)	2289(13)	2695(13)
Plan	1078(86)	1409(95)	1779(96)	2214(97)	2664(99)
Non Plan	183(14)	76(5)	80(4)	75(3)	31(1)
General Services	20(2)	30(2)	27(1)	29(1)	30(1)
Economic Services	1137(90)	1304(88)	1614(87)	1810(79)	2034(75)
Social Services	104(8)	151(10)	218(12)	450(20)	631(24)
III Loans and advances	466	478	427	733	626
Part C. Deficits					
Revenue Deficit(-)/	(-)222.05	(-)591.41	(-)1017.75	(-)2863.42	(-)3546
Fiscal Deficit	1745	2358	3003	5618	6705
Part D. Other data					
Ways and Means Advances	Nil	Nil	Nil	6	69
Interest on WMA	Nil	Nil	Nil	0.06	1.36
GSDP	74239	86638	92573	102206	110841
Outstanding Debt (year	14855	17024	20139	24757	31561
Outstanding guarantees	6519	6962	6833	7669	8842
Maximum Amount	7084	7527	7395	8231	9403
Number of incomplete	--	--	8	11	26
Capital blocked in	--	--	18.76	53.96	107.86▲

Note : Figures in brackets represent percentages (rounded) to total of each sub heading.

▲ This amount does not include investment of Rs.5750.27 crore in Narmada Project which is being funded through Sardar Sarovar Narmada Nigam Limited, a State Government Public Sector Undertaking vide comments in Para 1.9.3.

1.3 Sources and application of fund

1.3.1 Exhibit III gives the position of sources and application of funds during the current and the preceding year. The main sources of funds include the revenue receipts, recoveries of the loans and advances, public debt and net receipts in Public Account. These were applied mainly on revenue and capital expenditure and the lending for developmental purposes. It would be seen that the revenue receipts constitute the most significant source of fund for the State Government though its relative share declined from 68.41 *per cent* in 1998-99 to 66.89 *per cent* during 1999-2000. The increase in net receipts from the Public Account was very nominal i.e. from 12.58 *per cent* in 1998-99 to 13.20 *per cent* in 1999-2000. This was as a result of near stagnant or negative growth in receipts other than deposits and advances. The receipts from the public debt increased marginally from 16.21 *per cent* to 19.13 *per cent*.

1.3.2 The application of funds was mainly for revenue expenditure, with an increasing share in the total expenditure from 83.78 *per cent* in 1998-99 to 83.87 *per cent* in 1999-2000. It remained significantly higher than the share of the revenue receipts (66.89 *per cent*) in the total receipts of the State Government. This led to the Revenue Deficit. While, the percentage of capital expenditure increased from 12.29 *per cent* to 12.90 *per cent*, lending for development purposes declined to 3.00 *per cent* from 3.94 *per cent*.

1.4 Financial operations of the State Government

1.4.1 Exhibit II gives the details of the receipts and disbursements made by the State Government. The Revenue expenditure (Rs.17517 crore) during the year exceeded the revenue receipts (Rs 13971 crore) resulting in a revenue deficit of Rs. 3546 crore. The Revenue receipts comprised tax revenue (Rs.8162 crore), non-tax revenue (Rs.2990 crore), State's share of Union taxes and duties (Rs.1665 crore) and grants-in-aid from the Central Government (Rs.1154 crore). The main sources of tax revenue were sales tax (63 *per cent*), taxes and duties on electricity (17 *per cent*) and stamps and registration fees (6 *per cent*). Non-tax revenue came mainly from interest receipts (59 *per cent*) and receipts from non-ferrous mines and metallurgical industries (18 *per cent*).

1.4.2 The capital receipts comprised Rs.146 crore from recoveries of loans and advances and Rs.5708 crore from public debt. Against this, the expenditure was Rs.2695 crore on capital outlay, Rs.626 crore on disbursement of loans and advances and Rs.1712 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.22543 crore, against which the disbursements of Rs.19703 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was an increase in the cash

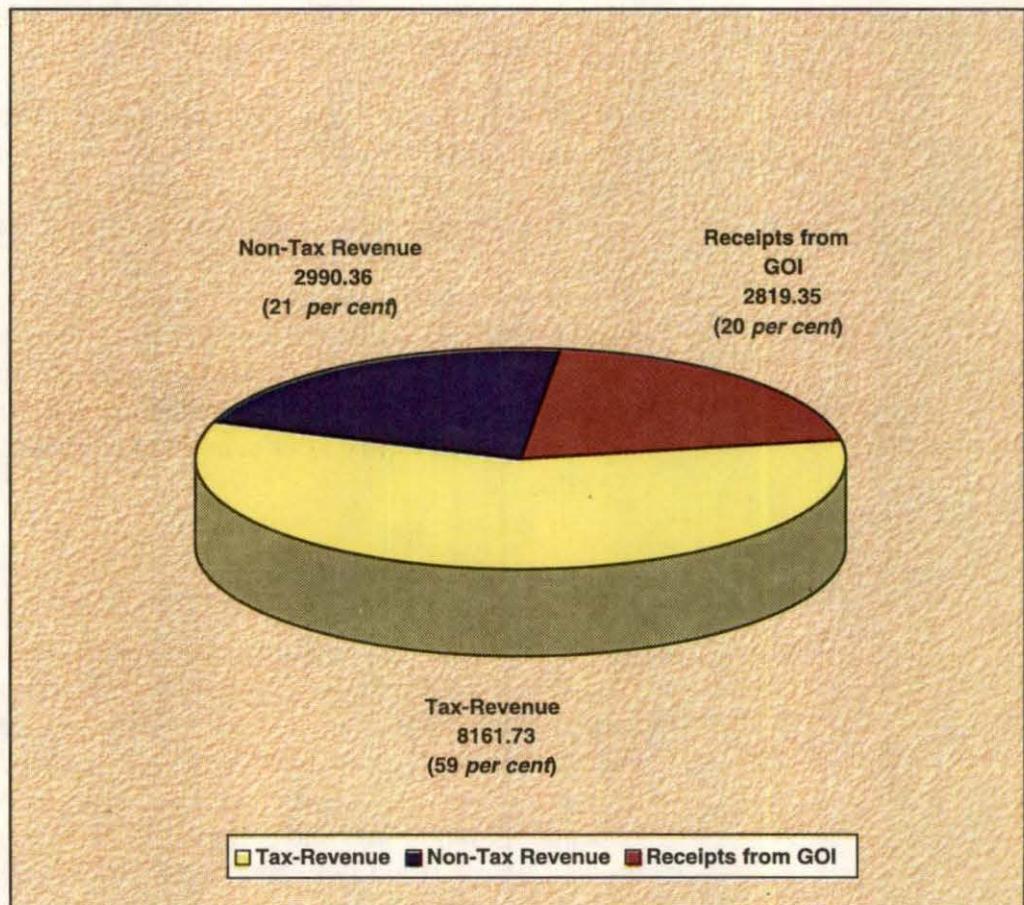
cash balance from Rs.512 crore at the beginning of the year to Rs.560 crore at the end of the year.

1.4.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibit II and the time series data for the five year's period from 1995-96 to 1999-2000, presented in Exhibit IV.

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. The revenue receipts grew at an average annual rate of 13 per cent during 1995-96 to 1999-2000.

Figure 1
Revenue Receipts 1999-2000
(Rupees in crore)



1.5.2 Tax revenue

These constitute the major share (59 *per cent*) of the revenue receipts and its share in the revenue receipts declined from 58 *per cent*. The annual rate of growth of tax revenue declined from 16 *per cent* in 1998-99 to 7 *per cent* in 1999-2000. This is mainly due to the stagnation in the growth in Sales Tax. As a result the relative contribution of sales tax declined from 67 *per cent* in 1995-96 to 63 *per cent* in 1999-2000, while that of taxes and duties on electricity declined from 19 *per cent* in 1998-99 to 17 *per cent* in 1999-2000. Gujarat being an industrialised State, stagnation in Sales Tax collection relative to growth in GSDP was not justified. Failure to increase collection of Sales Tax (relative to growth in GSDP), led to huge increase in Revenue Deficit of the State due to increased revenue expenditure.

1.5.3 Non-tax revenue

The non-tax revenue constituted 21 *per cent* of the revenue receipts of the Government compared to 16 *per cent* in 1996-97. The increase was attributable mainly to increase in interest receipts.

1.5.4 State's share of Union taxes and duties and grants-in-aid from the Central Government

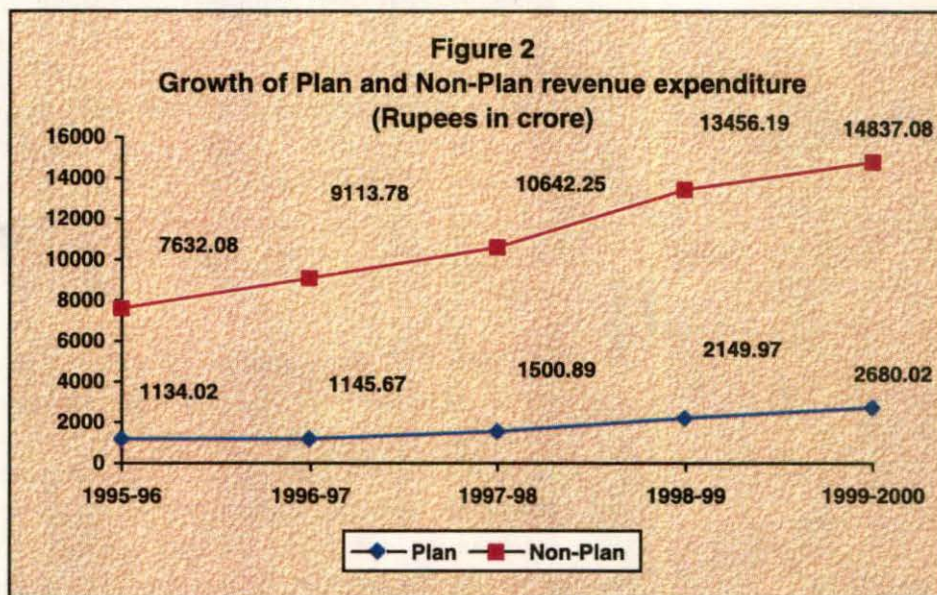
The State's share of Union taxes (excise duties and income and corporation taxes) increased by 1.40 *per cent* while the grants-in-aid from the Central Government increased by 61 *per cent* during the year. The increase was mainly in grant-in-aid for state plan schemes (from Rs.271.42 crore in 1998-99 to Rs.574.47 crore in 1999-2000. However, as a percentage of revenue receipts they (both taken together) increased from 19 *per cent* in 1995-96 to 20 *per cent* during 1999-2000. This was mainly due to increase (from 6 *per cent* to 8 *per cent*) in share of grants-in-aid, whereas, the State's share in Union Taxes decreased from 13 *per cent* to 12 *per cent* during these years.

1.6 Revenue expenditure

1.6.1 The revenue expenditure accounted for most (87 *per cent*) of the expenditure of the State Government and increased by 12 *per cent* during 1999-2000. The increase in Non-plan expenditure was the main reason for such increase in revenue expenditure. Major portion of expenditure on Social and Economic Services related to (i) Education, Sports, Arts and culture, (Rs 3393 crore) (ii) Irrigation and Flood Control (Rs 1774 crore) and (iii) Energy (Rs 1386 crore) . Appreciable increase in expenditure took place under 'Irrigation and Flood Control' (due to more expenditure on Tube wells and due to increase in other expenditure pertaining to Irrigation schemes) and

'Social Welfare and Nutrition' (due to expenditure on Gratuitous Relief, supply of Fodder, Veterinary care and Public Health).

Expenditure under General Services increased by 21 per cent (Rs.5753 crore) and was attributable mainly to Non-plan. Major items of expenditure under General Services pertained to Pension (Rs.1553 crore) and interest payment (Rs.2808 crore).



1.6.2 Interest payments

Interest payments increased steadily by 111 per cent from Rs.1328 crore in 1995-96 to Rs.2808 crore in 1999-2000. During the year it increased by 24 per cent mainly due to increase in payment of interest on loans received from Central Government. It amounted to 20 per cent of Revenue receipts and 16 per cent of Revenue expenditure. This is further discussed in the section on financial indicator.

1.6.3 Loans and Advances by the State Government

The Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, co-operatives, non-Government institutions, etc., for developmental and non-developmental activities. The position for the last five years is given below :

(Rupees in crore)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Opening balance	4265	4528	4810	5107	5574
Amount advanced during the year	466	478	426	733	626
Amount repaid during the year	203	196	129	266	146
Closing balance	4528	4810	5107	5574	6054
Net addition	(+)263	(+)282	(+)297	(+)467	(+)480
Interest received	190	55	303	368	347

There was a steep decline in loans and advances repaid during the year from Rs.266 crore in 1998-99 to Rs.146 crore in 1999-2000. The decline was due to reduction in repayment of loans and advances among the following sectors i.e. Energy, Industry and Minerals and Transport. Capital outlay on energy sector has gone up during the year by Rs.70.19 crore. However, receipts from energy sector has gone down as seen from less receipts of electricity duty (Rs.45 crore) and less repayment of loans (Rs.309.56 crore).

Out of loans advanced to municipalities, panchayatiraj institutions, other local bodies, public sector undertakings, etc. the detailed accounts of which were kept by the Accountant General (Accounts and Entitlements), recovery of Rs.468.84 crore (principal : Rs.396.97 crore and interest: Rs.71.87 crore) was in arrears as on 31 March 2000.

In respect of loans granted to others, the detailed accounts of which are kept by 84 departmental officers, information regarding overdue instalments of principal and interest thereon as at the end of 31 March 2000 were not furnished by 70 departmental officers. Hence the total amount of loans disbursed and their recoveries were unknown. As per information furnished by fourteen departmental officers, Rs.117.03 crore (principal : Rs.53.70 crore and interest : Rs.63.33 crore) became overdue.

1.7 Capital expenditure

1.7.1 Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government i.e. public sector undertakings (PSUs), corporations, etc. and loans and advances. The progressive capital expenditure increased from Rs.9757.43 crore at the beginning of 1995-96 to Rs.18085.71 crore at the end of 1999-2000, an increase of 85 *per cent*. Out of Rs.18085.71 crore incurred towards capital expenditure till the end of 1999-2000, Rs.5750.27 crore was incurred towards Narmada Project which constitutes 31.80 *per cent* of the total capital expenditure.

1.8 Quality of Expenditure

1.8.1 Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and Non-plan and Revenue and Capital. While the Plan and Capital expenditure are usually associated with asset creation, the Non-plan and Revenue expenditure are identified with expenditure on establishment, maintenance and services. By

definition, therefore, in general, the Plan and Capital expenditure can be viewed as contributing to the quality of expenditure.

1.8.2 Wastage in public expenditure, diversions of funds and funds blocked in incomplete projects would also impinge negatively on the quality of expenditure. Similarly, funds transferred to Deposit heads in the Public Account, after booking them as expenditure, can also be considered as a negative factor in judging the quality of expenditure. As the expenditure was not actually incurred in the concerned year it should be excluded from the figures of expenditure for that year. Another possible indicator is the increase in the expenditure on General services, to the detriment of Economic and Social Services.

1.8.3 The following tables lists out the trend in these indicators :

Table A

(Rupees in crore)

Year	Plan Expenditure (per cent)		Non-Plan Expenditure (per cent)	
	Revenue	Capital	Revenue	Capital
1995-96	1134(13)	1078(86)	7632(87)	183(14)
1996-97	1146(11)	1409(95)	9114(89)	76(5)
1997-98	1501(12)	1779(96)	10642(88)	80(4)
1998-99	2150(14)	2214(97)	13456(86)	75(3)
1999-2000	2680(15)	2664(99)	14837(85)	31(1)

Table B

	1995-96	1996-97	1997-98	1998-99	1999-2000
1 Expenditure on General Services	(per cent)				
-Revenue	30	32	30	31	33
-Capital	2	2	1	1	1
	(Rupees in crore)				
2 Amount of wastages and diversion of funds detected during test audit	19.88	21.00	46.22	40.14	315.17
3 Non-remunerative expenditure on incomplete projects	--	--	18.76	53.96	107.86
4 Unspent balances under deposits heads, booked as expenditure at the time of their transfer to the deposit head	724	848	1347	1644	2982

It would be seen that the share of Plan expenditure on revenue sides moved in a narrow range of 11 to 15 per cent. There was no appreciable increase in the expenditure on General Services during 1995-2000.

The total closing balances under Deposit Heads viz. Personal Deposits increased year after year and there was sharp increase in last two years. This indicates that huge funds were lying unspent even though these

amounts were booked as expenditure in the Accounts and facilitated the ways and means position of the Government.

1.9 Financial Management

The issue of financial management in the Government should relate to efficiency, economy and effectiveness of its revenue and expenditure operations. Subsequent chapters of this report deal extensively with these issues especially as they relate to the expenditure management in the Government, based on the findings of the test audit. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

1.9.1 Investments and returns

Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved were as under:

Serial Number	Sector	Number of concerns	Amount invested (Rupees in crore)	
			As on 31-03-2000	During - 1999-2000
1	Statutory Corporations	6	451.35	27.41
2	Government Companies	42	3161.53	78.17
3	Joint Stock Companies and Partnerships	29	4.93	Nil
4	Co-operative Institutions	2004	153.90	4.35
	Total	2081	3771.71	109.93

The details of investments and the returns realised during the last five years by way of dividend and interest were as follows :

Year	Investment at the end of the year	Return	Percentage Return	(Rupees in crore)	
				of	Rate of interest on Government borrowing (%)
1995-96	3380.05	34.00	1.01		14.00
1996-97	3489.44	22.78	0.66		13.85 and 13.75
1997-98	3600.34	14.49	0.40		13.50
1998-99	3661.78	22.37	0.61		12.50 and 12.15
1999-2000	3771.71	27.03	0.71		12.25 and 12.15

Thus, while the Government was raising high cost borrowings from the market, its investments in Government companies etc., fetched negligible returns. As per accounts finalised, losses accumulated till 31 March 2000 by 22 Government companies, two deemed Government companies and one Statutory Corporations were Rs. 1194.38 crore, Rs.5.94 crore and Rs.839.73 crore respectively.

1.9.2 Financial results of irrigation works

The financial results of one major and four medium irrigation projects (vide Statement Number 3 of the Finance Accounts) with a capital outlay of Rs.228.34 crore at the end of March 2000 showed that revenue realised from these projects during 1999-2000 (Rs.24.48 crore) was 10.72 *per cent* of the capital outlay. After reckoning the working and maintenance expenditure (Rs.26.90 crore) and interest charges (Rs.33.87 crore), the schemes suffered a net loss of Rs.36.39 crore. The loss was substantial (Rs.38.25 crore) in all the four medium irrigation projects.

1.9.3 Incomplete Projects

As of 31 March 2000 there were 26 incomplete projects (each costing more than Rs.1 crore) in which Rs.107.86 crore were blocked. The delay ranged between one month and 53 months. This showed that the Government was spreading its resources thinly, which failed to yield any return. Besides, Government incurred expenditure of Rs.5750.27 crore as of March 2000 on Narmada Project which was still under construction.

1.9.4 Arrears of revenue

The arrears of revenue (as per information furnished by State Government) pending collection was Rs.4130 crore which was 37 *per cent* of the total tax collected during the year indicating poor tax compliance. Of the arrears of Rs.4130 crore as of March 2000, Rs.3403 crore and Rs.577 crore were on account of Sales tax and interest Receipts respectively. Of these Rs.433 crore (10 *per cent*) were pending for more than five years, and pertained mainly to Sales Tax (Rs.313 crore) and Interest Receipts (Rs.80 crore). Reduction in arrears does not reflect true state of affairs as some of the departments which had arrears did not furnish the information.

1.9.5 Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.280 lakh. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/overdraft (OD) from the Bank. In addition, special ways and means advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poorly on the financial management in Government. During the year 1999-2000 the Government had obtained Rs.1291.25 crore by WMA for sixty nine days and repaid Rs.1064.20 crore during the year leaving an amount of Rs.227.05 crore as outstanding as on 31 March 2000.

During the year OD of Rs.20.44 crore was also obtained and repaid.

1.9.6 Deficit

1.9.6.1 Deficits in Government account represent gaps between the receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management in the Government. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence of the Government. The discussion in this section relates to three concepts of deficit viz., Revenue Deficit, Fiscal Deficit and Primary Deficit.

1.9.6.2 The Revenue Deficit is the excess of revenue expenditure over revenue receipts. The Fiscal Deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received). Primary Deficit is fiscal deficit less interest payments. The following exhibit gives a break-up of the deficit in Government account.

(Rupees in crore)

CONSOLIDATED FUND					
Receipt	Amount		Disbursement	Amount	
Revenue	13971	Revenue 3546	Revenue	17517	Deficit:
Misc. capital receipt	16		Capital	2695	
Recovery of loans & advances	146		Loans & advances disbursement	626	
Sub Total	14133	Gross fiscal deficit : 6705	Sub Total	20838	
Public debt	5708		Public debt repayment	1712	
Total	19841	A: Deficit in Consolidated Fund: 2709		22550	
CONTINGENCY FUND					
Contingency Fund	21		Contingency Fund	14	
Total		B: Surplus in Contingency Fund : 7			
PUBLIC ACCOUNT					
PF etc.	809		PF etc.	383	
Deposit & advances	11736		Deposit and advances	9488	
Reserve funds	338		Reserve funds	205	
Suspense & Misc.	5996		Suspense & Misc.	6024	
Remittances	3575		Remittances	3604	
Total Public Account	22454	C: Deficit in Consolidated Fund Financed by Public Account :2750		19704	
Increase in cash balance (C-A+B= 48)					

The table shows that the Revenue Deficit of Rs.3546 crore was met by borrowings. The Fiscal Deficit of Rs.6705 crore was financed by net proceeds of the public debt (Rs.3996 crore) and partly by the surplus from Public Account (Rs.2709 crore). Exhibit IV shows that both the deficits have shown an increasing trend over the last five years. During the year Revenue Deficit increased by 24 per cent due to increase in revenue expenditure as discussed in Para 1.6.1 and the fiscal deficit too increased by 19 per cent owing to an increase in capital expenditure

and reduction in recovery of loans and advances. This indicate deterioration in the financial condition of the Government. Further, comparison of these two aspects and their possible impact on the finances of the State Government are discussed in Para 1.11 (viii) of this Chapter.

1.9.6.3 Application of the borrowed funds (Fiscal Deficit)

The fiscal deficit represents total net borrowings of the Government. These borrowings are applied for meeting the Revenue Deficit (RD), for making the Capital Expenditure and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the State Government and also the sustainability of its operations because continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the position in respect of the Government of Gujarat for the last five years.

Ratio	1995-96	1996-97	1997-98	1998-99	1999-2000
RD/FD	0.13	0.25	0.34	0.51	0.53
CE/FD	0.72	0.63	0.56	0.41	0.40
Net Loans/FD	0.15	0.12	0.10	0.08	0.07
Total	1.00	1.00	1.00	1.00	1.00

It would be seen that while more and more of the borrowed funds have been applied year after year for meeting the revenue expenditure at the cost of Capital expenditure and lending for development and other purposes. During 1999-2000 there was a sharp decline in both these respects. Therefore, if the revenue expenditure is not controlled not only capital formation is bound to suffer but more and more borrowed funds would be applied for meeting non-productive expenditure, thereby worsening the fiscal situation of the State.

1.9.7 Guarantees given by the State Government

Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc. raised by the statutory corporations, Government companies and co-operative institutions etc. and payment of interest and dividend by them. They constitute contingent liability of the State. Under Article 293 of the Constitution of India, the Gujarat State Guarantee Act, 1963 as amended by the Act of 1999 had been passed by the State Legislature laying down the limit up to Rs.14,000 crore within which the Government may give guarantees on the security of the Consolidated Fund of the State. Exhibit-IV lists the maximum amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1995-2000. The outstanding guarantee increased by 36 per cent during 1995-96 to 1999-2000.

As on 31-3-2000, position of outstanding guarantee of Rs.8842 crore was as under :

	Name of Institution	Outstanding Guarantee Rs. in crore
(a)	Gujarat State Financial Corporation (Working capital and dividend thereon)	16.30
(b)	Loans, debentures, bonds, etc. raised by :	
(i)	State corporations and statutory bodies	6217.07
(ii)	Municipal corporations, Municipalities, Nagar Panchayats, etc.	574.24
(iii)	Co-operative Banks and Societies	845.43
(iv)	Joint Stock companies	1156.65
(v)	Miscellaneous	32.11
	Total	8841.80

While Rs.71.10 crore were received as guarantee fees during 1999-2000, Rs.16.80 crore were paid by Government towards discharge of guarantee liabilities (Slum Clearance Board -Rs.12.86 crore, One Sugar Co-operative society Rs.2.25 crore, Four Textile Mills-Rs.1.67 crore and eleven individuals Rs.0.02 crore) upto March 2000. No amount was recovered against the discharge during 1999-2000.

1.10 Public debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five-year period, the total liabilities of the Government had grown by 112 *per cent*. This was on account of 147 *per cent* growth in internal debt, 93 *per cent* growth in loans and advances from Government of India and 140 *per cent* growth in other liabilities. During 1999-2000, Government borrowed Rs.580.05 crore in the open market at interest rates of 12.25 and 12.15 *per cent* per annum.

(Rupees in crore)

Year	Internal debt	Loans and Advances from Central Government	Total Public debt	Other liabilities ♣	Total liabilities	Ratio of debt to GSDP
1995-96	1630.96	8854.03	10484.99	4370.87	14855.86	0.20
1996-97	2019.09	9956.92	11976.01	5048.64	17024.65	0.20
1997-98	2478.44	11580.64	14059.08	6080.04	20139.12	0.22
1998-99	3104.02	13975.64	17079.66	7677.70	24757.36	0.24
1999-2000	4021.13	17054.52	21075.65	10485.49	31561.14	0.28

♣ Other liabilities include mainly provident funds, reserve funds and deposits, etc.

1.10.2 The amount of funds raised through Public debt, the amount of repayment and net funds available are given in the following table :

	1995-96	1996-97	1997-98	1998-99	1999-2000
Internal Debt					
-Receipt	312	407	508	807	2126
-Repayment (Principle + Interest)	180	242	320	511	1636
-Net funds available (per cent)	132(42)	165(41)	188(37)	296(37)	490(23)
Loans and advances from Government of India					
-Receipt during the year	1308	1437	2021	2842	3581
-Repayment (principal + interest)	1182	1390	1642	1940	2397
-Net funds available (per cent)	126(10)	47(3)	379(19)	902(32)	1184(33)
Other liabilities					
-Receipt during the year	6839	7967	8748	10620	12704
-Repayment (including interest)	6513	7595	8073	9454	10374
-Net funds available (per cent)	326(5)	372(5)	675(8)	1166(11)	2330(18)

It would be seen that very little of the borrowings are available for investment and other expenditure after meeting the repayment obligations. Considering that the outstanding debt has been increasing year after year the net availability of funds through public borrowings is going to reduce further.

1.11 Indicators of the Financial Performance

A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wishes to increase its level of activity it would be pertinent to examine the flexibility of the means of financing. Finally, Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate to Annual development plans and are provided for in the State Budget. Broadly, it can be stated that non-plan expenditure represents Government maintaining the existing level of activity[#], while plan expenditure entails expansion of activity. Both these activities require resource mobilisation increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows :

[#] There are exceptions to this, notably transfer of Plan to the Non-plan at the end of Plan period.

(i) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden.

(ii) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden.

(iii) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on and therefore vulnerable to sources of funding outside its control or influence, both domestic and international.

(iv) Transparency

There is also the issue of financial information provided by the Government. This consists of annual Financial Statement (Budget) and the Accounts. As regards the budget the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards, accounts, timeliness in submission, for which milestones exist and completeness of accounts would be the principal criteria.

1.11.2 Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility and Vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the Annexure. Exhibit V indicates the behaviour of these indices/ratios over the period from 1995-96 to 1999-2000. The implications of these indices/ratios (Exhibit – V) for the State of the financial health of the State Government are discussed in the following paragraphs.

Exhibit - V
Financial indicators for Government of Gujarat

	1995-96	1996-97	1997-98	1998-99	1999-2000
(1)	(2)	(3)	(4)	(5)	(6)
Sustainability					
BCR (Rupees in crore)	561.91	22.00	(-)22.07	(-)1221.73	(-)1759.20
Primary Deficit (PD) (Rupees in crore)	417	748	1119	3356	3897
Interest Ratio	0.06	0.09	0.07	0.06	0.09
Capital outlay/Capital receipts	0.83	0.86	0.72	0.64	0.62
Total Tax receipts/GSDP	0.09	0.08	0.09	0.09	0.09
State Tax Receipts/GSDP	0.07	0.07	0.07	0.08	0.07
Return on Investment ratio	0.0101	0.0065	0.0040	0.0061	0.0072
Flexibility					
BCR (Rupees in crore)	561.91	22.00	(-)22.07	(-)1221.73	(-)1759.20
Capital repayments/Capital borrowings	0.20	0.19	0.18	0.15	0.15
State tax receipts/GSDP	0.07	0.07	0.07	0.08	0.07
Debt/GSDP	0.20	0.20	0.21	0.24	0.28
Vulnerability					
Revenue Deficit(RD) (Rupees in crore)	(-)222	(-)591	(-)1018	(-)2863	(-)3546
Fiscal Deficit(FD) (Rupees in crore)	1745	2358	3003	5618	6705
Primary Deficit(PD) (Rupees in crore)	417	748	1119	3356	3897
PD/FD	0.24	0.32	0.37	0.60	0.58
RD/FD	0.13	0.25	0.34	0.51	0.53
Outstanding Guarantees/revenue receipts	0.76	0.72	0.61	0.60	0.63
Assets/Liabilities	0.99	0.97	0.92	0.83	0.76

Note:

1 Fiscal deficit has been calculated as: Revenue expenditure + Capital expenditure + Net loans and advances – Revenue receipts – Non-loan capital receipts.

2 In the ratio Capital outlay vs. Capital receipts, the denominator has been taken as Internal loans + Loans and Advances from Government of India + Net receipts from small savings, PF etc., + Repayments received from loans advanced by the State Government – Loans advanced by State Government.

1.11.3 The behaviour of the indices/ratios is discussed below :

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts minus plan assistance grants minus non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure. The table shows that the State Government had positive BCRs in first two years, till 1996-97 and thereafter it became negative.

In 1999-2000, the negative balance increased steeply by 43 *per cent* over the previous year mainly due to stagnation in tax and non-tax revenue and significant increase in the non-plan expenditure. Due to such huge increase in the negative balance, large part of the non-plan expenditure had to be met by borrowed funds thus affecting the sustainability of government operations.

(ii) Interest ratio

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In case of Gujarat the ratio has increased from 0.06 in 1998-99 to 0.09 in 1999-2000. In absolute terms, the interest payments have increased by 111 *per cent* during the five years and this created significant pressure on the revenue expenditure and has adverse implications for the sustainability.

(iii) Capital outlay/capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long term in as much as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Gujarat, the ratio declined from 0.64 in 1998-99 to 0.62 in 1999-2000 indicating that large part of capital receipts are utilised for activities other than capital expenditure including investment. The reduced CE failed to generate any revenue due to insignificant ROI and the blocked up funds in incomplete projects as discussed in para 1.9.3.

(iv) Tax receipts Vs. Gross State Domestic Product (GSDP)

Tax receipts consist of state taxes and state's share of central taxes. The later can also be viewed as central taxes paid by people living in the state. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Time series analysis shows that in case of Gujarat this ratio remained constant at 0.09 since 1997-98 for three years. The ratio of state tax receipts compared to GSDP remained constant at 0.07 in four out of five years including, 1999-2000. Further, there was huge arrears in taxes vide discussion in para 1.9.4. The stagnant ratio and the huge arrears in collection indicate poor tax compliance and suggest that the State Government has not paid sufficient attention to improve tax compliance and increasingly relied on borrowings and Public Account to meet its deficit.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table presents the return on Government's investments in statutory corporations, Government companies, joint stock companies and co-operative institutions. It shows that the ROI in case of Government of Gujarat has been insignificant.

(vi) Capital repayments Vs. Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In case of Gujarat Government this ratio considerably declined from 20 per cent in 1995-96 to 15 per cent in 1999-2000 mainly due to availability of funds due to increased borrowings in recent years.

(vii) Debt Vs. Gross State Domestic Product (GSDP)

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Gujarat, this ratio remained steady (0.20) for two years up to 1996-97 and increased sharply to 0.28 in 1999-2000 indicating a significant decline in the financial position of the State.

(viii) Revenue deficit/Fiscal deficit

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings etc.. Evidently, higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus, the higher the ratio the worse off the state because that would indicate that the debt burden is increasing without adding to asset creation and the repayment capacity of the State. The ratio increased more than four fold from 0.13 in 1995-96 to 0.53 in 1999-2000 showing an extremely unfavourable trend and position of fiscal stress.

(ix) Primary deficit Vs. Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. This means that the less the value of the ratio the less the availability of funds for capital investment. In case of Government of Gujarat, this ratio increased from 0.24 in 1995-96 to 0.58 in 1999-2000 indicating that over the years increasingly larger part of borrowings were not

available for capital investment which was a strong indicator of unsustainable financial position.

(x) Guarantees Vs. Revenue Receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay viz., its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In case of Gujarat this ratio decreased to 0.63 in 1999-2000 from 0.76 per cent in 1995-96 even though in absolute term the amount of outstanding guarantees increased significantly over the years. The ratio declined nevertheless due to increase in revenue receipts relative to the increase in guarantees.

(xi) Assets Vs. Liabilities

This ratio indicates the solvency of the Government. A ratio of more than one would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than one would be a contra indicator. Due to huge increase in liabilities and slower ratio of asset formation relative to growth in liability this ratio declined from 0.99 in 1995-96 to 0.76 during 1999-2000. This is an indication of significant decline in solvency of the State Government.

(xii) Budget

There was no delay in submission of the budget and their approval. The details are given in the following table :

Preparation	Month of Submission	Month of Approval
Budget	February 1999	March 1999
Supplementary	March 2000	March 2000

Chapter II of this Report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also of the quality of budgetary procedure and control over expenditure. It indicates defective budgeting and inadequate control over expenditure, as evidenced by persistent resumption (surrenders) of significant amounts every year vis-a-vis the final modified grant. Significant variations (excess/saving) between the final modified grant and actual expenditure were also persistent.

(xiii) Accounts

There was no delay in the submission of accounts by the treasuries/ departments during 1999-2000.

1.11.4 Conclusion

The financial position of the government continued to decline over the past three years with little sign of reversal of the downward trend. Balance from current revenue became negative in 1997-98 and declined steeply during the last two years mainly due to huge increase in revenue expenditure (caused due to Pay Commission award, huge pension and interest payments). While tax collection did not rise appreciably. Consequently Revenue Deficit increased significantly while Fiscal Deficit increased due to ambitious capital expenditure (mostly for Narmada Project) and plan expenditure without corresponding increase in resources. Due to increased borrowings to meet the revenue expenditure and stagnant Tax/GDP ratio, the financial condition of the government has been vulnerable to fluctuations outside sources of revenue.

Annexure

Part A. Government Accounts

I. Structure

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

Part II: Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs.200 crore.

Part III: Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

**Part B List of Indices/ratio and basis for their calculation
(Referred to in Paragraph 1.11)**

Indices/ratio		Basis for calculation
Sustainability		
Balance from the current revenue	BCR	Revenue Receipts minus all Plan grants (under Major Head 1601-02,03,04) and Non-Plan revenue expenditure.
Primary Deficit		Fiscal deficit minus interest payments.
Interest Ratio		Net interest payment (interest payment less interest receipts) to Revenue receipts less interest receipts.
Capital Outlay Vs Capital Receipts	Capital Outlay Capital Receipts	Capital expenditure as per Statement No.16 of the Finance Accounts. Internal Loans (net of ways and means advances) + Loans and advances from Government of India + Net receipts from small savings, PF etc. + Repayments received of loans advanced by the State Government - Loans advanced by the State Government.
Total tax receipts Vs GSDP State tax receipts Vs GSDP		
Flexibility		
-Balance from current revenue -Capital repayments Vs Capital borrowings	Capital Repayments Capital Borrowings	As above Disbursements under Major Heads 6003 and 6004 minus repayments on account of Ways and Means Advances/Overdraft under both the major heads. Addition under Major Heads 6003 and 6004 minus addition on accounts of Ways and Means Advances/Overdraft under both the major heads.
Incomplete Projects -Total Tax Receipts Vs GSDP -Debt Vs GSDP	State Tax Receipts Total Tax Receipts	Statement No. 1 of Finance Accounts. State Tax receipts plus State's share of Union Taxes
Vulnerability		
-Revenue Deficit		Paragraph No. 1.9.6 of the Audit Report
-Fiscal Deficit		-----do-----
-Primary Deficit Vs Fiscal Deficit	Primary Deficit	Fiscal Deficit minus interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding Guarantees	Exhibit - IV
Assets Vs Liabilities	Revenue Receipts Assets and Liabilities Debt	Exhibit - II Exhibit - I Borrowing and other obligations at the end of the year (Statement No.4 of the Finance Accounts)

CHAPTER - II
APPROPRIATION AUDIT AND CONTROL OVER
EXPENDITURE

SUMMARY OF APPROPRIATION ACCOUNTS 1999-2000

Appropriation Accounts : 1999-2000

Total No. of grants :102

Total provision and actual expenditure

(Rupees in crore)

Provision		Expenditure	
Original	20603.20		
Supplementary	2418.60		
Total gross provision	23021.80	Total gross expenditure	23041.82
<i>Deduct- Estimated recoveries in reduction of expenditure</i>	1035.11	<i>Deduct-Actual recoveries in reduction of expenditure</i>	491.67
Total net provision	21986.69	Total net expenditure	22550.15

Voted and Charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	14467.58	2873.93	14976.69	2854.44
Capital	4041.92	1638.37	3494.02	1716.67
Total Gross :	18509.50	4512.30	18470.71	4571.11
<i>Deduct- Recoveries in reduction of expenditure</i>	1034.82	0.29	314.02	
			<u>177.65</u>	
			491.67	
Total : Net	17474.68	4512.01	17979.04	4571.11

2.1 Introduction

The Appropriation Bill passed by the State Legislature contains authority to appropriate certain sums from the Consolidated Fund of the State for the specified services. Subsequently, supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

The Appropriation Acts includes the expenditure which has been voted by the Legislature on various grants in terms of Articles 204 and 205 of the Constitution of India and also the expenditure which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by Government *vis-a-vis* those authorised by the Appropriation Act.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 1999-2000 against 102 approved Grants/Appropriations was as given below :

(Rupees in crore)

	Original Grant/appropriation	Supplementary Grant/appropriation	Total	Actual Expenditure	Variation Savings (-)/ Excess (+)
Revenue					
Voted	12963.44	1504.14	14467.58	*14976.69	(+)509.11
Charged	2830.02	43.91	2873.93	2854.44	(-)19.49
Capital					
Voted	3302.23	101.81	3404.04	*2867.97	(-)536.07
Charged	0.01	5.32	5.33	4.82	(-)0.51
Public Debt Charged	934.23	698.80	1633.03	1711.85	(+)78.82
Loans & Advances (Voted)	573.26	64.62	637.88	626.05	(-)11.83
Inter State Settlement	0.01	--	0.01	--	(-)0.01
Total					
Voted	16838.93	1670.57	18509.50	18470.71	(-)38.79
Charged	3764.27	748.03	4512.30	4571.11	(+)58.81
Grand Total	20603.20	2418.60	23021.80	23041.82	(+)20.02

* These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under revenue expenditure : Rs.314.02 crore and capital expenditure : Rs.177.65 crore.

The total Expenditure was understated at least to the extent of Rs.13.75 crore drawn from the Contingency Fund during 1999-2000 which remained unrecouped at the close of the year as discussed in paragraph 2.3.14.

Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.4763.81 crore for the years-1988-89 (Rs.75.12 crore), 1989-90 (Rs.112.51 crore), 1991-92 (Rs.387.89 crore), 1992-93 (Rs.427.15 crore), 1993-94 (Rs.574.79 crore), 1994-95 (Rs.372.75 crore), 1995-96 (Rs.564.16 crore), 1996-97 (Rs.534.27 crore), 1997-98 (Rs.733.90 crore) and 1998-99 (Rs.981.27 crore) was yet to be regularised. Of these even explanations for excess of Rs.3291.92[^] crore were not submitted to Public Accounts Committee.

2.3 Results of Appropriation Audit

2.3.1 The overall excess of Rs.20.02 crore was the result of excess of Rs.587.93 crore in 35 grants and appropriations offset by saving of Rs.567.91 crore in 137 cases of grants and appropriations.

2.3.2 Supplementary provision made during the year constituted 12 *per cent* of the original provision as against 17 *per cent* in the previous year.

2.3.3 Supplementary provision of Rs.474.06 crore made in 59 cases during the year proved unnecessary and/or could have been restricted to a token amount in view of aggregate saving of Rs.332.19 crore as detailed in Appendix-I.

2.3.4 In 39 cases against additional requirement of Rs.326.03 crore, supplementary grants and appropriations of Rs.408.07 crore were obtained resulting in savings in each case exceeding Rs.10 lakh aggregating Rs.82.04 crore. Details of these cases are given in Appendix-II.

2.3.5 The excess of Rs.1213.37 crore under 26 grants and Rs.82.03 crore under 9 appropriations require regularisation under Article 205 of the Constitution. Details of these are given in Appendix-III.

2.3.6 In 27 cases, supplementary provision of Rs.1876.04 crore proved insufficient by more than Rs.10 lakh each, leaving an aggregate uncovered excess expenditure of Rs.1261.34 crore as per details given in Appendix-IV.

[^] 1993-94 Rs.150.95 crore, 1994-95 Rs.348.71 crore, 1995-96 Rs.543.27 crore, 1996-97 Rs.533.87 crore, 1997-98 Rs.733.90 crore and 1998-99 Rs.981.27 crore.

2.3.7 In 28 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in Appendix-V.

2.3.8 (a) In 4 cases there were persistent savings in excess of Rs.10 lakh in each case and 20 *per cent* or more of the provision. Details are given in Appendix-VI.

2.3.8 (b) Significant excess was persistent in 5 cases as detailed in Appendix-VIA.

Persistent excess requires investigation by the Government for remedial action.

2.3.9 In 6 cases, expenditure exceeded the approved provisions by Rs.25 lakh or more and also by more than 10 *per cent* of the total provision. Details of these are given in Appendix-VII. In one case the expenditure exceeded the approved provision by over 100 *per cent*.

2.3.10 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs.10 lakh are as given in Appendix-VIII.

2.3.11(a) New Service/New Instrument of Service

Article 205 of the Constitution provides that expenditure on a 'New Service' not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature. The Government have laid down various criteria for determining items of 'New Service'/'New Instrument of Service' under para 78 and 79 of Gujarat Budget Manual.

In one case expenditure totalling Rs.1.61 crore which should have been treated as 'New Service'/'New Instrument of Service' was met by reappropriation without obtaining the requisite approval of Legislature. Detail of this case is given in Appendix-IX.

2.3.11(b) Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was however, noticed that expenditure of Rs.87.46 crore was incurred in cases as detailed in Appendix - X, without the provision having been made in the original estimates/supplementary demands and no reappropriation orders were issued.

2.3.12 Anticipated savings not surrendered

2.3.12 (a) According to rules framed by Government the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 1999-2000 there were grants/appropriations in which large savings had not been surrendered by the department. The amount involved was Rs.4.31 crore. In 11 cases, the amount of available savings of Rs.1 crore and above in each case not surrendered aggregated Rs.45.55 crore. Details are given in Appendices - XI and XIA respectively.

2.3.12 (b) Besides, in 21 cases, Rs.497.71 crore out of total surrender of Rs.1379.74 crore were surrendered on the last two days of March 2000 indicating inadequate financial control over expenditure. Details are given in Appendix - XII.

2.3.13 Surrender in excess of actual savings

In 21 cases, the amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the total amount of actual savings of Rs.892.12 crore, the amount surrendered was Rs.1010.95 crore, resulting in excess surrender of Rs.118.83 crore. Details are given in Appendix - XIII.

The above instances of budgetary irregularities are reported from year to year in Chapter - II of the Audit Report. If precautions mentioned in Paragraph 103 of the Gujarat Budget Manual are taken care by all the departments, these could be minimised to a great extent.

2.3.14 Advances from Contingency Fund

The Contingency Fund of the State of Gujarat was established under the Gujarat Contingency Fund Act, 1960, in terms of provisions of Articles 267(2) and 283(2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, the postponement of which, till its authorisation by the Legislature would be undesirable.

The Fund is in the nature of an imprests and its corpus is Rs.200 crore.

As on 1 April 1999, the balance in the fund was Rs.178.80 crore. During the year advances drawn but not recouped totalled Rs.13.75 crore. The balance of Rs.21.20 crore on account of advances drawn during 1998-99, but not recouped till 31 March 1999 were recouped during 1999-2000. Thus, the closing balance of the fund as on 31 March 2000, was Rs.186.25 crore.

The Budget Manual lays down that proposals for sanctioning Advances from the Contingency Fund may be made by the Administrative

Departments of the State Government when they are in a position to justify the circumstances under which (a) provisions could not be made in the annual or supplementary budget, (b) the expenditure could not be foreseen, and (c) the expenditure could not be postponed till the necessary approval of the Legislature is obtained.

During the year 1999-2000, 497 sanctions were issued for withdrawal of total amount of Rs.164.41 crore.

A review of the operation of Contingency Fund disclosed that (i) sanctions for advances were issued when the money was not needed, (ii) more advance than necessary was sanctioned, and (iii) advances were sanctioned even though provisions could have been made in the regular budget or supplementary demand as discussed below :

(a) Two sanctions amounting to Rs.0.15 crore were not operated upon and were subsequently cancelled.

(b) Six sanctions amounting to Rs.4.10 crore were subsequently reduced to Rs.1.22 crore.

(c) The actual expenditure against 10 sanctions was less than 11 *per cent* of the amount sanctioned (Rs.47.86 crore).

(d) Eleven sanctions amounting to Rs.53.92 crore were subsequently increased to Rs.109.45 crore.

(e) Eighty one sanctions amounting to Rs.9.13 crore were neither operated nor cancelled.

(f) The actual expenditure of Rs.46.30 crore against 27 sanctions exceeded the amount of Rs.36.95 crore by Rs.9.35 crore.

2.3.15 Irregular operation of Contingency Fund

It was noticed in audit that in three cases advances of Rs.6.55 crore sanctioned and drawn in March 1998 and July 1998 were utilised either for regular work or for crediting the same to deposit in violation of the Contingency Fund Rules as discussed below :

(i) Rupees 0.15 crore were sanctioned by Government and allotted to Executive Engineer Irrigation Mechanical Division II Ukai in March 1998 to meet expenditure on machinery, Pump sets and other allied works for flood relief measures. However, the advance of Rs.0.15 crore was utilised for payment of salary of work charged establishment for February 1998 and for arrears of pay and advances which were of routine nature and not unforeseen.

(ii) Out of Rs.13.50 crore, the Superintending Engineer, Irrigation Project circle, Rajkot earmarked Rs.5.00 crore to Executive Engineer Irrigation Project Division, Rajkot for expenditure on Bhadar-II

Irrigation Project. The Executive Engineer drew Rs.4.00 crore in March 1998 and utilised (Rs.3.37 crore) on payment of two R.A.Bills of contractors and (Rs.0.63 crore) for payment to GEB for shifting electric line between March and May, 1998. These were neither new services nor unforeseen work.

(iii) Though regular provision of Rs.45 crore in the Budget Estimate for 1998-99 was provided under M.H.5054-03 State Highway-337 Road Work World Bank aided project, Government in Roads and Buildings Department got sanctioned and drawn an advance of Rs.240 lakh in July 1998 and released to Superintending Engineer State Road Project (SRP) Circle, Gandhinagar who in turn distributed to SRP Divisions, Gandhinagar (Rs.105.37 lakh), Vadodara (Rs.110.35 lakh) and Rajkot (Rs.24.28 lakh) for depositing the same with Forest Department for environment and forestry clearance to the State Road Project. The deposits were made by SRP Division Vadodara (in October 1998) Rajkot (in August 1998) and Gandhinagar through R&B division Ahmedabad and Palanpur (Rs.71.37 lakh) and Mehsana (Rs.32.95 lakh) in August 1998 with specific conditions that deposits were to be kept and no deforestation works were to be undertaken till further orders. The permission for utilisation of deposit was however, issued by the Department on 27 January 1999. The approval of World Bank for State Road Project for which advance was obtained had not been accorded till 31 March 1999. Thus, utilisation of Fund was in contravention of provisions contained in Departmental manual.

2.3.16 Overpayment of Pension

As per prevalent rules consequent upon death of a Government servant/pensioner, family pension is payable at higher rate to a family of the deceased Government servant for a period of seven years from the date of his death or till he attains the age of 65 years had he survived whichever is earlier and thereafter the family pension is payable at the normal rate.

During inspection of Treasuries conducted by the Accountant General (Accounts and Entitlement), Gujarat during 1998-99 and 1999-2000, it was noticed that overpayment of family pension and pension – amounting to Rs.10.62 lakh was made in 97 cases by 15 Treasuries[#] of the State.

The matter was reported to Government in October 2000; reply has not been received (November 2000).

[#] Bhavnagar (7 cases Rs.0.59 lakh), Gandhinagar (4 cases Rs.0.14 lakh), Bharuch (2 cases Rs.0.08 lakh), Godhra(4 cases Rs.0.20 lakh), Vadodara(13 cases Rs.1.28 lakh), Kheda(11 cases Rs.1.38 lakh), Mehsana(9 cases Rs.0.80 lakh), Jamnagar(8 cases Rs.0.92 lakh), Bhuj(12 cases Rs.0.81 lakh), Sabarkantha(4 cases Rs.0.27 lakh), Surat(7 cases Rs.0.46 lakh), Surendranagar(5 cases Rs.0.37 lakh), Valsad(6 cases Rs.2.05 lakh), Banaskantha(4 cases Rs.0.08 lakh) and Rajkot(3 cases Rs.1.19 lakh)

2.3.17 Trend of Recoveries and Credits

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

In 8 grants/appropriations the actual recoveries adjusted in reduction of expenditure (Rs.137.05 crore) exceeded the estimated recoveries (Rs.73.57 crore) by Rs.63.48 crore and in 82 grants/appropriations the actual recoveries (Rs.193.22 crore) were less than the estimated recoveries (Rs.799.84 crore) by Rs.606.62 crore. More details are given in Appendix - II of Appropriation Accounts.

2.3.18 Non-receipt of explanations for savings/excesses

For the year 1999-2000 explanations for savings/excesses were either not received or where received were incomplete in respect of heads of Accounts which form 58.16 *per cent* of the number of heads.

2.3.19 Unreconciled Expenditure

Financial rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (Accounts and Entitlement). In respect of departments expenditure of Rs.817.85 crore pertaining to 1999-2000 remained unreconciled despite repeated reminders.

CHAPTER III
CIVIL DEPARTMENTS

SECTION - A REVIEWS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Family Welfare Programme

Highlights

Family welfare programme aimed at stabilising population at a level consistent with the needs of national development.

Despite spending over Rs.500 crore on Family Welfare Programme, the basic objective of achieving the goal of 'Net Reproductive Rate of Unity' to unity was far from the target, and more than 40 per cent eligible couples remained unprotected.

As against national goal of bringing down Crude Birth Rate to 21 per thousand, Infant Mortality Rate below 60 and Maternal Mortality Rate below 2 per 1000 by 2000 AD, State's achievement was 25, 64 and 3.89 till March 2000 respectively. Basic objective of achieving the goal of Net Reproductive Rate of unity was far below the target and consequent stoppage in stabilisation of population.

(Paragraph 3.1.1)

Due to erroneous maintenance of record and lack of monitoring, the State Government failed to claim for Rs.25.07 crore from Government of India. State Government diverted Central assistance of Rs.8.34 crore to boost its finances to overcome financial crisis. Four per cent of total budget provision of Rs.476 crore, was not spent during 1995-2000. Utilisation certificates for grants amounting to Rs.252.48 crore released during 1995-2000 were not furnished by District Panchayats.

(Paragraphs 3.1.5, 3.1.5(b) and 3.1.6)

State used Government of India assistance of Rs.61 crore for running unapproved Sub-centres during 1995-2000.

(Paragraph 3.1.7)

Rupees 3.57 crore spent on State Plan Scheme were irregularly got reimbursed from Government of India during 1995-2000.

(Paragraph 3.1.8)

The tribal districts did not have adequate sub centers as per norm. The sub centres were not adequately manned by Auxiliary Nurse Midwives multi purpose health workers, medical officials and specialists.

(Paragraph 3.1.9)

More than 40 *per cent* of eligible couples were not protected. Even while number of eligible couples increased by 8.39 *per cent* during 1995-2000, the extent of their coverage declined by 2 *per cent*.

(Paragraph 3.1.10 (a))

Laparoscopes valued at Rs.1.22 crore were lying unutilised for more than one to two years. Large number of sterilisation took place during the last quarter of the year.

(Paragraph 3.1.10 (c))

26 to 35 *per cent* of the sterilisation beds showed nil performance of sterilisation operations. This was attributable to absence of specialist doctors at the post partum centres.

(Paragraph 3.1.11)

Cases of cancer detected during PAP-smear test were not regularly sent to cancer hospital for further treatment.

(Paragraph 3.1.12)

Actual distribution of Iron/folic acid tablets among pregnant women in District and Sub district Post Partum Centres ranged between one *per cent* and three *per cent* and five *per cent* and 11 *per cent* respectively during 1995-2000.

(Paragraph 3.1.13(i))

Rupees 10.71 crore remained unutilised under National Component of Reproductive and Child Health project as no activities were carried out. Coverage of immunisation was over reported by Government. Supply of medical kits were not monitored.

(Paragraph 3.1.14)

Shortfall in training of doctors and para medical staff increased significantly during 1995-99.

(Paragraph 3.1.17)

3.1.1 Introduction

Family Welfare Programme was introduced in First Five Year Plan (1952). Maternal and Child Health (MCH) Services were recognised as an integral part of the Family Welfare Programme during Fourth Five Year Plan to bring down Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR). An integrated MCH and Universal Immunisation Programme was taken up for implementation as World Bank and UNICEF assisted programme named as Child Survival and Safe Motherhood Programme (CSSM) from 1991-92. Reproductive and Child Health (RCH) Programme was included in the Family Welfare Programme from 1997-98. Population of Gujarat as per 1991 census was 4.13 crore and as per the latest estimates (June 2000) was 4.85 crore.

The National Health Policy (NHP) approved by the Parliament in 1983 envisaged attainment of twin goals of "Health for All" and NRR-1 by 2000 AD. State's achievements as of March 2000 on major parameters against the demographic goal laid down in NHP were as under :

		Target	Achievements State Level	
		National Goal	1994-95	1999-2000
1	CBR	21	27.1	25.3
2	CDR	9	8.7	7.8
3	IMR	Below 60	64	64
4	CPR	More than 60	59	57.4
5	Maternal Mortality Rate (MMR) (per 1000)	Below 2	3.89	3.89
6	NRR	1	1.3	1.3
7	AGR	1.2	2.12	1.84
8	Life expectancy	64 yrs	61.5(M)* 62.8(F)#	64.6(M) 65.5(F)
9.	TFR ^{&}	Below 3	3.2	3.00

Rate of growth of population was on average 1.72 per cent during 1995-2000 which was lower than the national target. Considering low

* Male

Female

& Total Fertility Rate

achievements under CBR and IMR, goal of NRR was shifted (March 2000) by Government of Gujarat to 2010 AD by reducing IMR below 14, MMR below one and decline in one point in CBR in each year to achieve stabilisation of population in next five years.

3.1.2 Objectives

Main objective of Family Welfare Programme (Programme) is to stabilise population at a level consistent with the needs of national development. The National Health Policy (NHP) (1983) envisaged attainment of twin goals of Health for all and a "Net Reproductive Rate of Unity" (NRR-1) by 2000 AD.

NHP is implemented through (i) Minimum Needs Programme, (ii) Sterilisation Bed Scheme, (iii) Post Partum PAP smear Test facility Programme, (iv) All India Hospital Post Partum Programme, (v) Population Research Centres Scheme and (vi) Child Survival and Safe Motherhood/Reproductive Child Health Programme.

3.1.3 Organisational set up

Additional Chief Secretary (ACS) and Commissioner, Health and Family Welfare Department (H&FWD) is overall responsible for the programme. The Programme is implemented by the Additional Director, Family Welfare (AD) who heads the State Family Welfare Bureau (Bureau). The City Family Welfare Bureau (CFWB) and District Family Welfare Bureau (DFWB) implement the Programme through various institutions. The management of CFWB is entrusted to Municipal Corporations and of DFWB to Panchayats (Panchayats)*.

3.1.4 Audit Coverage

Implementation of the programme during 1995-2000 was reviewed between September 1999 and May 2000 through test-check of records of ACS, AD, four Panchayats viz. Ahmedabad, Panchmahals, Rajkot and Surat, three CFWB viz. Ahmedabad, Rajkot and Surat, 18 PPCs, 33 PHCs* and 2 HFWTCS. Important points noticed are discussed in succeeding paragraphs.

* There were 6 CFWB, 19 DFWB, 980 Primary Health Centres (PHCs), 7274 Sub Centres (Centre), 113 Urban Family Welfare Centres (UFCs) 88 Post Partum Centres (PPCs), and 2 Health and Family Welfare Training Centres (HFWTCS) in the State as of March 2000.

^ District	Post Partum Centres (PPCs)
Ahmedabad	B.J. Medical College, Ahmedabad, Dhandhuka, L.G. Hospital, Sola Hospital, Sardaben Hospital, V.S. Hospital, Ahmedabad.
Godhra	Godhra Civil Hospital, Halol Lunawada.
Jamnagar	M.P. Shah Medical College, Jamnagar.
Rajkot	Rajkot Zanana Hospital, Jasdan.Padmakuvarba Hospital
Surat	Government Hospital Surat, Mandvi, Vyara.
Vadodara	Government Hospital, Vadodara, Jamnabai Hospital, Vadodara.

* District	Public Health Centres
Ahmedabad	Jetalpur, Kuha, Memnagar Ranip, Sanathal, Singarwa.Vejalpur
Godhra	Antela, Dharapur, Dhanpur, Kanjeta, Kadana, Morva-Renu, Nadisar, Piplod, Ramesara Sarsan, Timbagam, Vardhari, Virania.
Rajkot	Atkot,Gomta Khirsara, Raydi, Sarapdad.Sindhavadar
Surat	Dumas, Kadod, Kadodara, Mor, Patal, Sachin, Sathavav.

The services of the ORG centre for social research, a division of ORG Marg Research Ltd. was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG Marg carried out survey over a sample determined on the basis of socio-cultural characteristics and development status. Findings of the survey on matters discussed in the report have been included in this review at appropriate places.

3.1.5 Financial outlay and expenditure

(a) The Programme is fully financed by Government of India (GOI). GOI also provided assistance in kind in the form of contraceptives, equipment, vaccine, drugs, etc. Budget provision and expenditure during 1995-96 to 1999-2000 were as under :

(Rupees in crore)

Year	Budget provision	Expenditure	Excess (+) Saving (-)	Assistance released by Government of India		
				In cash	Cost of aid material	Total
Opening Balance				15.29		15.29
1995-96	75.80	74.20	(-) 1.60	36.54	18.82	55.36
1996-97	75.21	74.85	(-) 0.36	34.08	19.57	53.65
1997-98	81.38	85.72	(+) 4.34	94.46	18.77	113.23
1998-99	117.59	110.55	(-) 7.04	105.04	21.08	126.12
1999-2000	125.96	111.29	(-) 14.67	146.13	26.00	172.13
Total	475.94	456.61*	(-) 19.33	431.54	104.24	535.78

As against Rs.25.07 crore receivable from GOI, Commissioner communicated surplus of Rs.6.37 crore

State Government prescribed (July 1977) that H&FWD was responsible to monitor settlement of reimbursement of expenditure from GOI and for monitoring of expenditure against the receipt of grant. Scrutiny revealed that H&FWD was not monitoring expenditure and did not maintained registers as required. They only furnished the progress reports received from Commissioner to GOI without scrutiny and consequently while Rs.25.07 crore was receivable from GOI as on 1 April, 2000 the Commissioner communicated a surplus balance of Rs.6.37 crore. The department has now claimed fresh reimbursement of Rs.25.07 crore (April 2000) at the instance of audit.

(b) Pending Utilisation Certificates

Utilisation Certificates for Rs.252.48 crore released during 1995-2000 were not furnished by District Panchayats

State Government releases Grants-in-aid for implementation of the programme to Panchayats subject to furnishing of Utilisation Certificates. During test-check of records of the Bureau it was noticed that out of expenditure of Rs.465.61 crore utilisation certificates for Rs.252.48 crore (55 per cent) during 1995-2000 were not received from eight Panchayats (Rs.160.13 crore) for the period covered by review and by remaining Panchayats (Rs.92.35 crore) for three to four years. Non-furnishing of UTCs by Panchayats was indicative of lack of monitoring by Commissioner and Government's control

* Component wise expenditure : Minimum Need Programme Rs.322.15 crore, Sterilisation beds scheme Rs.0.76 crore, All India Post Partum Programme Rs.34.72 crore and RCH/CSSM Programme Rs.98.98 crore.

on utilisation of funds placed at the disposal of Panchayats. Reasons for non-receipt of UCs were not available on record.

3.1.6 Misuse of GOI assistance for meeting the financial crisis

Central assistance of Rs.8.34 crore was diverted and credited as 'State Receipt' to overcome financial crisis of the State

State Government directed (March 1999) all the Panchayats to refund balance of grants-in-aid/loan/subsidy etc. released earlier for implementation of various States/Centrally sponsored programmes and credit to State Receipt head. Scrutiny of records of Bureau revealed that Rs.8.34 crore pertaining to the Family Welfare Programme were credited by Panchayats during 1998-99 (Rs.7.98 crore) and 1999-2000 (Rs.0.36 crore) as State Receipt. Thus, unutilised balance of Family Welfare Programme was irregularly used to boost the finance of the State Government.

3.1.7 Irregular utilisation of Central assistance on un-approved Sub-centres

Rupees 61 crore was irregularly spent on unapproved Centres during 1995-2000

Patterns of Central assistance for Rural Family Welfare Programme provided assistance for one Sub-centre for every 5000 population in general and every 3000 in hilly, tribal and backward areas. Government established 7274 centres upto 1991-92 of which 6154 Sub-centres were functioning under Family Welfare Programme. Government of India approved upto 1992 only 4310 centres. However, expenditure of Rs.61 crore on unapproved 1844 centres was irregularly claimed and obtained from GOI during 1995-2000 against Family Welfare Programme.

3.1.8 Irregular reimbursement claim for State Sponsored Scheme

Rupees 3.57 crore on State scheme were irregularly claimed from GOI

To raise status of women and establish importance of female child, State Government launched (April 1987) "a daughter scheme" (Scheme) for acceptor of sterilisation having a daughter and no son. Expenditure of Rs.3.57 crore was incurred under the scheme during 1995-2000 and irregularly included in reimbursement claims lodged with GOI from time to time though the scheme was not part of the programme. The Bureau, stated that the provisions for the scheme would be made under State Plan from coming years. Thus, Rs.3.57 crore were irregularly got reimbursed from GOI.

3.1.9 Minimum needs programme

Non-creation of centres as per norms in tribal districts

Under the programme one Sub-centre for every 5000 population (3000 for tribal desert and hilly areas), one PHC for every 30,000 population (20,000 for tribal and hilly areas) and one Community Health Centre (CHC) for 1,00,000 population were to be set up by 2000 AD in phased manner.

Test-check of record of the Bureau revealed that as per norms 6265 sub centres, 1009 PHCs and 271 CHCs were required, as of March 2000. However, 7274 centres, 980 PHCs and 205 CHCs were functional. Though there were more sub centres than norms, number of centres in tribal areas were actually short to the extent of 13 per cent (Vadodara) to 29 per cent (Panchamahals). In tribal district of Panchamahals, population served by centre was 6900 against norms of 3000 which indicated rendering of inadequate health services to the people in tribal area. As per norms 7274

Auxillary Nurse Midwife (ANM) and Multi Purpose Health Workers (male) (MPW (M)) each were required. However, 6890 ANM and 3797 MPW (M) were in position as of March 2000. The shortage of ANM/MPW(M) was acute in Kheda, Panchamals, Mehsana, Surat and Vadodara districts. In Panchamahals, as against requirement of 732 MPW (M), 461 posts (63 per cent) were sanctioned and 382 MPW (M) were in position as of 31 March 2000 leading to shortage of 52 per cent against requirement.

CHCs were to be manned by surgeon, obstetrician, physician and paediatrician. It was noticed that shortage of critical posts of medical officers in CHCs as of March 2000 ranged between 45 per cent and 79 per cent. which resulted in deprival of intended health facilities to rural population. Reasons for large number of posts of specialist remaining vacant were attributed (June 2000) by the Bureau to poor response from specialists for joining service in Government.

3.1.10 Physical performance

(a) Eligible Couple Register

Population of the State of Gujarat, according to 1991 census was 4.13 crore and as per latest estimates it was 4.85 crore. To identify couples falling under reproductive age between 15 and 44 years, enumeration of population in the area of each centre was to be done and eligible couple (EC) register was required to be maintained by ANM and up-dated every year as basic record of all the married couples. Position of EC *vis-à-vis* couples effectively protected through various methods of Family Welfare was as under :

Year	Estimated eligible couples	Couples effectively protected	Percentage of couple protection (CPR)	Percentage of increase in population
	(Number in lakh)			
1995-96	77.50	46.13	59	2.08
1996-97	78.01	46.37	59	1.43
1997-98	79.22	45.32	57	1.45
1998-99	79.80	45.77	57	1.44
1999-2000	80.97	45.83	57	1.47

It was noticed that more than 40 per cent of ECs were not effectively protected during 1995-2000. Further while extent of coverage went down by two per cent during this period, the number of EC increased by 8.39 per cent. Thus, there was a serious mismatch in this area.

Further, PHCs in the periphery of Ahmedabad city did not carry out survey of entire population in the area which resulted in large number of population escaping from registration of EC. In Vejalpur PHC, EC register was not maintained and in Memnagar and Ranip PHCs, EC registers were incomplete. In the absence of these basic record, correctness of figures of couples protected was not verifiable. As the registers were not completed as per

Correctness of coverage of eligible couple could not be verified in the absence of basic records

More than 40 per cent of eligible couples not protected

prescribed norms large number of couples under reproductive age escaped from survey, registration and effective protection.

(b) Target and Achievements

Target fixed/work load assessed for various methods of Family Welfare and achievement there against were as under :

(Number in lakh)

Year	Target Work load	Sterilisation				IUD			Orel Pill Users			Conventional Contraceptive Users		
		Vasectomy	Tubectomy	Total	Percentage of Achievement	Target Work-load	Achievement	Percentage of Achievement	Target Work-load	Achievement	Percentage	Target Work load	Achievement	Percentage
1995-96	2.80	0.08	2.72	2.80	100	4.60	4.52	98	1.65	1.73	105	9.25	11.06	120
1996-97	2.80	0.05	2.38	2.43	87	4.60	4.09	89	1.65	1.60	97	9.25	10.15	110
1997-98	2.80	0.03	2.39	2.42	86	4.60	4.02	87	1.65	1.62	98	9.25	8.14	88
1998-99	2.70	0.03	2.47	2.50	93	4.60	4.13	90	2.00	1.73	87	10.00	8.90	89
1999-2000	2.70	0.03	2.58	2.61	97	4.60	4.14	90	2.00	1.77	89	10.00	8.83	88
Total	13.80	0.22	12.54	12.76		23.00	20.90		8.95	8.45		47.75	47.08	

Even while number of ECs increased, achievement in all methods of Family Welfare declined during 1995-2000 which was attributed by the AD to evaluation of performance qualitatively instead of quantitatively. This was not tenable as adoption of target free approach was for Government and department was not prevented from fixing internal target. Further, the quality of evaluation of performance did not have any impact on growth of population.

Performance in respect of temporary methods of Family Welfare (IUD, OP,CC etc.) was reported above 85 per cent of target/work load. Survey conducted by ORG Marg however revealed that negligible proportion of women were aware of use of condoms nirodh or IUD. Thus, the performance projected by the Department was unreliable.

(c) Laproscopic Tubectomy

There were 624 Surgeons trained in laproscopic tubectomy up to December 1999 (Government 490 Private 134). According to norms, 1.5 laproscopes per team of doctors should be made available. It was noticed that as against 149 Laproscope available only 105 were issued to hospitals during 1995-2000 and laproscopes valued at Rs.1.22 crore were lying unutilised for more than one to two years as of 31 March 2000 due to non-availability of trained doctors at hospitals.

Test-check of records of hospitals performing laproscopic tubectomies revealed that records relating to number of operations performed against each machine was not maintained. It was therefore, not possible to verify whether machines were optimally utilised.

Laproscopes valued Rs.1.22 crore were lying unutilised for more than one to two years

(d) Though target/work load for sterilisation was distributed for four quarter of each year large number of the sterilisation (42 *per cent* and 53 *per cent*) took place in 4th quarter during 1995-99. The AD attributed this to staff being on leave during first quarter, extreme heat during summer, engagement of rural population in farming activities during monsoon and extensive campaign by the department during January-March to fulfil the backlog. This was not tenable as norms were prescribed by GOI after taking into account all constraints.

3.1.11 Sterilisation bed scheme

Average performance under Sterilisation bed scheme ranged between 35 and 41 and that of PPCs between 51 and 59 during 1995-1999.

Under sterilisation bed scheme, beds were sanctioned by GOI to medical institutes/hospitals run by State Government, LBs and VOs for providing facilities for tubectomy operations in hospitals.

Number of operations to be performed according to prescribed norms by LBs/VOs and PPCs, actual number of tubectomy operations performed and number of beds for which maintenance grant was paid during 1995-2000 were as shown in Appendix-XIV.

Average performance of 24 LBs and 48 VOs reportedly ranged between 35 (1996-97) and 41 (1997-98) tubectomies per bed. Whereas in test-checked LBs (2) and VOs (11) it ranged between 77 and 7 tubectomies per bed per annum. Out of total 368 beds under LBs and VOs, 40 *per cent* had nil performance. GOI directed (July 1989) for de-recognition of poor performing LBs/VOs but the Bureau did not take action despite the non-performance. Reasons for not initiating action were not furnished by AD (November 2000).

Average performance of 82 PPCs ranged between 59 (1995-96) and 51 (1998-99) tubectomies per bed per annum. Number of beds showing nil performance increased from 165 (26 *per cent*) in 1996-97 to 226 (35 *per cent*) in 1998-99. In test-checked PPCs average tubectomy per bed per year declined to 49 (66 *per cent*) in 1998-99 from 55 (53 *per cent*) in 1995-96. As specialist doctors (Gynaecologist) at sub-district level PPCs were not available, the sterilisation operation in such PPCS was low, as seen during audit.

3.1.12 Post Partum PAP smear test facility programme

Non-filling up of post of cyto-technician

For early detection of cervical cancer among women, PAP smear test facilities were sanctioned in five medical colleges having PPCs. GOI provided inputs in the form of staff and equipment to PPCs attached to medical colleges. One post of Cyto-technician was sanctioned in each college. PAP smear test was not regularly conducted in Government Medical College, Surat as the post of Cyto-technician was vacant since June 1994.

Records of remaining four colleges revealed that out of 27526 smear collected from women acceptors/non-acceptors of family welfare methods, 1763 (6 *per cent*) were found positive to cervical cancer. Only one hospital referred these cases to Cancer Hospital for further treatment and followed up every six months (November 2000),

3.1.13 All India Hospital Post Partum Programme

All India Hospital Post Partum Programme (PP Programme) was introduced in 1996 to motivate couples within the reproductive age group (15 - 44) for adopting small family norms. Post Partum Centres (PPCs) are established and categorised based on number of deliveries obstetric (OB) or abortion (AB) conducted by institute per annum.*

The main components of the programme are (i) Maternal and Child Health (MCH) Services (ii) Family Planning and (iii) Out Reach Services. During 1995-2000 Rs.29.75 crore was spent for implementation of programme in 88 hospitals of the State.

The Commissioner could not furnish PPC-wise information, as such figures furnished to Audit for the State as a whole could not be verified in test-checked units. Evidently, the monitoring was not effective.

(i) Availability of iron/folic acid tablets and vitamin 'A' solution

**Negligible
distribution of tablets
of iron folic acid**

In order to protect against anaemia, prophylaxis, etc. all pregnant women were to be given 100 tablets of iron and folic acid (IFA) during pregnancy. Bureau could not furnish information regarding distribution of IFA to PPCs. However, annual performance report of district and sub-district PPCs, revealed that actual distribution of tablets among pregnant women was insignificant being one *per cent* to three *per cent* in district PPCs and five to 11 *per cent* in sub district PPCs during 1995-2000. Supply of Vitamin A solution doses to the children (0-3 years) ranged between 1.13 lakh doses (1996-97) and 2.23 lakh doses (1997-98). In three test-checked PPCs, distribution of IFA among pregnant women was negligible and in four PPCs there was no stock of vitamin A solution for one to four quarters during 1995-2000 as a result desired improvement in the health of pregnant and lactating mothers was therefore remained largely unachieved.

(ii) Poor Monitoring

Functioning of PPCs were to be monitored and evaluated monthly at the institute and district level and annually at the State level. Government was to ensure formation of co-ordination committees in all PPCs and co-ordination with all departments for effective implementation of the programme. The Bureau neither constituted state level co-ordination committee nor monitored formation of co-ordination committee at district or institution level and no records was maintained on evaluation of performance of individual institute. No committee was constituted at district level. In 18 PPCs test-checked, no co-ordination committee was formed by 12 and no meetings were held after formation of committee by 2 PPCs. As against 240 meetings required to be held only 51 meetings were held by remaining 4 PPCs during 1995-2000.

*

A	(i) Type A Teaching/non teaching (ii) Type B (iii) Type C	Number of OB/AB cases more than 3000 between 1500-3000 Less than 1500
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3.1.14 Child Survival and Safe Motherhood and Reproductive and Child health Programme

RCH programme was launched during Ninth Plan for providing various mother and child care services and implemented in the State from 1997-98 covering 19 districts and Sub project for Vadodara. The main components of the programme were, Mother and Child Health (MCH) Services, Oral Rehydration Therapy (ORT), Universal Immunisation Programme (UIP), Sexually Transmitted Diseases (STD) and Reproductive Tract Infection (RTI). Facilities contemplated in the programme were to be strengthened and streamlined in phased manner over three years (1997-2000).

RCH project activities were not carried out

As against expected assistance of Rs.84.27 crore, GOI released Rs.57.72 crore (cash Rs.10.71 crore, kind Rs.47.01 crore) for this programme upto March 2000 on *ad hoc* basis. Records of the Bureau revealed that no activities as contemplated under RCH *viz.* appointment of contractual staff, construction of buildings, purchase of drugs etc. were carried out. Performance under ongoing programme of CSSM, during 1995-2000 was as under:

(a) Immunisation

Immunisation programme aimed at the reduction in mortality and morbidity among infants and younger children due to vaccine preventive diseases. The objective in the Ninth Plan was of 100 *per cent* coverage of vaccine for polio, Titanus, DPT, TT, Measles, and TB. Performance in the State under different immunisation programme, was as shown in Appendix -XV.

As against objective of 100 *per cent* coverage of immunisation for six vaccine preventive disease the actual coverage was reported between 75 *per cent* and 94 *per cent* during 1995-2000 as shown in Appendix despite creation of adequate infrastructure and providing adequate quantity of coldchain equipment and vaccine. Survey conducted by IIP Mumbai revealed the coverage of immunisation between 31 *per cent* and 80 *per cent* only, which was indicative of over reporting of coverage by the department.

(b) Drugs and equipment kits

Drugs and equipment for safe motherhood activities were supplied in the form of kits directly to Panchayats by GOI. To avoid short/excess supply of kits and duplication of supply of same kits under different programmes, the Bureau was expected to set up system at regional level and to monitor timely and adequate supply of equipment kits. No such arrangement was made by the Bureau. The distribution of kits by GOI at various level against requirement was as shown in Appendix -XVI.

Lack of proper monitoring resulted in non receipt/inadequate receipt of kits by PHC/Centre

Records of selected districts revealed that as against 43 kits D required for Rajkot Panchayat 70 kits were supplied. Those were distributed at the rate of three kits each to 14 PHCs against requirement of one. Godhra Panchayat was supplied 50 kits D as against requirement of 92 Kits.

Records of Rajkot Panchayat revealed that as against requirement of 716 kits for 358 centres, actual supply was 660 kits every year during 1996-99 and 660 kit B were supplied only once in 1998-99. Godhra Panchayat did not receive kit B during five years. Evidently the supply of kits was not monitored.

3.1.15 RCH sub projects for Vadodara district

World Bank reduced the cost of project to Rs.8.36 crore due to delay in implementation of project

Vadodara sub-project was implemented at a total cost of Rs.10.61 crore covering population of 3.09 million. Rupees 2.25 crore released by GOI in March 1998 was placed at the disposal of District RCH Society after one year. Consequent upon delay in implementation of project activities, the World Bank reduced the project cost to Rs. 8.36 crore. RCH Society spent only Rs. 0.58 crore and balance was placed at the disposal of civil construction wing of Vadodara Panchayat. No construction activities commenced till December 2000.

3.1.16 Information Education and Communication

Rs.0.98 crore remained unutilised

To create awareness on Family Welfare Programme among targeted group through public education, community involvement and mass communication activities, GOI released Rs. 3.89 crore during 1995-2000. The activities as contemplated in the programme were not carried out as per expectation and Rs. 0.98 crore remained unutilised. AD attributed reasons for not carrying out activities to non-filling of posts of IEC officers at state level (one) District level (41) and block level (258) on the ground of economy. The impact of mass communication activities was not visible, as no evaluation of programme by specialist communication agencies as required was done.

3.1.17 Training

State Institute of Health and Family Welfare (SIHFW) was responsible for developing strategy and training plans and monitor and evaluate the training programme. Number of courses planned and staff trained during 1995-2000 were as shown in Appendix -XVII.

Non-deployment of personnel for imparting training resulted in under utilisation of training infrastructure

Shortfall in training of Medical Officers of PHCs increased from 3 per cent (1995-96) to 60 per cent (1998-99) and para medical personnel from 28 per cent (1995-96) to 37 per cent (1998-99). Shortfall was attributed by SIHFW to less deputation of medical and para medical personnel. Non-deployment of medical and para medical personnel for imparting training as per planned schedule resulted in under utilisation training infrastructure.

3.1.18 Achievement of objectives

Basic objective of achieving the goal of NRR 1 was far from target

The National Health Policy envisaged population stabilisation and attainment of NRR 1 by year 2000 AD. It focuses on reduction of child mortality, providing safe maternal health services and contraception/sterilisation problem. Despite spending over Rs.500 crore on Family Welfare Programme, the basic objectives of achieving the goal of NRR to unity was far from the target. Couple protection rate which was near (59 per cent) to national goal went down 2 per cent and more than 40 per cent EC remained unprotected.

Performance of immunisation against vaccine preventive diseases was unsatisfactory despite providing *cent per cent* assistance by Government of India. This apart, health infrastructure in the rural areas though adequately created, shortage of doctors and para medical staff deprived rural and tribal population of intended facilities. In the absence of proper monitoring and evaluation system, there was no critical assessment of success/failure of the programme.

3.1.19 The matter was reported to Government in July 2000; reply has not been received (November 2000).

SECTION - B PARAS

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.2 Injudicious payment of loan to Gujarat Dairy Development Corporation

Government financed the losses of GDDC through unrecoverable loans of Rs.36 crore

Gujarat Dairy Development Corporation (GDDC), (Government of Gujarat undertaking) was incorporated in March 1973 with paid up share capital of Rs.9.31 crore which was increased to Rs.10.46 crore in 1993-94. The objectives of GDDC were to revive the loss making Co-operative/Government Dairy units. GDDC was continuously making losses and accumulated loss as on March 1998 was Rs.71.70 crore. In order to mitigate the financial crises of GDDC, Government sanctioned loans to GDDC from time to time aggregating to Rs.34.36 crore between 1994-95 and December 1998 without fixing terms and conditions for repayment of loan till April 1999. These terms provided that repayment of loan (including interest) was to commence after moratorium of one year of payment of loan. The loan was to be repaid with interest at the rate of 20 per cent in equal annual instalment within five years in the event of default in repayment of loan and interest, penal interest at the rate of 2 per cent was payable.

Test-check of records (February 1999) of the Director of Animal Husbandry revealed that as against equity and reserve of Rs.19.82 crore and Rs.22.79 crore during 1996-97 and 1997-98 respectively, GDDC was having debts of Rs.51.27 crore as of 31 March 1998 which included loans amounting to Rs.24.27 crore repayable to the State Government. Though, GDDC did not repay due instalments of loan and interest for earlier loans fresh loan of Rs.1.54 crore was advanced in July 1999. Further, in October 1994, though GDDC was declared as an industrially sick unit and chances of repayment of loan were bleak, Government advanced loans of Rs.26.39 crore between March 1995 and July 1999. Thus, Rs.36.00 crore funded to GDDC by Government since 1993-94 onwards and interest and penal interest amounting to Rs.14.21 crore was a dead loss to Government (March 2000).

Government stated (May 1999) that as a part of rehabilitation of GDDC, proposal for conversion of loan into equity was under consideration of the Government.

3.3 Undue favour of Rs.8.96 crore to two loss making sugar co-operative societies

Government unjustifiably invested huge amount of public funds in two mis-managed/loss making Sugar Co-operative Societies without any prospect of return on investments or recovery of the funds

Government of Gujarat decided (August 1997) to provide, subject to availability of funds and other requirements share capital to a new sugar unit (Tribal Area) for a plant of 2500 tonnes crushed per day (TCD) on the basis of the project cost approved by the Central Financial Institutions/Banks sanctioning term loans to the concerned sugar co-operative.

Test-check of records of District Registrar, Co-operative Societies (Sugar), Surat (May 1999) revealed that share capital contribution of Rs.10.08 crore was paid by Government to two *Mandlies** during 1983-98 even though there was no prospect of effective functioning of these units. These funds in fact financed the losses of these co-operatives at the cost of public exchequer as discussed below:

(a) *Ukai Pradesh Sahkari Khand Udyog Mandli Limited (Mandli), Khushalpura, Vyara – Rs. 5.95 crore is not recoverable.*

(i) Share capital contribution of Rs.2.75 crore was paid between March 1983 and October 1985 for establishment of a project with capacity of 1250 TCD. As against the redemption of share capital of Rs.2.75 crore the *Mandli* repaid only Rs.1.12 crore as of January 2000.

(ii) As the *Mandli* expanded its sugar factory from 1250 TCD to 2500 TCD, Government sanctioned (November 1997) Rs.4.32 crore as additional share capital contribution, subject to the condition that overdue amount of share capital contribution sanctioned earlier be recovered from the amount of additional share capital contribution.

(iii) The *Mandli* represented to the Government for postponement of recovery of overdue amount on the grounds of poor economic condition and outstanding liability due to procurement of sugarcane during the crushing season of 1996-97. Government deferred (December 1997) the recovery till next crushing season i.e. 1997-98. However, the *Mandli* was closed down in January 1998. District Registrar Co-operative Societies, Surat stated (September 1999 and January 2000) that as the *Mandli* was running in losses and closed down in January 1998 recovery could not be effected.

Though the Government was aware that the *Mandli* was incurring losses from 1992-93 even with the capacity of 1250 TCD additional share capital contribution of Rs.4.32 crore was unjustifiably sanctioned in November 1997 for its expansion and adjustment of Rs.1.63 crore was deferred (December

*
(i) Ukai Pradesh Sahkari Khand Udyog Mandli Limited (Mandli), Khushalpura, Vyara and
(ii) Kaveri Vibhag Sahkari Khand Udyog Mandli Limited (Mandli), Chikhli.

1997) to finance their loss. This was evidently a case of undue favour to the management and possibility of malpractice cannot be ruled out. The matter calls for investigation.

(b) Kaveri Vibhag Sahkari Khand Udyog Mandli Limited (Mandli), Chikhli

Share capital contribution of Rs.3.01 crore was paid in March 1991 (Rs.one crore) October 1991 (Rs.0.43 crore) and March 1998 (Rs.1.58 crore) for establishment of a new project with its established capacity of 2500 TCD. Letter of intent was issued in June 1989. As such Mandli was required to redeem entire share capital of Rs.1.43 crore from June 1994 to June 1998. However, no amount was redeemed by the *Mandli* as of January 2000. Though the *Mandli* failed to repay share capital contribution of Rs.0.57 crore Government released further contribution of Rs.1.58 crore in March 1998. The *Mandli* failed to obtain term loan from the Central Financial Institution/Banks as such project was not commissioned (February 2000).

Thus, injudicious release of further funds by Government despite non-redemption of share capital contribution of Rs.1.43 crore resulted in doubtful recovery of Rs.3.01 crore.

The matter was reported to Government in March 2000; reply has not been received (November 2000).

EDUCATION DEPARTMENT

3.4 Blocking of funds of Rs.71.31 lakh

Belated occupation of hostel building resulted in blocking up of funds

Government of Gujarat (GOG) in Education Department (Department) accorded (February 1995) administrative approval for construction of hostel building in the campus of Government Diploma Pharmacy College, Lakhtar (College) in Surendranagar district.

The Director of Technical Education (Director) placed Rs.71.31 lakh at the disposal of Roads and Buildings Department. The Roads and Buildings Department commenced the work in December 1995 and completed in October 1997 including bore with pipelines and other infrastructural facilities at a cost of Rs.71.31 lakh. Though the hostel was completed in October 1997, possession of hostel building was not taken by Principal of the College as the water of the bore was non-potable and pipelines from bore to sump and from sump to hostel building was not laid yet.

Scrutiny (September 1999) revealed that though the water was non-potable, it could be used atleast for household purpose and practical work in the laboratory. The college authorities made no attempts to get potable water from

the sources from where it was supplied to college campus or for laying of pipeline from bore to sump and sump to hostel building.

The Director also failed to make any efforts to resolve the problems and ensure that hostel buildings was put to use. On this being pointed out in audit possession of the hostel building was taken over on 18 August 2000.

Thus, failure of the Director in resolving problem of potable water supply to the hostel resulted in blocking of Rs.71.31 lakh for more than two years and depriving the needy students of the benefit of hostel facility.

The matter was reported to Government (March 2000); reply has not been received (November 2000).

FINANCE DEPARTMENT

3.5 Personal Ledger Accounts

Mention was made in paragraph 3.7 of the report of the Comptroller and Auditor General of India for the year ended 31 March 1999 (Civil) – Government of Gujarat about irregularities in operation of Personal Ledger Accounts (PLAs). Further irregularities noticed are mentioned in succeeding paragraphs.

As per records of Accountant General (Accounts and Entitlement) (AG (A&E)) Gujarat, there were 1268 PLAs in the State with a balance of Rs.2971.67 crore as of March 2000.

3.5.1 Personal Ledger Accounts continued indefinitely

PLAs not closed at the end of the year as required

Out of 342 PLAs test-checked no PLA was closed at the end of the year as required[#]. Grants released to Boards/Corporations/Local bodies and deposited in PLAs during the year were booked as final expenditure in the accounts of the State Government.

3.5.2 Rush of expenditure in last quarter and in the month of March

Funds were deposited and withdrawn from PLAs in last quarter and in March as shown below :

(i) As against total deposits of Rs.3624.52 crore and withdrawal of Rs.2380.22 crore in 1268 PLAs in 25 treasuries during 1999-2000 deposits and withdrawals during last quarter were Rs.1858.12 crore (51 per cent) and Rs.671.98 crore (28 per cent) respectively. Thus huge transactions took place only in the last quarter.

[#] Under the provisions of Bombay Treasury Rules 1960.

Deposits and withdrawals in March were 80 per cent and 42 per cent respectively

(ii) Again most of the deposits and withdrawals of Rs.1858.12 crore and Rs.671.98 crore during last quarter 80 per cent (Rs.1485.22 crore) and 42 per cent (Rs.279.54 crore) were deposited and withdrawn in the month of March respectively. Quality of such expenditure at the fag end of the year was bound to suffer.

3.5.3 Non-reconciliation of balance of PLAs by DDOs and Treasuries

PLA balance not reconciled as required

Treasury Officers were required to reconcile balances with bank every month and quarterly with the Accountant General (A&E). DDOs were to reconcile balances of PLAs with books of treasuries quarterly and for a financial year before 30 June of the following year. Out of 342 test-checked none of the DDOs, carried out reconciliation of balances with treasuries during 1999-2000. As a result there was difference between figures in passbook and cashbook upto Rs.3.28 crore of PLA holders as of March 2000.

3.5.4 Blockage of funds in Personal Ledger Accounts

Rupees 18.49 crore blocked in PLA for more than five months to four years

(i) Savings of Rs.1.97 crore out of funds received from Central and State Governments and parked in PLAs were not surrendered at the end of the financial year and remained blocked in PLA of three ^{*} District Industries Centres as of March 2000.

(ii) On formation of Panchayat Finance Board (Board) (September 1995) Rs.15.99 crore ^{**} were credited during 1995-2000 in PLA of the Board which remained unutilised as no rules, regulations for the business of the Board were framed/finalised by Government as of June 2000.

(iii) Rupees 0.61 crore were released by the State Government between May 1996 and March 1997 to Gujarat Water Supply and Sewerage Board, Gandhinagar (Board) to supply drinking water in scarcity areas. The Board placed the amount at the disposal of Collector, Valsad for desilting of village ponds, repairs of bores and machineries etc. of which Rs.0.53 crore were lying unutilised in PLA of Collector, Valsad as of March 2000. Thus, Rs.0.53 crore remained blocked for more than three to four years.

Thus, funds withdrawn from Consolidated Fund of the State and shown as expenditure were actually lying unutilised in PLAs.

3.5.5 Operation of PLA for non-specified purpose

Rupees 18.87 crore deposited in PLAs of non-specified purpose

(i) Commissioner of Fisheries, Gujarat State, Gandhinagar was authorised to operate PLA to deposit the revenue of fish aquarium. However, it was noticed that Rs.14.90 crore pertaining to grants received from State/Centre for various schemes were credited to these PLA. These amounts were lying unutilised as of June 2000.

* DICs Ahmedabad Rs.97.55 lakh, Palanpur Rs.35.66 lakh and Vadodara Rs.63.57 lakh.

** 1995-96 Rs.5 crore, 1996-97 Rs.5 crore, 1997-98 Rs.5 crore, 1998-99 Rs.0.49 crore and 1999-2000 Rs.0.50 crore.

(ii) To purchase store, equipments etc. for two costal security border wing, Home Department sanctioned Rs.3.97 crore on 31 March 1999 which was deposited to PLA of Commandant General, Home Guards though it was not meant for the purpose.

The matter was reported to Government in August 2000; reply has not been received (November 2000).

3.6 Audit of abstract and detailed contingent bills

As per provision of Bombay Treasury Rules, 1960, amount on abstract bill is required to be drawn for incurring inevitable contingent expenditure except contingent charges requiring countersignature before payment.

Test-check of abstract contingent (AC) Bills and detailed contingent (DC) Bills in ten* departments revealed the following :

3.6.1 Delay/irregularity and non-submission of DC Bills

DC bills for Rs.1.43 crore submitted after delay of one to more than nine months

(i) As per codal provisions and instructions issued by the State Government DC Bills should be sent to Accountant General (Accounts and Entitlement) Gujarat(AG(A&E)), Rajkot by drawing and disbursing officers(DDOs) within three months from the date of drawal of AC Bill. It was noticed that Rs.1.43 crore were drawn on 25 AC bills between March 1997 and March 1999 by DDOs (Appendix-XVIII). Delay in submission of DC bills ranged between one month and more than nine months.

DC bills not submitted even after delay of 4 to 12 months

(ii) Six DDOs[⊗] drew Rs.47.09 lakh on AC bills during February 1999 to February 2000. DC bills were not submitted by these DDOs even after more than 4 to 12 months. Thus, there was no control over the submission of DC Bills, by the Controlling Officer of these departments.

Bills for Rs.84.75 lakh submitted were not countersigned by controlling officers

(iii) DC Bills are required to be sent to AG(A&E), duly countersigned by the controlling officer. However, DC Bills for Rs.84.75 lakh submitted by Medical Superintendent, Civil Hospital, Ahmedabad (Rs.42.60 lakh) and General Manager, District Industries Centre, Rajkot (Rs.42.15 lakh) were not countersigned by controlling officers and were invalid. Thus, these amount were not effectively accounted for.

* Revenue, Health & Family Welfare, Education, Agriculture and Co-operation, Home, Industries and Mines, Ports and Fisheries, Labour and Employment, Finance and Information and Broadcasting Departments .

⊗ (i) District Education Officer, Bhavnagar Rs.20.55 lakh-March 1999-as of July 2000, (ii) Director of Agriculture, Ahmedabad-Rs. seven lakh-March 1999-as of July 2000, (iii) Dean, Medical College, Jamnagar Rs.4.40 lakh - March to November 1999-as of June 2000, (iv) District Superintendent of Police, Ahwa-Dangs-Rs.5.46 lakh-February 1999 to February 2000-as of June 2000, (v) Superintendent, Community Health Centre, Navsadi (District Baroda) Rs.7.23 lakh March 1999-as of January 2000 and (vi) Mamlatdar, Limkheda Rs.1.20 lakh and Rs.1.25 lakh June and August 1999-as of April 2000.

3.6.2 Irregular purchases

Purchases valued
Rs.2.87 crore made
without inviting
tenders

(i) Scrutiny of DC Bills of three DDOs revealed that in following cases purchases were made without inviting tenders:

(a) Superintendent, Central Jail purchased from Departmental Store under Civil Supplies Corporation ration valued Rs.2.68 crore during 1998-2000 as per directives of Inspector General of Police (Prision).

(b) Raw materials valued Rs.5 lakh were purchased by Superintendent, District Jail, Bhavnagar from Departmental Store under Civil Supplies Corporation between April 1999 and February 2000.

(c) Various food materials valued Rs.8.50 lakh were purchased by District Superintendent of Police, Junagadh during 1999-2000 as per directives of Inspector General of Police (Prision).

(ii) To purchase Ambassador Car Rs.5 lakh were drawn by Secretary, Technical Examination Board, Gandhinagar on 29 March 2000. It was noticed that instead of Ambassador car, Tata-Sumo Delux (air-conditioned unit) was irregularly purchased on 31 March 2000 without obtaining revised sanction from the competent authority.

3.6.3 Irregular drawals on Abstract Bills

As per provision of Gujarat Budget Manual and the Gujarat Contingency Fund Rules 1960, no amount should be drawn out of the Contingency Fund except for unforeseen and urgent circumstances. However, in the following cases Finance Department sanctioned advances in gross violation of Provisions of Contingency Fund Rules and the amounts were drawn on AC Bills by DDOs:

Drawal of Rs.88.74
lakh from
Contingency Fund
for non-emergent
cases

(i) Rupees 72.42 lakh were drawn by Manager, Government Transport Services, Gandhinagar in December 1999 to purchase three new cars and 12 Cielo Executive Cars.

(ii) Rupees 11.25 lakh were drawn in January 2000 by Assistant Commissioner of Sales tax, Vapi for payment of compensation to land owners. Information regarding expenditure incurred and justification for drawal of amount from Contingency Fund were not available on record.

(iii) Rupees 5.07 lakh drawn by Commandant, State Reserve Police Force, Group VIII, Gondal in November 1998 to purchase tubes and tyres were refunded in January 1999. Thus, drawal of amount from Contingency Fund was unwarranted.

3.6.4 Irregular payment of Custom Duty

Custom duties of
Rs.28.38 lakh paid
though not required

Amount of Rs.28.38 lakh was drawn on AC Bills for payment of custom duties between August 1998 and July 1999. Though equipments/machines were exempted from custom duties, failure to produce required exemption

certificates by authorities resulted in avoidable payment of custom duties of Rs.28.38 lakh*.

3.6.5 Excess drawal

Rupees 3.54 crore kept outside Government account for more than one year without requirement

Out of Rs.15.97 crore drawn on AC Bills by City Mamlatdar, Surat between July and October 1998, Rs.12.43 crore were spent and Rs.3.54 crore were refunded on 23 December 1999. No DC Bill was submitted as of March 2000. Thus, public funds were drawn unnecessarily and kept outside Government account in contravention of codal provisions.

The matter was reported to Government in August 2000; reply has not been received (November 2000).

GENERAL ADMINISTRATION DEPARTMENT

3.7 Audit of expenditure on Foreign Travel

Though Audit Comments regarding various irregularities in Foreign Travel were included in the Reports of the Comptroller and Auditor General of India for the years 1996-97 (Paragraph 3.1) and 1997-98 (Paragraph 3.8), the same widespread irregularities and violation of rules continued during 1999-2000 as seen in audit.

3.7.1 Fixation of nodal agency

Nodal agencies were not effective

At the instance of audit, State Government fixed (April 2000) nodal agencies for monitoring cases of foreign travel. Accordingly details of all cases of foreign travel performed between January 1998 and April 2000 by all the officers of Indian Administrative Service were required to be furnished immediately and from May 2000 and onwards within 15 days of completion of foreign travel to General Administration Department (GAD). A register in the proforma prescribed for the purpose and personal files of the officers concerned for foreign travel undertaken by them were required to be maintained by GAD. Home and Forests departments were to maintain similar records for their departments and officers of Indian Police Service and Indian Forests Service respectively. All other Administrative Departments were to maintain similar records for foreign travels undertaken by officers and other members under their control including officers and non-official members of Boards/Corporations/Companies etc. Consolidated information in the prescribed proforma for foreign travels performed after April 2000 was required to be furnished by all Administrative Departments on 10th of the following months and Secretaries of the Administrative Departments were responsible for timely submission of information to GAD.

* Medical Superintendent, Civil Hospital, Rajkot (Rs.4.81 lakh). Superintendent, General and CMZ Hospital, Junagadh (Rs.1.27 lakh) and Food and Drugs Laboratory, Vadodara (Rs.22.30 lakh).

However, such information was not obtained by GAD and other nodal agencies and no registers were maintained as required. There was no central monitoring of cases of foreign travel performed during 1999-2000.

3.7.2 Result of test-check

Details of travels performed by Ministers, officials etc. during 1999-2000 were shown in Appendix -XIX. Important points noticed are discussed in succeeding paragraphs.

(i) Foreign travel by delegation led by Chief Minister

Private visit of Chief Minister converted to official visit without any justification

(a) Proposal for foreign travel was submitted by Chief Minister[#] (CM) on 11 June 1999 to Prime Minister (PM) for his private visit to USA and UK from 1 to 6 July 1999 to attend annual convention of Patel *samaj* and International Jain Organisation. In his DO letter to PM, the CM mentioned that as the organisations represented specific communities, expenditure of tour would be borne by him personally. Official reference for political clearance for private tour of CM was made to Ministry of External Affairs (MEA) on 15 June 1999.

Subsequently a revised reference was made to MEA on 17 June 1999 requesting GOI to treat the private visit of CM as official tour on the grounds that several organisations in the USA and UK had approached the State Government to have interaction with CM during his visit and accordingly a number of meetings with NRIs were being organised at places like New York, New Jersey, Philadelphia in USA and London and Leicester in UK. However, as per GOI guidelines foreign travel for attracting NRI investments were to be undertaken after approval of projects and plan allocation under the state sector and forwarding the project profiles to Indian Investment Centres. No such details were furnished with this proposal to GOI. However, this proposal was approved by GOI on July 01, 1999.

To assist CM during this tour proposal to depute S.K. Shelat^{\$}, Hari Desai^{\$\$} and P.K. Pujari^{\$\$\$} on official duty, from 28 June 1999, for prior arrangements was submitted by GAD to GOI (MEA) on 11 June 1999. Expenditure for this travel was to be borne by Gujarat Industrial Investment Corporation (GIIC) and Non-resident Gujaratis Foundation (NRG) respectively. Sanction was accorded by Ministry of Finance (MOF) for the team of officials consisting of P.K. Pujari^{*}, Dr. K.N. Shelat^{**} and R.J. Shah^{***} for foreign travel on 24 June 1999. Basis for changing name of officers by MOF was not on record. However, from a communication from High Commissioner of India, London to the Principal Secretary to CM on 23 June 1999 it was seen that the

Keshubhai Patel

\$ Advisor to Chief Minister and Chairman, Gujarat Industrial Investment Corporation (GIIC)

\$\$ Chairman, Non-Resident Gujaratis Foundation (Foundation)

\$\$\$ Secretary to Government of Gujarat (NRI)

* Secretary to Government of Gujarat (NRI)

** Chairman, Indext-b.

*** Chief Industrial Advisor and member of governing body of Indext-b

delegation consisted S.K. Shelat, P.K. Poojari, Hari Desai, Dr. K.N. Shelat and R.J. Shah. Sanction of Government of India for foreign travel in respect of S.K. Shelat and Hari Desai was not obtained though required.

Further, Shetal Pandya, Assistant in CM's office was also deputed for personal convenience of CM. No sanction of MOF or MEA was obtained for foreign travel of Shetal Pandya. Though Rs.0.58 lakh were paid at Government cost towards his air fare and visa fees. Though MOF authorised Missions abroad for making payment of DA and arranging hotel accommodation, US \$5900 were drawn towards per diem by 5 officers[#], (\$1500 from Government account and \$4400 from Boards/Corporations) US \$2575 towards entertainment allowance and US \$625 towards incidental and contingencies. Basis for drawal of foreign exchange by these officers was not on record. State Government reimbursed Rs.10.23 lakh to Consulate General of India, New York, towards hotel accommodation, conveyance, telephone charges. Details of drawal of amount of DA by Keshubhai Patel and Shetal Pandya were not on record. Detailed account of utilisation of entertainment allowance, incidental expenses by K.N. Shelat, R.J. Shah, S.K. Shelat and Hari Desai were not on record. In absence of adjustment bills, these amounts, drawn by these officers are to be refunded to Government.

Regarding foreign travel of Shetal Pandya, Personal Assistant in CM's office, the Additional Chief Secretary to Government (GAD) clarified that as per earlier plan, CM's wife was to accompany CM (for his private visit). However, at the eleventh hour she fell ill and Shetal Pandya was deputed for personal convenience of CM as he was entitled to one Assistant at all times. The clearance of GOI (MOF and MEA) was not obtained for Shetal Pandya as his inclusion was decided at eleventh hour and at the instance of audit GAD agreed for obtaining post facto sanction. The reply was not tenable as sufficient time (10 days) was available after booking of Shetal Pandya's tickets on 22 June 1999.

Information furnished by GAD revealed that donations worth Rs.5.11 crore were agreed to by various persons/organisations, during the above foreign travel of delegation led by CM to USA, UK in July 1999. However, in reply to specific Audit query it was stated by GAD that not only the commitments of donation for this tour but even for the tour undertaken by CM in September 1995 did not materialise despite repeated requests. Thus, the object of the tours were not achieved at all.

Rs.1.28 lakh and US \$2500 drawn though arrangements were to be made by Missions abroad

(b) Proposal was sent by Secretary to Government (GAD) to MOF and MEA on 19 January 2000 for foreign travel to UK, Netherland and Belgium of CM and three officers[#] to present Gujarat-Vision 2010 comprehensive Infrastructure Development plan and to promote awareness about the culture, art, language and literature of Gujarat among the Non Resident Gujaratis. A revised proposal was sent to MOF on 21 January 2000, proposing foreign

[#] S.K. Shelat, Hari Desai, P.K. Pujari, Dr. K.N. Shelat and R.J. Shah.

[#] Keshubhai Patel, S.K. Shelat, P.K. Pujari and Shetal Pandya.

travel of five* officers and CM to UK, Netherland and Belgium from 4 to 10 February 2000. No justification was on record for inclusion of above members in the delegation. As per sanction issued by MOF on 3 February 2000 Missions abroad were authorised to make payment of Daily Allowance, Entertainment Allowance, Contingencies and arrange hotel accommodation. However, Rs.1.28** lakh were drawn by four persons on abstract contingent bills, towards per diem. Since payment of DA was to be arranged by Indian Missions abroad, there was no justification for drawal of advance for the same.

In addition to above US \$2500 were drawn by S.K. Shelat from GIIC towards Entertainment Allowance without any sanction of GOI. No details of utilisation of Entertainment Allowance was furnished by this officer as of May 2000 to Government as required. The amount drawn was therefore refundable to GIIC.

**Travel by PS to CM
in place of PA to CM
without approval of
MOF**

In place of Shetal Pandya, Personal Secretary in CM's office (Kuntal Sanghvi), performed the foreign travel. However, sanction for Kuntal Sanghvi was not obtained from MOF. Further, details of actual expenditure were not furnished. Thus, there was wide spread violation of rules and procedures in this trip.

The amount of Entertainment allowance is to be drawn by the leader of the delegation. The per diem allowance was drawn by CM from Government whereas Entertainment allowance for both journey was drawn from GIIC/NRG foundation/Indext-b.

(ii) Foreign travel by delegation led by Minister of Industries

**Members of
delegation decided
without justification**

In response to invitation received by Minister of Industries* (MI) to participate in the Eighth Annual World Economic Development Congress, the State Government decided to depute a delegation headed by MI with seven other officials to US and UK during 16-24 September 1999. Initially, it was proposed to depute delegation of three members: MI and two officers from GIDB or Transport Sector. However, it was noticed in Audit that proposal was made for a delegation comprising six* members. It was further noticed on scrutiny of relevant files of the Industries and Mines Department that MI proposed to add two* more members in the delegation. However due to insufficient budget provision, expenditure of the Minister and Principal Secretary (Industries and Mines Department) was ordered by government to be debited to Indext-b and GIDB respectively in contravention of GOI guidelines in this regard. Moreover, copies of the proposals sent to MOF for A.D. Desai, H.P. Jamdar, K.N. Shelat and A.J. Shukla were not available in

* Keshubhai Patel CM, S.K. Shelat Advisor to CM, P.K. Pujari Secretary to Government, Dr. K.N. Shelat Industries Commissioner, Atnu Chakraborty Chief Executive Officer, GIDB and Shetal pandya Personal Assistant to CM.

** P.K. Pujari, Shetal Pandya, S.K. Shelat, and Keshubhai Patel Rs.0.32 lakh each .

♦ Suresh Mehta

* Suresh Mehta, Minister of Industries and Tourism, L.N.S.Mukundan, Chief Secy. to Govt. of Gujarat, G.Subba Rao, Principal Secy. to Govt. I&MD, Atnu Chakraborty, Chief Executive Officer, GIDB Society, A.D.Desai, Secy.to Govt. Ports & Fisheries Dept., H.P.Jamdar, Secy. to Govt. R & B Dept.

♥ K.N. Shelat Industries Commissioner and A.J. Shukla Executive Director Indext-b.

Payment for hiring conveyance made without concurrence of Finance Department

the file. No justification was on record for inclusion of above members in the delegation. Details of past tours of officers were also not furnished along with the proposal as required. Expenditure of other members was also debited to various organisations[^] in contravention of instructions of Government of India. Missions abroad were authorised for making payment of Daily Allowance and hotel accommodations. However, payment of conveyance charges amounting to US\$3529.35 (US \$ 2067.70 and US \$ 1461.65) was made by Indext-b to Missions abroad without obtaining specific approval of Finance Department for hiring vehicles in foreign countries as required. Details of expenditure incurred, for this foreign trip by Boards/Corporations and payments made by Missions abroad and amount reimbursed to them were not on record.

As per GOI orders, the leader of the delegation is to submit a tour report to MOF with copies to the ministries concerned. However, no such tour report was available with GAD.

A tour report of this delegation led by the MI was submitted by Dr. K.N. Shelat, Industries Commissioner, on 15 October 1999 for travel to USA. The report revealed that no concrete proposal for any specific project was discussed/considered during this tour. The tour reports by other members of delegation viz. Secretary Ports and Fisheries Department, Secretary Roads and Building Department, Chief Executive Officer of Infrastructure Development Board were not on record. Thus, it was not known whether there was achievement of stated objectives of their travel.

As per the guidelines issued by GOI, foreign travel to attract NRI investments were to be undertaken after approval of project and plan allocation under the state sector and with advance planning for specific projects etc. Details of projects approved and allocation made under state plan sector for attracting foreign investment, list of projects for which profiles were sent to Indian Investment Centres and the list of specific projects for which discussions were held, could not be furnished by the Government.

(iii) Non-production of records of Foreign Travel

Case of Foreign travel by Minister of Industries not produced to Audit

Records relating to foreign travel of a delegation led by Industries Minister to Washington, USA during September 1998 to attend World Economic Congress to deliver updates on policy and initiatives relating to private investment and project opportunities in India's infrastructure sector were not produced to audit as of November 2000. Further, detailed travelling allowance bills for amounts drawn from Boards/Corporations by 30 officers as per Appendix-XIX were also not produced to audit.

(iv) General violation of prescribed procedure/instructions

Procedure prescribed and guidelines/instructions issued by Government of India and/or the State Government were not followed as mentioned below:

[^] Atnu Chakraborty – GIDB Society, A.D. Desai – GMB, H.P. Jamdar – GRDC, K.N. Shelat and A.J. Shukla – Indext-b

(a) In two cases (Sl. No. 6 and 7 of Appendix-XIX) copies of the proposals required to be sent to Government of India were not available on record. In their absence Audit could not verify whether the proposals were at all sent to Government of India and if so whether on time.

(b) Except in one case (Sl.No. 5 of Appendix-XIX) orders issued by the State Government did not indicate reference to sanction issued by Government of India. In eight cases (Sl. No. 1,2,3,4,8,10,11 and 13 of Appendix-XIX) copies were not endorsed to concerned Ministries.

(c) In three cases (Sl. No. 6,7 and 12 of Appendix-XIX) approval of Ministry of Finance was not on record.

(d) In respect of four persons (Sl. No. 1 (ii),(iii) and (vii) and 2(iv) of Appendix-XIX) foreign exchange was drawn without obtaining sanction of MOF (DEA).

(e) In six cases (Sl. No. 1 to 3,6,8 and 13 of Appendix-XIX) daily allowance were drawn disregarding instructions issued by Government of India from time to time.

(f) In four cases (Sl. No. 1,2,3 and 8 of Appendix-XIX) certificate from the Chief Secretary of the State to the effect that the proposed visits were in full conformity with the guidelines issued by the Cabinet Secretariat were not available on record.

(g) In the absence of information relating to availing facilities through missions abroad correctness of rates of Daily Allowance drawn (\$ 9900) could not be verified by Audit.

(h) Though Entertainment Allowance was not admissible US \$ 7000 were drawn by S.K. Shelat US \$4500 (2000+2500) and K.N. Shelat US \$ 2500 from GIIC and Indext-b respectively. These amounts are required to be refunded to the organisations.

(i) In the case of Minister^{*} of Information and Technology, expenditure was debited to various organisations and tour was commenced even before receipt of sanction from MOF.

(j) In cases of 12 persons (Sr. No. 1(ii) and (v), 2(ii) and (v), 3(i)(iii)(v)(vi) and (vii), 8(iii) and 13(i) and (ii) of Appendix-XIX) involving foreign travel of Government Officials expenditure on foreign travel was borne by Boards/Corporations/Companies though not permissible.

^{*} Bimal Shah

3.8. Member of Parliament Local Area Development Scheme

3.8.1 Introduction

A review of the Members of Parliament Local Area Development Scheme (Scheme) was included in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997. The scheme was reviewed again in audit during May-August 2000 in eight* districts, Roads and Buildings Division, Palanpur and seven** District Panchayats covering the period from 1997-98 to 1999-2000. Total amount of funds released and spent for implementation of the scheme during the period covered in audit were Rs.135 crore and Rs.63.60 crore respectively. Amount of expenditure covered in the current audit was Rs.24.24 crore.

3.8.2 Audit findings

Previous review covering the period from 1993-94 to 1996-97 revealed mainly the following deficiencies and irregularities in the implementation of the scheme :

- (i) Funds not spent in full resulting in denial of full benefits envisaged under the scheme.
- (ii) Works recommended by Members of Parliament (MP) either not taken up or left incomplete.
- (iii) Scheme funds spent on inadmissible works/items by the implementing agencies.
- (iv) Asset register not maintained by the implementing agencies.
- (v) Utilisation Certificates not furnished by the executing agencies.
- (vi) Non-inspection of works by the District Collectors (DCs) and other concerned officers.

The current review indicated that these audit findings were not fully addressed and the irregularities/deficiencies continued as noticed from the following :

*

(1) Ahmedabad, (2) Banaskantha, (3) Dang-Ahwa (4) Godhra, (5) Kheda, (6) Rajkot, (7) Sabarkantha, and (8) Valsad.

**

(1) Ahmedabad, (2) Banaskantha, (3) Godhra, (4) Kheda, (5) Rajkot, (6) Sabarkantha and (7) Valsad.

Sl. No.	Irregularities/Deficiency	Brief Gist of the irregularity
1	Funds remaining unutilised resulting in denial of desired benefits	Out of Rs.135 crore released by GOI during 1997-2000 and unutilised balance of Rs.12.55 crore of previous years only Rs.63.60 crore (43 per cent) were spent resulting in poor implementation of the scheme and consequently the denial of full benefits envisaged under the scheme. Shortfall in expenditure was attributed by the Collectors to late receipt of recommendations from MPs, delay in preparation of plans and estimates, receipts of administrative approval and shortage of staff. Of the unutilised balance of Rs.83.95 crore, Rs.37.75 crore and Rs.46.20 crore were lying in Banks and Personal Ledger Accounts respectively. Rupees 1.14 crore were deposited with one Gramin bank in contravention of scheme guidelines. Unspent balance of Rs.1.40* crore out of Rs.9.03 crore released during 1997-2000 was not refunded by implementing agencies as of March 2000.
2	Works recommended by Members of Parliament not sanctioned/completed	Out of 17727 works recommended by MPs, during 1997-2000 12748 were sanctioned. Of these 7959 (63 per cent) were completed. In test-checked districts against 3241 works sanctioned 2014 works (62 per cent) were completed.
3	Execution of in-admissible works and diversion for purchases	Works undertaken under the scheme should be developmental in nature, based on locally felt needs and for creation of durable assets. (i) In five districts 197 inadmissible works were executed at a cost of Rs.1.24 crore. (ii) In three districts Rs.1.93 crore were diverted for purchase of computers, water cooler, hospital equipments etc. Details are indicated in Appendix-XX.

* (i) Works cancelled Rs.0.03 crore, (ii) Savings of completed works Rs.0.64 crore and (iii) Works not taken up Rs.0.73 crore.

4	Non-maintenance of Asset Registers	As per provision of the scheme, year-wise and MP-wise asset registers were required to be maintained by Collectors as well as by various implementing agencies. In none of the test-checked districts such registers were maintained though assets valued Rs.13.22 crore were created during 1997-2000.
5	Non-furnishing of utilisation certificates	According to provision of the scheme utilisation certificates (UCs) were required to be sent to GOI by Collectors. In test-checked districts UCs for Rs.17.98 crore [♥] as of 31 March 2000 were not sent to GOI by Collectors for which no reasons were available on record.
6	Sharing of funds	The scheme does not provide for sharing of funds with any other scheme/public contribution. However, for five and two works, as against estimated cost Rs.26 lakh and Rs.15 lakh, Rs.13 lakh and eight lakh were sanctioned from the scheme fund by DCs, Dangs-Ahwa and Sabarkantha respectively. Out of remaining amount Rs. eight lakh were to be provided by DRDA, Dangs-Ahwa and for balance amount source of availability of fund was not on record.
7	Recommendations of MP with rubber stamp signature entertained	As per instructions issued by GOI recommendations made by MPs on their Letter Heads under their own signatures alone should be entertained. Oral recommendations/consent of MPs and recommendations made by their representatives should not be considered. Out of 106 works, 81 works (76 per cent) were recommended over rubber stamp of the signature of Dr. Vallabh Kathiria, MP from Rajkot constituency between October 1999 and May 2000 in his absence of which 22 works valued Rs.0.61 crore were sanctioned. DPO, Rajkot stated that clarification sought from MP was awaited.

[♥] Valsad Rs.2.06 crore, Ahmedabad Rs.9.59 crore, Sabarkantha Rs.3.44 crore and Kheda Rs.2.89 crore.

8	Delay in sanctioning proposals for works recommended by MPs	Works recommended by MPs were required to be sanctioned as far as possible within 45 days from the date of receipt of such proposals. Delay in sanctioning works in Banaskantha and Godhra ranged upto 180* days, 365** days and above 365*** days. Two works valued Rs.0.15 crore recommended in 1995-96 were not sanctioned as of July 2000.
9	Irregular release of funds	Under the scheme amount was to be released in two instalments (75 per cent in first instalment and 25 per cent after monitoring the progress). In four districts cent per cent amounts were released which resulted in irregular release of Rs.2.50 [⊖] crore during 1997-2000.
10	Irregular payment of advances to contractors/suppliers	Under the scheme no advances to contractors/supplier for any works were payable. Rupees 0.15 crore were paid as advances in three [♣] test-checked districts to contractors/ suppliers in contravention of scheme guidelines.
11	Avoidable Expenditure	Under the scheme work of 407 bore wells with hand pump was executed in Godhra district through GWSSB at a cost of Rs.85 lakh. Bore works up to 60/90 mts. Depths were carried out and 30 mts. Rising pipes were fitted. Following points were noticed : (i) Average water table in Godhra district was under 10.5 mts. (ii) Designed capacity of India 'Mark II' hand pump was up to 36 mts and in all the bore holes pipes fitted were only 30 mts.

* Banaskantha 63 works – Rs.0.80 crore.

** Banaskantha 54 works – Rs.0.84 crore Godhra one work Rs.0.02 crore.

*** Banaskantha 14 works Rs.0.25 crore – Godhra 5 works Rs.0.29 crore.

⊖ Banaskantha Rs.0.19 crore, Rajkot Rs.0.75 crore, Sabarkantha Rs.0.67 crore, Kheda Rs.0.89 crore.

♣ Banaskantha Rs. 0.01 crore, Dangs Rs.0.10 crore and Godhra Rs.0.04 crore.

		<p>(iii) Report of the Geologist though indicated static water level from eight to 20 mts it was recommended to drill bores between 60 and 90 mts without recording any reason and without taking into account capacity of hand pump.</p> <p>(iv) Hand pumps were provided as additional source of water supply in concerned areas.</p> <p>Thus, evenafter adopting optimum capacity of hand pumps, excavation of bores beyond 36 mts was not justifiable and therefore resulted in avoidable expenditure of Rs.23 lakh.</p> <p>Executive Engineer, Public Health Mechanical Division, Godhra stated that in bore well first layer zone was covered (sealed) by casing pipe to prevent contaminated and polluted water and second layer was used for drinking water. This was not tenable as casing pipes were used to prevent flow of sand/mud in the bore well and not to prevent the flow of water from the upper layer. Also maximum rising pipes which were fitted in hand pumps were only 30 mts. Thus, expenditure of Rs.85 lakh incurred on hand pumps would be wasteful.</p>
12	Non-observance of Scheme guidelines	<p>Guidelines provided that work under the scheme should be executed either in Government land or land surrendered by municipal/panchayat bodies, private trust, private individuals etc. Rupees 0.13 crore were spent for construction of class rooms in the school where Shri Manibhai Chaudhary, present MP, was a trustee without surrendering land to Government as envisaged in the scheme.</p>

13	Monitoring and evaluation	As per instructions issued by Government of India District Collector (DC) was to inspect 10 per cent of total works and senior officers to inspect cent per cent works every year. No works were inspected by DCs, Sabarkantha, Banaskantha and Godhra though 408, 339 and 676 works respectively were undertaken during 1997-2000. Similarly, no works were inspected by senior officers of implementing agencies in four ♦ test-checked districts, whereas only 25 per cent and 5 per cent works were inspected in Godhra and Sabarkantha districts respectively.
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3.8.3 Conclusion

Utilisation of funds and completion of works fell short by 57 per cent and 37 per cent respectively. Besides, in many cases execution of inadmissible works, diversion of funds, violation of scheme guidelines etc. were also noticed. Scheme was very poorly monitored.

The matter was reported to Government in August 2000; reply has not been received (November 2000).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.9 Implementation of Prevention of Food Adulteration Acts and Rules

To deal with the menaces of food adulteration and to make available pure and wholesome food to consumers, the Preventing of Food Adulteration Act was enacted by Parliament in 1954. The implementation of this legislation is the responsibility of the State Government. The State of Gujarat enacted the Gujarat Prevention of Food Adulteration Rules 1961 in August 1961.

In Gujarat, since 1979, enforcement of Prevention of Food Act is entrusted to the Commissioner, Food and Drugs Control Administration (Administration). The Commissioner is the Food (Health) Authority of the State.

Test-check of records of enforcement of the Act maintained in the Office of Commissioner (Commissioner) Gandhinagar, Local (Health) Authorities (LHA) at Ahmedabad, Bhuj, Jamnagar, Nadiad, Rajkot and Vadodara and

♦ Ahmedabad, Banaskantha, Kheda and Valsad.

three Regional Food Laboratories (RFL) for 1995-2000 during March to June 2000 revealed the following:

Against the projected requirement of 500 Food Inspectors, only 175 Food Inspectors were available

(a) The Enforcement wing of Administration and Local bodies, responsible for inspection of food establishment, collecting samples and sending them for analysis had 22 Local Health Authorities, six Senior Food Inspectors and 175 Food Inspectors as of 1999.

Against the requirement of 500 Food Inspectors projected during Eighth Five Year Plan, 216 posts were sanctioned during 1995-99. As against this shortfall of Food Inspectors *vis a vis* requirement increased from 62 to 65 per cent. Thus, existing manpower was inadequate to ensure systematic sampling and surveillance in the State. In test-checked districts shortfall increased from 76 to 88 per cent, 75 to 83 per cent and 69 to 77 per cent in Vadodara, Bhuj and Rajkot respectively.

Each Food Inspector lifted an average of 4 samples per month while 21 were to be lifted

(b) As per the orders of the Commissioner, each Food Inspector was required to draw 18 and 21 samples per month upto December 1998 and from January 1999 respectively. As against this only 4 to 5 samples were actually drawn during 1995-1999 as shown below:

Year	Food Inspectors (FI) Men-in-position			Food samples to be drawn		Food samples drawn	Shortfall	Average number of food samples drawn per FI per month	Percentage of shortfall
	State	Local bodies	Total	Per annum per FI	Total				
1995	70	119	189	216	40824	10406	30418	5	75
1996	69	119	188	216	40608	9062	31546	4	78
1997	69	119	188	216	40608	8137	32471	4	80
1998	64	107	171	216	36936	8545	28391	4	77
1999	68	107	175	252	44100	9401	34699	4	79

No reasons for such poor lifting were furnished by the Commissioner. Scrutiny of records of test checked units revealed wide spread shortfall as shown below:

LHA	Number of F.I.s	1995		1996		1997		1998		1999	
		To be drawn	drawn	To be drawn	drawn	To be drawn	drawn	To be drawn	Drawn	To be drawn	drawn
Ahmedabad	4	864	331	864	333	864	286	864	316	1008	358
Jamnagar	6	1296	173	1296	117	1296	129	1296	165	1512	118
Bhuj	3	648	372	648	330	648	333	648	249	756	280
Nadiad	11	2376	592	2376	644	2376	547	2376	370	2772	488
Rajkot	4	864	485	864	290	864	191	864	148	1008	184
Vadodara	6	1296	361	1296	217	1296	206	1296	154	1512	130
Total	34	7344	2344	7344	1931	7344	1692	7344	1402	8568	1558
Number of samples per FI per month		6		5		4		3		4	
Percentage of short fall in drawing samples		69		74		77		81		82	

Not a single sample was drawn for 30 months by Food Inspector, Gandhidham Municipality

Shortfall in drawing sample ranged between 69 per cent and 82 per cent. No samples were drawn by Food Inspector, Gandhidham Municipality in 30 months during 1995-99. Similarly, no sample was drawn by Food Inspectors, Jamnagar Municipality in 17 months during 1997-99.

Shortfall in lifting samples was attributed by LHAs to compulsory attendance in courts till finalisation of cases, attending VIPs during their visits in the areas and entrustment of works not related to prevention of food adulteration (Gandhidham and Jamnagar Municipalities). This was not tenable as the information furnished by the commissioner revealed that only 84 VIPs visited for 107 days in test-checked districts during 1995-1999 and deployment of Food Inspectors for works other than that of implementation of PFA Act would adversely affect detection of adulteration in the areas assigned to them.

Samples from street vendors not lifted during 1995,1998 and 1999

(c) No sample were lifted by Food Inspectors in the State from the street vendors during 1995, 1998 and 1999 while in 1996 and 1997, only 280 and 117 samples respectively were lifted. However, no samples were lifted from street vendors in test-checked LHAs during 1995-99. LHAs stated that no samples from street vendors were drawn as addresses of the street vendors were difficult to be located and sufficient quantity of food stuff for sampling would not be available with them.

Laboratories were under-utilised

(d) Under provision of Section 9(1) of PFA Act 1954, the State Government is required to notify the appointment of Food Inspectors in official Gazette. In the absence of notification, Food Inspector was not authorised to implement any of the provisions of PFA Act. However, six Food Inspectors promoted as Senior Food Inspectors in December 1997 were notified by the Government in February 2000 and the Commissioner assigned duties in March 2000. Thus, Senior Food Inspectors were continued without any services which resulted in nugatory expenditure of Rs.18 lakh (approximately) on their pay and allowances beside adversely affecting the implementation of PFA Act.

(e) The Commissioner did not maintain records of existing food establishments nor did it maintain details of category-wise number of food outlets/food establishment. He also did not prescribe any norms for adequate coverage of all categories of food establishment, commodities, especially commodities of priority items where possibility of adulteration was high. Further, no quarterly or annual plans were drawn up to identify the areas and commodities from where the samples to be lifted on the basis of survey. As a result there was no systematic sampling in identified areas.

(f) Rule 50 of PFA Rules 1955 stipulates that no person shall stock, distribute or exhibit for sale any article of food except under a licence. However, it was noticed that no record showing number of food establishments in existence in the State, number of applications received for licence, number of licences granted, etc. was maintained by the Commissioner. In test-checked circles 10363 (84 *per cent*) out of 12342 establishment granted licences failed to renew licences during 1995-2000*

LHAs stated that flow of renewal applications from the licence holders was very low which resulted in non-renewal of licences and notices were being served to food establishments for renewal of licences. However, fact remained

* Ahmedabad out of 2848, 2662, Bhuj out of 1190, 700, Jamnagar out of 1324,1182, Nadiad out of 3010, 2882, Rajkot out of 1458, 865 and Vadodara out of 2512, 2072.

that failure of LHAs in enforcing the Act effectively resulted in continuance of 84 *per cent* of food establishment without proper licence.

(g) It was noticed that there was no uniform pattern of lifting samples of commodities which were of mass consumption and more vulnerable to adulteration only very few samples lifted during 1995-1999 as shown in Appendix-XXI. Analysis of lifting of samples showed the following:

(i) Drawal of samples of milk *vis-à-vis* total number of samples drawn during 1995-99 ranged between 7 *per cent* (1999) and 11 *per cent* (1996 and 1998). Percentage of samples found adulterated *vis-à-vis* total adulterated samples ranged between 12 *per cent* (1997) and 19 *per cent* (1996 and 1998). Increasing trend of adulteration in milk indicated that administration was ineffective in implementing provisions of the Act.

(ii) Drawal of samples of salts *vis-à-vis* total number of samples drawn during 1995-1999 ranged between zero *per cent* (1995) and 41 *per cent* (1997) and percentage of samples found adulterated there-against ranged between two *per cent* (1999) and seven *per cent* (1997).

(iii) Percentage of samples of *pan masala* and mineral water found adulterated ranged between six and 64 and five and 35 respectively and showed an increasing trend.

Even though the selected commodities showed high rate of adulteration number of lifting samples were not increased.

(h) Samples tested *vis-à-vis* capacity by all the three food laboratories in Bhuj, Rajkot and Vadodara ranged between 33 *per cent* and 100 *per cent*, three *per cent* and 15 *per cent* and 25 *per cent* and 53 *per cent* respectively during 1995-99.

The Administration attributed under utilisation to low in flow of samples from the field offices and absence of infrastructural facilities like equipment, vacancy in technical posts etc.

(i) As per the provisions of Section 13(1) of PFA Act 1954 and Rule 7 of PFA Rules 1955, the Public Analyst were to analyse the samples and send a report of the result of such analysis to LHA within 40 days from the date of receipt of samples for analysis. Test-check of records of LHAs-Bhuj and Rajkot revealed that out of 2882 samples analysed during 1995-99, reports of 244 samples were issued after a delay up to 10 days (43), 20 days (75), 40 days (65), 60 days (60) and above 60 days (1) by the Public Analyst.

(j) Permissible limits of poisonous metals in various food articles, Aflatoxin i.e. crop contaminant, naturally occurring toxic substances, insecticides and pesticides have been prescribed. Further sample of food item to be declared as free from adulteration and contamination should also be tested for microbes test for the presence of bacteria and above mentioned contaminants in food samples were not carried out in the Regional Food Laboratories (RFL) in Vadodara, Rajkot and Bhuj and Food Testing Laboratory of Ahmedabad

Tests for Aflatoxin, pesticide residue, microbial, Heavy metal were not conducted in laboratories

Municipal Corporation. Further, tests on food packing material and additives were not done in any of the Food Laboratories in the State. Senior Scientific Officer RFL Vadodara stated that due to shortage of testing facilities and chemists the tests could not be conducted. This was not tenable as the Director (Food), Directorate General Health Service, New Delhi in his letter dated 24 September 1999 stated that the Public Analysts were not analysing those contaminants in food samples though the Food Testing Laboratories were provided with sophisticated equipments by World Health Organisation, and Government of India provided cash grant of Rs.43 lakh for purchase of equipments and training to the Analysts/Chemists in the area of analysis between 1992-99.

**Imported
Laboratory
equipments
remained
un-used for
more than
two years**

(k) One unit of Atomic Absorption spectrometer and one Gas liquid chromatography imported and installed at a cost of Rs.7 lakh in RFL Rajkot in December 1994 was lying idle. Similarly, one unit of Atomic Absorption Spectrometer imported in March 1997 at a cost of Rs.6.50 lakh by RFL Vadodara was sent in January 2000 to RFL Bhuj was lying idle in packed condition due to non-availability of furniture, uninterrupted power supply system and shortage of staff. Thus, non-synchronisation of ancillary works by the Commissioner resulted in idle investment of Rs.13.50 lakh.

Prosecution against adulterants

(l) On receipt of report declaring the sample adulterated prosecution against adulterants was required to be launched after following the procedure prescribed in the Act. Test check details of prosecution launched, cases decided acquitted and defaulters convicted by the court during 1995-99 showed that average 15 in *per cent* cases conviction took place.

Further in the test-checked units, out of 436 cases decided by the court, 414 cases were acquitted due to failure of the Commissioner to substantiate the adulteration*.

Scrutiny of court judgements revealed that the accused were acquitted due to non-issuance of notices under Section 13(2), non-notifying of Analyst/F.Is non-issuance of sanction for prosecution by incharge LHAs, difference in dates of analysis and date of Report differed and belated launching of prosecution.

Thus, due to poor monitoring and pursuance of the cases, Administration failed to prove adulteration and the accused were acquitted.

(m) According to the provision of the Act, if the sample was found adulterate, LHA was required to institute prosecution against the person from whom the sample of the article of food was taken. During 1995-99, out of 2799 food samples found adulterated prosecution were launched in 2426 cases. No reasons for shortfall in launching cases were furnished by the Commissioner.

* Ahmedabad, out of 60, acquitted 55 convicted 5, Bhuj out of 75, acquitted 65, convicted 10, Jamnagar out of 66, acquitted 65, convicted 1, Nadiad, out of 91, acquitted 91, convicted -Rajkot out of 112 acquitted 112, convicted -and Vadodara out of 32 acquitted 26 convicted 6

In test-checked units in 78[▲] cases pertaining to 1992-99 prosecution were not launched (June 2000):

This was attributed by LHA to non-availability of complete details of vendors and the whole-salers/manufacturers from whom adulterated food articles were purchased, death of Food Inspector who drew the samples (4 cases) and suspension of Food Inspector (4 cases). No reasons were furnished by LHA, Bhuj for 21 cases.

(n) Rule 8 of PFA Rules, 1955 stipulates that no person shall be appointed as Food Inspector unless he is (a) a medical officer in charge of the Health Administration, (b) a graduate in medicine and received one month's training in food inspection and sampling work, (c) a graduate in science with Chemistry as one of the subjects or a graduate in Agriculture or Public Health or Pharmacy or in Veterinary Science or in Food Technology or Dairy Technology.

Records of the Commissioner disclosed that the administration did not follow this pattern and appointed two officials in February 1991 as Food Inspector though they were not possessing prescribed qualification. These persons were holding bachelor degree in Agronomy from Mangal Bharati Vidhyapith which was equivalent to Bachelor of Arts as was declared by Government of Gujarat. The Gazette notification dated 27 February 1992 under which they were notified as Food Inspectors also showed their qualification as Bachelor of Science (Agriculture), which was not correct.

As they did not possess prescribed qualification, they were not drawing food samples under PFA Act since 1991. However, it was noticed that they were paid pay and allowances without rendering any services which resulted in nugatory expenditure of Rs.9.60 lakh (approximately).

Reasons for appointment of persons not qualified and officers responsible for their appointment though called for were not furnished.

The matter was reported to Government in August 2000; reply has not been received (November 2000).

Districts / Units	1992	1994	1995	1996	1997	1998	1999	Total
Ahmedabad	--	--	--	--	4	1	--	5
Bhuj	--	1	3	6	4	4	3	21
Jamnagar	--	--	--	1	7	5	--	13
Nadiad	2	1	1	1	2	9	8	24
Rajkot	--	--	--	--	2	2	4	8
Vadodara	--	--	3	--	--	1	3	7
								78

3.10 Oriented Development Related Export Transactions Project

Taking up of ill conceived project created liability of Rs.140 crore

An agreement was entered by Government of Gujarat with Philips Medical Systems, Nederland B. V. in September 1997 under Oriented Development Related Export Transactions (ORET) Project to upgrade 65 selected hospitals (6 Medical college hospitals, 23 District hospitals and 36 Community Health Centres) for promotion of health care. The project consisted of loan and grants-in-aid (GIA) in the ratio of 60:40 (Loan of Netherlands Guilders 5.97 crore and grants-in-aid of Netherlands Guilders 3.98 crore) receivable by Government of India from Dutch Government which was to be passed on to the Government of Gujarat as loan and GIA in the ratio of 70:30. The Project commenced in August 1998 and was to be implemented in five phases within six years, first two years being implementation phase and remaining four years operational phase. Under the project medical equipments valued Rs.200 crore (80 per cent imported and 20 per cent indigenous) were to be received by the State Government. Information relating to basis for taking up of project, pre feasibility survey, assessment, trend of market for cost of equipments/machineries etc. and relevant record though called for were not furnished by the Health and Family Welfare Department(Department)/the Commissioner of Health and Medical Services. However, test-check of records of Additional Director (Medical Services) and Project Director (ORET) and Civil hospitals Godhra, Gondal, Nadiad and Visnagar revealed the following :

(a) Survey, planning and market assessment

Before entering into agreement the department was required to carry out assessment of the facilities/equipments available as well as required by different hospitals,. technical feasibility, price competitiveness of the equipments to be imported and market survey. Also Central Medical Stores Organisation, responsible for making purchases for the Department was to be consulted. However, no such information was available with the Additional Director (Medical Services) and Project Director (ORET). As such Audit could not verify the viability of entering into agreement with Philips Medical Systems, Nederland B.V. Further, the agreement was also silent about the make, model and quality standard of the medical equipments to be imported and the department also did not insist on these as a prudent buyer. It was also seen that the bills of consignments of equipments received did not indicate equipment-wise cost but consolidated cost of all equipments was mentioned. Audit therefore, could not verify as to whether economy was observed while importing/purchasing them and they were as per required specifications, if any.

(b) Avoidable payment of duty on imported equipments

(i) Under the project first and second batch of imported equipments valued Rs.79.06 crore were received in September 1998 and January 1999. During this period equipments meant for Government hospitals were exempt wholly from payment of custom duty as well as additional duty on production of certificates from head of hospitals to the effect that hospital was Government

Hospital, the equipment was necessary for the hospital and it was not being manufactured in India.

It was observed that the State Government failed to submit the required certificates. So, a consultancy firm Hospital Services Consultancy Corporation, New Delhi was appointed (July 1999) to issue Non-Manufacture in India Certificate (NMIC). Rupees 15 lakh were paid to the consultant for their services which proved unfruitful as the report (March 2000) from consultant did not help in getting duty exemption. Earlier hospital equipments were being imported and exemption received from duty on the basis of certificates from head of hospitals only.

Ultimately, the consignments were cleared on Personal Deposit (PD) Bond. As the extended period of PD bond was to expire the State Government paid custom duty of Rs.1.49 crore and interest for belated payment of Rs.0.48 crore in March 2000.

Thus, failure to produce the required certificates from the head of hospitals and injudicious decision to take delivery on PD bond resulted in avoidable payment of Rs.2.12 crore.

(ii) The third consignment of hospital equipments was imported in June 1999. At that time Special Additional Duty/Countervailing Duty (SAD/CVD) at appropriate rate was payable. However, this consignment was also got cleared on PD bond without payment of CVD/SAD. Ultimately on denial from Government of India, CVD and SAD amounting to Rs.5.08 crore and interest of Rs.0.88 crore for delayed payment were paid under protest in March 2000.

Thus, injudicious decision of non-payment of CVD and SAD at the time of clearance resulted in avoidable payment of interest of Rs.0.88 crore.

(c) Idle equipments

(i) Latest instruments/equipments for physiotherapy units were provided under ORET to Civil Hospital, Nadiad and Godhra in December 1999. However, the equipments/instruments for Physiotherapy were kept in a room pertaining to Post Partum Unit in Nadiad Hospital and remained unutilised (November 2000) for want of Physiotherapist and other Para-medical staff. In Civil Hospital, Godhra also, equipments remained unutilised (November 2000) as both the Physiotherapist and Massagist were blind and were unable to operate computerised and automated machines which required setting of time, tension, temperature, pressure etc.

(ii) Following instruments/equipments supplied (January 1999) under ORET project to Civil Hospital, Visnagar were lying idle.

Two Boyle's apparatus

Surgical Instruments/Equipments for operation theatre

- (a) One shadowless lamp
- (b) One hydraulic operation table

- (c) Two refrigerators and one AC machine for Blood Bank
- (d) Two ventilators : one for adult and one for neo-natal
- (e) Seven incubators including three mobile incubators
- (f) Four baby warmers
- (g) Two out of four labour coats

The Superintendent stated that equipments were lying idle (November 2000) for want of a full time surgeon and anesthetist. Further, the equipments meant for Blood Bank were idle for want of licence.

(iii) Similarly, in Civil Hospital, Gondal fully equipped operation theatre which was ready for use since December 1998 under the project for Mother and Child Health, a component of ORET, was not put to use for want of Gynecologist and Anesthetist as of June 2000.

However, in the absence of equipment-wise price blocking of funds for idle equipments could not be quantified.

(iv) It was also noticed that all the equipments valued Rs.41.25 crore received under the third consignment in June 1999 were lying in the godown of Philips Medical Systems in packed condition (June 2000) for want of site preparation. Thus, equipments valued Rs.41.25 crore were lying idle for more than one year.

In view of above the project seemed to be ill conceived and created liability of loan component of Rs.140 crore without corresponding benefit to the Government.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

INDUSTRIES AND MINES DEPARTMENT

3.11 Irregularity in purchase of Aircraft

Purchase of Aircraft without exploring the possibility of competitive rates by inviting global tenders

As per the provisions contained in Rule 18(2) of Gujarat Financial Rule, 1971, in the case of purchase of Plant and Machinery and equipments from foreign countries, wherever practical and advantageous, contract shall be placed only after global tenders have been openly invited.

Government in Industries and Mines Department placed indent (May 1999) with Central Stores Purchase Organisation (CSPO) for purchase of New

Aircraft for State Government. CSPO invited tenders (May 1999) for aircraft of a twin engined, pressurised, turbo propeller, air conditioned with seating capacity of 8 to 10 persons inclusive of aircrew from inland bidders only.

In response, only one bidder offered the rate of US \$ 4056000 (basic price) for the aircraft as per tender specification. Three other bidders requested (May/June 1999) Government to change the specifications of the tender as the specifications mentioned in tender notice restricted the purchase option to only one category/type of aircraft which is being manufactured by only one America based company and thereby restricted other aircraft manufacturers from participating in the bid. Government however, did not change the specifications of tender notice and accepted the tender of single tenderer at offered rate of the aircraft plus other/additional items at negotiated rate of US \$ 303574 aggregating to US \$ 4359574 (Rupees 19.12 crore calculated at the rate of Rs.43.86 per dollar prevailing at that time) and acceptance of tender was issued on 11 January 2000.

Test-check of records of CSPO (April 2000) revealed the following :

- (i) In November 1998 a proposal was mooted by Additional Chief Secretary (Industries & Mines Department) to purchase Super king Air B-200 aircraft (Branded item) which *inter alia* mentioned that similar aircraft (turbo – propeller) with little hours in the log was available for sale with Maharashtra Government and likely to cost hardly Rs.8 crore. Chief Secretary proposed to go ahead for buying aircraft from Maharashtra Government who was prepared to sell it. However, at the instance of the Chief Minister it was decided (January 1999) to purchase new Super king Air–B 200 aircraft.
- (ii) It was seen from the Departmental file that in the meeting of purchase committee held on 6 April 1999 global tendering was favoured. However, Chief Secretary and Principal Secretary, Finance Department opined that the global tendering would involve publication in foreign news papers/magazines, hence global tendering was not approved. This was not justified as there was no indigenous manufacturers of these types of aircrafts. Thus, inviting tenders locally restricted the scope of obtaining competitive rates and facilitated obtaining a tender from the desired sources.
- (iii) Despite representations from prospective bidders to reconsider tender specifications, as there was no other manufacturer of the aircraft of the specifications decided by Government, neither the specifications was changed nor the tender was re-invited.
- (iv) As the helicopter available with the State Government was airworthy, there was no urgency to procure aircraft. However, Government did not reinvite tenders even after receipt of an offer for US \$ 4015540 but accepted the offer of single bidder at higher cost.
- (v) Joint Secretary, Industries and Mines Department stated (December 2000) that had the tender been considered for global bid, it would have given better option for purchase and advantageous to Government.
- (vi) A team of three officers (one technical and two non-technical officers who were not even members of technical committee) was deputed to USA for inspection of aircraft before taking delivery between 30 April to 7 May 2000.

Though General Administration Department and Finance Department concurred for deputing one or two technical officers, the team was selected as per orders of Industries Minister who was also Incharge Chief Minister. Details of expenditure incurred by Mission abroad and amount actually reimbursed to them were not furnished.

Government stated (August 2000) that decision was not taken to favour one particular company. This was not tenable on the following grounds.

- (1) Advertisement was released even before the technical sub committee met on 20th May 1999 to decide the specifications.
- (2) The specifications decided by technical sub committee were exactly similar to Super King Air-B 200.
- (3) Specifications decided by aircraft purchase committee in their meeting dated 10th March 1999 were exactly same which were subsequently recommended by technical sub committee.
- (4) The supplier had intimated Government on 21st January 1999 (i.e. only after two days from the date of formation of aircraft purchase committee) regarding intention of Government for procuring Super King Air B-200.
- (5) Aircraft purchase committee in their meeting held on 5th April 1999 had decided to follow the normal procedure for procurement of helicopter by floating global tenders. However, this normal procedure was not followed for the purchase of aircraft.

NARMADA, WATER RESOURCES AND WATER SUPPLY AND REVENUE DEPARTMENTS

3.12 Utilisation of Special Grants recommended by Tenth Finance Commission

3.12.1 Introduction

On recommendation of Tenth Finance Commission (TFC) Government of India (GOI) released grants to State of Gujarat for Special Problems and Calamity Relief Fund (CRF). Under Special Problems Scheme supply of fluoride free water was undertaken as discussed below :

(A) Scheme for supply of fluoride free water

In Mehsana district 273 villages[▲] were to be covered under scheme for supply of fluoride free water from the Dharoi Project (Scheme). Another 105 villages of Kheralu Taluka were included in the Hadol Regional Water Supply Scheme approved earlier for which Government of India (GOI) sanctioned (March 1995) Rs.32.87 crore under Rajiv Gandhi National Drinking Water Mission. Remaining 172 villages were proposed to be covered under Narmada Canal based Pipe Line project. As per TFC and Action Plan submitted (May 1998) by Government of Gujarat (GOG), the scheme was to be completed by December 2000. However, as of March 2000 only 45 per cent of works were completed.

The scheme was implemented by Gujarat Water Supply and Sewerage Board(GWSSB), Gandhinagar through Chief Engineer, Zone II, Ahmedabad and Superintending Engineer, Public Health Circle, Mehsana. At field level, the scheme was implemented by Public Health, Dharoi Project Divisions Mehsana and Kheralu.

Records pertaining to Board Office and Public Health, Dharoi Project Division No. 2, Mehsana, Public Health Division No.1, Kheralu and Public Health Mechanical Division, Gandhinagar for 1998-2000 were test-checked.

(i) Execution of scheme

Under this scheme (Scheme for supply of fluoride free water) Rs.45 crore was released during 1998-99 (Rs.12.50 crore) and 1999-2000 (Rs.32.50 crore) against which Rs.53.90 crore were spent as of March 2000. Scrutiny revealed the following :

(i) Since the works were behind the schedule desired objective of providing fluoride free water remained distant dream evenafter spending Rs.53.90 crore no village was provided with fluoride free water under the scheme.

[▲] Taluka-wise villages : Kheralu-53, Visnagar-60, Siddhpur-82 and Patan-78

(ii) Delay of 32 months at various levels in submission of Action Plan resulted in two years delay in release of Funds by GOI. Change of alignment after finalisation of tender resulted in refund of liquidated damages amounting to Rs.63.80 lakh to the contractor beside hampering the progress of work. Rupees 5.90 crore were debited in excess towards establishment, tools and plant charges disregarding Government of India instructions of April 1997.

(iii) Rupees 20.06 lakh were spent as of March 2000 on construction of Inspection Bungalow though it was not included in the Action Plan. Inspection charges amounting to Rs.10.73 lakh were irregularly paid to Certification Engineering International Limited even for the period preceding the date from which the agreement was effective and details of inspections carried out by them were not on record.

(ii) Monitoring and Evaluation

GWSSB was monitoring the scheme. The progress report up to December 1999 was furnished to GOI during January 2000. Evaluation study of the scheme was to be carried out during the course of the work and after completion of the scheme. However, no evaluation was done during the course of work as of May 2000.

(iii) Empowered Committee

TFC recommended (June 1995) constitution of Empowered Committee to take stock of the progress of work and other connected matters relating to Dharoi Project. Empowered Committee was required to meet at least once in two months. Though Empowered Committee was constituted in May 1996, only 5 meetings were held as of March 2000 as against 24 meetings required to be convened. Reasons for shortfall in convening the meetings, were not furnished to Audit.

(B) Calamity Relief Fund

Utilisation of Grants released under CRF for natural calamities like drought, flood, cyclone, fire etc. were test-checked between January and February 2000.

(i) Execution of scheme

Under the scheme Rs.553.11[♥] crore were available during 1997-2000 of which Rs.218.20 crore were spent as of November 1999. Scrutiny revealed the following:

♥

Year	Central Share	Amount credited to CRF	Expenditure
	(Rupees in crore)		
1997-98	110.48	236.88	89.86
1998-99	116.12	154.83	114.82
1999-2000	<u>121.05</u>	<u>161.40</u>	<u>13.52</u>
Total	347.65	553.11	218.20

(i) Unspent balance of Rs.3.81 crore credited to Government Account during 1998-99 was not transferred to CRF. Rupees 1.70 crore were unauthorisedly retained by District Panchayat, Jamnagar.

(ii) Over and above GOI released Rs.142.25 crore during 1997-99 from National Fund for Calamity Relief of which only Rs.27.90 crore were spent as of December 1999.

(iii) Rupees 6.55 crore spent during 1998-2000 towards cash assistance to cattle owners for dead animals were not susceptible to verification by Audit as detailed break-up of beneficiaries was not available on record.

(iv) Payment of Rs.2.65 crore made by Taluka Development Officer, Abadasa-Naliya during 1999-2000 was doubtful as the same was made without proper proof of death of animals. Only expenditure on approved items was chargeable to CRF. However, Rs.9.92 crore were spent on unapproved items like missing persons in cyclone, fully/partially damaged huts etc. Rupees 96.88 lakh were spent in excess of prescribed norms. Detailed Contingent bills for Rs.1.72 crore drawn between June 1998 and March 1999 were not submitted by Mamlatdars, Jamkhambhalia, Bhuj and Gandhidham as of January 2000. Balance of Rs.95.96 crore as of March 1999 under CRF was not invested as required.

(v) Monthly expenditure statements were not submitted regularly.

(ii) Monitoring

Revenue Department was responsible for monitoring CRF. Different departments and District Collectors were required to send monthly statements of actual expenditure. However, Collectors and the Department were not sending the expenditure statements regularly. As a result monitoring by the Department was ineffective.

3.12.2 Conclusion

Works were behind the schedule which will delay in providing fluoride free water to the people from the scheme. In CRF unspent balances were not credited to CRF and the amount of Fund not invested as required. Further, larger amounts from CRF were spent on ineligible items and in many cases payments made were not free from doubt. The programmes were poorly monitored.

The matter was reported to Government in September 2000; reply has not been received (November 2000).

REVENUE DEPARTMENT

3.13 Expenditure on Drought Relief Works

3.13.1 Audit objective and coverage of audit

During 1999-2000, out of 18464 villages of 226 talukas of 25 districts in the State of Gujarat, scarcity was declared in 6675 villages of 134 talukas of 16 districts and semi-scarcity was declared in 1991 villages of 124 talukas of 14 districts from 22 December 1999. Semi-scarcity was also declared in 755 villages of 9 districts from 13 March 2000. Scarcity/Semi-scarcity declaration was withdrawn by the end of July 2000. As against anticipated expenditure of Rs.604.96 crore, Rs.355.18 crore were spent upto June 2000, mainly on employment generation (Rs.206.08 crore), supply of drinking water (Rs.59.41 crore), purchase of grass (Rs.47.03 crore) and subsidy to *panjarapoles* (Rs.28.58 crore).

Records of Revenue Department (Department), being the administrative department for drought relief work, Revenue branch of three selected District Collectors (Kachchh, Patan and Surendranagar), Revenue branch of three* District Panchayats, five** Mamlatdars, five[#] Taluka Development Officers, three[♥] Voluntary Organisations (VOs), five[♦] Public Health Divisions and one^θ sub-division of Gujarat Water Supply and Sewerage Board (GWS&SB), Gandhinagar were test-checked between July and September 2000. In these three Districts Rs.128.44 crore were spent mainly on employment generation (Rs.58.98 crore), supply of drinking water (Rs.27.70 crore) and subsidy to *panjarapoles/gaushalas/cattle camps* (Rs.25.11 crore). Following points were noticed.

3.13.2 Incomplete Works

As per the Gujarat Relief Manual (Manual) scarcity works should be such as those can be completed/brought up to safe stage during the scarcity period. It was noticed that 1072 works on which Rs.25.17* crore were spent as of July 2000 remained incomplete (989 Road/Irrigation works for Rs.23.99 crore and 83 Borewell works for Rs.1.18 crore) of which 432 Road/Irrigation works involving expenditure of Rs.13.15^Σ crore were not brought to safe stage.

* Kachchh, Patan and Surendranagar.

** Bhuj, Radhanpur Sayla, Sidhpur and Vadhwana,

[#] Bhuj, Chotila, Patadi, Radhanpur and Sidhpur.

[♥] Moti Rudrani Panjarapole, Bhuj; Ram Roti Annakshetra Ashram, Kothariya-Vadhawan city and Bhanashali Trust Cattle Camp, Radhanpur.

[♦] Works Division No.1, Bhuj; Mechanical Division, Bhuj, Works Division, Limbdi, Mechanical Division, Mehsana and Works Division, Surendranagar.

^θ Mechanical Sub-division, Surendranagar.

⁺ (a) Road/Irrigation works : Kachchh 890 works Rs.20.79 crore, Patan 82 works Rs.3.07 crore and Surendranagar 17 works Rs.0.13 crore. (b) Bore-well works: Kachchh 83 works Rs.1.18 crore.

^Σ Kachchh: 392 works Rs.11.37 crore and Patan: 40 works Rs.1.78 crore.

3.13.3 Works in villages not covered under scarcity areas

Works were required to be executed in scarcity affected areas. However, it was noticed that expenditure of Rs.1.11 crore was incurred in villages which were not in scarcity affected areas.

3.13.4 Irregular/excess payment of subsidy

(a) Audit scrutiny revealed that from CRF, expenditure for Rs.44.67 lakh pertaining to drought of 1993-94 was met during 1999-2000. Scrutiny revealed following irregularities:

(i) For drought of 1993-94, Government had resolved (February 1994) to pay subsidy with effect from February 1994 to only those *gaushalas/panjarapoles* which were registered in scarcity affected areas. Though, Surendranagar District was not declared as scarcity affected, subsidy was sanctioned by Government (September 1999) to *Ram roti Annakshetra Ashram*, Kothariya (District Surendranagar) (RAA), a VO, for maintenance of cattle of scarcity affected areas of Kachchh district, as a special case as directed by the Finance Minister (August 1999) without assigning any reason. Reasons for belated sanction was also neither on record nor made available by the Department.

(ii) Claim for subsidy for 1993-94 was submitted by the VO in September 1997 *i.e.* after three years without assigning any reasons for delay in submission of the claim.

(iii) Physical verification of cattle maintained by the VO was to be furnished. However, this was not done and *post facto* certificate was furnished by the Mamlatdar in March 1999. Even this certificate was ambiguous and independent physical verification of daily stock of cattle required to be done periodically was also not done. Thus, genuineness of the expenditure on maintaining the cattle by the VO was doubtful.

(iv) Though, subsidy was payable from February 1994, payment of Rs.12.80 lakh was made even for the period prior to February 1994.

(v) The VO was supplied animal feed free of cost during 21 April to 15 June 1994. Even then, subsidy of Rs.10.99 lakh was paid for that period unjustifiably.

(b) As per instructions issued by the Department, *NagarPalikas/Nagar Panchayats* were excluded from scarcity affected areas. It was noticed that subsidy of Rs.8.28 lakh was paid during January to May 2000 by Mamlatdar, Radhanpur, to *Khoda Dhor Panjarapole*, Radhanpur under a NagarPalika, as approved by Collector, Patan for maintenance of cattle. Thus, payment of Rs.8.28 lakh was irregular.

(c) Though subsidy for maximum 1500 cattle was admissible, Rs.9.05 lakh were paid by Mamlatdar, Vadhwan, to RAA, as approved by Collector, Surendranagar during April 2000 for cattle in excess of 1500.

(d) VOs were required to maintain records/vouchers in support of expenditure incurred on maintenance of cattle camp. It was noticed that no such records were maintained by *Moti Rudrani Panjarapole* (Kachchh) to whom subsidy of Rs.70.05 lakh was paid by Mamlatdar, Bhuj as approved by Collector, Kachchh. Thus, no verification of the genuineness of expenditure was carried out.

3.13.5 Payment of cash doles in excess of norms

Norms fixed by the expert committee constituted by GOI, were applicable to all State Governments. However, State Governments were permitted to increase norms by 50 per cent for gratuitous relief to old and infirm and destitute children. It was noticed that the State Government increased the norms in excess of permissible limit*.

This resulted in excess expenditure of Rs.88.95 lakh in three test-checked districts.

3.13.6 Purchase of grass

Tenders for supply of fodder were invited by 8 District Collectors and finalised by the State Government in September and December 1999 respectively. Fresh tenders were also called for and finalised in March 2000. Following points were noticed:

(I) Financial Irregularities

(a) Undue favour for Rs.19.20 crore to grass supplier

One bidder who was liable to be black listed as per tender conditions for backing out in previous tendering (9 December 1999) (rate: Rs.245 per quintal) was subsequently awarded order for supplying 4.00 crore kg. grass and paddy-straw (out of total supply orders issued for 8.05 crore) at higher rate of Rs.480 per quintal by the State Government on the basis of fresh tenders invited and finalised in March 2000. This resulted in undue favour of awarding business for Rs.19.20 crore (for supply of 4.00 crore kg. grass at the rate of Rs.480 per quintal) irregularly.

(b) Excess payment of Rs.7.25 lakh

One bidder quoted rate of Rs.396 per quintal for supply by loading in railway wagons and submitted an affidavit that he would supply 25 lakh kg. grass and paddy-straw at quoted rates. However, Government instead of purchasing atleast 25 lakh kg. grass at his quoted rate and exploring possibility of reduction of the rate by offering more quantity of supply order, purchased 1.61 crore kg. grass and paddy-straw between March and July 2000 at a higher approved rate of Rs.425 per quintal. This resulted in excess payment of Rs.7.25 lakh for 25 lakh kg. grass which supplier agreed to supply at a lower

* The GOI norms with permissible increase were Rs.7.50 per adult per day and Rs.4.50 per child per day. The State Government fixed norms for Rs.10 per person per day (for both adult and children). The rate of assistance to pregnant women was further increased from Rs.10 per woman per day to Rs.20 per woman per day from 8 May 2000.

rate of Rs.396 per quintal beside potential loss of Rs.46.69 lakh in the entire purchase of 1.61 crore kg. grass.

(c) Extra cost for purchase of grass at the site of the supplier

For supply at the site of the supplier, the concerned District Collectors were to lift the grass from the site of the supplier through internal transport contractor of the district. In Surendranagar District, 16.28 lakh kg. grass was lifted by the Collector from the site of the supplier. Total cost of purchase of grass with expenditure on its transportation worked out to Rs.97.44 lakh (Rs.598.52 per quintal) as against Rs.78.14 lakh at the rate of Rs.480 per quintal for supply at destination as per agreement. Thus, purchasing grass at the site of the supplier proved costlier by Rs.19.30 lakh.

(d) Non-recovery of extra cost of Rs.2.38 crore

One contractor was issued (January 2000) supply order for 1.05 crore kg. grass at the rate of Rs.245 (subsequently increased to Rs.275 retrospectively in March 2000) per quintal. He supplied only 21.91 lakh kg. grass till March 2000 and did not supply thereafter. Government purchased grass at higher rate from other suppliers subsequently at the rate of Rs.480 per quintal and bear extra cost of Rs.1.70 crore for short supply of 83.09 lakh kg. grass by the contractor. As per the conditions of agreement, the extra cost was recoverable from the contractor. However, the same was not recovered (November 2000).

Similarly, another contractor was issued (December 1999) supply order for 1.50 crore kg. grass at the rate of Rs.245 (subsequently increased to Rs.275) per quintal. He supplied only 1.17 crore kg. grass. Government had to bear extra cost of Rs.67.65 lakh, for short supply of 33 lakh kg. grass, which was recoverable from the contractor. However, the same was not recovered (November 2000).

The Department stated (December 2000) that notices were issued to defaulting contractors.

Further, as per provision of Financial Rules, both the contractors were liable to credit Rs.12.86 lakh and Rs.18.38 lakh respectively as Security Deposit (SD). However, SD for only Rs.2 lakh was recovered from each of them as per tender conditions.

(e) Excess payment of Rs.41.70 lakh on account of allowing injudicious increase in the rate

The State Government finalised (9 December 1999) the rate for supply of grass at the rate of Rs.245 per quintal FOR destination after obtaining undertaking to that effect from the bidders during negotiations held on 7 December 1999.

However, it was decided (8 February 2000) in meeting chaired by the Finance and Revenue Minister to consider the rate of Rs.269 per quintal which was quoted by one of the two contractors and allowed increase of Rs. six per

quintal on account of increase in price of diesel. Accordingly, Government increased (March 2000) rate from Rs.245 to Rs.275 per quintal.

The department stated (December 2000) that the bidder who had quoted lowest price of Rs.253 per quintal neither signed the agreement nor supplied any quantity of fodder. Hence, second lowest rate quoted for Rs.269 per quintal was operative price as per 'technical interpretation'[#] and was, therefore, decided to be accepted.

The argument is not tenable as the contractors are not entitled to the rates higher than the one agreed during negotiations and for which agreement was entered into irrespective of the fact whether first lowest supplied or not. Further, there was no provision in the tender to allow increase in rates for supply of fodder on account of increase in price of diesel.

Hence, the entire increase of Rs.30 in the rate of supply of fodder was injudicious and resulted in excess payment for Rs.41.70 lakh to two contractors for supply of 1.39 crore kg. grass.

(II) Procedural lapses

(a) Tenders finalised in December 1999

(i) Quantity intended to be purchased was not specified in Draft Tender Papers (DTP). Though requirement of grass was assessed to 5.40 crore kg., tenderers were required to show in the tenders that they were having stock of 0.20 crore kg. grass. DTP did not mention minimum and maximum quantity required to be supplied by the supplier at the quoted rates. This facilitated three suppliers to back out of contract at their convenience.

As against requirement of 5.40 crore kg. grass, supply orders were placed for 3.60 crore kg. grass and suppliers supplied only 1.39 crore kg. grass.

(ii) Though one tenderer indicated availability of only 2 lakh kg. grass with him, he was given order for supply of 1.50 crore kg. grass. The supplier proposed to State Level Grass Purchase Committee on 23 December 1999 to supply only two lakh kg. grass i.e. the quantity indicated in the tender which was accepted. Order for supply of rest of the quantity was placed (January 2000) with another supplier.

As per the condition of the tender, the supplier was liable to be black-listed and his Earnest Money Deposit (EMD) was liable to be forfeited. Instead of taking this action, Government subsequently awarded him supply order for 4.00 crore kg. grass at a higher rate of Rs.480 per quintal, (as per the tenders invited in March 2000) as mentioned in preceding paragraph.

(iii) Security Deposit (SD) was uniformly fixed Rs.2.00 lakh as against minimum 5 *per cent* of amount of contract required as per provisions of Gujarat Financial Rules 1971 (GFRs).

[#] The term used by the Department in the reply but exact meaning not explained though called for.

(iv) One bidder did not indicate rate of transportation and his tender was thus defective. However, while preparing comparative statement, approximate amount for transportation was added by Collectorate staff and order for supplying 1.50 crore kg. grass was placed with him instead of rejecting this defective tender. However, the tenderer did not turn up to sign the agreement.

(b) Tenders finalised in March 2000

(i) Though tenders finalised in December 1999 were valid upto July 2000, fresh tenders were invited and finalised in March 2000. Reasons for the same were not furnished by the department.

(ii) The rates accepted for paddy-straw and grass were the same.

(iii) Three different rates were fixed; (i) Rs.400 per quintal for supply at the site of the supplier, (ii) Rs.425 per quintal for supply by loading in Railway wagons and (iii) Rs.480 per quintal for supply FOR destination anywhere in the State. However, sanction orders issued by Government for supply of 8.75 crore kg. grass and paddy-straw between March and July 2000 did not indicate actual supply of grass by various modes of purchase.

3.13.7 Disproportionate administrative expenditure

Overall administrative expenditure to works expenditure incurred by District Panchayat, Patan was 6 per cent. However, in three[▲] Talukas, against administrative expenditure of Rs.2.69 lakh, Rs.10.05 lakh and Rs.7.95 lakh works expenditure was Rs.3.61 lakh, Rs.10.63 lakh and Rs.1.58 lakh.

3.13.8 Unauthorised payment of subsidy

Subsidy for distribution of Supplementary Nutritions (*Sukhadi*) entrusted to VOs was payable from the date of sanction by the District Collector. It was noticed that subsidy of Rs.3.09 lakh was paid (9 June 2000) even for the period prior to sanction (22 May 2000) issued by the Collector, Patan.

3.13.9 Delay in payment of relief assistance

(a) Payment of cash doles

Payment of cash doles was to be made in advance once in a month by Money Order. However, Mamlatdar, Bhuj delayed issue of Money Orders for Rs.30.72 lakh for 22 to 90 days without any recorded reasons. Evidently, such delay reduced the effectiveness of the relief. The matter needs investigation.

(b) Payment of wages

Payment of wages to the labourers should be made within 10 days from the week end. It was noticed in 329 test-checked cases that in 144* works,

▲ Chanasma, Patan and Sidhpur.

* Kachchh 95 works and Patan 49 works.

payments were delayed even beyond permissible limits for seven days to 53 days.

3.13.10 Unauthorised diversion of receipts

Any income realised against the expenditure incurred from Calamity Relief Fund (CRF) shall be transferred to CRF at the end of the year. However, Rs.1.59 crore realised as sale proceeds of grass in Kachchh District during December 1999 to July 2000 were not transferred to CRF as of August 2000.

3.13.11 Other points

(a) Follow up action on report of checking squads

(i) Due to discrepancies in number of cattle actually maintained and subsidy claimed, 35 cattle camps were discontinued by the Collector, Kachchh (May/June-2000). However, no penal action were taken against defaulting VOs either to black list them or to recover amount of subsidy paid to them.

(ii) In 82 works, number of labourers were found short by various checking authorities. The works were discontinued and/or concerned muster clerks were relieved from the job. However, no action were taken against responsible officers who reported such fictitious works.

(b) Works carried out without Administrative Approval (AA)

No work can be taken up without Administrative Approval of the District Collector. However, in Patan District, 47 works costing Rs.1.05 crore were executed by Panchayat Irrigation and Roads and Buildings Divisions and by Mechanical Division, GWS&SB, Mehsana without such approval.

(c) Maintenance of Measurement Book (MB) and Muster Roll (MR)

(i) Measurements of the works executed were required to be checked by Deputy Engineer to the extent of 20 per cent and Executive Engineer 10 per cent and the same was required to be recorded in concerned MB. It was noticed that no such entries were recorded in MBs in 53 test-checked works costing Rs.63.38 lakh in 3 test-checked districts. As such, authenticity of payments made was doubtful.

(ii) As per provisions of the Manual, payment of wages to labourers was required to be made in the presence of Village Sarpanch or Member of the Village Panchayat. However, in 18 test-checked works, valued at Rs.13.9 lakh carried out by Sub-division No. - 5, Sami (Patan), payments on MR were not identified by any of the concerned authority. Payments were, therefore doubtful.

3.13.12 Conclusion

Main expenditure for drought relief consisted of employment generation payment of cash doles, supply of drinking water, purchase of grass and subsidy to *panjarapoles/gaushalas*/cattle camps. Audit review revealed

substantial deficiency in these respects. Payment of cash doles and wages to labourers was significantly delayed. Road/Irrigation works (989) carried out for employment generation were either left incomplete or not brought to safe stage. Many (83) water supply works were not completed till monsoon season. For purchase of grass, major supply order was issued to an incompetent supplier who failed to supply and was liable to be black listed. Irregular payments of subsidy of Rs.1.32 crore were made to four VOs. Quality of accounts records maintained by VO in Bhuj Taluka of Kachchh District was not verified or inspected. Thirty five cattle camps were discontinued due to discrepancies in number of cattle noticed during checking by Departmental officers.

The matter was reported to Government in October 2000; reply has not been received (November 2000).

3.14 Non-recovery of Government dues and interest thereon

Slackness in effecting recovery resulted in non-recovery of Government dues and interest of Rs.47.79 lakh for over six years

Government allotted (March 1988) to Mehasana Municipality land admeasuring 1707 sq.m. at the rate of Rs.300 per sq. m. for construction of parking slot in shopping centre including the land encroached upon by Municipality in construction of shopping centre subject to payment of difference between rate charged by Government and prevalent price of land to be fixed by the Deputy Town Planner, Mehsana. Meanwhile, Municipality credited Rs.5.12 lakh into Government account (December 1988 and March 1990).

Test-check of records (October 1999) of Superintendent, City Survey, Mehasana revealed the following :

(i) In pursuance of Government order Deputy Town Planner, Mehsana fixed the price of land at Rs.1500 per sq.m. (November 1993). Reasons for delay of over five years in fixing the price were not available on record. Consequent upon fixation of land price at Rs.1500 sq.m. Rs.20.48 lakh became recoverable from Municipality as price difference. However, Municipality did not repay the amount.

(ii) Revenue Department directed the Collector, Mehsana to recover (October 1996) dues alongwith interest at 24 *per cent* however, Municipality did not pay the dues even after lapse of four years except Rs. two lakh in March 1999.

Thus, failure on the part of District Collector either to recover amount from the municipality or to adjust the same from the grant payable to it resulted in non-recovery of Government dues of Rs.47.79 lakh (Principal Rs.18.48 lakh and interest Rs.29.31 lakh upto May 2000) for over six years.

The matter was reported to Government in March 2000; reply has not been received (November 2000).

3.15 Lack of response to Audit

Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot, these IRs re-issued to the Heads of offices inspected with a copy to the next higher authorities. The Financial Rules/orders of Government provide for prompt response by the executive to the IRs issued by AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during his inspection. The Head of offices and next higher authorities are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to AG. Serious irregularities are also brought to the notice of the Head of the Department by AG. A half yearly report of pending IRs is sent to Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto March 2000 pertaining to 258 offices of Revenue Department disclosed that 1132 paragraphs relating to 403 IRs remained outstanding at the end of June 2000 of these, 17 IRs containing 36 paragraphs had not been replied to/settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs are detailed in the Appendix-XXII. Even the initial replies which were required to be received from the Heads of offices within four weeks from the date of issue were not received in respect of 132 offices for 132 IRs issued between 1998-99 and 1999-2000.

As a result following serious irregularities commented upon in these IRs had not been settled as of June 2000.

Serial Number	Nature of irregularities	Number of Paragraphs	Amount (Rupees in lakh)
1	Short recovery/outstanding dues	246	7217.18
2	Excess Payment of Grant/Subsidy	33	109.53
3	Outstanding loans/subsidy interest	32	429.33
4	Idle/unserviceable articles/machinery/vehicles	94	18.24
5	Blocking of Government money	29	1005.28
6	Unfruitful/avoidable/infructuous	46	238.92
7	Overpayment/Irregular payment	121	449.28
8	Outstanding recovery of loan	10	7.65

9	Wanting utilisation certificates	15	2677.60
10	Unspent balance/Blockage of Government money	14	91.76
11	Non-reconciliation	29	4.75
12	Irregular Sanction	9	22.80
13	Non-payment of Land Acqui Award	7	110.68
14	Irregular Purchase	30	5354.46
15	Irregularities in PLA/cash book	36	583.68
16	Miscellaneous	381	349.76
	Total	1132	18670.90

A review of IRs which were pending due to non-receipt of replies, in respect of Revenue Department revealed that the Head of the Offices, whose records were inspected by AG, failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating ♦ pointed out in IRs of AG. The Secretary of the Revenue Department, who was informed of the position through half yearly reports, also failed to ensure that the concerned officers of the Department take prompt and timely action.

Lack of proper action against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

It is recommended that Government should carry out a serious review of the matter that executive responsiveness indicating at higher levels to audit observations and findings is quick ensuring remedial action and further that procedure exists for (a) action against the official who failed to send replies to IRs/Paras as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system of proper response to the audit observations in the Department.

The matter was reported to Government in August 2000; reply has not been received (November 2000).

♦ Their failure to initiate action in regard to the defects, omissions and irregularities.

GENERAL

3.16 Misappropriation, losses, etc.

Finalisation of 206 cases of alleged misappropriation, losses, etc. reported to Audit upto March 2000 was pending at the end of September 2000 as shown below :

(Rupees in lakh)

	Land Revenue		Other cases	
	Number of cases	Amount	Number of cases	Amount
(1) Cases reported upto the end of March 1999 and pending at the end of September 1999	49	5.79	142	225.83
(2) Cases reported during 1999-2000	1	^A 0.11	^R 18	[*] 23.74
(3) Cases closed during 1999-2000	Nil	Nil	^C 4	[*] 0.56
(4) Cases outstanding at the end of September 2000	50	5.90	156	249.01

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

A Revenue Department one case (Rs.0.11 lakh).

R Health and Family Welfare Department one case (Rs.0.02 lakh), Home (Transport) Department one case (Rs.0.32 lakh), Ports and Fisheries Department two cases (Rs.3.71 lakh), Agriculture and Rural Development four cases (Rs.1.14 lakh), Education Department two cases (Rs.3.48 lakh), Panchayats and Rural Housing Department one case (Rs.0.40 lakh), Information and Publicity Department four cases (Rs.1.08 lakh), Urban Development and Urban Housing Department two cases (Rs.9.13 lakh) and Sports, Youth Services and Cultural Activities Department one case (Rs.4.47 lakh).

***** Rupees 0.01 lakh adjusted in total due to rounding.

C Health and Family Welfare Department two cases (Rs.0.15 lakh), Ports and Fisheries Department one case (Rs.0.01 lakh), Gujarat Legislature Secretariat one case (Rs.0.41 lakh).

CHAPTER – IV
WORKS EXPENDITURE

SECTION - B PARAS

**NARMADA, WATER RESOURCES AND WATER SUPPLY
DEPARTMENT**

4.1 Guhai Reservoir Project

As per the norms prescribed by Central Water Commission, Irrigation project having benefit cost ratio less than 1.5 is treated as economically unviable and such project should not be taken up for execution. It was however seen that Guhai Reservoir Project across river Guhai near village Khandiol of Himatnagar taluka of Sabarkantha district was administratively approved for Rs.8.03 crore by Government in December 1978 with benefit cost ratio of 1.33. The project was thereafter brought under World Bank assistance and estimates were revised to Rs.16.89 crore in January 1981. Due to increase in cost, benefit cost ratio reduced from 1.33 to 1.03 making the project further unviable. Total assistance of Rs.15.55 crore was obtained from World Bank during 1981-94 on the unviable project.

The project taken up for execution in March 1980 was scheduled to be completed by March 1985. It was noticed that though cent *per cent* land was required to be in possession no land was available upto 1982. Even on stipulated date of completion of project only 82 *per cent* land was available. Thus, taking up project without availability of land resulted in time and cost overrun. Main dam works were completed in December 1990. Canal and distributory system were partially completed in June 1993 and irrigation started from Kharif 1993. Full command area was developed in March 1998. The original estimate of December 1978 for Rs.8.03 crore was revised to Rs.16.89 crore in January 1981. Thereafter revised estimate submitted as late as in December 1999 was not approved (June 2000), though expenditure of Rs.67.82 crore was incurred upto March 2000. Thus, due to delay in completion of project, cost escalated from Rs.8.03 crore to Rs.67.82 crore and expenditure was incurred without approved revised estimate in violation of codal provision. Though the main component of works were completed by June 1993 and irrigation started from Kharif 1993, the account of the project was kept open and administrative expenditure booked under the project (March 2000) which raised the cost of administration from stipulated 15 *per cent* (Rs.1.59 crore) to 38 *per cent* (Rs.18.62 crore).

As per the project report average rainfall in catchment area was 931 mm. With these rainfall gross storage of water was stipulated at 62.34 million cubic metre (mm^3) and accordingly total annual irrigation was worked out to 5831 hectares per year. Details of actual rainfall, water storage in reservoir and the area actually irrigated during 1993-2000 were as under:

Year	Rainfall MM	Water in flow MM ³	Irrigation done (ha)	Utilisation of potential in per cent	Utilisation of Water in per cent	Evaporation loss in per cent
1993-94	882	58.82	6124	101	72	16
1994-95	1365	126.15	4909	87	87	08
1995-96	447	4.54	624	11	--	65
1996-97	808	53.94	3967	68	24	13
1997-98	1063	9.31	5123	88	55	28
1998-99	1050	29.30	4022	69	45	29
1999-2000	453	2.52	--	--	01	65

Underutilisation of irrigation potential was attributed by the Executive Engineer (EE) to poor monsoon and non-filling up of reservoir. However, reasons like poor monsoon were not tenable as during 1994-95, 1997-98 and 1998-99 rainfall was more than 931 mm. Further, when rainfall was 808 mm (1996-97) water inflow was 53.94 mm³ whereas when rainfall was 1063 and 1050 mm during 1997-99 water inflow was only 9.31 and 29.30 mm³ respectively. It was further seen that evaporation loss during 1995-96, 1997-98, 1998-99 and 1999-2000 was 65,28,29 and 65 per cent respectively which was highly fluctuating and very high in two years for which no reasons were available on records. Moreover, shortfall in residual balance of water was shown as evaporation loss and while no method to work out the same was in place. Thus, figures of evaporation loss were unreliable and there is possibility of adjusting pilferage and unauthorised lifting of water as evaporation loss.

Utilisation of water was 72,24,55 and 45 per cent during these years when irrigation was reportedly done was 101,68,88 and 69 per cent respectively. Thus, the figures of utilisation of water did not correlate with the total irrigation done. Scrutiny of actual cropping pattern in the command area revealed that, out of 84 per cent of total cropping, percentage of wheat was 35 per cent which did not require much water. Thus, there was possibility of pilferage, wastage and unauthorised irrigation/ lifting of water. Government need investigate the reported reasons for shortfall in irrigation and take remedial measures so that underutilisation of irrigation potential is not reported even with sufficient rainfall in subsequent years.

According to norms prescribed by Government in December 1988 Rs.0.57 crore was only admissible for maintenance and repairs (M&R) against which expenditure of Rs.1.63 crore was incurred during 1992-2000 resulting in excess expenditure of Rs.1.06 crore. Details of M&R expenditure and revenue earned by the Project were as under:

(Rupees in lakh)

Year	Expenditure incurred	Revenue earned
1992-93	13.00	0.55
1993-94	17.20	7.86
1994-95	16.85	6.46
1995-96	15.07	0.67
1996-97	19.38	5.65
1997-98	24.76	7.35
1998-99	24.60	5.74
1999-2000	32.39	0.45
Total	163.25	34.73

The project was thus, not able to realise even M&R expenditure during any year.

Thus, Rs.67.82 crore was spent on an unviable project, execution of which was delayed by 15 years and no irrigation could be done as envisaged despite sufficient rainfall (except in two years) and no revenue could be earned while liability of Rs.15.55 crore of World Bank loan repayment was created.

Since Rs.67.82 crore has already been spent on project and asset has been created Government should control the M&R expenditure, and prevent theft/wastage of water to ensure optimum utilisation of available water.

The matter was reported to Government in July 2000; reply has not been received (November 2000).

ROADS AND BUILDINGS DEPARTMENT

4.2 Execution of fictitious works and fraudulent payments in Roads and Buildings Division – Junagadh

Expenditure of Rs.19.52 crore incurred by executing fictitious 'piece works' on A1, A2 and D agreements

In Junagadh Roads and Buildings Division during 1996-99, 9540* piece works of Maintenance and Repairs (M&R) valuing Rs.19.52 crore were reportedly carried out for a total length of 1794 kms. of roads and residential (2.14 lakh sq.m)/non-residential (3.323 lakh sq.m) buildings. A total of 2101 first and final bills relating to M&R to roads (1841) and buildings (260) were test-checked. Audit scrutiny revealed the following serious irregularities.

(i) Approval of Annual rates in violation of prescribed procedure

For execution of 'piece work' costing less than Rs.50000, annual rates were required to be fixed by inviting rates/quotation from local agencies by Executive Engineer (EE) and got approved by Superintending Engineer (SE)/Chief Engineer (CE) if the rates received were five/seven and a half *per cent* above the rates of Schedule of Rates (SOR) of the relevant year. EE/SE were personally responsible to ensure that 'piece work' rates sanctioned were not higher than the lowest rates received in the competitive tender and to know market fluctuations quotations should be invited from piece workers by every division every six months. In disregard to these provisions, EE approved the rates of road materials (like *murrum*, metal, *kapachi*, hand broken metal, rubble etc.) and conveyance charges in October and December 1996 though the same were above SOR of 1996-97 ranging between 8.33 *per cent* and 140 *per cent* and irregularly continued upto middle of September 1999 (till pointed

* 1996-97 (2858 - Rs.5.58 crore), 1997-98 (3340 - Rs.7.32 crore) and 1998-99 (3342 - Rs.6.62 crore).

out by Audit) even without preparing SOR for 1997-98 as required. EE accepted higher rates beyond his competence without approval of SE/CE and reportedly spent Rs.19.52 crore on fictitious works while the authorities administering the grant did not make any attempt to control such unjustified expenditure as discussed below:

(ii) Execution of piece works

Scrutiny revealed that all M&R works were executed without carrying out survey, preparation of estimates (separate)/annual estimates/technical sanction and issue of work orders as required under the rules. List of local approved contractors required to be maintained, was not maintained by the Division and officer. Further, piece works were required to be awarded to the contractors whose rates were approved. However, nearly 80 per cent of the works were awarded to contractors other than those whose rates were approved. The works were split-up (between Rs.20000 and Rs.50000) to bring them within the competence of Sub-divisional Officer so as to avoid approval of higher authorities and out of 1841 road works, 366 works (20 per cent) and 630 works (34 per cent) were awarded repeatedly mainly to 10 contractors[#] and 13 labour co-operative societies* respectively. More than one piece work pertaining to the same work was given to the same contractor at a time.

(iii) Doubtful use of road material

(a) Source of supply of material

Works (901) having material component between 70 and 80 per cent were irregularly got executed through labour cooperative societies at approved rates instead of estimated rates which resulted in excess payment of Rs.60 lakh. Further, 940 piece work got executed through contractors at higher approved rates, resulted in excess payment of Rs.54.09 lakh during October 1996 to March 1999. 4.11 lakh tonnes of various type of road materials* were reportedly received and utilised in above mentioned works by the Division. However, records of Geologist, Junagadh revealed that none of the contractors who supplied the materials had taken any land/quarry on lease. List of quarries approved in the district was also not maintained by the Division, though required. This reported consumption of such huge quantity of road material was doubtful.

(b) Payment for doubtful transportation of material

Rates of conveyance charges for carting of materials irregularly approved by EE in October 1996 were above SOR of 1996-97 ranging between 12 and

[#] (1) Renovation Construction (56), (2) Balubhai Laxmanbhai (46), (3) Khedut Stone (51), (4) Razak Kasam (45), (5) Hanif Haji (35), (6) Arjun Construction (35), (7) Dilip Kakubhai (35), (8) Raja Uka (30), (9) Mansing Rathod (19) and (10) B.M. Parmar (14).

* (1) Raghuvir MSM Ltd. (97), (2) Jayshree Chamunda MSM Ltd.(75), (3) Sarvottam MSM Ltd. (71), (4) Santosh MSM Ltd. (63), (5) Kalyani MSM Ltd. (66), (6) Gayatri Krupa MSM Ltd. (65), (7) Shirdi Sainath MSM Ltd. (54), (8) Rajeshwari MSM Ltd. (53), (9) Ma Narva MSM Ltd. (28), (10) Janta MSM Ltd. (17), (11) Bakharala MSM Ltd. (15), (12) Jay Bajrang MSM Ltd. (13) and (13) Vinoba MSM Ltd. (13).

* Hard murrum 1.18 lakh tonnes, Soft murrum 1.48 lakh tonnes, Hand broken stone 1.03 lakh tonnes, Crushed metal 0.13 lakh tonne and Quarry waste 0.29 lakh tonne

67 per cent and continued upto middle of September 1999 even without preparing SOR for 1997-98. This resulted in excess payment of carting charges of Rs.40.13 lakh in 1841 works during 1996-99.

Agreements of piece works (A1, A2 and D[▼]) were entered into by Deputy Executive Engineers (DEEs), with labour co-operative societies/contractors and first and final bills were prepared and submitted to EE for payment. Before making payment, EE and Divisional Accounts Officer (DAO) were to see that works were administratively approved and technically sanctioned, name, location and distance of quarry from work site and chainages in which material was utilised were recorded in MBs, shortest distance of approved quarry from work site indicated and lead difference* worked out properly and indicated in the bills were approved and required technical checks exercised by the competent authorities and sufficient grant/Letter of Credit (LOC) was available for payments. It was noticed that none of the above requirements was fulfilled and bills for supply of material and conveyance charges for lead difference received from Deputy Executive Engineers (DEEs) were admitted by EE and DAO and payments made to contractors.

Further, before making payments of final bills, EE was to ensure that payment of royalty due on the material brought in the work was made by the contractor. However, final payments were made by EE without ensuring this requirement which resulted in loss of revenue of Rs.28.84 lakh.

(iv) Other irregularities

(a) Incorrect adoption of rates of rubble (Rs.188 per cum instead of Rs.100 per cum) and application of rates approved in October 1996 while making payments for the agreements made in July and August 1996 resulted in excess payment of Rs.6.41 lakh.

(b) Misappropriation of asphalt valued Rs.5.47 lakh

72.39 tonne asphalt valued Rs.5.47 lakh was shown as issued for maintenance and repairs to "Veraval-Kodinar road between km 233/0 to 264/0" during 21 December 1998 to 19 January 1999. However, it was noticed that no agreement for execution of work was entered into by the Sub-divisional Officer, no estimate for the work was prepared, no measurements recorded and no bill for payment of the work was prepared and passed. Thus, asphalt valued Rs.5.47 lakh was misappropriated from the stock by fictitious debit to works.

(v) Execution of works of colour wash

As per instructions issued by Government, white wash, oil paints etc. are required to be carried out in residential and non-residential buildings at the interval of four and six years respectively. Estimates for such works were required to be approved by SE, after carrying out inspection of the concerned

▼ A1-Percentage rate; A2-Item rate; D-Supply of material.

* Distance between the nearest quarry and the quarry from which material actually brought to the site of work.

building under intimation to CE. Works were required to be executed through labour co-operative societies after inviting competitive rates from them. However, EE spent Rs.52.30 lakh on colour works to various residential and non-residential buildings during 1996-99. EE did not submit estimate to SE for approval, neither SE inspected concerned building. Further, no record to monitor periodicity of painting of buildings was maintained. During 1996-99, 271 works with average value of Rs.0.19 lakh for each work were split up by DEE so as to bring these within his competence and executed through labour co-operative societies and others without inviting competitive rates. Due to splitting up, there was no monitoring of expenditure and inspection of works by higher authorities. Thus scope of ensuring quality and completeness of works was eliminated through such manipulation of procedures before releasing payments.

(vi) Huge excess expenditure under M&R (current repairs)

Total road length with the division was 1794 km (1208 km State Highway and 586 km other roads). It was the duty/responsibility of SE/EE to ensure that expenditure was kept within the sanctioned grant/LOC released. It was noticed that excess expenditure ranging between 43 per cent and 101 per cent was incurred on M&R to road works during 1996-99 by diverting grants/LOC from other heads as detailed below:

(Rupees in lakh)

Year	Budget provision	Expenditure	Excess
1996-97	260.96	439.97	(+) 179.01
1997-98	266.93	537.72	(+) 270.79
1998-99	359.94	510.84	(+) 150.90

SE, while reporting expenditure against sanctioned grant of M&R to road works to Government, instead of showing expenditure on M&R (current repair) and Special Repair (SR) separately, clubbed both the figures and thus suppressed excess expenditure under current repairs to road.

(vii) Further, total of 9540 piece works of M&R valuing Rs.19.52 crore were reportedly carried out during 1996-99. Each work would involve preparation of estimates, calling of tenderers, award of work, recording of measurements, checking of bills, issue of cheques etc. It is not understood how the Divisional Officer could process the necessary formalities and record keeping for more than 3000 bills per year (average of nearly 10 bills for each day of the year) for M&R to road/building works only. The Division engaged no extra hands for such enormous paper works. Only barest minimum paper work was done for each work viz. preparation of bills and recording measurement in a sketchy manner. Therefore, genuineness of these works is open to doubt and there was strong possibility of their being entirely fictitious works and therefore payments were fraudulently made.

(viii) Fictitious execution of Special Repair work

The work of Special Repair (SR) to road passing outside Veraval town (Chainage 0/0 to 8/925 km.) by providing 37.50 mm thick Lean Bituminous Macadam (LBM) with 0.18 cmt. seal coat was entrusted to Shanti Construction Company at the quoted rate of Rs.47.68 lakh, (14.77 per cent above the estimated rates) by EE R&B Division, Junagadh. The work order was issued on 23 November 1998 and the work was completed on 8 December 1998. Final bills of Rs.46.12 lakh was paid in June 1999. It was noticed in Audit (September 1999) that though draft tender papers, were approved on 16 June 1998, rates were obtained from three contractors on 22/23 November 1998 and the work was awarded without inviting public tenders as required. Further, tenders above Rs.25 lakh were to be received and opened by SE. The rates offered by the contractors were opened by EE in violation of codal provision*. Also, the rates were accepted by the committee consisting of CE, Additional Secretary (R&B) and Secretary (Expenditure - Finance Department) only on 24 May 1999 but EE issued work order on 23 November 1998 even without obtaining two and half per cent security deposit and five per cent performance bond.

Though asphalt was not to be supplied as per Government instructions issued in November 1997, provision for supply of asphalt was made in the agreement. It was noticed that asphalt valued Rs.5.52 lakh was issued between 13 and 23 November 1998 by the division and the work was started by the contractor on 15 November 1998 i.e. even before giving the rates and issue of work order by EE. Further, work valued Rs.6.26 lakh reportedly got executed between 10 and 13 June 1998 on the same chainage on A1 agreements at prevailing SOR, whereas for the same nature and site of work, rates quoted in November 1998 by the contractor were 14.77 per cent above the estimated cost. This resulted in extra expenditure of Rs.6.14 lakh.

As per instructions issued by Government, asphalt work should be stopped by 31st May and should not be executed during monsoon. Under special circumstances, asphalt work between 1st June and 15th June could be executed only with the approval of SE. However, the work was executed between 10 and 13 June without obtaining approval of SE.

The work was reported (November 1998) to have been damaged during rainy season and got executed again during November-December 1998 at a cost of Rs.6.48 lakh. However, no record relating to reporting of damage by DEE to EE/SE at relevant point of time, as required was available. Therefore, execution of work valued Rs.6.26 lakh on A1 agreements was fictitious.

Thus, execution of special repair work valued Rs.47.68 lakh in violation of codal provisions was irregular and resulted in excess expenditure of Rs.6.14 lakh beside execution of fictitious work valued Rs.6.26 lakh.

EE stated (December 1999) that negotiated tender was called for and finalised as per prescribed rules and norms and looking to the urgency, work was executed on negotiated tender as per verbal and written instructions of

* Para 201-B of GPWD Manual Volume I.

Minister of Public Works Department (Minister) and Member of Legislative Assembly (MLA) of Veraval town. This was not tenable as the work was not covered under quoted rate in terms of provision of Gujarat Public Works Department (GPWD) Manual. Therefore, question of negotiated tender did not arise. No written instruction from Minister/MLA was found on records.

Further, in respect of payment of higher rates than SOR, EE stated (November 1999 and January 2000) that a committee was appointed by the then EE to give their report on annual rates received. Based on the report of the committee, the then EE accepted (October and December 1996) the rates and directed all DEEs under his control to execute the works at the sanctioned rates. Hence there was no alternative but to make payments. Observations of audit about serious irregularities and huge excess payments to labour co-operative societies were admitted by EE.

As regards colour works, it was stated (January 2000) that observance of prescribed procedure before execution of work was impracticable and could not be adhered to. This was not tenable as EE did not raise the issue of practicability of the procedure prescribed by Government before undertaking such deviation from procedure.

The reply given by EE in respect of higher sanctioned rates was not tenable as it was the duty and responsibilities of Drawing and Disbursing Officer to ensure that the rates and claims were in order. EE being technical officer could have noticed higher rates and could have taken action accordingly. His reply indicated that the irregularities were being encouraged by him, though he was required to follow the rules and economy in Government expenditure.

DAO also while recommending annual rates of 1996-97 did not mention or compare market rates with SOR and allowed to continue higher rates for three years. He also checked and cleared the bills though they were not in consonance with codal provisions. SE instead of checking flow of expenditure on M&R, suppressed the same by clubbing it with expenditure on SR works while reporting to Government.

In view of above findings of Audit, it is concluded that there is possibility of a syndicated operation of the Executive Engineer to incur huge fictitious expenditure to the tune of Rs.19.52 crore. EE did not make any attempt to regularise the higher adopted rates but irregularly continued the same and flouted the norms while making payments for fictitious works. SE being the Controlling Officer never reported these serious lapses/omissions and both EE and SE failed to discharge their responsibilities and duties to safeguard the public interest by presenting unjustified expenditure in the name of fictitious 'piece rate works' reportedly executed by the Division. This requires immediate investigation by suitable agency.

The matter was reported to Government (January 2000); reply has not been received (November 2000).

4.3 Irregular execution of works valued Rs.8.75 crore on A-1, A-2 and D agreements

Irregular expenditure of Rs.8.75 crore in execution of piece works

As per Gujarat Public Works Department (GPWD) rules, works costing less than Rs.50000 should be carried out on piece work forms (A-1, A-2 and D form) for which the rates is agreed upon without reference to total quantity of work to be done through local contractor. For the purpose, a list of local contractors should be maintained in each division. Following further conditions are required to be fulfilled:

- (i) Quotations should be invited by adequate tender notice for piece works by each division every six months so as to know market fluctuation for works of similar type.
- (ii) No contractor should be employed simultaneously to more than one piece work pertaining to the same work.
- (iii) For every work proposed to be carried out, a detailed estimate must be prepared. Generally piece work may be given for earth work, foundation execution, labour intensive works etc.

Test-check of records of Executive Engineers, Roads and Buildings Division, Mehsana (March 2000), Capital Project Division II, Gandhinagar (May 2000) and National Highway Division, Gandhinagar (February 2000) revealed that 2503[#] works valued Rs.8.75 crore were executed on A-1, A-2 and D forms by Divisions. Following irregularities were noticed:

- (i) No rates were invited by Capital Project Division II, Gandhinagar after 1996-97. However, piece works on A-1/A-2 agreements amounting to Rs.3.81 crore were executed as per SOR of the relevant years during 1998-2000 even without approval of SE. Thus, execution of works valued Rs.3.81 crore without inviting of rates was irregular. Also in the absence of competitive rates, Audit could not verify whether works were executed economically.
- (ii) Works valuing Rs.0.74 crore which required to be executed on B-1/B-2 agreements by inviting public tenders were split-up in 239 piece works* and executed on A-1/A-2 agreements and more than one work was awarded to same contractor, though not permitted.
- (iii) No estimates/technical sanction for the works executed on A-1/A-2/D form were prepared by any of the test-checked divisions.
- (iv) Lists of local contractors were not available with the divisions as required.

[#] R&B Division, Mehsana 1998-99: 765 agreements Rs.3.71 crore, N.H.Division, Gandhinagar 1998-99: 467 agreements Rs.1.23 crore, Capital Project Division No.II, Gandhinagar 1998-2000: 1271 agreements Rs.3.81 crore.

* N.H. Division, Gandhinagar-09 works-split up in 65 works-Rs.0.14 crore: R&B Division, Mehsana-27 works-split up in 113 works-Rs.0.39 crore and Capital Project Division N0.II, Gandhinagar-39 works-split up in 61 works-Rs.0.21 crore

(v) Executive Engineer Roads and Buildings Division, Mehsana and Capital Project Division No.II, Gandhinagar executed works having material component ranging between 50 and 80 *per cent* through labour co-operative societies and paid Rs.1.22 crore (Mehsana Rs.0.12 crore and Gandhinagar Rs.1.10 crore).

(vi) Ten *per cent* check of piece work on the total cost of the work as sanctioned was not exercised by EE as required.

EEs, R&B Division, Mehsana, CP Division II and N.H. Division, Gandhinagar while admitting audit observations stated that prescribed norms might not have been observed due to urgency of works.

This was not tenable as codal provisions did not provide for any relaxation on the ground of urgency in executing maintenance and repair works. Thus, execution of piece works valued Rs.8.75 crore was irregular.

The matter was reported to Government in January 2000; reply has not been received (November 2000).

4.4 Advance payments for purchase of asphalt

Advance payments to oil companies were made by diversion of funds from various heads

According to codal provision fictitious adjustment such as (i) debiting the cost of materials to works not required or in excess of actual requirement and (ii) debiting to particular work for which funds were available the value of material intended to be utilised on another work for which no funds were available is totally prohibited and any deviation therefrom is to be taken as a serious irregularity.

During the audit of Executive Engineer, National Highway Divisions, Gandhinagar (February 2000) and Valsad (September 1999), Roads and Buildings (R&B) Divisions, Junagadh (October 1999) and Mehsana (March 2000) it was noticed that advance payments of Rs.13.00 crore* were made to oil companies for purchase of bulk asphalt between April 1997 and May 1999 though there was no budget provision for the same. It was further revealed that;

(i) Though, there was no grant/Letter of Credit (LOC) under "Stock suspense" for the year 1997-99 (up to May 1999) Executive Engineer, National Highway

* National Highway Division, Gandhinagar Rs.2.21 crore & Valsad Rs.8.38 crore. Roads & Buildings Divisions, Junagadh 0.91 crore & Mehsana Rs.1.50 crore

Division, Gandhinagar and Valsad paid Rs.10.60[#] crore as advance to oil companies for supply of asphalt by diverting grant/LOC from capital outlay (Rs.7.98 crore) Maintenance and Repairs (Rs.2.18 crore) and Civil Deposit (Rs.0.44 crore) by operating "Stock suspense".

(ii) Advance payment was made for Rs.1.20 crore and Rs.2.95 crore in March 1998 and March 1999 respectively for supply of bulk asphalt by Executive Engineers of R&B Divisions, Mehsana (Rs.1.50 crore), Junagadh (Rs.0.91 crore), National Highway Divisions, Gandhinagar (Rs.0.21 crore) and Valsad (Rs.1.53 crore). However, asphalt valued Rs.0.88 crore and Rs.2.95 crore only was received during 1998-99 and 1999-2000 respectively. Thus, the advance payments were made to avoid lapse of budget grant and to use grant of previous year in subsequent year.

(iii) Government instructed in November 1997, that no provision for supply of asphalt to contractor should be made in Schedule 'A' of tender agreement. Disregarding this instruction, Divisional Officer of two divisions debited advance payment of Rs.0.90 crore to five road works (3 works in R&B Division, Junagadh and two works in R&B Division, Mehsana) though there was no provision for supply of asphalt in Schedule 'A' of tender agreement of these works. Thus the debits were fictitious.

(iv) Executive Engineer, Roads and Buildings Division, Mehsana made advance payment of Rs.1.50 crore in March 1999 to oil companies for four road works and debited these amount to capital head as per directives of Superintending Engineer/Chief Engineer. Out of those four road works, two were not awarded to contractors for execution as of March 2000 while other two works were awarded only in December 1999 and in January 2000.

(v) Out of 2250 tonnes of asphalt valuing Rs.1.50 crore indented for four Road works, 1712.54 tonnes asphalt valuing Rs.1.09 crore received during April 1999 to February 2000. These asphalt were diverted by Executive Engineer R&B Division, Mehsana and utilised in 9 SR works, 3 MR works and 2 widening of road works.

During 1999-2000, 1003 tonnes asphalt valued Rs.0.67 crore paid from capital head was diverted by Executive Engineer, R&B Division, Junagadh and utilised in SR and MR to road works (M.H. 3054). Out of asphalt valued Rs.0.44 crore indented for deposit works by Executive Engineer, NH Division, Gandhinagar, asphalt valued Rs.0.33 crore was diverted to regular departmental works.

#			
Name of Division	5054	3054	Civil Deposit
N.H.Division, Valsad	6.37	0.64	--
	0.84	0.54	--
N.H.Division, Gandhinagar	0.77	1.00	0.44
	7.98	2.18	0.44

Thus, the advance payment were made for purchase of materials for the works where funds were available and subsequently the material were used for other works.

Divisional Officer R&B Division, Mehsana accounted for asphalt received against the advance of Rs.1.50 crore paid in March 1999 through "Stock suspense" to the works. The Material at Site (MAS) accounts were not maintained nor prepared by the division. Thus, expenditure of Rs.1.50 crore remained unadjusted in 4 road works from April 1999 onwards and for second time the cost of asphalt debited to work through stock suspense.

National Highway Division, Valsad did not maintain any record relating to payment of advance for supply, receipt and actual utilisation of asphalt. However, record prepared at the instance of audit revealed that as against advance payment up to March 2000 of Rs.8.38 crore[#], asphalt valued Rs.8.12 crore was received up to May 1999 while balance asphalt valued Rs.0.26 crore was not received as of May 2000.

Executive Engineers stated that advance payment under "Stock suspense" was made to use the asphalt in Hot mix plant (National Highway Division, Gandhinagar) and cope up with the progress of work (N.H.Division, Valsad and R&B Division, Junagadh, Mehsana). This was not tenable as (i) Funds were provided under capital Head and not under "Stock suspense".(ii) Asphalt was utilised in the works other than the works for which it was indented.(iii) Some of the works were even at tender stage. Thus, evidently advance payment for asphalt was made to avoid lapse of budget grant and to take benefit of grant in subsequent financial year.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.5 Loss of Toll Tax Revenue

Delay in creation of infrastructure for collection of Toll Tax resulted in loss of revenue of Rs.3.65 crore beside under-collection of tax of Rs.3.58 crore

As per Government of India guidelines on fees for use of bridge of 1992, toll tax on permanent bridge costing Rs. one crore and above is to be levied, when opened for traffic. The executing agency shall make necessary arrangements to collect toll tax departmentally or through contractor.

Construction of bridge over Kantoli Khadi on National Highway No.8 (estimated cost Rs.6.50 crore) was completed at a cost of Rs.7.71 crore on 31 May 1996 and opened for traffic from June 1996. Test-check of records of

[#] Advance by National Highway Division, Valsad

1997-98	4,10,50,000
1998-99	3,31,45,000
1999-2000	96,00,000
Total	8,37,95,000

Executive Engineer, National Highway Division, Valsad (September 1999) revealed the following:

(i) Though the bridge was opened for traffic from June 1996, collection of toll tax commenced departmentally from 21 April 1997 as the work of Tax Plaza taken up in March 1996 was completed in June 1996. Further as per demand made in March 1996 staff for collection though sanctioned by Government during August and October 1996, were positioned mostly in April 1997. This resulted in loss of revenue of Rs.3.65* crore.

(ii) From 26 May 1998, work of collection of toll tax was awarded to contractor 'A'. Toll Tax collected departmentally during April 1997 to May 1998 was Rs.3.99 crore whereas collection by contractor 'A' from May 1998 to May 1999 was Rs.7.57 crore i.e. nearly double than the departmental collection. Further, half yearly census of traffic conducted by the Department, revealed that traffic was more by 19 to 22 per cent during the period of departmental collection compared to the period of collection through contractor 'A'. Thus there was no justification for such low collection by the department. Under collection of Rs.3.58 crore during April 1997 to May 1998 was attributable to departmental failure.

(iii) As per tender agreement, in no event the contractor was eligible for extension beyond the period of agreement. However, Government granted extension of 15 days for collection of tax after expiry of contract period on request of the contractor as a rebate to compensate the collection of less tax# than the amount payable by the contractor during 18 to 21 January 1999. This resulted in unauthorised financial aid of Rs.0.32 crore to the contractor.

(iv) The work of collection of tax was awarded to contractor 'A' for one year from 26 May 1998. However, contract period was extended for four months and collection payable by the contractor was reduced by 4.5 per cent by Government on the ground of truck strike, heavy rains etc. As per agreement, extension of three months at the tendered rates on same terms and condition was admissible at the discretion of Government. Thus, extension beyond three months resulted in loss of revenue of Rs.0.12 crore and provided unauthorised right of collection of tax for one month†.

Executive Engineer stated (September 1999) that as Tax Plaza and other works were not completed, there was delay in collection of tax. Further collection of tax by the Department was as per actual traffic and not as per traffic census and the rebate of 4.5 per cent in original rate was due to monsoon period. This was not tenable in view of the following :

* Average monthly collection worked out on the basis of actual collection during June 1997 to 25th May 1998.

Total collection by department from June 1997 to 25th May 1998
i.e. Rs.3,98,70020=33,22501 (Average monthly collection)

12

Loss worked out from June 1996 to April 1997 i.e. 11 months i.e. Rs.33,22,501 X 11 =3,65,47,511 say Rs.3.65 crore

Terms of collection of Tax

The agent shall be entitled to retain with him as his Commission the amount which is in excess of 1 per cent after crediting twice a week in regular instalments of 1 per cent of contracted amount.

† Actual benefit could not be quantified as figures of actual collection of tax *vis-à-vis* amount payable to Government by contractor were not available with the Division

(i) The Executive Engineer did not explain why the work of Tax Plaza was not synchronised along with bridge work as delay would lead to huge loss.

(ii) The figures of 'actual traffic' were far below the traffic census figures during the period of departmental collection by the same logic the amount collected by the contractor should have been only as much as the departmental collection. But in actual practice collection by the contractor was much higher in the next year itself.

(iii) There was no reduction in traffic during monsoon as was evident from the collection of tax during June to September 1997 and 1998. Therefore concession was not only inadmissible but was also an undue benefit to the contractor.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.6 Irregular execution of works

New work was awarded as additional work without inviting tenders resulting in irregular execution of works valued Rs.3.28 crore on ground of fictitious urgency

As per provision of Gujarat Public Works Department Manual, tenders should invariably be invited in the most open and public manner by publishing in English daily in addition to two Gujarati dailies where estimated cost of the work is more than Rs.20.00 lakh. Executive Engineer, NH division, Rajkot (EE) awarded (September 1997) the work "widening of existing 2 lane to 4 lane road on Ahmedabad Bamanbore National Highway (NH) 8-A" between km 171/0 to 182/4 estimated to cost Rs.10.82 crore to contractor 'A' at his tendered cost of Rs.8.74 crore (19.22 per cent below) for completion by September 1999.

Within a short period of commencement of the work EE, submitted (January 1998) plans and estimates of three other works* for an estimated cost of Rs.4.15 crore to Superintending Engineer (SE), NH Circle, Gandhinagar. Instead of inviting open tenders, SE directed EE (March 1998) to prepare plans and estimates of Toll Tax Plaza work and got the work executed through contractor 'A' as extra items and other two works as excess of tendered quantities and submit the proposal for approval of extra items and quantities in excess of tendered items. A proposal of Rs.3.28 crore submitted by EE in June 1998 and forwarded by SE on 1 July 1998 was approved by Government in

*

	(Rupees in crore)
1 Widening of 2 lane to 4 lane between km 182/4 to 183/650 on NH 8-A (Bamanbore Junction to Morbi side)	1.09
2 Widening of 2 lane to 4 lane between km 214/5 to 216/8 (Bamanbore Junction to Rajkot side)	2.34
3 Work of widening of road for Toll Tax Plaza	0.72
Total	4.15

July 1998. Works were got executed by EE through contractor 'A' treating them as excess quantity under clause 14 of agreement for work between ch.171/0 km to 182/4 km during July 1998 to March 1999. This was in contravention of codal provision as these items did not form part of sanctioned plans and estimates. Further in respect of 25 out of 46 items, payment was made as per Schedule of Rates for 1997-98 resulting in additional payment of Rs.0.25 crore which amounted to undue favour to the contractor.

Roads and Buildings Department admitted (October 1999) that the tenders were to be invited. However, it was contended that in order to complete the project early to avail the benefit of toll tax, tender process was bypassed. Government further stated that there were rare chances of getting tenders below the estimated cost due to time factor and remoteness of place whereas the existing agency agreed to complete the work with approved excess quantity in scheduled time and the work was completed. This was not tenable as (i) Benefits of toll tax did not accrue for 22 months (March 1999 to December 2000) as collection did not commence as of December 2000. Thus the ground of urgency was unjustified. (ii) Apprehension of higher rates had no basis as rates received in other similar works during 1997-98 were below the estimated cost ranging from 19.22 *per cent* to 21.25 *per cent*. (iii) Plea of remoteness of the site was not tenable as area is populous and remains busy round-the-clock. (iv) If the project was to be completed early, these works should have been planned and put to tender alongwith other similar works. If it was so done, work costing Rs.3.28 crore could have been completed at a cost of Rs.2.77* crore.

4.7 Payments to contractors through Deposit Account

Though there was no funds under Letter of Credit, Rs.3.18 crore was paid to contractors through Deposit Accounts in violation of Government instructions

As per instructions issued by Government in June 1997 in the absence of sufficient balance under Letter of Credit (LOC) part payment of running account bills of the contractors by crediting the balance amount to Deposit Head was strictly prohibited. Further, as per new LOC System (September 1994), for withdrawal of amount from Deposit Head, separate Letter of Credit was required.

It was noticed in audit (February-May 2000) of Executive Engineers, National Highway Division Gandhidham and Gandhinagar and Capital Project (CP) Division No.-III, Gandhinagar that Running Account Bills of the contractors were paid during December 1997 to October 1999 even without sufficient balance of LOC for these works. The remaining amount were treated as 'Deposit' of contractors. These so called 'deposits' were subsequently refunded to the contractors during January 1998 to December 1999 by diverting amount allotted through LOC for other works.

* Cost Rs.3.28 crore less 19.22 *per cent* below balance Rs.2.77 crore.

Executive Engineers stated that due to non-availability/less balance of LOC, amounts were credited as Deposit of contractors. This was not tenable as Government instruction of June 1997 strictly prohibited such action and for violation of instructions concerned Executive Engineer, Divisional Accounts Officer and Budget Clerk were to be personally held responsible.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.8 Excess expenditure due to adoption of higher specification

Adoption of higher specification in execution of road works resulted in excess expenditure of Rs.2.49 crore in 10 Divisions

Government raised (April 1991) the quantity of contents to be used in Lean Bituminous Macadam (LBM) work from 2.5 per cent to 3 per cent by way of mix. The thickness of pre-mix seal coat was also raised from 0.12 cm per 10 sqm to 0.18 cm per 10 sqm. These changed specifications had been duly approved by the Secretary, Roads and Buildings Department and the Minister, Roads and Buildings Department.

In disregard of Rule 11 of Gujarat Government Rules of Business Divisional Officers of 10 Roads and Buildings divisions irregularly adopted provision of 0.24 cm per 10 sqm seal coat of mix materials/asphalt for execution of 15 number of widening/55 number of SR road works as against prescribed norms as detailed below:

Serial number	Name of Division	Number of works	Quantity of mix material (In tonnes)			Excess cost (Rupees in lakh)
			Actual utilisation	As per norms	Excess	
1	R&B Godhra	07	27017.825	20270.750	6747.075	50.23
2	R&B Mehsana	09	14059.000	10542.250	3516.750	22.56
3	Dist R&B Vadodara	05	10785.000	8089.000	2696.000	18.98
4	R&B Kheda Nadiad	10	15220.000	11415.000	3805.000	22.97
5	Dist. R&B Ahmedabad	08	18961.600	14863.300	4098.300	32.62
6	R&B Bhuj	09	18119.700	13589.775	4529.925	29.43
7	R&B Bharuch	02	10649.000	7986.750	2662.250	21.82
8	R&B Palanpur	13	18436.000	14132.550	4303.450	30.98
9	R&B Surendranagar	01	3116.830	2337.620	779.210	06.23
10	R&B Himatnagar	06	7662.025	5746.515	1915.510	12.83
	Total	70				248.65

Thus, irregular adoption of higher specification in disregard of norms fixed by Government, resulted in excess consumption of mix materials/asphalt in execution of 70 works by 10 Roads and Buildings divisions with consequent extra expenditure of Rs.2.49 crore.

Executive Engineers stated (between February 1999 and June 1999) that higher specifications were adopted looking to the site conditions and intensity of traffic. Further, it was stated that estimates were sanctioned by the

competent authorities (Superintending Engineers (SE)) with higher specification and hence there were no extra expenditure. In case of District R&B division, Vadodara Government stated (January 2000) that higher specification was provided looking to the intensity of traffic and sustainability of life of the roads to avoid frequent maintenance cost and hence there was no extra expenditure. This was not tenable as;

(i) Executive Engineer/Superintending Engineer was not competent to change the specification.

(ii) There was nothing on record either in the estimates or in the sanctions issued to justify provision of higher specification.

(iii) In the absence of any recorded reasons, contention of Government was only an after thought and not tenable.

(iv) No relaxation from Finance and Roads and Buildings Departments was obtained as required in terms of Rule 11 of the Gujarat Government Rules of Business.

Clearly SE and EE acted beyond their powers causing unjustified extra expenditure of Rs.2.49 crore.

The matter was reported to Government between February and August 1999; reply has not been received (May 2000) (except Dist R&B division, Vadodara).

4.9 Excess payment of price variation

Adoption of incorrect rates in tender papers resulted in excess payment on account of price variation amounting to Rs.10.02 lakh

As per instructions issued by Roads and Buildings Department in November 1998 for payment of price variation of asphalt in works estimated to cost above Rs.15 lakh the basic rate of asphalt shall be taken the rates charged by oil companies in the month in which Draft Tender Papers (DTP) were approved and the said rate shall be mentioned in Tender copies alongwith required quantity of asphalt. Amount of actual payment to the contractor shall be adjusted* with reference to the basic rate mentioned in tender copies.

Test-check of records of Executive Engineer, National Highway (NH) Division, Gandhidham (May 2000) revealed the following :

(i) DTP for the work "Providing Regional Transport check post on National Highway 8A – Samkhiyali-Kandla" were approved in June 1999. While approving DTP it was also instructed by Chief Engineer (NH) and Additional Secretary that for asphalt the rate from oil company for June 1999 should be

* Paid/recovered as the case may be

obtained and mentioned in tender copies. Prevailing rates of asphalt during June 1999 were Rs.7405 and Rs.7795 for 80/100 and 60/70 grade bulk asphalt respectively. However, rate of Rs.6885 for 80/100 and 60/70 grade was mentioned in tender for 611.50 tonnes asphalt by Executive Engineer. Thus, there was difference of Rs.520 and Rs.910 in the basic rate of bulk asphalt of 80/100 and 60/70 grade respectively. Price variation for 543.131 tonnes asphalt amounting to Rs.9.18 lakh was paid to the contractor by the Division in February 2000. Adoption of incorrect basic rate in violation of Government instructions resulted in excess payment of Rs.3.48 lakh.

(ii) DTP for the works "Special Repair to NH-14, km 391/0 to 401/0" and "420/0 to 430/0" were approved in November 1999. While approving DTP Chief Engineer (NH) and Additional Secretary instructed to obtain rates of asphalt from refinery and mention in Tender copies before issue. However, instead of obtaining the rates for November 1999 rate of Rs.7406 was incorporated in tender paper by Executive Engineer. Actual rate of asphalt in November 1999 was Rs.7691. Division paid price variation for 917.146 tonnes asphalt for Rs.8.96 lakh in March 2000. Incorrect adoption of basic rate in violation of Government instructions resulted in excess payment of Rs.6.54 lakh.

Thus, adoption of incorrect basic rate resulted in excess payment of Rs.10.02 lakh to the contractors.

While admitting the omission Executive Engineer ensured that henceforth rate of asphalt would be obtained from refinery.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.10 Non-recovery of royalty from the contractors

Failure to observe Government instructions by Executive Engineers resulted in non-recovery of royalty of Rs.1.04 crore

As per instructions issued by Government in May 1994 and standard clause of B-1/B-2 agreement the contractor shall furnish statement showing quantity of quarry materials purchased, from whom purchased (with full address of the seller) and alongwith copies of the bills of purchases quarterly to District office of Geology Department and Executive Engineer concerned. Contractor shall also furnish such additional information, as regard royalty payment, to Executive Engineer and Royalty Authority. Further, before making final payments, Executive Engineer/Deputy Executive Engineer were required to ensure that contractor made due payment of royalty to the Government. Also to monitor payment of royalty by contractors a quarterly meeting of Geologist and Executive Engineer/Deputy Executive Engineer of the district concerned was to be convened and information in the prescribed *pro forma* was to be furnished to Secretary, Roads and Buildings Department and Director of Geology and Mining.

Test-check of records of six^{*} Divisions between September 1999 and May 2000 revealed that though quarry materials like hard morrum, crushed metal, grit, kapachi, rubble, sand etc. were reportedly used by contractors in 9807 works executed by the divisions during 1996-2000, contractors did not furnish any of the above informations to Executive Engineer/Deputy Executive Engineer. Executive Engineer/Deputy Executive Engineer also failed to collect such information from contractors. Neither quarterly meetings were convened nor reports sent to Secretary, Roads and Buildings Department and Director of Geology and Mining as required. Executive Engineers also made final payments of Rs.32.37 crore during 1999-2000 to contractors without ensuring payment of royalty by the contractors.

Such failure of Executive Engineers/Deputy Executive Engineers resulted in non-recovery of royalty amounting to Rs.1.04 crore on various types of quarried material used in works during 1996-2000.

As the contractors did not produce any proof of bringing and/or purchasing of quarry material and no transportation charges were paid it was doubtful whether the actual quantity of quarry material were brought at all. Hence there is a possibility of the works being fictitious and payments made fraudulently.

Executive Engineer(s) stated that (i) Royalty was payable for executing works above Rs.two lakh, (ii) Government instructions were applicable only to B1/B2 agreements, (iii) clarification from higher authorities will be sought and (iv) there was no provision for payment of royalty in A1, A2 and D Agreements.

This was not tenable as, for works executed on B1/B2 payment of royalty was to be ensured as per contract clause(s) and instructions issued by Government in May 1994 were applicable to all works where quarry material was required to be used irrespective of cost and manner of execution of works.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.11 Irregular expenditure of Rs.79.27 lakh

Providing funds before completion of preliminaries of works and debiting amount to same works twice resulted in irregular expenditure of Rs.79.27 lakh

As per provisions of Gujarat Public Works Department Manual (Manual) no work shall begin or liability incurred unless detailed design and estimate have been sanctioned, allotment of funds made and orders for the beginning issued by competent authority. Further, as per provision of Gujarat Budget Manual

* (1) Roads and Buildings Division, Mehsana, (2) Roads and Buildings Division, Junagadh, (3) National Highway Division, Gandhidham, (4) National Highway Division, Gandhinagar and (5) District Roads and Buildings Division, Vadodara (6) Roads & Buildings Division, Navsari.

only such provisions as were reasonably expected to be spent during the year should be made.

Test-check of records of Executive Engineer, Capital Project Division No.-II (CP – II), Gandhinagar revealed that, Superintending Engineer, Capital Project Circle, Gandhinagar (SE) allotted through re-appropriation on 30 March 1999 grant of Rs.49 lakh to the CP II Division. The Divisional Officer deposited Rs.49 lakh with CP – III Division on 31 March 1999 for execution of six road (Appendix-XXIV) works though no provision was made in Budget Estimates for such works.

Following points were noticed in Audit:

(i) Though six works were entrusted by CP-II Division to CP-III Division and funds were deposited for that purpose, CP-II Division still took up four of these works in January and February 2000. The Executive Engineer of CP-II spent Rs.30.27 lakh on these four works by diversion of allotment of other works. Thus expenditure on these works were debited twice, once in March 1999 and again in 1999-2000. Reasons for execution of the works by Executive Engineer, CP-II even after depositing the amount with CP-III were not available in records.

(ii) Administrative Approval and Technical sanction for these six road works were accorded by Government on 31st March 1999 and on 24th June 1999 respectively whereas Rs.49.00 lakh were sanctioned by SE on 30 March 1999 for execution of work. Thus, the funds were released by SE even before the administrative approval for execution of works was accorded.

(iii) Out of the remaining two works, CP –III completed one work and executed the second work partially and incurred expenditure of Rs.15.85 lakh during April and May 1999 i.e. even before receipt of technical sanction. Rs.33.15 lakh were not refunded by CP – III as of May 2000.

Thus, drawal of Rs.49.00 lakh at the fag end of the year without completing preliminaries of works to avoid lapse of budget grant was in contravention of codal provisions. Further, operation of one and the same estimates and technical sanction twice for obtaining funds and debiting Rs.30.27 lakh to the same work by Executive Engineer CP – II constitute serious financial irregularity and required investigation at Government level.

Executive Engineer stated (May 2000) that as the grant and Administrative Approval were received at the fag end and expenditure was booked as per the decision of 'higher authority' and the decision for getting the work executed through CP – III Division was taken at Division level. This was not tenable as no communication of 'higher authority' was available on record and Executive Engineer was not competent to transfer the works to other Division as deposit work.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.12 Unauthorised utilisation of Revenue Receipt

Receipts of Government from an autonomous body was irregularly credited to Deposit account and Rs.75.32 lakh was spent therefrom without order from Government

According to codal provision receipt of Government is required to be credited into treasury immediately on realization and no expenditure can be incurred therefrom.

While approving (May 1994) the work of Road Over Bridge (ROB) and cycle track on National Highway (NH) No.8, passing through industrial zone of Gujarat Industrial Development Corporation (GIDC), Ankleshwar, Government directed to credit the share of expenditure to be received from GIDC to Receipt Head '1054-Roads and Bridges'.

In disregard of this direction, Executive Engineer (EE), National Highway Division, Bharuch irregularly credited Rs.90.77 lakh received from GIDC between September 1995 and March 1999 to Public Work Deposit in the treasury instead of crediting the amount as receipts of Government. For withdrawal of amount from Deposit Accounts, separate LOC was required to be obtained from Controlling Officer. However, Rs.75.32 lakh were withdrawn by EE out of this amount credited in Deposit Account in March 1998 for making payments to contractors without obtaining fresh LOC.

Executive Engineer stated (June and October 1999) that Deposit Account was operated due to non-receipt of LOC and paucity of funds. The reply was not tenable as expenditure of Rs.1.33 crore was incurred against the grant of Rs.57.63 lakh under Major Head "5054" in excess of LOC authorised by the Controlling Officer by irregular operation of deposit account in violation of codal provisions and Government directives.

The matter was reported to the Government in September 1999; reply has not been received (November 2000).

4.13 Irregular expenditure of Rs.77.38 lakh on purchase of vehicles and office equipments

Vehicles were purchased from the revenue receipt of Government, maintenance grant etc. in contravention of codal provision and instructions

To facilitate for providing vehicles and office equipments to Chief Minister office, Chief Engineer (NH), SE (Designed NH and Panchayat) and EE, vehicles were unauthorisedly purchased from the Revenue receipt of Government, maintenance grant and provision of work contingency.

The clause of agreement of Built Operate and Transfer (BOT) provides for payment of supervision charges of the Engineer-in-charge and his ubordinates.

This is in the nature of revenue to the Government. Gujarat Budget Manual provides that receipt on account of centage charges in respect of work done for other Governments, local bodies, private parties etc. will be credited under the receipt head. Further, provision of 2 per cent contingent charges in the estimate of work is made to meet unforeseen expenditure. This should not be diverted to items not provided for in the estimate. As per instructions issued by Roads and Buildings Department in May 1986, purchase of vehicles was to be made after making necessary Budget Provision and through Superintending Engineer Roads and Buildings (Mechanical) Circle, Ahmedabad.

(a) In disregard of these provisions and instructions, test-check of records of four divisions revealed that vehicles and office equipments valued Rs.77.38 lakh were purchased and allotted to other offices whose expenditure was not debitible to Divisional Accounts as shown below:

Sr. No.	Name of Division (Audited in)	Items purchased	Amount (Rupees in lakh)	Source of fund and period		Details of allotment of vehicles
1	Executive Engineer, National Highway Division, Valsad (September 1999)	1. One Ambassador car 2. Two jeeps	3.35 <u>7.31</u> 10.66	Supervision charges received from BOT contractor 30.00 lakh	3/98 to 7/98	--
2	Executive Engineer, National Highway Division, Vadodara (November 1999)	1. Two Ambassador cars 2. One Maruti Gypsy	6.77 <u>3.49</u> 10.26	-do- 25.00 lakh	1/99 and 7/99	One Ambassador transferred to SE Design Circle, Gandhinagar
3	Executive Engineer, Roads and Buildings Division, Bharuch (July 2000)	1. Two Ambassador 2. One Jeep 3. Three computers one xerox machine 4. Miscellaneous expenditure	10.48 2.94 1.84 <u>0.39</u> 15.65	-do- 25.00 lakh	6/98 and 5/99	(a) One Ambassador car transferred to the Chief Minister Office (b) Two computers to Design Circle, Gandhinagar (c) One Jeep and one xerox machine transferred to EE R&B Division, Rajpipla
4	Executive Engineer, National Highway Division, Gandhidham (April 1999)	1 Two Ambassador cars 2. Four Xerox machines Computers	6.62 4.70 <u>2.55</u> 13.87	Provision of work contingent	--	(i) One Ambassador to SE, NH Circle, and one to Chief Engineer and Joint Secretary, Gandhinagar (ii) Two xerox machines installed in the Division and one each transferred to SE(NH) and SE(Design) Circles Gandhinagar.

5	Executive Engineer, National Highway Division, Vadodara	1 Two Ambassador cars	5.76	Grant for maintenance of Tax plaza for the year 1995-96.	2/97	One Ambassador car transferred to CE & Joint Secretary, R&B Panchayat.
		2. Four Jeeps	12.07			
		3. Water Tanker.	<u>5.54</u>			
		4. Purchase of Computer, Air condition machine, Printer	<u>3.57</u> <u>26.94</u>			
		Grand Total	----- 77.38 -----			

Following further irregularities were also noticed:

(i) Purchases were approved by officer on special Duty and Chief Engineer and Additional Joint Secretary (Two Jeep for NH Division Valsad Rs.7.31 lakh) without obtaining approval of Finance Department.

(ii) Executive Engineer, NH Division Valsad purchased ambassador car through the contractor executing work on BOT basis at market rate (Rs.3.35 lakh) instead of through Director General, supplies and disposal (Rs.2.97 lakh). This resulted in excess expenditure of Rs.0.38 lakh. After deducting Rs.3.35 lakh from the supervision charges payable by him balance Rs.11.67 lakh was credited by the contractor. Cost of the vehicles directly paid by the contractor did not appear in the accounts of the Division. Thus, Government funds were not accounted for and vehicles were purchased directly therefrom.

(iii) Rupees 60 lakh were released for maintenance of Tax Plaza by Superintending Engineer (SE), National Highway Circle, Vadodara to Executive Engineer, National Highway Division, Bharuch during 1995-96. Executive Engineer, National Highway Division, Bharuch, instead of utilising the money for the purpose drew a cheque for Rs.29.28 lakh in favour of Executive Engineer, National Highway Division, Vadodara on 30 March 1996 to avoid lapse of budget grant. EE Vadodara credited the cheque to Deposit Account. Out of this amount, Rs. 24.07 lakh were withdrawn in February 1997 by EE Vadodara even without obtaining LOC required for the purpose and utilised the same for purchase of two ambassador cars, four jeeps, one water tanker, one computer, air conditioning machine, printers etc. Out of two cars, one each was transferred to chief Engineer and Joint Secretary, Roads and Buildings and Panchayat and their old cars were sent to Superintending Engineers, National Highway circles Vadodara and Gandhinagar.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.14 Unjustified change of site for procuring grit in road works

Decision to use the grit of Morbi instead of from local quarry without any justification resulted in excess expenditure of Rs.39.82 lakh on account of excess lead for transportation

As per the instructions of Roads and Buildings Department (Department) the lead from nearest quarry to the site should be considered while preparing estimates of road works. Further, Executive Engineer was to record a certificate in Draft Tender Papers that rate analysis of metal, grit, murrum etc., to be used in road works, were personally checked by him and were taken economically keeping in view the site condition. If *kapchi*, grit, etc. of required quality was not available from reasonable lead provision for use of streeping agent in estimate shall be made after obtaining test result of aggregate from Gujarat Engineering Research Institute.

Test-check of records of Executive Engineer, Roads and Buildings Division, Bhuj (June 1999) revealed that in 23 works during 1998-2000 grit of Morbi was utilised which resulted in payment of Rs.39.82 lakh on account of lead difference[#] for transportation of Morbi grit instead of utilising local quarry grits. Following points were noticed in audit (June 1999) in this connection :

(i) Superintending Engineer (SE) informed Chief Engineer and Joint Secretary, Roads and Buildings Department (CE&JS) in October 1997 that as discussed with Secretary, Roads and Buildings Department and CE&JS during their visit of Kachchh District it was decided to use grit of Morbi quarry instead of grit of nearest quarry of the concerned road and provision of grit of Morbi instead of nearest local quarry was to be made and estimates of roads were to be prepared accordingly. The change in the use of grit was proposed considering intensity of traffic and heavy rain. Chief Engineer and Joint Secretary treated intimation letter as "proposal" and communicated his approval to SE Circle (R&B)-I, (Circle) Ahmedabad in November 1997.

(ii) Though change of quarry resulted in additional finance, consent of Finance Department required as per Rule 11 of Gujarat Government Rules of Business was not taken by Roads and Buildings Department.

(iii) Test-reports^{*} of grit of local and Morbi quarries revealed that there was no variation in test results of both the types of grit. Hence there was no justification to use Morbi grit at extra transportation cost.

(iv) The contention of heavy rain in Kachchh District was not tenable in view of the fact that actual rainfall during 1991-97[♦] ranged between 82 mm and 123

[#] Difference in distance between Morbi quarry and nearest quarry from where grit was obtained and used in the work. 4 cases, estimates revised, difference paid as extra item during 1997-98 Rs.11,50,783. 12 estimates in 1998-99 & 7 estimates during 1999-2000. Morbi grit was considered and included in estimates and lead difference paid was Rs.28,32,014. Total Rs.39,82,797. i.e. Rs.39.83 lakh

^{*} Flakinees, Impact value test, stripping value and water absorption etc.

[♦] Figures are taken from the State Government Budget Publication No.30 on the subject of socio-economics review published in February 2000.

mm as against normal rainfall of 350 mm except in 1992 (522 mm) and 1994 (800 mm).

(v) At no point of time problem of frequent renewal/repair of surface due to inferior/poor quality of grit of local quarry was taken up by any of the field offices at any level.

(vi) Though grit of required quality was not reportedly available possibility of utilisation of anti-streeping agent in aggregate was not explored as per instructions issued by the Department in January 1984.

Thus, use of Morbi grit was unjustified and resulted in excess expenditure of Rs.39.82 lakh.

Executive Engineer stated (May 1999) that road surface in which grit of local quarry was used damaged frequently due to heavy traffic and rainfall. As such it was decided to use grit of Morbi in road works in Kachchh District. This was not tenable as no proof was found on records.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.15 Doubtful execution of work

Painting of a 10 storied building was got done at unworkable rates raising doubt about its genuineness and quality of work

As per instructions issued by Government in December 1987 if the tendered rates received were below 10 *per cent* of the estimated cost workability of the rates should be checked after calling for rate analysis from the tenderer and detailed analysis by the department so as to ensure proper execution of work.

Executive Engineer, Capital Project Division No.-II, Gandhinagar (April 2000) awarded the works of painting of outside surface of Sachivalaya Complex block Nos. 2 to 8 and 11 to contractor 'A' on eight agreements at his tendered cost of Rs.37.52 lakh (estimated cost Rs.68.08 lakh) in April 1999. The tendered rate ranged below the estimated cost between 38.20 *per cent* and 54 *per cent*. According to specification, paints of Jenson and Nicholson company were to be used by the contractor. Since the rates were below the estimated cost exceeding of 10 *per cent*, rate analysis was called for from the contractor. Analysis of the tender and the agreement raised doubts about the genuinness and quality over the following grounds:

(i) In the rate analysis contractor did not specify the name of the company whose paint was intended to be utilised by him.

(ii) The factor of increased labour rate for painting upper stories was not considered by the contractor though the complex is 10 storied. As per rate

analysis of the contractor per sq.mt. cost worked out to Rs.28.90 whereas as per rate analysis of the division per sq.mt. cost worked out to Rs.58.75.

(iii) Compared to total payment made to the contractor the actual cost of work i.e. paints/colour used by him and labour charges (as per the rates shown by the contractor in his rate analysis) was more by Rs.four lakh. Thus, there would be loss of Rs.four lakh to the contractor in execution of work which was an unbelievable as no contractor would come forward to incur loss while undertaking works. Further, at no point of time contractor intimated that he was incurring loss in execution of works.

(iv) According to specification "Cement paint" shall conform to IS 5410-1969 and ARMOR QUARTZ paint shall conform to relevant IS and manufacturing mark. Material used in the works not tested to ascertain whether these conform to standard though testing charges were recovered from the contractor.

(v) Contractor claimed to be dealer of oil paint of Jenson and Nicholson company at Palanapur and produced purchase bills of his own firm.

Thus, execution of work valued Rs.37.48 lakh at unworkable rates without required test of the material used in the works, was doubtful and called for investigation by Government.

Executive Engineer Stated (May 2000) that the works were executed as per specification and since ISI mark was recorded on drums testing of material was not done. This was not tenable as test of material was required to be carried out as per contract and in the absence of such test, use of material as per specifications at unworkable rates was doubtful.

The matter was reported to Government in June 2000; reply has not been received (November 2000).

4.16 Unauthorised financial aid to contractors

Executive Engineer helped the contractors unauthorisedly for Rs.34.58 lakh by not obtaining performance bond

According to clause 1 of the tender, works estimated to cost for more than Rs.15 lakh, the contractor was required to furnish performance bond of any scheduled bank, equivalent to five *per cent* of the estimated cost put to tender alongwith initial security deposit before issue of work order. All compensations, liquidated damages or other sums or money payable by contractor to Government under the terms of contract were to be deducted from or recouped by realisation of a sufficient part of his security or from the interest arising therefrom or performance bond.

Further, as per provisions of Gujarat Public Work Department Manual no financial aid should be given to contractor in any form except secured advance, machinery advance etc.

In disregard of these provisions Executive Engineer, Ahmedabad Roads and Buildings Division, Ahmedabad, in 10 cases (covering five contractors) did not obtain performance bonds before issue of work orders, and instead made recovery of Rs.32.59 lakh through first running account bills of respective contractors with delay ranging from 13 days to 327 days. In two cases, recovery of Rs.1.99 lakh on account of Performance Bond was not made (March 2000) though work orders were issued in November 1997 and April 1998. Thus, the division, by issuing work orders without Performance Bonds provided unauthorised financial aid of Rs.34.58 lakh to the contractors for period ranging between 13 days and 864 days.

Executive Engineer stated (April 2000) that due to fixing of target date for completion of works as decided at 'higher level', work orders were issued on depositing 2.5 per cent security deposit so that works could be completed and action taken were in the interest of Government.

This was not tenable as records did not indicate any instructions for not taking bond. However, the confidential letter of 14 February 2000 from Executive Engineer to Superintending Engineer *inter alia* revealed that work orders were issued without obtaining Performance Bond to avoid lapse of budget grant, stringent financial position of the contractors attributable to year ending period and difficulties faced by the contractors in getting bank guarantees for higher amounts.

The matter was reported to Government in August 1999; reply has not been received (November 2000).

4.17 Irregular execution of road works

Work valued Rs.14.40 lakh executed by manipulating and inflating the estimates of another work beside avoidable expenditure of Rs.9.59 lakh due to rejection of lowest tender

In order to have control over expenditure on Special Repairs (SR) to road, Government in Finance and Roads and Buildings Departments issued instructions in 1993 which *inter alia* prescribed that new SR works can be taken-up only after allotment of Job numbers by Chief Engineer and no change can be made in the sanctioned SR works at fields/lower level. Further, as per codal provision[▲] in cases of any variation in quantities of existing item, approval of the competent authority is required to be obtained before execution of such items.

It was noticed in audit of Executive Engineer, R&B Division, Mehsana that the work of SR of 10 km length on Mehsana-Balal-Karli-Becharaji road for providing 37.5 MM LBM and 0.24 M seal coat at estimated cost of Rs.45.00 lakh was approved by the Chief Engineer vide Job No MHR/SR/96-97/26 (February 1997). Superintending Engineer accorded technical sanction for

[▲] Para 214 of Gujarat Public Works Department Manual Volume - I.

Rs.46.57 lakh in February 1997. The actual road width was 5.5m. (being standard width for State inter mediate road).

However, while preparing the estimate, road width was taken as 7.00 m. but the work was actually carried out taking the width of 5.5 m. The provision relating to excess of actual work was diverted and utilised in special repairs in additional 3 km. road for which there was no approval of competent authority. Further, since the area was not covered under the existing job, new job number was required from CE to cover additional length of 3 km which was not obtained. Thus execution of work on additional three km length at a cost of Rs.14.40 lakh was irregular.

Executive Engineer stated (March 2000) that as the work was only carpet and seal coat on existing road surface, the estimate was prepared on the basis of test-check of few meters and due to immediate submission of estimate, the estimate was prepared as per 7.00 meter length in full 10 k.m. road. The routine checks were applied while according technical sanction. Further, it was also stated by Executive Engineer that the paver work was carried out on additional three km. as per instruction of higher officer.

The reply was not tenable as;

(i) As per codal provisions and Government instructions, for every work proposed to be carried out, a proper detailed estimate should be prepared with survey and investigation of site and approval of competent authority obtained before execution of work.

(ii) No specific orders/instruction of higher officer for carrying out additional work were available on record.

(iii) Adoption of width in excess of actual width of road was irregular.

(b) Tenders for the above mentioned work (SR to Mehsana-Balal-Karli-Becharaji road km. 0/0 to 10/0) providing 37.50 mm LBM and 0.24 mm seal coat were invited in May 1997. In response to tender notice, two offers were received. The lowest offer of Rs.49.82 lakh i.e. 9.12 *per cent* above the estimated cost of Shri Natraj Construction Co. was recommended in June 1997 by Superintending Engineer, Ahmedabad to Government for acceptance. The Government in Roads and Buildings Department (Department) rejected the tender without assigning any reasons. On re-invitation of tender in December 1997, seven offers were received. The lowest offer for Rs.65.03 lakh of Shri Natraj Construction Co. (42.43 *per cent* above estimated cost) was recommended by SE in March 1998 to Government. Government accepted negotiated offer of Rs.59.45 lakh in April 1998. The work was awarded to the contractor in October 1998 and completed in January 1999 at a cost of Rs.59.41 lakh. Thus, rejection of lowest tender without assigning any reason on first invitation and acceptance of lowest tender of the same contractor on re-invitation resulted in avoidable expenditure of Rs.9.59 lakh.

Executive Engineer stated (March 2000) that no reasons for rejection of tender on first invitation were communicated but it was instructed to take further necessary action and therefore the tenders were re-invited.

This was not tenable as action of the Government resulted in avoidable extra expenditure of Rs.9.59 lakh within four months of rejection of lowest tender of first invitation.

The matter was reported to Government in June 2000, reply has not been received (November 2000)

4.18 Misappropriation and irregular supply of asphalt and execution of fictitious work

Asphalt valued Rs.21.97 lakh was suspected to have been misappropriated beside supply of asphalt valued Rs.32.56 lakh free of cost

Gujarat Public Works Department Manual provides that materials issued from stock should immediately be debited either to work or to contractor, as the case may be, by per contra credit to Stock Account of the division.

(a) Test-check of records of Executive Engineer, National Highway Division, Gandhinagar (February 2000) revealed that periodical repair work in selected stretches between km 389/0 to 439/0 in Ajmer-Ahmedabad Section of NH 8 was awarded to contractor to 'A' at his tendered cost of Rs.37.08 lakh (11.75 per cent below the estimated cost of Rs.42.05 lakh) in March 1999 with the stipulated date of completion by July 1999 and additional work for 8.5 km costing Rs.32 lakh was awarded on 27 May 1999. Test-check of records of receipt and utilisation of asphalt in the work revealed the following:

(i) 88.921 tonnes and 82.877 tonnes asphalt valued Rs.5.87 lakh and Rs.6.13 lakh was shown as received during 13 February to 18 March 1999 and 18 April to 29 May 1999 i.e. even before the issue of work order and commencement of work respectively and was shown in the stock. Storage capacity of asphalt tank at plant site was only 50 tonnes. The excess quantity was shown stored in the lorries. However, continued storage of excess quantities of asphalt in lorries for 11 days to 12 days was unlikely due to heavy cost of detaining lorries for so many days. Further, during the storage period same lorries were shown performing trips also. Thus there was a case of fictitious supply.

(ii) 39.008 tonnes of asphalt reportedly brought between 8 and 12 March 1999 was shown as utilised in asphalt work which was measured on 26 March 1999. Whereas, 11.012 tonnes asphalt valued Rs.0.72 lakh which was received on 13 February 1999 on site of work was shown as used between 26 March and 17 April 1999. Thus, the reported receipt and use of 11.012 tonnes asphalt was doubtful.

(iii) 122.882 tonnes asphalt valued Rs.8.94 lakh issued by Indian Oil Corporation for Rajasthan was shown as received in the work and payments for the same were made on the basis of xerox copies of duplicate bills instead of original bills as required and therefore receipt of asphalt was doubtful.

(iv) As per Government instructions and tender agreement asphalt work should be executed only between 8.00 hrs and 17.00 hrs. in winter season and upto 18.30 hrs. in summer. However, it was noticed that works were executed without any interruption between 7.30 hrs and 18.25 hrs. and 445.845 tonnes of material in excess of capacity of Drum Mix plant (60 tonnes per hour) was prepared. Preparation of material valued Rs.3.10 lakh in excess of capacity of the plant and beyond the stipulated hours was doubtful.

(v) 38.961 tonnes asphalt valued Rs.2.73 lakh was issued for tack-coat work. However, measurements for coverage of area by tack-coat were not recorded as required. As such utilisation of asphalt in the work was doubtful.

Thus, receipt of asphalt valued Rs.11.37 lakh far in advance of its requirement, receipt of asphalt valued Rs.4.77 lakh in excess of storage capacity, preparation of mix material valued Rs.3.10 lakh in excess of capacity of the plant and beyond stipulated hours and issue of asphalt valued Rs.2.73 lakh for tack-coat work were doubtful and possibility of misappropriation of asphalt and/or mix material and execution of fictitious works cannot be ruled out. The matter requires investigation at Government level.

Executive Engineer stated that there was no restriction to bring asphalt before issue of work order, asphalt received on 13 February was utilised first in the work but erroneously remained to be adjusted in the bill and the contractor was having account with refinery for Jodhpur from which asphalt was received. This was not tenable as bringing of bulk asphalt by the contractor on 13 February 1999 before issue of work order (15 March 1999) and utilisation thereof after three months (April 1999) were impracticable and making payment for asphalt meant for Rajasthan on xerox copies of duplicate bills, instead of original, was doubtful. The entire amount of asphalt appeared to have been misappropriated and the reported execution of work was fictitious.

The work of "widening of four lane of existing two lane carriage way in km 249/4 to 259/4 of Ahmedabad-Mumbai Section of NH 8" (Job No.008-GJ-96/205) was awarded to contractor 'A' vide agreement No.B-2/14 of 1996-97 at a cost of Rs.14.14 crore by EE National Highway Division, Valsad. The work order was issued in March 1997 and completed in July 1999 at a cost of Rs.13.85 crore.

According to the specification of item of work, the percentage of use of Bitumen (4.5 to 5 *per cent* of weight of total mix) as per tonne mix as shown in the item of work is tentative. Actually the bitumen shall be used as per approved mix design. If due to mix design, more or less percentage of bitumen is required to be used upto one *per cent*, there will be no addition and reduction in the rate per MT of mix as filed by the contractor in his tender.

It was noticed in audit (September 1999) that due to adoption of mix design formula 417.034 tonne of bitumen was used in excess than provided in four items of work but remained within one *per cent*. The payments for the work done in respect of four items of work were made as per rate tendered by the contractor but in lieu of this, 417.003 tonne bitumen valued Rs.28.13 lakh was issued to the contractor at free of cost which was out of scope of tender agreement. Similarly in three other works also 55.475 tonne asphalt valued Rs.4.43 lakh was issued to the contractor at free of cost. Thus, this was unauthorised financial aid of Rs.32.56 lakh to the contractor.

When the matter was reported to the Government (January 2000), Government in R&B Department admitted (April 2000) the audit observation and recovered the cost of bitumen Rs.32.56 lakh from the contractors and setup enquiry to fix the responsibility.

4.19 Irregular purchase of vehicles and xerox machines

Codal provisions envisage for provision of two *per cent* contingent charges in the estimate to meet with unforeseen expenditure on work and provision of contingency should not be diverted to items not provided in estimate.

Contrary to above codal provisions, Executive Engineer (EE) (Roads and Buildings) Division, Bhuj purchased three Jeeps, one Ambassador Car and two Xerox machines valuing Rs.15.81 lakh out of two *per cent* contingent charges of works under Border Area Development Programme, a *cent per cent* Centrally Sponsored Scheme. It was seen that proposal submitted by EE Bhuj, on 17 August 1998 was approved by SE at Ahmedabad and CE at Gandhinagar on 18 August 1998 and purchase order was placed and cheque for Rs.10.51 lakh issued by EE on 19 August 1998 while camping at Ahmedabad. Purchase was made directly by EE instead of through Mechanical Division as required. Two Xerox machines valuing Rs.2.21 lakh were purchased in December 1997 and January 1998 of which one was installed in Circle Office at Ahmedabad.

EE stated (June 1999) that purchases from contingent charges were made with the approval of SE and the Government. Reply was not tenable as provision for work contingency cannot be utilized for any other purpose than item of work included in the estimates.

The matter was reported to Government in September 1999; reply has not been received (November 2000).

GENERAL

4.20 Lack of response to audit

Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot, these are reported through IRs to the Heads of offices inspected with a copy to the next higher authorities. The Financial Rules/Orders of Government provide for prompt response within four weeks by the executive to the IRs issued by AG to ensure rectificatory action in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during his inspection. The Head of Offices and next higher authorities are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to AG. Serious irregularities are also brought to the notice of the higher authority by AG. A half yearly report of pending IRs is sent to Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto December 1999 pertaining to 85 and 160 Roads and Buildings/Irrigation Divisions of Roads and Buildings/Narmada, Water Resources and Water Supply Department disclosed that 1596 and 2272 paragraphs relating to 532 and 872 IRs respectively remained outstanding at the end of June 2000. Of these, 99 and 276 IRs containing 170 and 644 paragraphs respectively had not been settled for more than 10 years as detailed in Appendix - XXV. Year-wise position of the outstanding IRs and paragraphs are detailed in the Appendix - XXVI. Even the initial replies which were required to be received from the Heads of Offices within four weeks from the date of issue were not received in respect of 21 Divisions of Roads and Buildings and 40 Divisions of Irrigation out of 582 and 1071 IRs issued between 1989-90 and December 1999 respectively. As a result serious irregularities commented upon in these IRs as detailed in Appendix - XXVII had not been settled as of March 2000.

A review of IRs which were pending due to non-receipt of replies, in respect of Roads and Buildings Department and Narmada, Water Resources and Water Supply Department revealed that the Head of the Offices/Department whose records were inspected by AG, and the Head of Department of Roads and Buildings Department and Narmada, Water Resources and Water Supply Department failed to discharge due responsibility as they did not send any reply to a large number of IRs/ Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in IRs by AG. The Secretaries of the Roads and Buildings Department and Narmada, Water Resources and Water Supply Department, who were informed of the position through half yearly reports, also failed to ensure response from the

concerned officers of the Department to take prompt and timely action in the light of audit observation.

Lack of proper action against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the Government through these were pointed out in Audit.

It is recommended that Government should carry out a serious review of the matter to ensure that higher executive responsiveness to audit observations is quick for effecting remedial action and frame procedure for initiating action (a) against the officials who failed to send replies to IRs/paras as per the prescribed time schedule and (b) follow up action to recover loss/outstanding-advances/overpayments in a time bound manner.

The matter was reported to Government (September 2000); reply has not been received (November 2000).

CHAPTER - V STORES AND STOCK

ROADS AND BUILDINGS DEPARTMENT

5.1 Non-accounting of material issued to contractors

Cost of material (Rs.5.37 crore) issued from stock was not accounted for in the works

According to provisions of Gujarat Public Works Department Manual, materials issued from stock should immediately be debited either to work or to contractor as the case may be.

Materials valuing Rs.5.37 crore as detailed below issued by Executive Engineer (EE), Roads and Buildings Division, Nadiad for various road works between November 1996 and March 1997 were not accounted for in Stock Accounts of the division though these works were completed and cost of materials were recovered from the contractors.

Material	Value (Rupees in crore)
5236.346 tonnes Bulk Asphalt	3.79
Hot mix materials supplied from asphalt plant at Dakore	1.28
Quarry materials supplied from quarry at Sevaliya	0.30
Total	5.37

Due to non-accounting value of asphalt in the works the expenditure of the concerned works were short debited. The amount thus saved from the approved provision was diverted to make other payments not related to the concerned works.

While admitting the irregularity EE stated (June 1999) that the stock account remained unadjusted as sufficient grants were not received from Government during 1996-97. This was not tenable since Rs.9.54 crore allotted to the Division between October 1996 and March 1997 was not used for adjusting previous liabilities and were utilised for payment of bills of contractors and thus creating unjustifiable financial liability of Rs.5.37 crore. The actual excess expenditure was not exhibited as the value of materials issued from stock was not included in the works.

The matter was reported to Government in August 1999; reply has not been received (November 2000).

CHAPTER-VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

GENERAL

6.1 Grants and Loans

6.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of public utility services. The bodies/authorities by and large receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

6.1.2 During 1999-2000, financial assistance of Rs.2563.30 crore was paid to various autonomous bodies. Information was received for 18 departments while five[▲] departments did not furnish the required information in spite of repeated reminders and personal visits. The organisations to which assistance was paid, were as under:

Organisation	Amount of assistance (Rupees in crore)
District Panchayats	694.21
District Rural Development Agencies	NA*
Universities and other Educational Institutions	1066.00
Municipal Corporations and Municipalities	311.22
Co-operative Societies	43.73
Statutory bodies, authorities and others	448.14
Total	2563.30

6.1.3 Accounts of bodies or authorities which receive grants and/or loans of not less than Rs.25 lakh in a financial year from the Consolidated Fund and 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.

In order to identify the institutions which attract audit by Comptroller and Auditor General, all Government departments were required to furnish to Audit every year detailed information regarding grants and/or loans given to

[▲] Education, Food and Civil Supplies, Industries and Mines, Panchayats, Rural Housing and Rural Development and Social Justice and Empowerment.

* NA : Information not furnished by the concerned departments.

various bodies and authorities and the expenditure incurred by the recipient bodies and authorities in preceding financial year by July every year. Only two departments out of a total of 23 departments furnished this information as of July 2000. For the last three years all other departments are not furnishing this information.

The number of bodies/authorities, which received substantial grants and/or loans as intimated by the departments, but from which accounts had not been received by Audit were as under:

Serial number	Particulars	Numbers of bodies/ authorities
1	Body or authority from which accounts had not been received but selected for audit based on the accounts submitted by it for a year later	7
2	Body or authority which had failed to submit accounts for a particular year but had not received grants since then or the amount of grant received by it after the year had been less than Rs.25 lakh	7
3	Body or authority which had been receiving grants of more than Rs.25 lakh continuously and failed to submit the accounts consistently	23
	Total	37

6.1.4 Statutory audit arrangements

The audit of District Panchayats, Universities and Municipalities are conducted by the Examiner, Local Fund Accounts. The audit of District Rural Development Agencies, Societies, other than Co-operative Societies, Trusts, Boards, etc. is conducted by Chartered Accountants. Audit of Co-operative Societies is conducted by the Registrar of Co-operative Societies. The accounts of Municipal Corporation are audited by the Chief Auditors appointed by the Corporations concerned. Out of 19 District Panchayats, statutory audit was in arrears in respect of one (1997-98) and ten District Panchayats (1998-99). Out of 143 Municipalities, 10 Universities and 183 Taluka Panchayats, audit of five Municipalities was in arrears for 1996-97, audit of three Universities, eight Taluka Panchayats and 35 Municipalities was in arrears for 1997-98 and audit of eight Universities, 77 Municipalities and 101 Taluka Panchayats was in arrears for 1998-99.

In terms of Government order of March 1965, Examiner, Local Fund Accounts was required to submit his Audit Report on the accounts of District Panchayats and Taluka Panchayats annually to the State Legislature. The last such Audit Report tabled in July 1999 was for the year 1993-94. Thus, the legislature was not kept informed of the financial condition of these institutions even though audit was completed up to 1998-99 in most cases.

6.1.5 Where any grant or loan is sanctioned for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General of India has to scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfillment of the conditions, subject to which such grant or loan is sanctioned. In the absence of requisite information from the department, the needful could not be done.

6.1.6 The Comptroller and Auditor General of India also conducts audit of accounts of certain corporations/bodies/authorities when such audit is entrusted to him. The audit of 12 corporations/bodies/authorities had been entrusted to the Comptroller and Auditor General of India. Of these, the Reports on the accounts of Gujarat Housing Board, Gujarat Slum Clearance Board, Gujarat Rural Housing Board, Gujarat Municipal Finance Board and Gujarat Maritime Board were required to be submitted to the State Government for laying these Reports before the Legislature. Government prescribed a schedule in December 1985, 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). The status of submission of accounts by corporations/bodies/authorities as of July 2000 was as under:

Serial number	Name of body/authority	Year to which				Remarks
		Accounts were due	Accounts were submitted	Audit Report had been issued	Audit Report had been laid before legislature	
1	Gujarat Municipal Finance Board	1999-2000	1998-99	1998-99	29-09-99	--
2	Gujarat Maritime Board	1999-2000	1999-2000	1998-99	30-03-2000	--
3	Gujarat Housing Board	1999-2000	1998-99	1998-99	--	--
4	Gujarat Slum Clearance Board	1999-2000	1997-98 1998-99	1996-97	--	--
5	Gujarat Rural Housing Board	1999-2000	1998-99	1998-99	--	--

6.1.7 The audit of accounts of the bodies entrusted to the Comptroller and Auditor General of India is shown in Appendix-XXVIII.

6.1.8 The matter was reported to Government in September 2000; reply had not been received (November 2000).

SECTION – A REVIEWS

EDUCATION DEPARTMENT

6.2 Working of Primary Education Wing

Highlights

Primary Education wing deals with primary education in the State through primary schools under District Panchayats, Local Bodies and private bodies

There was significant weakness in budgetary and expenditure control system. Even after intervention of District Primary Education Programme difference in enrolment and dropout rates among gender and social groups did not reduce. Enrolment of eligible children was only up to 68 per cent and 50 per cent of the children dropped out of schools.

As against budget provision ranging between Rs.816.50 crore and Rs.1675.29 crore, Plan expenditure was between 2 per cent (1994-95) and 9 per cent (1997-98) while Non-plan expenditure was between 91 per cent (1997-98) and 98 per cent (1994-95).

(Paragraph 6.2.4 (i))

Expenditure of Rs.7.70 crore was incurred without budget provision during 1996-98. Savings of Rs.6.59 crore (1996-97) and Rs.12.46 crore (1998-99) were not surrendered.

(Paragraph 6.2.4(ii) and (iii))

In test-checked districts utilisation certificates for Rs.19.78 crore relating to 1990 to 1999 were not furnished.

(Paragraph 6.2.5)

Census of children for implementation of free and compulsory primary education scheme as per rule was not taken in the State which resulted in reflection of unrealistic achievement.

(Paragraph 6.2.8)

As of March 1999 as many as 3963 primary schools were having one teacher only. In 3 districts 125 schools had no teachers for more than 6 months.

(Paragraphs 6.2.9 (b) (ii) and 6.2.12)

Only 66 to 68 per cent of eligible children were enrolled during 1996-99. Of the eligible girls only 58 to 60 per cent were enrolled.

(Paragraphs 6.2.9 (a) (iii))

Dropout rate of boys was 48 per cent and those of girls was 50 per cent. Government evolved no strategy to improve the dropout rate.

(Paragraphs 6.2.9 (b) (i))

Literacy rate among children up to 14 years of age was only 13 per cent during 1996-99.

(Paragraphs 6.2.9 (c))

In Rajkot and Ahmedabad 54 and 25 per cent of shortage was there in the class rooms.

(Paragraphs 6.2.10)

Despite intervention of District Primary Education Programme, difference in enrolment in terms of gender and social groups was more than five per cent, dropout rates did not reduce and significant decline in achievement of class III students in language and mathematics was noticed.

(Paragraphs 6.2.15.2(i)(ii) and 6.2.15.3)

Rupees 4.48 crore were unauthorisedly paid as salary of teachers, books and education kits valued Rs.1.44 crore and Rs.0.38 crore respectively were purchased irregularly and Rs.0.75 crore were diverted for payment of pay arrears to staff on deputation from District Primary Education Programme fund by State Project Director.

(Paragraphs 6.2.15.9(i)(ii), 6.2.15.10 and 6.2.15.11)

6.2.1 Introduction

Government of Gujarat (State) undertakes primary education programme in the State through District Panchayats (DPs), Local Bodies (LBs) and private bodies.

The main objectives of primary education programme in the State are: universal enrolment and retention of children up to 14 years of age in schools, to minimise dropping out of children ensuring atleast five years of schooling substantial improvement in the quality of education etc. There were 34833 primary schools in the State as of March 1999 with 76.34 lakh children (boys 43.34 lakh and girls 33 lakh) of which 29757 were Government schools, 1315 were private aided schools and 3761 were private unaided schools.

6.2.2 Organisational set up

Additional Chief Secretary, Education Department (Department) is in overall charge of Primary Education Wing. The Director of Primary Education (DPE) (Director) is head of the department of Primary Education and is also the Controlling Officer. District Primary Education Committee (Committee) under each District Panchayat is the administrative authority for primary education at district level. District Primary Education Officer (DPEO) is Secretary of the

Committee. There are 25 DPEOs in the State as of March, 1999, who also function as Drawing and Disbursing Officers (DDOs) for 27915 schools.

6.2.3 Audit Coverage

Working of some aspects of Primary Education Wing for 1996-97 to 1998-99 and implementation of District Primary Education Programme (DPEP) from 1996-97 to 1999-2000 were reviewed through test-check of records of the Department, the Director of Primary Education, five* districts, 14** talukas, four^X Municipal School Boards (MSBs) and State Project Director (SPD), three districts project offices (Banaskantha, Dangs and Panchmahals), eight[#] Block Resource Centres (BRCs) and 10[▲] Cluster Resource Centres (CRCs) between February and June 2000 and December 1999 and June 2000 respectively. Important points noticed are discussed in succeeding paragraphs.

The services of the ORG Centre for Social Research, a division of the ORG-MARG Research Limited was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample, determined on the basis of District Development Profile on Primary Education, Socio-economic compositions, incidence of school dropout etc. Findings of the survey on matters discussed in the Report have been included in this review at appropriate places.

6.2.4 Financial management and control

Budgetary Control

(i) Provision and expenditure

Budget provisions and expenditure of Plan /Non-Plan under Primary Education during 1994-99 were as under :

(Rupees in crore)

Year	Budget Provision	Expenditure			Excess (+)/ Savings(-)	Percentage of total expenditure	
		Plan	Non-Plan	Total		Plan	Non-Plan
1994-95	816.50	18.22	797.51	815.73	0.77(-)	2	98
1995-96	949.70	30.23	915.58	945.81	3.89(-)	3	97
1996-97	1071.85	66.53	998.73	1065.26	6.59(-)	6	94
1997-98	1207.88	108.27	1100.23	1208.50	0.62(+)	9	91
1998-99	1675.29	118.09	1544.74	1662.83	12.46(-)	7	93

Source :-Finance Accounts of Government of Gujarat.

Difference with the AG's booked figure

Non-plan expenditure constituted on an average 94 per cent of the total expenditure and its share came down from 98 per cent to 93 per cent in

* Ahmedabad, Panchmahals, Rajkot, Vadodara and Valsad.

** Ahmedabad-(1) City and (2) Daskoi.
Panchmahals-(1) City, (2) Halol, (3) Kalol, (4) Lunawada and (5) Shahera.
Rajkot - (1) City and (2) Upleta.
Vadodara - (1) Chhotaudepur, (2) city and (3) Sankheda.
Valsad - (1) Dharampur and (2) Pardi.

^X Ahmedabad, Panchmahals Rajkot and Vadodara.

[#] Ahwa, Dahod, Danta, Dhanera, Godhra, Lunawada, Sihori, Vadgam.

[▲] Abhlod, Bhakodar, Chhapi, Chikhli, Dantiwada, Hardaspur, Katwara, Nadakchod, Sendardariyagorada, Sisarana

1998-99. The Director did not furnish reasons for significant savings in 1998-99. Further, as against the expenditure of Rs.3936.58 crore as per books of Accountant General (Accounts and Entitlement) Gujarat, departmental records showed Rs.3914.11 crore during 1996-99. The difference could not be reconciled by the Director (Appendix-XXIX and XXX). Moreover, difference ranging between Rs.42.10 crore (1997-98) and Rs.129.25 crore (1996-97) persisted in respect of figures of staff cost, grants-in-aid and contingencies. Out of total expenditure of Rs.4167.97 crore, direct Government expenditure was Rs.582.06 crore and grants-in-aid Rs.3585.91 crore during 1996-99. No reasons for variation in figures were available on record also.

(ii) Expenditure without budget provision

Rupees 7.70 crore spent without budget provision

DDOs of the department spent Rs.7.70 crore without budget provision during 1996-98 (Appendix-XXXI). Director stated (June 2000) that amounts of Rs.7.70 crore were not spent for want of administrative approval and surrendered. However, it was noticed in the Appropriation Accounts of 1996-98 that these amounts were booked as expenditure for (i) free and universal primary education for all children up to the age of 14 years (Rs.0.93 crore), (ii) upgradation of primary schools (Rs.2.49 crore) and (iii) improvement of attendance (Rs.4.28 crore) under Major Head – 2202 General Education. Therefore, the statement of the Director require further administrative scrutiny to ascertain how the expenditure took place despite the surrender.

(iii) Non-surrender of grant

Rupees 18.43 crore not surrendered during the year

The Director was required to surrender likely savings to the department latest by 15 February every year. Unspent amounts of Rs.18.43 crore (Appendix-XXXII) were not surrendered by him during 1996-99. Of these, Rs.12.46 crore pertained to 1998-99. It was noticed that the Director did not maintain expenditure control register properly which led to the failure to ascertain the likely savings and timely surrender of the same.

(iv) Abnormal excess expenditure

Excess expenditure ranged between 24 and 250 per cent

It was noticed that during 1994-98 excess expenditure in 16 sub-heads of accounts ranged between 24 per cent and 250 per cent of the total provisions as shown in Appendix-XXXIII. Out of total excess expenditure of Rs.234.11 crore, Rs.232.70 crore pertained to payment of pension which was attributed to revision of pension on account of Fifth Pay Commission Report. Thus, budgetary control was not exercised properly.

6.2.5 Non-issue of utilisation certificates

Cs for Rs.19.78 crore not furnished by DPEOs

Gujarat Financial Rules provides for submission of utilisation certificates (UCs) in support of proper utilisation of grants given by the Government. It was noticed that UCs for Rs.19.78 crore* were not furnished by DPEOs as of June 2000 in two test-checked districts.

* Vadodara Rs.6.80 crore (1990-99) and Valsad Rs.12.98 crore (1994-99)

6.2.6 Minus balance in cash book

GPF subscriptions not remitted by MSB Ahmedabad

As per Note 4 below Rule 4 of General Provident Fund (GPF) Rules it is the responsibility of concerned head of office/department to recover GPF subscription and credit it to concerned subscriber's account. Test-check of records of MSB, Ahmedabad revealed that minus balance in cash book reflected from 1987-88 and onwards accumulated to Rs.8.47 crore as of March 1999 due to non-remittance by MSB into treasury of GPF subscriptions (Rs.5.71 crore) recovered from the employees and unpaid cheques (Rs.2.76 crore). Administrative Officer, MSB stated (July 2000) that matching share of 20 per cent was not received in full from Ahmedabad Municipal Corporation which resulted in non-remittance of GPF subscriptions. Reply was not tenable as non crediting of GPF subscription was a violation of statutory provision.

6.2.7 Personnel Management

(i) Staff position

Sanctioned strength, and men-in-position in teaching cadre in Government and aided primary schools during 1996-99 were as under :

Year	Sanctioned Strength	Existing Strength	Shortage	Percentage
1996-97	153490	137033	16457	11
1997-98	155840	132360	23480	15
1998-99	155840	135722	20118	13

(Figures inclusive of DPEOs and MSBs only)

Shortage in teaching cadre ranged between 11 and 15 per cent

Shortage of teachers ranged between 11 per cent and 15 per cent during 1996-99. Despite the shortage, excess teachers to the extent of 69 to 134 were noticed in the Government schools of Ahmedabad, Panchmahals, Rajkot and Vadodara Districts respectively as of September 1999. The excess teachers were not transferred to the needy schools though there was overall shortage of teachers in the districts. The Director stated (June 2000) that under the scheme of *Vidyasahaayk*, vacant posts of primary teachers were filled in during 1996-99 and in Valsad district, posts remained vacant due to court cases.

Shortage of ADEIs adversely affected inspections

(ii) Shortage of Assistant District Education Inspectors (ADEIs) increased from 45 per cent to 49 per cent during 1996-99#. In five districts shortage ranged between 47 per cent and 63 per cent. As a result, shortfall in inspection by ADEIs, ranged between 35 per cent and 59 per cent. The Director stated (June 2000) that due to economy measures 20 per cent cut was carried out in the sanctioned posts of ADEIs and inspections were not conducted as per norms.

#

Year	Sanctioned strength	Existing strength	Number of posts vacant/ Percentage
1996-97	953	527	426/45
1997-98	953	503	450/47
1998-99	953	485	468/49

6.2.8 Absence of census of children

Census of eligible children not taken as required

DPEO was required to take census of all children in an area every year. However, no such census was taken in any district of the State. Non-observance of codal provisions resulted in reflection of unrealistic achievements as mentioned in succeeding paragraphs.

6.2.9 Impact study for Primary Education**(a) Access****(i) Number of schools**

It was noticed that 94 *per cent* of Government primary schools were located in rural areas whereas 95 *per cent* of private primary schools were in urban areas in the State. Primary schools per thousand students were six and two in rural and urban areas respectively. Bhavnagar (3.68 schools per thousand students) and Bharuch (0.92 schools per thousand students) had the lowest concentration of schools in respect of rural and urban areas, respectively.

(ii) Teacher-Student ratio

As per norms Teacher-Student ratio was 1:50 and 1:40 for standard I and II and III to VII respectively. Teacher-Student ratio of the State was between 1:42 to 1:44 during 1996-99. However, in selected districts teacher-student ratio was 1:37 to 1:41, 1:38 to 1:44 and 1:38 to 1:48 during 1996-97, 1997-98 and 1998-99 respectively.

(iii) Enrolment ratio

Enrolment of eligible children ranged between 66 and 68 *per cent*

As against universal enrolment of eligible children of 109.68 lakh, 111.60 lakh and 113.04 lakh only 66, 67 and 68 *per cent* were actually enrolled during 1996-97, 1997-98 and 1998-99 respectively. The percentage of enrolment of eligible boys ranged between 74 (1997-99) and 75 (1996-97) and for eligible girls 58 (1996-97) and 60 (1998-99). Low enrolment was attributed to migration, lack of interest of education, domestic works, preparation of households and failure.

(b) Retention**(i) Dropout rate**

Objectives of universalisation of education not achieved

Primary Education was made free and compulsory in the State by way of universalisation of education and retention of children upto 14 years of age. However, dropout rate of boys and girls of Class I to VII ranged between 47 *per cent* and 48 *per cent* and 50 *per cent* and 51 *per cent* respectively during 1996-99. No strategy to improve dropout was prepared by the State Government. Dropout rates of class I to V in selected districts were as under:

District	1996-97		1997-98		1998-99	
	Boys	Girls	Boys	Girls	Boys	Girls
Ahmedabad	28	33	15	22	36	39
Rajkot	27	28	47	49	45	46
Vadodara	53	63	57	67	60	69
Valsad	35	38	30	32	59	60

Director stated that dropout were due to migration, lack of interest in education, domestic works, preparation of household and failure, and remedial

action were taken by introducing (i) mid-day meal, (ii) free dress and scholarship, (iii) minimum learning level programme and (iv) free text books etc. However, these steps had little impact as seen from the high the dropout rate.

(ii) Schools without teacher

In three districts 125 schools were without any teacher

In three districts there were 125 schools without any teacher (Panchamahals 98, Rajkot 15 and Valsad 12) for more than six months as of September 1998. It was not understood how learning could progress in these schools in the absence of teachers.

(c) Achievement

Literacy not achieved as targeted

It was noticed that literacy rate amongst male was 62.07 per cent and female 36.94 per cent in the State as per 1981 census report, which increased to 73.13 per cent (male) and 48.66 per cent (female) as per 1991 census report. Thus, Government's intention to provide cent per cent literacy amongst male and female in the State was not fulfilled. The literacy rate of children up to 14 years of age was 13 per cent* during 1996-99 which was very low.

6.2.10 Shortage of class rooms

Shortage of class rooms between 26 and 28 per cent

In 1992 State Government laid down the norms for providing minimum of two class rooms in all primary schools. The project for construction of class rooms was to be completed within five years in a phased manner**. Scrutiny of records revealed shortage of class room between 0.36 lakh (26 per cent) and 0.43 lakh (28 per cent) during 1996-99. Shortage in test-checked districts ranged between 54 per cent (Rajkot) and 25 per cent (Ahmedabad) (Appendix -XXXIV(a) and (b)).

6.2.11 Construction of class rooms under Saghan Primary Education Project

Only 46 per cent class rooms constructed

During 1996-99, construction of 15767 rooms were sanctioned and Rs.208.51 crore were released to DPEOs by the Director. Of these, 7256 rooms were completed, 4036 (26 per cent) were in progress and 4475 (28 per cent) were not started as of May 2000.

Year-wise status of the works were as under:

Year	Schedule date of completion	Rooms planned for construction	Rooms completed	Works in progress	Works not started
1996-97	June 1997	1132	1008	84	40
1997-98	June 1998	9572	5057	2943	1572
1998-99	June 1999	5063	1191	1009	2863
		15767	7256	4036	4475

* Socio-economic survey of Gujarat and Statistical information of DPE

** Phase-I (1995-96)

(i) Where the school was running without facility of the rooms, two rooms were to be constructed, and (ii) Where one room was provided, one additional room was to be constructed.

Phase-II (1996-97)

(i) Where the school possessing two rooms with the sanctioned strength of three teachers, only one additional room was to be provided.

(ii) Where the school possessing two rooms and sanctioned strength of the teachers was four and above, two additional rooms were to be provided, and

(iii) Where three rooms were existing with sanctioned strength of four teachers, only one additional room was to be provided.

The agencies failed to start the works due to various reasons with the result that the students were deprived of the intended benefits of class rooms apart from blocking up of Rs.55.04 crore (at the rate of Rs.1.23 lakh per class room).

In test-checked districts, against 3068 class rooms to be constructed at a cost of Rs.37.70 crore only 494 were completed at a cost of Rs.21.56 crore as of March 1999[▲]. Further, class rooms were to be constructed with facilities of separate toilets for boys and girls. However, it was noticed that in Banaskantha and Vadodara districts toilets were not constructed at all. Information regarding shortage of toilets in the State was not furnished.

6.2.12 Non-conversion of single teacher school into two teachers school

3963 schools had only one teacher

Government decided (December 1997) to convert one teacher school into two teachers school. However, 4785, 5241 and 3963 primary schools were not converted into two teachers schools during 1996-97, 1997-98 and 1998-99 respectively. In test-checked districts 890* schools (9 per cent) were having only one teacher.

The Director stated (June 2000) that efforts were being made to fill up posts by recruitment of *balgurus/vidyasahayaks*. However, fact remained that 3963 schools as of March 1999 were not converted into two teachers schools in spite of fresh recruitment of *balgurus/vidhyasahayaks*.

6.2.13 Unspent balances under Centrally Sponsored Scheme in Personal Ledger Account (PLA)

(a) Government of India (GOI) sanctioned (March 1994) Rs.7.20 crore to the State Government for implementation of Operation Blackboard (OB) Programme to upper primary schools in Eighth Five Year Plan. Out of this, Rs.9.05 lakh lying unspent in PLA of District Development Officer (DDO), DP, Valsad, was credited to State Government accounts in March 1999 under the head "0075 Miscellaneous General Services".

(b) GOI sanctioned for purchase of teaching and learning equipments Rs.23.21 crore (February 1998) and Rs.21.17 crore (October 1998) to Government of Gujarat covering 5381 schools (III phase) and 5182 schools (IV phase). The Director released (March 1999) first installment of Rs.29.90 crore and Rs.5.75 crore to non-tribal and tribal areas respectively. It was noticed that Rs.18.32 crore were spent by DPEOs and purchase orders were placed for Rs.14.63 crore which was shown as expenditure as of June 2000 leaving unspent balance of Rs.2.70 crore which was lying in PLAs of DDOs. Further, Rs.8.73 crore were lying unutilised with the State Government and not released for the scheme.

▲ Ahmedabad 347-Rs.4.26 crore 201 completed - Rs.1.80 crore
Panchmahals 865 - Rs.10.63 crore 56 completed - Rs.6.63 crore
Rajkot 1011 - Rs.12.42 crore 66 completed - Rs.7.66 crore
Vadodara 442 - Rs.5.44 crore 169 completed - Rs.3.03 crore
Valsad 403 - Rs.4.95 crore 2 completed - Rs.2.44 crore

* Ahmedabad 110, Panchmahals 392, Rajkot 71, Vadodara 176 and Valsad 141.

Irregular payment of Rs.3.73 crore and unintended benefit of Rs.3.57 crore to GSHDCL

6.2.14 Purchase of asan pattas

Central Store Purchase Officer placed order (May 1997) with the Gujarat State Handloom Development Corporation Limited (GSHDCL), Gandhinagar for supplying 6.82 lakh *asan pattas* to be supplied to various talukas of eight** districts by 30 June 1998.

In eight### districts 6.82 lakh *asan pattas* valued Rs.3.73 crore were supplied between September 1998 and March 1999. DPE ordered to release Rs.2.80 crore as working capital advance before the end of March 1998. Accordingly, he was paid this amount in March 1998 and debited as final expenditure under the scheme before receiving the material in contravention of tender agreement. This resulted in unauthorised benefits to the supplier. Out of 6.82 lakh pattas, 3.12 lakh valued Rs.1.69 crore were rejected as they were not according to tender specifications. No action was taken against the supplier for supplying sub-standard material and belated supply. Even after their failure to supply the material properly, DPE placed further order on GSHDCL for seven lakh *asan pattas*, valued Rs.3.57 crore in November 1999.

6.2.15 Implementation of District Primary Education Programme

GOI launched DPEP, an externally aided project, in 1994 to revitalise Primary Education System. The objectives are broadly to universalise Primary Education, reducing differences in enrolment and dropout rates among gender and social groups to less than five *per cent*, reducing overall primary dropout to less than 10 *per cent*, ensure increase in basic literacy, numeracy competencies of all primary school children and providing access for all children to primary schooling or its equivalent non-formal education.

In Gujarat, DPEP was launched in November 1996 under phase II in Banaskantha, Dangs and Panchmahals districts which is to be completed by 2002. A registered society "The Gujarat Council of Primary Education" (Society) under the Chairmanship of Additional Chief Secretary, Education Department of the State was set up to implement the programme. SPD was ex-officio Member - Secretary of the Executive Committee of the Society.

6.2.15.1 Financial outlay and expenditure

Expenditure on DPEP was to be shared in the ratio of 85:15 by the Central and State Governments. The project costing Rs.95.67 crore** was approved in March 1996 for the State.

As against release of Rs.56.75 crore, both by Government of India and the State Government Rs.55.31 crore were spent by the Society during 1996-2000 leaving a balance of Rs.2.43 crore as of March 2000 (Appendix-XXXV).

** Ahmedabad, Amreli, Banaskantha, Bharuch, Bhavnagar, Surendranagar Vadodara, and Valsad (Banaskantha, Bharuch and Valsad tribal area).

Tribal Area: Banaskantha 0.06lakh Rs.0.04 crore, Bharuch 0.57 lakh Rs.0.32 crore and Valsad 0.97 lakh Rs.0.55 crore.

Non-tribal Area: Ahmedabad 0.82 lakh Rs.0.44 crore, Amreli 0.70 lakh Rs.0.38 crore, Banaskantha 1.11 lakh Rs.0.60 crore, Bhavnagar 1.05 lakh Rs.0.57 crore, Vadodara 0.88 lakh Rs.0.48 crore, Surendranagar 0.66 lakh Rs.0.35 crore
Total: 6.82 lakh Rs.3.73 crore

** Including Rs.17.90 crore for civil-works and Rs.3.75 crore for management cost.

Rupees 2.43 crore lying unutilised

6.2.15.2 Target and Achievements

Year-wise and component-wise target not fixed

From 1997-98 onwards annual targets were not fixed by the State Government. Audit therefore, could not verify year-wise performance of DPEP. SPD stated (June 2000) that year-wise and component-wise target was not to be fixed. This was not tenable as DPEP guidelines provided for phasing the programme.

Test-check of records regarding difference in enrolment, dropout in gender and social groups revealed as under :-

(i) Enrolment

Year	Banaskantha			Panchmahals			Dangs		
	Boys	Girls	Difference	Boys	Girls	Difference	Boys	Girls	Difference
1997-98	91.29	62.69	28.60	80.82	62.96	17.86	120.75	117.48	3.27
1998-99	94.58	68.43	26.15	81.85	68.76	13.09	123.94	119.94	4.00
1999-2000	97.67	73.56	24.11	81.73	70.19	11.54	125.07	120.64	4.43

(In percentage)

More than five per cent difference in enrolments

(a) Difference in enrolment in terms of gender groups in Banaskantha and Panchmahals was more than five per cent and in Dangs district it was less than five per cent.

ORG-MARG survey revealed that the difference in enrolment of boys vs girls was 12 per cent in 1995-96 and was reduced to 8 per cent during 2000-2001. The enrolment of boys was higher than that of girls.

(b) Difference among social groups in terms of enrolment (Appendix-XXXVI) between Scheduled Caste (SC) and other groups was more than five per cent in all the three districts. In Dangs district this difference was more than five per cent. In Panchmahals though difference was less than five per cent, the difference was increasing. Enrolment of Scheduled Tribe (ST) children was more than that of SC children and were ranging between 17 per cent and 66 per cent in Dangs district. However, as mentioned earlier no census of eligible children was carried out before launching of the programme or subsequently in the State. In the absence of such census, population of children between 6 and 11 years of age was notionally worked out on the basis of average National growth rate. Thus, actual enrolment vis-à-vis number of eligible children worked out on notional basis did not reflect real achievement.

(ii) Dropout ratio

(a) In all the districts dropout rates of girls was more than that of boys and difference was below five per cent in Panchmahals and Dangs districts whereas in Banaskantha it was more than five per cent (Appendix -XXXVII).

(b) In Banaskantha district difference in dropout rates between SC and other groups was less than five per cent and in Dangs and Panchmahal districts it was more than five per cent.

(c) In all the three districts dropout rates between ST groups and others was more than five per cent.

(d) Dropout rates between SC and ST groups was more than five per cent in all the three districts.

ORG-MARG survey stated that the variation in dropout rates among SC/ST was 4 per cent during 1995-96 and this increased to 11 per cent in 2000-2001. The increase in variation was due to increase in the dropouts among ST students coupled with a decline in dropouts among SC students. Further, the overall dropout rates continued to be over 10 per cent. In all 21 per cent of the students enrolled in primary classes continued to dropout in the State.

Thus, despite implementation of DPEP, dropout rate did not improve significantly.

ORG-MARG survey concluded that the increase in enrolment was registered after implementation of DPEP, the status of the key educational indicator viz. the retention has not been very encouraging. The concerns on the efficacy of the system to retain students once enrolled are thus evident.

6.2.15.3 Achievements level

Baseline Assessment Survey (BAS) (at the beginning of the project 1996-97) and Mid-term Assessment Survey (MAS) (in the 3rd year of the project 1999-2000) revealed as under:

		(In Percentage)					
		B.K.Dist		Dangs District		PMs District	
		Lang- uage	Maths	Lang- uage	Maths	Lang- uage	Maths
Class-I	BAS	57.55	54.42	53.45	61.92	62.25	58.29
	MAS	67.50	68.07	53.75	60.43	79.90	76.14
	Difference	9.95	13.65	0.30	1.49	17.65	17.85
Class-III	BAS	45.02	46.05	44.88	43.90	49.02	43.87
	MAS	39.09	23.17	41.82	21.72	50.68	22.75
	Difference	-5.93	-22.88	-3.06	-22.18	-1.66	-21.12

Following points were noticed.

(i) Though the guidelines stipulated conducting of tests in other competencies, no tests were conducted in any school/district.

(ii) Results of MAS test administered to Class-III students revealed that there was significant decline in achievement in Language and Mathematics in all the districts.

Programme had no positive impact

(iii) In the cases of Class-I students in Dangs district, MAS test revealed that there was no significant achievement in Language or Mathematics.

Thus, intervention of the programme in the project districts did not have positive impact on Language and Mathematics knowledge in Class-III. SPD stated that at the initial stage only three subjects viz. Language, Mathematics and Paryavaran were taught and no test was conducted for other competencies, and the decline was due to hard Mathematics questionnaires. This was not tenable as the uniform standard of tests were prescribed by GOI for all the States.

6.2.15.4 Alternative Schooling Centres

Low achievement under non-Formal Education

To implement Non-Formal Education (NFE) system survey was conducted by the Society in December 1997 in which 2.95 lakh children were identified as targeted population against which 0.33 lakh (11 per cent) only were enrolled as of March 2000 and the society incurred expenditure of Rs.4.22 crore on Alternative Schooling System (ALS) activities.

It was also noticed that against the target of 2000* ALS centers, 1436** centres were opened by March 2000. Further 73 bridge course centres were opened in Dangs District as of March 2000. SPD stated (June 2000) that due to non-receipt of application of opening of ALS centres from Village Education Committees centres could not be opened.

ORG-MARG survey stated that access to alternative schooling viz NFE centers was extremely low (six per cent). Further, 10 per cent of the total children in 6-14 age group who were never enrolled, constitute an important target segment for these centres.

6.2.15.5 Integrated Education for disabled children

Disabled children not taken as required

As per survey conducted by the Society in May – June 1998, 19443 disabled children were identified with different types of disabilities of which 17031 were enrolled in formal primary schools as of March-2000. It was noticed that no physical target were fixed to provide integrated education to disabled children. Special institutes for resource support were not identified as required. Moreover, 1554 mentally retarded children were covered under formal education. Although resource teachers were appointed but no special training was organised for teachers. Thus, expenditure of Rs.5.85 lakh incurred on their salary etc. during 1997-2000 remained wholly unfruitful as no training was imparted to teachers. Separate class rooms were not constructed and aid and appliances were not procured and supplied to disabled children.

6.2.15.6 Innovation Funds

To encourage innovations at all levels Innovation Funds were required to be set up at the State level at the rate of Rs.20 lakh per annum. However, only during 1998-99, Rs.35 lakh were credited to the Fund of which Rs.6.44 lakh were spent as of March 2000. No such funds were set up in any district during 1996-2000.

6.2.15.7 Execution of repair works without provision

Rupees 1.82 crore irregularly spent on repair works

There was no provision for repair works of school buildings under the programme for Banaskantha district. However, 211 primary schools were considered by SPD for carrying out repair works during 1997-2000 at a cost of Rs.2.12 crore, of which 141 works were completed at a cost of Rs.1.82 crore as of December 1999 and 90 works were in progress. SPD stated (April 2000) that considering the needs, these activities were proposed in annual work plan and budget were approved by Project Board. This was not tenable as carrying out activities not covered in Expenditure Finance Committee (EFC) document of the programme was irregular.

6.2.15.8 Delay in construction of BRC buildings

BRC buildings were not constructed as required

As per EFC documents (March 1996) 23 BRC buildings at a cost of Rs.two crore were required to be constructed during the project period. As against 16 BRC buildings required to be constructed in 1996-97 at a cost of Rs.1.45 crore, only six were completed at a cost of Rs.0.78 crore as of March 2000.

* 900 Banaskantha; 1000 Panchmahals and 100 Dangs districts

** 736 B.K., 656 PMS, 44 Dangs

The Society stated (June 2000) that delay was due to land problem, as the same were not allotted by the State Government.

6.2.15.9 (i) Irregular financing of salaries of teachers -Rs.4.48 crore

Rupees 4.48 crore
irregularly spent on
salary of teachers

DPEP guidelines stipulate payment of teachers salaries in new schools if financed from DPEP. During test-check of records it was noticed that SPD allotted Rs.4.48* crore during 1997-99 to concerned DPs for reimbursement of salaries of teachers for schools not opened by DPEP.

SPD stated (April 2000) that funds toward reimbursement of salary of teacher's post in new schools were paid as an advance to concerned DPs and lying unspent in PLA of concerned Panchayat. This was not tenable as these schools were opened and teachers were appointed by DPs. Moreover, allotted funds were lying in the PLA. Further, SPD stated (October 2000) that the amount was being recovered from DPs.

6.2.15.9 (ii) Diversion of funds

Rupees 0.75 crore
were diverted on
payment of pay
arrears.

In terms of Revision of Pay Rules, 1998 and clarification thereof, arrears to the staff on deputation with the Society, amounting to Rs.0.99 crore were paid between March 1998 and January 1999 from DPEP fund, but out of this, Rs.0.75 crore pertained to the period during which such staff were not on deputation with the Society. This was required to be claimed for reimbursement from their respective parent offices by SPD.

Based on audit observation, SPD stated (October 2000) that actions were taken to get the reimbursement.

6.2.15.10 Irregular purchase of books

Rupees 1.44 crore
irregularly spent on
books

Under DPEP guidelines, identical packs of titles were not to be supplied centrally to all schools but were required to be identified and schools should be free to choose their own titles according to their requirements. It was noticed that under DPEP, SPD purchased 5550 sets of 'Pictorial Education Books' from a Ahmedabad based supplier at a cost of Rs.1.44 crore in October/November 1999 without inviting tenders and were supplied to BRCs directly by the supplier. SPD stated (April-June 2000) that books were purchased as approved in Annual work plan and Budget and directly from the supplier as per provision of project agreement. This was not tenable as supplying identical packs of titles was not permissible under DPEP and books which were available only from single source could be purchased directly.

6.2.15.11 Unauthorised purchase of education kits

Rupees 37.64 lakh
irregularly spent by
SPD

Instead of producing in house, SPD purchased 5825 Education Kits (pre-school material) at a cost of Rs.18 lakh in July 1999 and 6400 kits for Rs.19.64 lakh in March 2000 from a Ahmedabad based agency. Kits were developed by Maharaja Sayajirao University, Vadodara and on this basis the agency manufactured these kits. Kits were supplied in September 1999 to Integrated Child Development Service (ICDS) workers (5327), Balwad workers (433), and Non-Government Organisations (65) free of cost under the programme. Information regarding distribution of 6400 kits were not available on records nor furnished though called for. Action of SPD resulted in irregular

* Banaskantha Rs.1.76 crore, Panchmahals Rs.2.54 crore and Dangs 0.18 crore.

expenditure of Rs.37.64 lakh. SPD stated (April 2000) that as those types of kits were supplied under the training programme conducted by the University in February 1999 to ICDS/Balwadi workers and found useful, supply of kits to ICDS/Balwadi workers was considered under the programme. This was not tenable as kits were to be made in the organisation under DPEP.

6.2.15.12 Assets

Guidelines provide that a certified copy of the assets register should be sent to GOI regularly and not later than one month from the close of the financial year. Neither assets registers were maintained nor any return sent to GOI though assets valued Rs.7.50 crore were created during 1997-2000. SPD stated that no assets were created. This was not tenable as the same was not in consonance with facts.

6.2.15.13 Monitoring

Monitoring by Governing Body

Governing body was constituted after two years

As per scheme guidelines two meetings were required to be conducted by the Governing Body (GB). However, the GB was constituted only in February 1999 and thus there was practically no monitoring by GB. As against seven meetings due during November 1996 to March 2000 only one was held in April 1999.

Similarly, for monitoring the progress, no norms for inspection of District Project Offices were prescribed by Government/Society.

ORG-MARG survey pointed out that routine monthly visits and monitoring of registers were one of the key responsibilities assigned to BRC/CRC had not been taken up rigorously.

6.2.16 Non-functioning of Audit Committee

The Public Accounts Committee recommended (November 1977) constitution of Audit Committee in each department to discuss periodically Audit objections in order to expedite settlement. It was noticed that though Audit Committee was constituted in July 1995 no meeting was held.

Action was pending (June 2000) on 235* Inspection Reports (IRs). Of these, 82 IRs related to the period 1986-87 to 1993-94. Delay in receipt of first replies ranged upto one year in respect of 14 IRs containing 45 paragraphs, two years in respect of ten IRs containing 38 paragraphs, three years in respect of 12 IRs containing 45 paragraphs, four years in respect of six IRs containing ten paragraphs and no reply was received for 23 IRs containing 73 paragraphs.

*

Year	Director of District Primary Education Department		Primary Education Officer		Total Outstanding	
	IRs	Paras	IRs	Paras	IRs	Paras
Up to 1993-94	1	2	81	107	82	109
1994-95	1	5	21	26	22	31
1995-96	-	-	46	64	46	64
1996-97	1	4	16	19	17	23
1997-98	1	4	27	35	28	39
1998-99	-	-	15	16	15	16
1999-2000	-	-	25	38	25	38
Total	4	15	231	305	235	320

6.2.17 Internal Audit

The Director reported that out of 25 DPEOs Internal Audit of 23 was in arrears for more than three years on account of non-availability of staff.

6.2.18 Conclusion

There was significant weakness in budgetary and expenditure control mechanism resulting in expenditure without budget provisions and non-surrender of savings. Enrolment of students was only 66 to 68 per cent and drop out of boys and girls were around 50 per cent. But there was no strategy to improve the drop out. Large number of school had only one teacher. Despite DPEP intervention, difference in enrolment in terms of gender and social groups remained more than five per cent and dropout did not reduce.

6.2.19 The matter was reported to Government in August 2000; reply has not been received (November 2000).

FORESTS AND ENVIRONMENT DEPARTMENT

6.3 Audit of Environmental Acts and Rules relating to Water Pollution

Highlights

Provisions of the Water (Prevention and Control of Pollution) Act, 1974 came into force in the State of Gujarat immediately on its enactment. State Forests and Environment Department co-ordinates all activities relating to pollution control through Gujarat Pollution Control Board. Gujarat has large concentration of textiles, chemicals, dyes and paints and petrochemical industries which have high pollution potential. Government made no effective survey of polluting units. Out of total 2.35 lakh units in the State information about 0.11 lakh industrial units (5 per cent) was available with the Board, although 65 per cent of medium and large and 45 per cent of small industries are polluting. Out of 0.11 lakh units, 0.02 lakh were categorised as red (highly polluting). In a total of 170 industrial estates there are only 10 functioning common effluent treatment plants. Any comprehensive programme for controlling pollution is yet to be launched. Five rivers were found to be containing Bio Chemical Oxygen Demand much above permissible range. Two rivers were highly polluted due to discharge of untreated effluents.

Board is not taking adequate action to recover Water Cess amounting to Rs.14.35 crore as of March 1999 from industries/local bodies. Most of them were recoverable from Municipal Corporations, Nagarpalikas and Nagarpahchayats.

(Paragraph 6.3.4.3)

Though Rs.3.38 crore was received from Government of India for adoption of clean process technologies Board took no initiative to develop such technology.

(Paragraph 6.3.4.4)

Government had no comprehensive programme for prevention, control and abatement of pollution of streams and wells in the State. Board took no initiative in this regard, though funds are not a constraint.

(Paragraph 6.3.5.1)

Water of five rivers and two khadis was highly polluted due to discharging of untreated/partly treated trade effluents. Number of villages with problems of total dissolved solids high nitrate and high fluoride content increased.

(Paragraphs 6.3.5.2(a) and (b) and 6.3.5.3)

Board did not conduct any comprehensive survey to identify polluting industrial units. It relied on the information furnished by such units while applying for consent. As per a survey 65 per cent of the medium and large industries and 45 per cent of small industries are polluting ones.

(Paragraph 6.3.6.1)

Thirty industrial units with high pollution potential operated without consent for a period from six months to 16 years. Board has no mechanism to check whether units are operating even after they were refused consent.

(Paragraph 6.3.6.2)

Board was not inspecting more than 30 per cent of the highly polluting units.

(Paragraph 6.3.6.3)

Out of 170 operational industrial estates, only 10 had Common Effluent Treatment Plants (CETPs). None of the CETPs observed the norms in discharging trade effluent into natural water source. One CETP is directly discharging untreated effluents in Damanganga river-half hearted action was taken to control this.

(Paragraph 6.3.6.4)

All the six Municipal Corporations failed to observe the norms for disposal of sewage.

(Paragraph 6.3.7)

Non-adoption of the Water Amendment Act, 1988 for 11 years considerably delayed penal actions against defaulting units.

(Paragraph 6.3.8)

Out of 113 cases decided by the courts during 1994-99 in Surat and Vadodara, Board was not able to get conviction in any case. In most of the cases acquittal was the result of procedural lapse.

(Paragraph 6.3.9(a) and (b))

Despite directives of the High Court of Gujarat (August 1995) and creation of fund of Rs.13.64 crore for improvement of socio-economic condition of affected villages of Ahmedabad and Kheda districts, only Rs.0.31 crore were spent as of February 2000.

(Paragraph 6.3.10)

Government made no attempt to co-ordinate activities of different agencies and department, to effectively prevent water pollution in the State.

(Paragraph 6.3.11.3)

6.3.1 Introduction

Gujarat is one of the leading industrialised states of the country with high concentration of textiles, chemicals, dyes, paints, petrochemical and fertiliser industries. However, these are also the industries having high potential for pollution. There are about 2.35 lakh industrial units located in and around 170 different industrial estates in the State. Urbanisation and consequent problem of concentrated domestic sewerage polluting natural water sources and inability of local bodies and Municipal Corporations to cope with increased domestic effluent are cause for increased pollution.

The Water (Prevention and Control of Pollution) Act, 1974 provided for prevention, abatement and control of pollution of rivers and streams for maintaining or restoring of wholesomeness of water and controlling the existing and new discharge of domestic and industrial wastes. Government of Gujarat notified Gujarat Water (Prevention and Control of Pollution) Rules in August 1976 as envisaged under Section 64 of the Water Act, 1974. Under the Act, Central and State Pollution Control Boards were empowered to look after implementation of its provisions.

6.3.2 Organisational set up

The State Forests and Environment Department (Environment Section) (Department) co-ordinates the activities of various bodies involved in prevention and control of water pollution. Gujarat Pollution Control Board (Board), is the nodal agency for prevention and control of water pollution in the State of Gujarat. The Board has a Central Laboratory for testing of samples at Gandhinagar and attached laboratories with seven regional offices. Other concerned authorities are Gujarat Water Supply and Sewerage Board (GWSSB) deal with provision of potable drinking water and sewage facilities, Gujarat Ecology Commission (GEC) a body working for restoration of ecologically degraded areas and Gujarat Ecological Education and Research (GEER) Foundation, engaged in the field of ecological education.

In regard to provisions of the Water (Prevention and control of pollution) Act, 1974 and other related Acts, Board is the only empowered body.

6.3.3 Audit Coverage

To assess implementation of provisions of various Acts and Rules relating to Water Pollution, relevant records of the Department, the Board and its three Regional Offices at Ahmedabad, Surat and Vadodara and of Gujarat Water Supply and Sewerage Board for 1994-95 to 1998-99 were test-checked during April to June 2000. Important points noticed are discussed below :

6.3.4 Financial arrangements and expenditure

6.3.4.1 Financial status

During 1994-95 to 1998-99 State Government released Rs.14.41 crore to three organisations (i) Rs.11.87 crore to the Board (ii) Rs.two crore to GEC and (iii) Rs.0.54 crore GEER Foundation. Board derives its income mainly from its share of water Cess, consent fees, sample testing fees and sale proceeds of application forms and grants from State/Central Government for implementing various schemes. The summary of receipt and expenditure of the Board for 1994-95 to 1998-99 was as under:

(Rupees in crore)

Year	Grant received from State		Grant received from Central Government	Other receipts	Total	Expenditure	Surplus
	Plan	Non-Plan					
1994-95	0.10	0.20	1.16	1.93	3.39	2.52	0.87
1995-96	0.38	0.35	1.02	2.93	4.68	3.21	1.47
1996-97	2.16	0.32	1.77	2.88	7.13	3.89	3.24
1997-98	4.10	0.56	2.03	6.11	12.80	4.96	7.84
1998-99	3.00	0.70	4.15	6.84	14.69	8.16	6.53
Total	9.74	2.13	10.13	20.69	42.69	22.74	19.95

Despite huge surplus funds Government released maintenance grants.

As against receipt of Rs.42.69 crore, expenditure of the Board was Rs.22.74 crore resulting in surplus fund of Rs.19.95 crore. This fund was invested with Gujarat State Financial Services (Rs.6.50 crore), credited in PLA of the Board (Rs.5.21 crore) and deposits with the nationalised banks.

In spite of surplus funds the State Government continued releasing Non-plan grants. No reasons for excess release of grants were available on record. Moreover, grants were released to Board without production of utilisation certificates for earlier years. Utilisation Certificates pertaining to 1994-99 were submitted to State Government in September 2000 at the instance of Audit. In view of the considerable surplus funds, the justification of further release of funds should be re-examined.

Board's expenditure on pay and allowances varied from 68 to 78 *per cent*, on the contingency 10 to 15 *per cent*, and other miscellaneous head from 12 to 21 *per cent*.

6.3.4.2 Drawal of fund without immediate requirement

Government of Gujarat released Rs. 75 lakh on 31 March 1999 for establishing Gujarat Environment Management Institute (GEMI) at Vadodara, on the lines of Natural Environmental Engineering Research Institute (NEERI), Nagpur. GEMI was to perform functions such as treatability of various effluents, reuse of industrial waste, development of clean process technology etc.

Out of Rs.75 lakh, only Rs.7.60 lakh were spent towards initial expenditure and Rs.67.40 lakh remained unutilised for more than one and half years as GEMI did not start functioning till September 2000.

6.3.4.3 Arrears of Water cess

As per the Water (Prevention and Control of Pollution) Cess Act, 1977 water cess was to be levied on the basis of water consumed by persons carrying on specified industries and local bodies. The amount of Cess collected by the Board is to be paid to Central Government which in turn would remit a proportion of cess so collected to the Board.

Test-check of records revealed following shortcomings/irregularities:

Rupees 14.35 crore were due for collection from Municipal Corporations (Rs.8.0 crore), Nagarpalikas (Rs.4.03 crore), Nagarpanchayats (Rs.0.75 crore) and Industries (Rs.1.57 crore). Interest at the rate of 24 *per cent* on delayed payment and penalty for non-payment of cess within specified time were leviable. No effective action was taken by the Board to recover the arrears.

Rs.14.35 crores of uncollected Water Cess

6.3.4.4 Failure to adopt clean process technologies

No initiative to develop clean technologies inspite of availability of funds specifically for the purpose

Out of its share of water Cess of Rs.10.13 crore from Government of India during 1994-99 one third (i.e. Rs.3.38 crore) was to be utilised by Board in adoption of clean process technologies. However, Board spent no amount on this count during 1994-99. The Board attributed its inaction to absence of proper guidance or training from Government of India or Central Pollution Control Board (CPCB), and stated that it was not possible to develop clean technology from small amount of cess. This was not tenable as Board took no initiative for identification, development and adoption of clean process technologies or raised such issue with CPCB.

6.3.4.5 Non-collection of Water Cess from GEB, Sikka

Water cess from GEB power station at Sikka not recovered

Thermal Power Station, Sikka, District Jamnagar, Gujarat Electricity Board (GEB) has been using seawater for cooling the various components since 1988 and again discharging water back to sea. As per assessment of January 1997, Rs.95 lakh were recoverable from GEB as of March 1999 on account of water Cess. There was some dispute as sea water was being used. The matter was referred to CPCB which vindicated (December 1992) Board's stand that the unit was liable to pay cess. In spite of the clarification from CPCB and Supreme Court order (March 1994) on similar issue, Board did not take effective action to recover the amount of cess.

6.3.4.6 Actual consumption of water not measured

Assessment of Cess done on basis of water consumption figures provided by units.

Cess is calculated on the basis of quantum of water consumed during a particular period and meters are to be fixed by all specified industries and local authorities for measuring consumed water. However, all the assessment of water Cess in the State was done on the basis of consumption figures provided by the units. Failure to measure water consumption by the Board rendered the accuracy of assessment of Cess doubtful. Consequently possibility of under assessment and loss can not be ruled out.

6.3.4.7 Delay in remittance of Water Cess to GOI

Water Cess so collected by the State Board shall be remitted to Government of India by 10th of the succeeding month. However, this was delayed by two months to six months and the amount which was not remitted in time ranged between Rs.9 lakh and Rs.1.57 crore.

6.3.5 Status of Water Pollution

6.3.5.1 No comprehensive programme for prevention of pollution

As per the Water Act, 1974 Board was to plan a comprehensive programme for prevention, control or abatement of pollution of streams and wells in the State. However, no such programme has been undertaken and thus Board had no detailed assessment of the water bodies in the State. The Board attributed this to lack of financial assistance and manpower. This was not tenable as

Board had huge surplus funds and could have utilised services of outside agencies if their own resources were not adequate.

6.3.5.2 Highly polluted water bodies

The Board is monitoring pollution level of river water, ground water, dams, wells etc. in the State under the scheme of Monitoring of Indian National Aquatic Resources (MINAR) and Global Environmental Monitoring System (GEMS) by drawing samples from fixed sites of the water bodies.

(a) Rivers

Test-check of sample analysis done by the Board revealed that out of all major and minor rivers, five rivers were found more polluted (Damanganga, Khari, Kolak, Par and Sabarmati), mainly due to discharge of effluents from industrial estates of Narol to Sabarmati, of Vapi to Damanganga and Kolak, of Odhav, Naroda and Vatva to Khari and of Valsad to Par.

River Kolak was found to be acidic for all the 5 years under review. As against accepted Bio Chemical Oxygen Demand (BOD) limit of 3 mg/l that of Sabarmati ranged between 30 and 80 mg/l, that of Khari from 71 to 416 mg/l and of Par from 5 to 65 mg/l.

(b) Khadi

Out of 5 Khadi being monitored Amla Khadi and Bil Khadi are highly polluted. Amla Khadi water is highly acidic with pH ranging from 4.61 to 6.5 and also has high BOD (575mg/l in 1998-99), due to discharge of effluents from Ankleshwar, Jhagadia and Panoli industrial estates into Khadi.

Board has not been able to reverse the trend for these highly polluted water bodies. Board stated that monitoring of pollution in water bodies was done by CPCB and it was responsible for collection and analysis of samples from specified stations. This was not tenable as control and abatement of pollution is the prime responsibility of the State Board.

6.3.5.3 Drinking Water

GWSSB is to develop reliable source for drinking water and provide potable water to the communities in rural areas where drinking water is a problem. Records of GWSSB revealed that number of identified problem villages for Total Dissolved Solids (TDS) increased from 567 to 960, for high nitrates from 171 to 386 and for high fluoride content from 803 to 1304 from 1997-98 to 1999-2000 (Appendix-XXXVIII). Further, in the same water source salinity, nitrates and fluorides showed increasing trend.

Director GWSSB did not furnish information regarding remedial action taken by GWSSB to address the issue.

6.3.6 Treatment of Industrial Effluents

6.3.6.1 No comprehensive survey done to identify polluting units

As per information furnished by the Commissioner of Industries there were 2.35 lakh Industrial units as of March 1999. These are located in and around 170 developed industrial estates through out Gujarat. Further Government in

Board not able to reverse damage for highly polluted Water bodies

Increase in number of villages having problem of potable drinking water

No comprehensive survey to identify polluting units

its 'Human Development – Vision 2010' report stated that 65 per cent of states Medium and large industries and 45 per cent of small industries are polluting. However, as per records of the Board there were only 0.11 lakh polluting units (five per cent) of which 0.03 lakh were categorised as green (least polluting), 0.06 lakh as orange (moderately polluting) and 0.02 lakh as red (highly polluting). The Board did not carry out any comprehensive survey to identify total number of polluting units and relied only on these units who furnished such information while applying for consent.

6.3.6.2 No mechanism to verify the operations of units whose consent application was rejected

30 polluting units in operation without Boards consent

Under the Water Act, 1974 every agency causing pollution was to obtain consent of the Board for discharging sewage or trade effluent. Details of applications received and action taken by the Board under the Act, were as under:

Year	Opening balance	Number of applications received	Total	Consent granted	Number of application rejected	Files closed	Number of application under scrutiny
1994-95	188	547	735	283	249	01	202
1995-96	202	1509	1711	882	336	11	482
1996-97	482	803	1285	598	331	07	349
1997-98	349	946	1295	727	242	54	272
1998-99	272	679	951	625	222	24	80
Total		4484	--	3115	1380	97	--

It was observed that in 1380 cases consent was not given by the Board. Similarly, for 97 units files were closed for non-furnishing of required information. Further, the Board decided that the consent will be given only for a specific period. However, Board had no mechanism to check whether units were operating even after rejection of applications/non-renewal of consent and to initiate action for closure/penalty for such units in case those were discharging effluents. Test-check of files of department revealed that 30 textile mills and dye manufacturing units were in operation without consent for six months to 16 years. These units have high pollution potential and total effluent discharged by those units was 4113 m³ per day. Board stated that the rejection of consent did not mean the closure of industry. This was not tenable as no person was to establish or operate any industry/process as per Section 25(i) of the Act which was likely to discharge sewage or trade effluent into a stream or land without previous consent of the Board. Thus, non-application of the provisions of the Act led to evasion and aggravated pollution.

6.3.6.3 Inadequate inspection of highly polluting industries

Poor planning and lack of regular inspection of Red category industries

To see that the industries which have been granted consent under the Act discharge effluents as per the norms, the Board decided that the red category industries should be inspected once in a month, orange once in four months and green once in a year. However, this schedule was not followed.

Test-check of inspections carried out during July 1999 revealed that out of 1985 red category units, 1321 were planned for inspection of which only 880 (67 per cent) were actually inspected. Similar inadequate inspection was noticed in green and orange category industries also. Reasons for shortfall in inspection were not furnished.

6.3.6.4 Common effluent treatment plants

CETPs are grossly inadequate and existing CETPs do not observe norms of Board

Government of India sponsored a scheme of financing Common Effluent Treatment Plants (CETPs) for cluster of small scale industrial units wherein GOI provided aid up to 25 per cent, State contribution 25 per cent and the rest of the cost to be borne by beneficiaries. Out of a total 170 developed and operational industrial estates there are only a total 10 CETPs in operation in the State (four at Ahmedabad, two at Jetpur, two at Valsad, one at Vadodara and one at Ankleshwar). The Board prescribed norms for both inlet and outlet effluent quality of CETP. Test-check of records pertaining to CETPs revealed that:

(a) Inlet effluent characteristic at all CETPs were more than those prescribed by the Board indicating that individual members were not carrying out effective primary treatment before sending to CETPs. It was noticed that as against prescribed standard of 50 mg/l of Ammonical Nitrogen the same was more than 100 mg/l for CETP at Vapi.

(b) None of the CETPs discharged treated effluent as per the norms of the Board and most of the parameters were much above the norms (Appendix XXXIX) This indicated ineffective treatment at CETPs and consequent pollution of natural water sources into which these were being discharged.

(c) None of the CETPs was treating colour in the effluent. Although there were large number of textile and dyeing units in the State and GPCB norms also indicate that all efforts should be made to remove colour, discharge from eight CETPs indicated presence of colour.

(d) Eight more CETPs were under construction/planning stage with 640 units as members. These units were discharging 60,000 m³ of untreated/partly treated effluent per day.

(e) One of the CETPs (Vapi at Valsad) was directly discharging untreated effluent in Damanganga estuary which resulted in massive fish killing. However, Board issued (July 1999) only a legal notice to company managing Vapi CETP namely Vapi Waste and Effluent Management Company Limited. No further action was taken to control the pollution which continued unabated.

Thus, performance of CETPs in terms of treatment of industrial effluents was poor. However, no penal action were taken by the Board except issuing show cause or legal notices.

6.3.7 Domestic Sewage

Six Municipal Corporations failed to observe norms for disposal of sewage

Domestic Sewage is one of the major sources of water pollution specially due to rapid increase in urban population. Following points were noticed.

(a) Out of six municipal corporations and 110 other local bodies, all corporations and 27 local bodies had drainage system while 83 local bodies had no drainage system.

(b) Five corporations and six local bodies, had Sewerage Treatment Plant (STP) of which five and three respectively were in operation. One STP at Bhavnagar and three STPs of Anand, Dahod and Mehmdavad municipalities were not in operation.

(c) STPs of Municipal Corporation of Vadodara (three STPs) Rajkot (one STP) and those of local bodies were operated without consent of the Board.

(d) None of the samples of outlet effluent from any STP were as per the norms as shown in Appendix-XL. Pollution parameters were found much above the norms.

(e) Further, both Pirana and Vasna STPs of Ahmedabad Municipal Corporation were having unauthorised bypass in STPs which was used for discharging effluent without treatment.

6.3.8 Late adoption of the Water Amendment Act, 1988

Delay of 11 years in adoption of Act delayed penal action against defaulting units

In order to strengthen functioning of the Pollution Control Board, Parliament enacted the Water Amendment Act, 1988, whereby State Boards were empowered to issue direction for closure, prohibition or regulation of any industry or stoppage or regulation of supply of electricity, water or any other service. However, the said amendment was adopted by the State Government only in September 1999 and powers were entrusted to the Board only in January 2000. Consequently there was considerable delay in implementation of penal action recommended by the Board. Scrutiny of files of 13 units indicated that action was delayed by 33 days to 458 days. Further, as against 1401 cases recommended by the Board for penal action like closure, stoppage of electricity or water supply etc. against defaulting units action against 1140 polluting units only was taken by the Government.

6.3.9 Prosecution and Court Cases

Court cases pursued half heartedly resulting in escape of polluters

Under the Water Act, Board can launch prosecution for restraining persons who are likely to cause pollution. The position of court cases in two regional offices at Surat and Vadodara for five years was as shown in the Appendix-XLI.

The analysis of information revealed that:

(a) Out of 113 prosecution cases under the Water Act, 1974 finalised by Courts, in no case Board could succeed in conviction of defaulting units.

(b) Evenafter industrialisation and consequent pollution increased number of cases launched for prosecution declined. As against 39 and 26 cases launched during 1994-95 in Surat and Vadodara respectively nil and one case only were launched during 1998-99.

(c) It was further noticed that in 10 cases (one case of 1994, seven of 1995, one of 1996 and one of 1998) various civil courts granted *ad-interim* injunction/admitted petition against the punitive action initiated by the Board. Section 58 of Water Act bars the jurisdiction of Civil Courts relating to pollution cases. However, Board did not take effective action to get *ad-interim* stay vacated in those cases and thus these industries continued polluting.

Test-check of judgements passed by courts revealed procedural lapses like non-preparation of *panchnamas*, non-placing of evidences before court, non-following of procedure for drawal and preservation of samples etc. on the part of the Board officials. This indicated that the cases were processed half heartedly.

The Board accepted that in most of the cases accused were acquitted due to procedural lapses and stated that instructions were issued to all officers in November 1996 and November 1997 to take due care in following procedure as per the Water Act. However, figures as discussed above for Regional offices at Surat and Vadodara did not indicate effectiveness of instructions.

6.3.10 Non-implementation of socio-economic scheme in villages affected by industrial pollution

Despite availability of Rs.13.64 crore only Rs.0.31 crore were spent for socio-economic improvement of pollution affected villages

Due to increasing density of industrial units in and around Ahmedabad, the industrial effluents were continuously being dumped in Kharicut canal since 1980s endangering environmental balance of six villages of Ahmedabad and 15 of Kheda districts. The High Court of Gujarat directed (August 1995) the State Government to recover one *per cent* of annual turnover (the maximum of 1993-94 or 1995-96) of 756 defaulting industrial units within six months and to utilise the fund so collected for social and economic development of affected villages by betterment of educational, medical, veterinary facilities and agriculture and live stock. Accordingly, Rs.13.64 crore were collected by Gujarat Industrial Development Corporation from the defaulting units and were kept in fixed deposits in various nationalised banks and in PLA.

Though Rs.2.50 crore was released to District Panchayats, Ahmedabad (Rs.one crore) and Kheda (Rs.1.50 crore) in January 1996 for undertaking developmental work in affected areas only Rs.0.31 crore was spent as of February 2000. Evidently the plight of suffering in villages did not draw adequate attention of Government.

Department stated (June 2000) that work could not commence as petitions were filed in the High Court to grant cash compensation instead of development work. However, petitions were dismissed in July 1999 and the court reiterated its earlier stand and again ordered to utilise the amount as early as possible without seeking any further instructions from any quarter.

6.3.11 Other Points of Interest

6.3.11.1 Misappropriation of Rupees 16.62 lakh

It was noticed that Rs.16.62 lakh were misappropriated by the clerk of the Regional Office, Jamnagar during 1998-99 (Rs.8.55 lakh) and 1999-2000 (Rs.8.07 lakh). The *modus operandi* was cash withdrawals from Bank were not recorded in cash book and closing balance of previous day was short carried forward to the next day.

The principal amount along with interest (Rs.1.57 lakh) was recovered in November 1999 and January 2000 respectively. The clerk was suspended.

6.3.11.2 High Court order not carried out by Government

Despite court directives policy for location of industries was not framed

High Court ordered (August 1995) that the State should evolve a policy for location of chemical and other hazardous industries in such a way so that they are located in areas where population is scarce. Further, the State should consider for shifting highly polluting and water intensive units to suitable alternative sites which may be nearer to sea. The Department stated that High Court directives were not carried out because of practical difficulties like lack of infrastructure, opposition from work force etc.

6.3.11.3 Lack of co-ordination with other departments to prevent water pollution

Requisite co-ordination with other departments for prevention and control of pollution was not done

For effective prevention and control of Water Pollution, activities of other Departments of the State (i.e. Public Health, Urban Development, Water Resources Department, Local Bodies) were required to be carried out in a co-ordinated manner. However, the Department stated that activities to prevent water pollution was to be done by the Board only. This was not tenable as water pollution an involved matter and Local Bodies, Water Resources, Urban Development and Public Health Departments were to act in a co-ordinated manner.

6.3.11.4 Appointment of Chairman

Persons not connected to environmental issues appointed as Chairman

As per Section 4 of the Water Act, 1974, Chairman of State Pollution Control Board to be nominated by State Government should be a person having special knowledge or practical experience in respect of matters relating to environmental protection or knowledge and experience in administering institutions dealing with such matters. Three persons were appointed as chairman between 1990 and 2000. Out of three chairpersons appointed one was active politician and two were retired bureaucrats of which one was appointed as directed by the Chief Minister.

The Department did not have any information about the knowledge or practical experience of the above three chairpersons. Audit, therefore, could not verify as to whether their appointments were in consonance with the provisions of the Act.

Activities of the Board not evaluated

6.3.11.5 Non- evaluation of Board Activities

The activities of the Board were not evaluated since its inception by the Director of Evaluation.

6.3.12 Conclusion

Government took no initiatives for co-ordinated action for control of water pollution and failed to get the Water Amendment Act, 1988 adopted in time which could have speeded up penal action against defaulting units.

Board processed the consent applications which came to it without assessing non compliance on its own initiative. Government had no comprehensive plan to control pollution and undertake survey to identify polluting units. Board took no initiative for development of clean process technologies and execute other pollution control works despite having huge surplus funds. CETPs and STPs were grossly inadequate and even the existing ones are under-performing. There was constant deterioration in the quality of drinking water and problem villages were increasing. River bodies and other sources of water were polluted due to uncontrolled discharge of trade and domestic effluents. Conviction in court cases did not materialise due to procedural lapse. Protection of water against pollution by industries was inadequate with little sign of effective steps for improvement.

6.3.13 The matter was reported to Government in July 2000; reply has not been received (November 2000).

SECTION – B PARAS

EDUCATION DEPARTMENT

6.4 Funds for construction of class rooms in salt producing areas misutilised

Funds meant for construction of class rooms in the salt producing villages were spent in other villages and hence the students in these villages had no access to these schools

To provide education facilities to the children of salt-pan workers, Centrally Sponsored Scheme of construction of class rooms in primary schools located in salt producing areas was implemented by Government of Gujarat from 1992-93. Expenditure on construction of class room was not to exceed Rs.0.75 lakh in each case. Director of Primary Education, Gandhinagar sanctioned and released Rs.15.75 lakh during 1992-94 to District Primary Education Officer (DPEO), Bhuj – Kachchh for construction of 15 class rooms in Ganeshnagar of Anjar Taluka of Kachchh District. The work was completed in November 1997 at a cost of Rs.18.51 lakh. It was noticed in audit (January 1998) that:

(i) Ganeshnagar was not located in salt producing area of Kachchh District and distance between nearest salt-pan and Ganeshnagar was about seven kms. As a result only 10 *per cent* of the total students, in these schools, was attended by the salt-pan worker families.

(ii) DPEO was not aware of the details regarding actual number of children of salt-pan workers studying in the school. Nor was he aware of the number of houses of salt-pan workers if any, located in surrounding area of the school.

District Primary Education Officer, Bhuj stated that at initial stage construction of 15 class rooms was sanctioned at Ganeshnagar school. To avoid congestion in the school, attempt for change of place made in February 1995 was not successful despite all efforts and hence the Director of Primary Schools decided (March 1995) to construct class rooms at Ganeshnagar being the nearest place from the salt-pans.

Thus, the class rooms were constructed in violation of scheme guidelines and as a result the schools were not easily approachable by primary school children of salt-pan workers which virtually defeated the purpose of the scheme. The position was not intimated to Government of India though it was centrally sponsored scheme.

The matter was reported to Government in March 1999; reply has not been received (November 2000).

**INDUSTRIES AND MINES AND URBAN DEVELOPMENT
AND URBAN HOUSING DEPARTMENTS**

6.5 Urban Employment Generation Programme

Urban Employment Generation Programme(UEGP) a centrally sponsored programme was introduced to provide a gainful employment to unemployed and underemployed poor by setting up of self employment venture, wage employment and creation of socially and economically useful assets consists of major schemes as shown in Appendix-XLII.

Test-check of records of Urban Development and Urban Housing Department (Department), Gujarat Municipal Finance Board (GMFB), Housing and Urban Development Corporation (HUDCO), Ahmedabad, two* municipal corporations, twelve**Urban Local Bodies (ULBs) and four*** District Urban Development Agencies (DUDA) and Industries and Mines Department (IMD), the Commissioner of Cottage and Rural Industries (Commissioner), and four* District Industries Centres (DICs) respectively for 1995-2000 revealed the following.

(a) Grants released by Government of India (GOI) and State Governments during 1995-2000 were as under:

(Rupees in crore)

Year	State Budget Provision	Opening balance with GMFB	Central share sanctioned	Central share actually received	State share received	Unspent balance with Urban local bodies received back	Total funds available	Grant released by GMFB	Closing balance with GMFB
1995-96	1.99	12.12	2.16	1.11	0.72	0.00	13.95	1.16	12.79
1996-97	1.39	12.79	0.78	0.97	0.75	0.01	14.52	2.59	11.93
1997-98	1.50	11.93	5.98	1.54	6.64	0.01	20.12	1.37	18.75
1998-99	8.15	18.75	7.88	12.49	4.83	0.84	36.91	8.27	28.64
1999-00	2.50	28.64	3.41	2.42	5.62	1.14	37.82	14.43	23.39
				18.53	18.56	2.00	51.21	27.82	

Scheme-wise details of funds are indicated in Appendix-XLIII.

(i) Out of Rs.51.21[#] crore, Rs.27.82 crore were released to ULBs during 1995-2000 by GMFB and Rs.23.39 crore were lying unutilised.

(ii) For administration of funds under the programme separate bank account was required to be opened. However, GMFB deposited funds in its Personal Ledger Account (PLA) along with other funds. This resulted in loss of interest of Rs.3.91 crore on deposits under Nehru Rojgar Yojana (NRY)^φ and Swarna

Depositing of funds in PLA resulted in loss of interest of Rs.3.91 crore

* Ahmedabad and Rajkot.

** Anand, Dehgan, Dhoraji, Dholka, Gondal, Himatnagar, Jetpur (Navagadh), Modasa, Morbi, Nadiad, Upleta and Gandhinagar.

* Ahmedabad, Kheda, Rajkot and Sabarkantha.
* Ahmedabad, Kheda, Rajkot and Sabarkantha.

[#] Central share of Rs.18.53 crore, State share Rs.18.56 crore and unspent balance from ULBs of Rs.2.00 crore and opening balance as on April 1995 Rs.12.12 crore.

^φ Rs.12.12 crore, Rs.11.93 crore and Rs.11.93 crore during 1995-96, 1996-97 and 1997-98 respectively.

Jayanti Shahri Rojgar Yojana (SJSRY)* at the rate of five *per cent* minimum balance lying in PLA. Thus, State Government utilised GOI funds of Rs.3.91 crore meant for urban poor to shore up its cash balance in addition to principal amount.

(b) Under Scheme for Housing and Shelter Upgradation (SHASU) GOI released Rs.3.94 crore directly to HUDCO and State Government released its share of Rs.1.53 crore to GMFB during 1989-98 as subsidy to be provided to the urban poor for upgrading their housing amenities, of which only Rs.0.72 lakh was spent by GMFB leaving balance of Rs.1.52 crore. The balance lying with HUDCO was not transferred (November 2000) to SJSRY as required reportedly due to non-settlement of account with GMFB. Similarly, under SHASU (Training) GOI released Rs.1.07 crore to HUDCO and State released its share of Rs.0.24 crore to GMFB during 1989-98. However, no expenditure was incurred on this component and the balance with GMFB was transferred to SJSRY. Though, GOI directed (October 2000) GMFB to settle the accounts with HUDCO immediately for getting the funds transferred to SJSRY. Balance with HUDCO was not transferred (November 2000). Thus, a meagre portion of fund (0.47 *per cent*) was utilised under the component.

(c) Details of funds available under four components of SJSRY was as under:

Name of Component	(Rupees in crore)			
	Balances transferred from old schemes	Funds released by Government of India and State Governments during 1997-2000	Expenditure during 1997-2000	Unspent balance
Development of Women and Children in Urban Area (DWCUA)	1.20	1.40	--	2.60
Community Structures	0.77	4.75	0.13	5.39
Infrastructure support	1.33	0.65	--	1.98
Thrift and Credit Society (TCS)	1.55	0.66	--	2.21
Total	4.85	7.46	0.13	12.18

Despite availability of fund under above components, implementation was very nominal under Community Structure whereas TCS, DWCUA and Infrastructure Support were not implemented at all due to non-functioning of Community Development Societies and DWCUA groups.

Further, Rs.27.82 crore released to 143 ULBs by GMFB during 1995-2000 was shown as expenditure. Information relating to actual expenditure incurred by ULBs was not available with GMFB. However, in 13 test-checked ULBs and four District Planning Offices (DPOs) it was noticed that out of Rs.6.80 crore released by GMFB, only Rs.2.93 crore (43 *per cent*) were actually spent during 1995-2000. No reasons for balance remaining unspent were furnished by any ULBs and no Utilisation Certificates (UCs) were also produced. This showed poor progress of work and monitoring on the part of GMFB.

(d) As per SJSRY guidelines only five *per cent* of the total allocated funds were admissible as administrative and operational expenses (AOE). However as against Rs.0.74 crore admissible as per norms, actual expenditure on AOE was Rs.1.27 crore during 1998-2000. Thus, Rs.0.53 crore was irregularly spent

* 1998-99 Rs. 18.75 crore and 1999-2000 Rs. 23.39 crore

by GMFB from programme fund, which should be replenished to the schemes from which it was diverted.

Expenditure of Rs.3.75 crore during 1995-96 to 1996-97 incurred under the programme in advance of survey

(e) ULBs were required to identify beneficiaries under NRY/SJSRY by conducting house to house survey and list of beneficiaries prepared thereafter was required to be given adequate publicity. Beneficiaries were to be selected from the list with priority to most needy who were living below poverty line. However, in 27 ULBs (out of 143) survey was done partly in July 1997 and completed finally in 1999-2000. In the absence of such survey veracity of utilisation grant of Rs.3.75 crore upto 1996-97 could not be checked by Audit.

Inadequate attention was given to fixing of targets

(f) Physical and financial targets were not fixed either by GOI or State Government under each component of the programme. However, the nodal agency fixed targets under wage employment and micro enterprises as under :

Year	Wage employment		Percentage	Micro enterprises		Percentage
	Target (Mandays)	Achievement (Mandays)		Target (Number of Bene-ficiary)	Achievement (Number of Beneficiary)	
1995-96	121047	61946	51	4397	1665	38
1996-97	65720	35313	54	NF	1274	--
1997-98	NF	20250	--	NF	281	--
1998-99	30176	11221	37	14000	3710	26
1999-00	528617	510779	97	29800	4417	15

NF : Not furnished

Achievement under wage employment ranged between 37 per cent and 97 per cent and under micro enterprises between 15 per cent and 38 per cent during 1995-2000. The basis on which target fixed were not found on record. Further, in the absence of any details of actual expenditure incurred by ULBs under those components, co-relation between financial and physical target could not be worked out.

Delayed payment of wages

(g) The payment of wages under the scheme to the labourers were to be made a week after the completion of Muster Rolls. Test-check of records of Himatnagar and Jetpur-Navagadh Nagar Palikas revealed that in 41 works (Himatnagar 37 works; Jetpur-Navagadh 4 works) payments to labourers were delayed for 5 days to 130 days. Though, the payments were delayed there was no complaint from any of the labourer.

Utilisation of funds released under NRY/SJSRY ranged between four and 92 per cent

(h) Details of funds released to test-checked ULBs and DUDAs by GMFB under NRY/SJSRY and expenditure their against during 1995-2000 were as shown in Appendix-XLIV.

Out of Rs.6.80 crore available during 1995-2000 with eleven ULBs, four DPOs and two Municipal Corporations, only Rs.2.93 crore were spent during 1995-2000. Actual utilisation of funds by ULBs/DUDAs ranged between four per cent and 92 per cent. Out of Rs.1.43 crore available with Ahmedabad Municipal Corporation (AMC) under scheme for micro enterprises, only Rs.0.82 crore (57 per cent) was utilised during 1995-2000.

Similarly, under wage employment component, DPO, Kheda and Ahmedabad utilised 21 per cent and 16 per cent of available funds during 1995-2000. Short utilisation resulted in poor implementation of the programme for which no reasons were furnished. GMFB and the Government were not even aware about unutilised funds lying with ULBs which indicated the extent to which they were interested in implementation of programme in the State. Thus, poor and inefficient monitoring on the part of Government/GMFB resulted in

accumulation of unspent balance under poverty alleviation programme with ULBs. This also deprived of the intended benefits reaching to the targeted groups.

(i) At district level it was the responsibility of DUDAs to implement the programme effectively. DUDA was responsible to prepare annual action plan for ULBs in the district. However, in test-checked DUDAs no such plans were prepared on the plea that there was no instruction in the guidelines to prepare such plans. This was not tenable as guideline stipulated that DUDAs were responsible for monitoring city convergence plans and implementation.

(j) The Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) was in operation from November 1995 to November 1997. From December 1997, PMIUPEP was merged with SJSRY. Details of grants released by the Government of India and State Government and expenditure were as under:

(Rupees in crore)						
Year	Amount released by GOI	State Share due	Total funds required to make available under PMIUPEP	Amount released by Government to nodal agency	Expenditure Incurred by nodal agency	Amount short released by State Government
1995-96	5.84	5.48	11.32	--	--	11.32
1996-97	3.16	2.96	6.12	1.95	1.52	4.17
1997-98	2.22	1.99	4.21	--	--	4.21
Total	11.22	10.43	21.65	1.95	1.52	19.70

As against State share of Rs.10.43 crore to be released, no amount was released by State Government to nodal agency. However, Rs.5.98 crore released (1995-98) by State Government under a different State Scheme were irregularly projected as released under PMIUPEP.

Further, out of Rs.1.95 crore released from central fund to Director of Municipalities (a nodal agency) during 1996-97, Rs.1.37 crore were released to various ULBs and Rs.0.15 crore was paid to Operation and Research Group (ORG) Vadodara for carrying out survey for identifying beneficiary. Balance of Rs.19.70 crore required to be transferred to SJSRY was not transferred as of November 2000.

(k) The State Urban Development Authority (SUDA) constituted in August 1997 to monitor and assess implementation of the programme was required to meet once in a quarter. However, SUDA met only once (October 1998). The registration of SUDA was done in August 2000. As such its activities like coordinating, controlling and monitoring for smooth implementation of scheme was not done.

At district level, DUDAs responsible for monitoring the programme were to meet once in a month. Test-check of record of four DUDAs revealed that as against 76 meetings due during 1998-2000 no meeting was held in Ahmedabad and Kheda, and in Rajkot and Himatnagar only nine and four meetings respectively held as against 19 due in each case.

(l) Evaluation of Urban Employment Generation Programme required to be carried out by the State Government to know the success of the programme was not done by the Government during 1995-2000.

State Government did not release ample funds for implementation of scheme

Monitoring was not done

Programme went unevaluated during 1995-2000

**PANCHAYATS, RURAL HOUSING AND RURAL
DEVELOPMENT DEPARTMENT**

6.6 Lack of response to audit

Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot these are reported through IRs to the Head of Offices inspected with a copy to the next higher authorities. The Financial Rules/orders of Government (March 1992) provide for prompt response within four weeks by the executive to IRs issued by AG to ensure rectificatory action in compliance of the prescribed rules and procedure and accountability for the deficiencies, lapse, etc. noticed during his inspection. The Head of offices and next higher authorities are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to AG. Serious irregularities are also brought to the notice of the Head of the Department by Accountant General. A half yearly report of pending IRs is sent to Secretary of the Department to facilitate monitoring of the audit observation in the pending IRs.

Inspection Reports issued up to March 2000 pertaining to Panchayats, Rural Housing and Rural Development Department disclosed that 361 paragraphs (239 paragraphs of District Panchayat (DP), Bharuch and 122 paragraphs of District Rural Development Agency (DRDA, Vadodara)) relating to 73 Inspection Reports (DP 64 IRs and DRDA 9) remained outstanding at the end of March 2000. Of these 12 IRs (9 IRs of DP, Bharuch and 3 IRs of DRDA, Vadodara) containing 48 paragraphs (32 paras of DP, Bharuch and 16 paragraphs of DRDA, Vadodara) had not been replied to/settled for more than 10 years. Year-wise position of outstanding IRs and paragraphs are detailed in Appendix – XLV. Even the initial replies, which were required to be received from the head of office within four weeks from the date of issue were not received in respect of 27 IRs for 2 offices issued between 1991-92 and 1998-99. As a result serious Irregularities commented upon in these IRs as detailed in Appendix –XLVI(a) and XLVI(b) had not been settled as of March 2000.

A review of IRs which were pending due to non-receipt of replies, in respect of Panchayats and Rural Housing Department and Agriculture, Co-operation and Rural Development Department revealed that the Heads of the offices, whose records were inspected by AG, and Development Commissioner and Commissioner of Rural Development failed to discharge due responsibility as they did not send any reply to a large number of IRs/paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out by AG. The Secretaries of Panchayats and Rural Housing Department and Agriculture and Co-operation Departments who were informed of the position through half yearly reports, also failed to evoke

any response from that the concerned officers of the Department to take prompt and timely action.

The above also indicated lack of proper action against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the Government though these were pointed out in audit.

It is recommended that Government should carry out a serious review of the matter to ensure that higher executive responsiveness to audit observations and findings is quick ensuring remedial action and frame procedure for initiating action (a) against the officials who failed to send replies to IRs/paras as per the prescribed time schedule and (b) follow up action to recover loss/outstanding advances/overpayments in time bound manner.

The matter was reported to Government in September 2000; reply has not been received (November 2000).

PORTS AND FISHERIES DEPARTMENT

GUJARAT MARITIME BOARD

6.7 Unauthorised financial aid to Saurashtra Cement Limited

Injudicious decision for deferred payment and non-recovery of due interest resulted in unauthorised financial aid to private investor

Mention was made in Paragraph 6.16 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1996 (Civil) – Government of Gujarat regarding incomplete work of construction of 150 m. long deep water berth at Porbandar Port. Government stated (June 1996) that a proposal for getting the incomplete work done through private investors was under active consideration and expenditure already incurred would be recovered from private investors. Accordingly, work was entrusted by Gujarat Maritime Board (GMB) to Saurashtra Cement Limited (SCL). As per provisions of clause 3.2 of the agreement executed (January 1997) between GMB and SCL, the latter was required to make full payment of Rs.2.38 crore within 30 days of signing of the agreement (i.e. by February 1997).

It was noticed (April 1999) in audit that SCL paid only Rs.50 lakh in March 1997 (i.e. after due date) and requested (April 1997) the Minister of Ports to allow payment in 12 instalments each of Rs.11.50 lakh. Minister directed (June 1997) the Vice Chairman and Chief Executive Officer, GMB to take the decision as per the request of SCL. Accordingly, Board resolved (August 1997) to accept payment in 12 instalments. This payment schedule was also not adhered to by SCL and instalments of Rs.80.50 lakh due from October 1997 to April 1998 were paid in March 1998. Subsequently, due to cyclone in June 1998, SCL requested (July 1998) for postponement of instalments for three months which was accepted (August 1998) by GMB.

However, SCL did not pay due instalments in time. Out of remaining amount of Rs.1.08 crore SCL paid Rs.81.41 lakh (between April 1999 and April 2000) balance amount of Rs.26.09 lakh was recoverable from SCL as of July 2000.

As contemplated in the agreement, GMB was required to recover interest on belated payments at the rate of 18 *per cent* per annum from SCL, but no action was taken to recover the interest amounting to Rs.44 lakh (up to April 2000) and recovery of balance amount of Rs.26.09 lakh. This resulted in unauthorised financial aid of Rs.70.09 lakh to SCL beside extending benefit of deferred payments in violation of contract conditions.

Government stated (July 2000) that the issue of charging interest from SCL on belated payment of instalment would be finalised in the next Board meeting of GMB. Further developments were awaited (November 2000).

6.8 Idle investment in purchase of Dumb barges

Injudicious retention of barges at Bhavnagar port by GMB resulted in idle investment of Rs.91.80 lakh and loss of revenue of Rs.68.94 lakh

To cope up with increased cargo traffic at Mandvi Port, Gujarat Maritime Board (GMB) accorded administrative approval (June 1996) for purchase of three Dumb barges (each of 200 Tonnes capacity). Accordingly, orders for construction of three steel Dumb barges at Rs.30 lakh each plus Sales Tax (total Rs.91.80 lakh) was placed with Alcock Ashdown Limited, Bhavnagar (June 1996). As per "Acceptance Letter" (June 1996) delivery was due in December 1996 (one barge) and in March 1997 (two barges). GMB carried out final inspection of the construction of Barges in May 1997 and found the barges suitable for working. However, actual delivery was obtained in September 1997 due to approaching rough weather and monsoon.

It was noticed in audit (April 1999) that after obtaining delivery, the barges were kept in safe water for last three years at Bhavnagar Port and not handed over to Mandvi Port (November 2000) and thus Rs.91.80 lakh is remaining block for three years. Each barges was expected to earn revenue of Rs.21,600 per day. However, during September 1997 to March 2000, when the barges were kept idle total 127675 tonnes cargo was handled through private barges at Mandvi Port. If GMB had handled the cargo which were handled by the private barges they could earn revenue of Rs.68.94 lakh.

Superintending Engineer (Mechanical), Ahmedabad stated (May 2000) that due to overall recession in traffic there was no requirement of barges at Mandvi and same barges were now to be utilised at Bhavnagar. This was not tenable as a total cargo of 240184 tonnes was handled by Mandvi Port during September 1997 to March 2000 and GMB could handle only 112509 tonnes out of this while the rest was handled by private barges. In fact, the Deputy Executive Engineer (Ports), Mandvi requested Superintending Engineer (Ports), GMB in November 1997 to immediately shift the barges to Mandvi port so as to cope up with the work load and avert financial loss to GMB but

Superintending Engineer did not respond to this request. Possibility of GMB authorities favouring the private cargo handlers at the cost of Board by keeping its own barges idle, cannot be ruled out. The matter calls for investigation.

The matter was reported to Government in March 2000; reply has not been received (November 2000).

6.9 Irregular sanction of loan to Jamnagar Municipality by Gujarat Maritime Board

Rendering Financial assistance in violation of the Act resulted in blocking of Rs.one crore for more than two years beside loss of interest

Gujarat Maritime Board (GMB) is vested with the functions of administration, control and management of minor ports in the State of Gujarat.

Gujarat Maritime Board Act, 1981 (Act), stipulates that funds which cannot immediately be applied shall be deposited in the State Bank of India or any bank as defined in Banking companies Acquisition and Transfer of Undertakings Act, 1970 or, invested in such public securities as may be determined by the Board.

It was noticed in audit (April 2000) that on the basis of request (January 1997) from Jamnagar Municipal Corporation (Corporation) for assistance in widening work of existing Bridge at Jamnagar Rs.one crore was released by GMB (Rs.0.25 crore in December 1997 and Rs.0.75 crore in January 1998) as interest free loan to the corporation, though, GMB was not competent to release such financial assistance. The loan was repayable by the corporation after the commissioning of bridge on priority basis from the amount of tall tax received by the corporation. Though the bridge was commissioned and tall tax recovered (April 1999) amount was not refunded by the corporation to GMB. GMB also did not make any efforts to recover the amount of loan.

Reasons for releasing 'interest free' loan to the corporation were not available on the record.

Thus, payment of loan of Rs.one crore in contravention of provisions of the Act resulted in blocking of Rs.one crore for more than two years beside loss of interest of Rs.27.00 lakh (May 2000) and undue favour to the corporation.

Government stated (September 2000) that the decision of giving loan to the corporation was taken by the Board of GMB in the interest of GMB. This was not tenable as action of the Board was not covered by the provisions of the Act.

**URBAN DEVELOPMENT AND URBAN HOUSING
DEPARTMENT**

RAJKOT URBAN DEVELOPMENT AUTHORITY

**6.10 Injudicious investment of funds due to construction of
commercial complex in excess of demand**

Rajkot Urban Development Authority constructed shops/offices far in excess of demand resulting in wasteful investment of Rs.35.27 lakh for over six years and loss of interest of Rs.25.39 lakh

In order to develop Transportnagar Commercial Complex, Rajkot Urban Development Authority (RUDA) decided to construct (March 1991) commercial complex (Complex) with the facilities like bank, conference hall, restaurant, parking etc. at Transportnagar, Rajkot. Following points were noticed (September 1999) :

(i) In response to advertisement in leading newspaper in March 1992 for sale of offices/shops only 84 application forms were sold (March 1992). Out of 84 application forms sold, only 28 applicants paid the requisite deposit (March-October 1992). Though there was poor response from the prospective buyers, RUDA decided (August 1992) for construction of 23 shops and 46 offices with the builtup area of 14917 sq.ft. The work was completed at a cost of Rs.73.07 lakh in July 1993.

(ii) Only 33 office/shops covering 5990 sq.ft. area (40 per cent) were sold for Rs.37.80 lakh (June 1999) and 36 offices/shops covering area of 8927 sq.ft. (60 per cent) remained unsold as of May 2000.

Thus, unnecessary construction of shops/offices without identified requirement resulted in idle investment of Rs.35.27 lakh for more than six years apart from Rs.2.59 lakh spent on watch and ward of these buildings. Interest loss due to such idle investment was Rs.25.39 lakh in six years.

RUDA stated (September 1997) that due to fluctuation in real estate market all the offices/shops could not be sold. This was not tenable in view of the fact

that the construction was carried out though there was poor response from the prospective buyers.

The matter was reported to Government in June 1998; reply has not been received (November 2000).

S. K. Roy

(S.K.ROY)

Accountant General (Audit)-II, Gujarat

Rajkot

The 26 MAR 2001

Countersigned

V. K. Shunglu

(V.K.SHUNGLU)

Comptroller and Auditor General of India

New Delhi

The 28 MAR 2001

APPENDICES

APPENDIX - I

Statement showing cases where supplementary provision proved unnecessary and/or could have been restricted to a token amount
(Reference: Paragraph 2.3.3 Page 31)

(Rupees in crore)

Serial number	Grant number	Department	Original grant	Supplementary grant	Expenditure	Saving
1	2	3	4	5	6	7
		Revenue Section (a) Grants				
1	2	Agriculture and Co-operation	226.15	58.81	276.81	8.15
2	5	Agriculture and Co-operation	33.58	1.35	34.88	0.05
3	12	Energy and Petrochemicals	1302.50	50.00	1325.46	27.04
4	15	Finance	52.91	9.15	61.85	0.21
5	16	Finance	35.11	4.66	38.54	1.23
6	20	Food, Civil Supplies and Consumer Affairs	5.98	0.05	5.99	0.04
7	21	Food, Civil Supplies and Consumer Affairs	95.31	46.75	141.46	0.60
8	25	Forests and Environment	87.41	5.95	92.27	1.09
9	28	General Administration	2.00	0.01	1.88	0.13
10	29	General Administration	3.15	0.48	3.57	0.06
11	30	General Administration	6.85	48.60	46.85	8.60
12	32	General Administration	31.71	3.01	25.97	8.75
13	34	General administration	169.82	0.39	169.13	1.08
14	37	Health and Family Welfare	2.37	1.20	3.54	0.03
15	38	Health and Family Welfare	739.76	37.72	735.41	42.07
16	40	Health and Family Welfare	76.62	0.03	54.97	21.68
17	41	Home	3.99	0.71	4.61	0.09
18	44	Home	106.17	6.01	110.78	1.40
19	47	Industries Mines and Tourism	2.15	0.45	2.57	0.03
20	48	Industries Mines and Tourism	40.88	1.53	38.75	3.66
21	49	Industries Mines and Tourism	194.57	0.15	192.81	1.91
22	51	Industries Mines and Tourism	21.44	0.05	19.54	1.95
23	53	Industries Mines and Tourism	0.52	0.10	0.59	0.03
24	57	Labour and Employment	89.75	1.67	90.62	0.80
25	61	Legal	4.31	0.23	3.98	0.56
26	64	Narmada, Water Resources and Water Supply	3.98	0.92	4.53	0.37
27	71	Panchayats, Rural Housing and Rural Development	282.97	0.54	237.49	46.02

1	2	3	4	5	6	7
28	73	Panchayats, Rural Housing and Rural Development	38.30	32.10	58.80	11.60
29	75	Ports and Fisheries	0.74	0.02	0.75	0.01
30	76	Revenue	6.20	0.66	6.50	0.36
31	81	Revenue	18.28	2.50	20.65	0.13
32	82	Revenue	0.47	0.42	0.59	0.30
33	83	Roads and Buildings	4.16	0.29	4.41	0.04
34	85	Roads and Buildings	71.03	1.32	66.69	5.66
35	93	Social Justice and Empowerment	279.28	1.10	228.01	52.37
36	94	Social Justice and Empowerment	829.59	4.41	816.21	17.79
37	96	Sports, Youth and Cultural Activities	27.05	2.25	25.22	4.08
38	100	Urban Development and Urban Housing	207.60	19.11	223.76	2.95
39	102	Urban Development and Urban Housing	1.40	0.81	1.84	0.37
		Total	5106.06	345.51	5178.28	273.29
		(b) Appropriations				
1	8	Education	79.65	8.60	87.54	0.71
2	34	General Administration	0.05	0.01	0.05	0.01
3	66	Narmada, Water Resources and Water Supply	--	0.03	0.02	0.01
4	71	Panchayats, Rural Housing and Rural Development	110.21	0.22	91.71	18.72
5	86	Roads and Buildings	--	0.80	0.44	0.36
6	88	Roads and Buildings	--	2.80	1.24	1.56
		Total	189.91	12.46	181.00	21.37
		Capital Section				
		(a) Grants				
1	4	Agriculture and Co-operation	0.02	1.54	1.54	0.02
2	5	Agriculture and Co-operation	22.79	10.05	27.68	5.16
3	25	Forests and Environment	131.80	1.40	131.74	1.46
4	34	General Administration	17.93	5.27	15.05	8.15
5	46	Home	44.46	0.71	44.88	0.29
6	67	Narmada, Water Resources and Water Supply	404.93	32.50	431.85	5.58
7	85	Roads and Buildings	23.49	6.01	21.78	7.72
8	86	Roads and Buildings	227.20	51.60	277.76	1.04
9	87	Roads and Buildings	32.74	0.20	27.88	5.06
10	93	Social Justice and Empowerment	17.16	0.17	15.97	1.36
11	100	Urban Development and Urban Housing	2.75	1.34	2.90	1.19
		Total	925.27	110.79	999.03	37.03

1	2	3	4	5	6	7
		(b)Appropriations				
1	66	Narmada, Water Resources and Water Supply	---	3.51	3.22	0.29
2	86	Roads and Buildings	---	1.61	1.58	0.03
3	94	Social Justice and Empowerment	---	0.18	--	0.18
		Total	---	5.30	4.80	0.50
		Grand total	6221.24	474.06	6363.11	332.19

APPENDIX - II

Statement showing cases where supplementary provision was made in excess of actual requirement

(Reference: Paragraph 2.3.4 Page 31)

(Rupees in crore)

Serial number	Grant number	Department	Original provision	Expenditure	Additional Requirement	Supplementary provision
1	2	3	4	5	6	7
		Revenue Section				
		(a) Grants				
1	2	Agriculture and Co-operation	226.15	276.82	50.67	58.81
2	5	Agriculture and Co-operation	33.58	34.88	1.30	1.35
3	12	Energy and Petro-Chemicals	1302.50	1325.46	22.96	50.00
4	15	Finance	52.91	61.85	8.94	9.15
5	16	Finance	35.11	38.55	3.44	4.66
6	20	Food, Civil Supplies and Consumer Affairs	5.98	5.99	0.01	0.05
7	21	Food, Civil Supplies and Consumer Affairs	95.31	141.46	46.15	46.75
8	25	Forests and Environment	87.41	92.27	4.86	5.95
9	29	General Administration	3.16	3.57	0.41	0.48
10	30	General Administration	6.85	46.85	40.00	48.60
11	37	Health and Family Welfare	2.37	3.54	1.17	1.21
12	41	Home	3.99	4.61	0.62	0.71
13	44	Home	106.17	110.78	4.61	6.01
14	47	Industries, mines and Tourism	2.15	2.57	0.42	0.45
15	53	Industries, mines and Tourism	0.52	0.60	0.08	0.10
16	57	Labour and Employment	89.75	90.62	0.87	1.67
17	64	Narmada, Water Resources and Water supply	3.98	4.53	0.55	0.92
18	73	Panchayats, Rural Housing and Rural Development.	38.30	58.80	20.50	32.10
19	75	Port and Fisheries	0.75	0.75	---	0.02
20	76	Revenue	6.21	6.50	0.29	0.66
21	81	Revenue	18.28	20.65	2.37	2.50

1	2	3	4	5	6	7
22	82	Revenue	0.47	0.59	0.12	0.42
23	83	Roads and Buildings	4.16	4.41	0.25	0.29
24	100	Urban Development and Urban Housing	207.60	223.76	16.16	19.11
25	102	Urban Development and Urban Housing	1.40	1.84	0.44	0.81
		Total	2335.06	2562.25	227.19	292.78
		(b) Appropriations				
1	8	Education	79.66	87.54	7.88	8.60
2	34	General Administration	0.05	0.05	--	0.01
3	66	Narmada, Water Resources and Water Supply	--	0.02	0.02	0.03
4	86	Roads and Buildings	---	0.44	0.44	0.80
5	88	Roads and Buildings	---	1.24	1.24	2.80
		Total	79.71	89.29	9.58	12.24
		Capital Section				
		(a) Grants				
1	4	Agriculture and Co-operation	0.02	1.54	1.52	1.54
2	5	-do-	22.79	27.68	4.89	10.06
3	46	Home	44.46	44.88	0.42	0.71
4	67	Narmada, Water Resources and Water Supply	404.93	431.85	26.92	32.50
5	86	Roads and Buildings	227.20	277.76	50.56	51.60
6	100	Urban development and Urban Housing	2.75	2.90	0.15	1.34
		Total	702.15	786.61	84.46	97.75
		(b) Appropriation				
1	66	Narmada, Water Resources and Water Supply	--	3.22	3.22	3.51
2	86	Roads and Buildings	--	1.58	1.58	1.61
3	94	Social Justice and Employment	--	--	--	0.18
		Total	Nil	4.80	4.80	5.30
		Grand Total	3116.92	3442.95	326.03	408.07

APPENDIX - III
Statement showing the excess over Grant /Appropriation requiring
regularisation
(Reference: Paragraph 2.3.5 Page 31)

(Rupees in crore)

Serial Number	Grant Number	Name of grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
1	2	3	4	5	6
		Revenue Section			
		(a) Grants			
1	4	Animal Husbandary and Dairy Development	67,17,35,000	69,35,77,128	2,18,42,128
2	7	Education Department	2,81.04,000	2,82,01,437	97,437
3	8	Education	34,15,54,50,000	35,13,66,37,878	98,11,87,878
4	10	Energy and Petrochemical Department	1,23,00,000	1,26,09,604	3,09,604
5	17	Pension and other Retirement Benefits	11,69,66,85,000	11,95,25,28,864	25,58,43,864
6	22	Food	12,39,46,000	12,74,72,605	35,26,605
7	42	Police	6,74,33,42,000	6,91,16,90,442	16,83,48,442
8	55	Other Expenditure pertaining to Information and Broad casting Department	2,64,53,000	2,67,39,048	2,86,048
9	56	Labour and Employment Department	1,55,00,000	1,55,51,930	51,930
10	66	Irrigation and Soil Conservation	8,03,34,84,000	16,70,06,87,036	8,66,72,03,036
11	67	Water Supply	1,54,27,35,000	1,54,30,97,215	3,62,215
12	77	Tax collection charges Revenue Department	49,33,91,000	52,60,66,224	3,26,75,224
13	78	District Administration	60,95,57,000	62,52,53,931	1,56,96,931
14	79	Relief on account of Natural Calamaties	5,02,75,71,000	5,99,41,11,701	96,65,40,701
15	80	Dangs District	15,24,60,000	17,81,73,962	2,57,13,962
16	84	Non residential Buildings	1,93,34,57,000	1,96,62,69,731	3,28,12,731
17	86	Roads and Bridges	4,34,26,72,000	4,69,39,37,675	35,12,65,675
18	87	Gujarat Capital Construction scheme	7,68,25,000	7,97,28,083	29,03,083
19	88	Other expenditure pertaining to Roads and Buildings Department	11,00,00,000	12,00,59,938	1,00,59,938
		Total	75,79,56,67,000	87,33,23,94,432	11,53,67,27,432

1	2	3	4	5	6
		(b) Appropriation			
1	19	Repayment of debt pertaining to finance department and its servicing	25,81,22,00,000	25,82,15,24,981	93,24,981
2	23	Other expenditure pertaining to Food Civil Supplies and Consumer Affairs Department	1,000	20,586	19,586
3	51	Tourism	-----	1,11,394	1,11,394
4	60	Administration of Justice.	12,14,03,000	13,39,06,636	1,25,03,636
5	68	Other Expenditure pertaining to Narmada Water Resources and Water Supply Department	5,54,06,000	6,30,14,025	76,08,025
6	81	Compensations and Assignment	72,55,000	81,94,361	9,39,361
7	84	Non residential Buildings	10,00,000	20,07,760	10,07,760
8	94	Tribal Area SubPlan	24,55,000	29,75,333	5,20,333
		Total	25,99,97,20,000	26,03,17,55,076	3,20,35,076
		CAPITAL SECTION			
		(a) Grants			
1	9	Other expenditure pertaining to Education Department	41,05,95,000	42,12,14,758	1,06,19,758
2	18	Other expenditure pertaining to Finance Department	4,69,64,000	4,69,64,997	997
3	23	Other expenditure pertaining to Food, Civil Supply and Consumer Affairs Department	95,45,000	96,13,294	68,294
4	66	Irrigation and Soil Conservation	3,23,76,01,000	3,49,68,95,882	25,92,94,882
5	74	Fisheries	8,80,92,000	41,49,01,998	32,68,09,998
6	82	Other expenditure pertaining to Revenue Department	4,74,35,000	4,76,69,785	2,34,785
7	90	Social Security and Welfare	4,69,71,000	4,69,92,700	21,700
		Total	3,88,72,03,000	4,48,42,53,414	59,70,50,414
		(b) Appropriation			
1	19	Repayment of Debt pertaining to Finance Department and its services	16,33,00,87,000	17,11,83,83,970	78,82,96,970
		Total	16,33,00,87,000	17,11,83,83,970	78,82,96,970
		Grand Total	1,22,01,26,77,000	1,34,96,67,86,892	12,95,41,09,892

APPENDIX - IV

Statement showing cases where supplementary provision was inadequate

(Reference Paragraph 2.3.6 Page 31)

(Rupees in crore)

Serial Number	Grant Number	Department	Original/Provision	Supplementary Provision	Total Grant/Appropriation	Expenditure	Excess
1	2	3	4	5	6	7	8
		Revenue Section (a) Grants					
1	4	Agriculture and Co-operation	60.23	6.94	67.17	69.36	2.19
2	7	Education	2.43	0.38	2.81	2.82	0.01
3	8	Education	2956.50	459.04	3415.54	3513.66	98.12
4	10	Energy and Petrochemicals	0.94	0.29	1.23	1.26	0.03
5	17	Finance	769.67	400.00	1169.67	1195.25	25.58
6	19	Finance	2564.48	16.74	2581.22	2582.15	0.93
7	22	Food, Civil Supplies and Consumer Affairs	12.33	0.06	12.39	12.74	0.35
8	42	Home	630.77	43.56	674.33	691.17	16.84
9	55	Industries, Mines and Tourism	2.22	0.42	2.64	2.67	0.03
10	56	Labour and Employment	1.47	0.08	1.55	1.56	0.01
11	66	Narmada, Water Resources and Water Supply	786.60	16.75	803.35	1670.07	866.72
12	67	Narmada, Water Resources and Water Supply	146.88	7.39	154.27	154.30	0.03
13	77	Revenue	48.96	0.38	49.34	52.61	3.27
14	78	Revenue	60.60	0.36	60.96	62.53	1.57
15	79	Revenue	330.56	172.20	502.76	599.41	96.65
16	80	Revenue	14.72	0.53	15.25	17.82	2.57
17	84	Roads and Buildings	177.98	15.37	193.35	196.63	3.28
18	86	Roads and Buildings	411.13	23.14	434.27	469.39	35.12
19	88	Roads and Buildings	10.06	0.94	11.00	12.01	1.01
		Total	8988.53	1164.57	10153.10	11307.41	1154.31

1	2	3	4	5	6	7	8
		(b) Appropriation					
1	60	Legal	10.28	1.86	12.14	13.39	1.25
2	68	Narmada, Water Resources and Water Supply	--	5.54	5.54	6.30	0.76
3	81	Revenue	0.12	0.61	0.73	0.82	0.09
4	84	Roads and Buildings	0.04	0.06	0.10	0.20	0.10
5	94	Social Justice and Empowerment	--	0.25	0.25	0.30	0.05
		Total	10.44	8.32	18.76	21.01	2.25
		Capital Section (a) Grants					
1	66	Narmada, Water Resources and Water Supply	319.46	4.30	323.76	349.69	25.93
2	82	Revenue	4.69	0.05	4.74	4.76	0.02
		Total	324.15	4.35	328.50	354.45	25.95
		(b) Appropriation					
1	19	Finance	934.21	698.80	1633.01	1711.84	78.83
		Total	934.21	698.80	1633.01	1711.84	78.83
		Grand Total	10257.33	1876.04	12133.37	13394.71	1261.34

APPENDIX - V

Statement showing cases where expenditure fell short by Rs.1 crore and also by 10 per cent of the provision

(Reference: Paragraph 2.3.7 Page 32)

(Rupees in crore)

Serial Number	Grant Number	Department Name of Grant/Appropriation	Amount of saving (percentage of total saving)	Reasons for saving
1	2	3	4	5
		Revenue Section		
		(a) Grants		
		Education		
1	9	Other Expenditure pertaining to Education	1.89(11)	Reasons for saving not intimated (September 2000)
		Finance		
2	18	Other expenditure pertaining to Finance	309.81(83)	Saving was anticipated due mainly to economic measures and revision of publicity plan of small savings scheme
		Forest and Environment		
3	26	Environment	2.94(40)	Saving was anticipated due mainly to allotment of land at Gandhinagar instead of Ahmedabad and completion of the World Bank Aided scheme
4	27	Other expenditure pertaining to Forests and Environment	1.07(22)	Saving was anticipated due mainly to cut in non-plan budget imposed by Finance Department
		General Administration		
5	30	Elections	8.60(16)	Saving was anticipated due mainly to non receipt of instruction from the Election Commission of India to issue photo identity cards
6	32	General Administration	8.75(25)	Reasons for the final saving have not been intimated (September 2000)
		Gujarat Legislature Secretariat		
7	35	State Legislature	1.00(13)	Reasons for the final saving have not been intimated (September 2000)
		Health and Family Welfare		
8	39	Family Welfare	17.11(12)	Reasons for the final saving have not been intimated (September 2000)

1	2	3	4	5
9	40	Other expenditure pertaining to Health and Family Welfare	21.68(28)	Saving was anticipated due mainly to interruption raised by Gujarat State civil supplies corporation
		Home		
10	46	Other expenditure pertaining to Home	7.35(14)	Reasons for the final saving have not been intimated (September 2000)
		Industries, Mines and Tourism		
11	50	Mines and Minerals	2.33(12)	Saving was anticipated due mainly to less receipt of sanction from the Government and non finalisation of purchase procedure
		Legal		
12	61	Other Expenditure Pertaining to Legal	1.13(19)	Reasons for the final saving have not been intimated (September 2000)
		Narmada, Water Resources and Water Supply		
13	65	Narmada Development Scheme	465.00(28)	Saving of Rs.115.95 crore was due mainly to non-receipt of share from the beneficiary states. Reasons for remaining amount of saving have not been intimated (September 2000)
		Panchayats, Rural Housing and Rural Development		
14	71	Rural Housing and Rural Development	46.01(16)	Reasons for saving have not been intimated (September 2000)
15	72	Compensations and assignments	8.88(24)	Saving was anticipated due mainly to 10% cut imposed by Government
16	73	Other expenditure pertaining to Panchayats, Rural Housing and Rural Development	11.59(16)	Saving of Rs.4.65 was due mainly to revision of estimates based on last eight month expenditure. Reasons for final saving have not been intimated (September 2000)

1	2	3	4	5
		Social Justice and Empowerment		
17	93	Special Component plan for schedule castes	52.37(19)	Saving of Rs.20.00 crore was due mainly to less receipt of sanction from Government
		Sports, Youth and Cultural Activities		
18	96	Youth Services and Cultural Activities	4.08(14)	Reasons for the final saving have not been intimated (September 2000)
		(b) Appropriation		
		Panchayat, Rural Housing and Rural Development		
1	71	Rural Housing and Rural Development	18.72(17)	Saving anticipated due mainly to finalisation of previous year's balance
		Roads and Buildings		
2	88	Other expenditure pertaining to Roads and Building	1.56(56)	Reasons for saving have not been intimated
		Capital Section		
		Grants		
		Agriculture and cooperation		
1	5	Co-operation	5.16(16)	Saving of Rs.1.93 crore and Rs.1.65 crore was due mainly to less sanction of proposals by NABARD and less receipt of sanction from Government.
		Energy and petrochemicals		
2	12	Energy Projects	50.00(13)	Saving was anticipated due mainly to Government decision to reduce the loan provision
		General Administration		
3	34	Other Expenditure pertaining to General Administration	8.15(35)	Saving was anticipated due mainly to allot this fund to Gujarat informatics Limited
		Roads and Buildings		
4	84	Non-Residential Buildings	35.99(31)	Saving of Rs.10.42 crore was due to non-receipt of administrative approval and non finalisation of court sites
5	85	Residential Buildings	7.72(26)	Reasons for the final saving have not been intimated (September 2000)

1	2	3	4	5
		Roads and Buildings		
6	87	Gujarat Capital Construction Scheme	5.06(15)	Reasons for the final saving have not been intimated (September 2000)
7	88	Other expenditure pertaining to Roads and Buildings	3.21(22)	Reasons for the final saving have not been intimated (September 2000)
		Urban Development and Urban Housing		
8	100	Urban Development	1.19(29)	Reasons for the final saving have not been intimated (September 2000)

APPENDIX - VI

Statement of various grants/appropriations where there was persistent saving in excess of Rs.10 lakh each and 20 per cent more of the provision
(Reference Paragraph 2.3.8(a) Page 32)

(Rupees in crore)

Serial number	Name of department Number and name of Grant/Appropriation	Amount of saving		
		1997-98	1998-99	1999-2000
1	2	3	4	5
	Revenue Section			
	Finance			
1	18 Other expenditure pertaining to Finance	745.62	201.16	309.81
	General Administration			
2	31 Public service Commission	0.11	1.12	0.74
	Health and Family welfare			
3	41 Other expenditure pertaining to Health and Family Welfare	20.36	16.86	21.68
	Capital Section			
	Narmada, Water Resource and Water Supply			
4	Narmada Development scheme	326.95	346.05	465.00

APPENDIX - VI-A

Statement showing cases of significant persistent excess over Grant

(Reference: Paragraph 2.3.8(b) Page 32)

(Rupees in crore)

Serial Number	Number and name of Grant	Amount of excess (percentage of provision)		
		1997-98	1998-99	1999-2000
1	2	3	4	5
	Revenue Section			
1	8 Education	85.05 (3.35)	72.23 (2.3)	98.12 (3)
2	66 Irrigation and soil conservation	391.93 (54)	715.46 (95)	866.72 (108)
3	84 Non residential buildings	25.60 (18)	4.53 (3)	3.28 (2)
4	86 Roads and Buildings	132.66 (41)	45.29 (9)	35.13 (8)
5	88 Other expenditure pertaining to Road and Buildings Department	1.82 (16)	0.65 (6)	1.01 (9)

APPENDIX - VII

Statement of various grants/appropriations where expenditure exceeded approved provision by Rs.25 lakh or more and also by more than 10 per cent of total provision

(Reference: Paragraph 2.3.9 Page 32)

(Rupees in crore)

Serial Number	Grant Number	Name of Grant/ Appropriation	Amount of excess	Reasons for Excess
1	2	3	4	5
		Revenue Section		
1	66	Irrigation and Soil Conservation	866.72	Not furnished.
2	79	Relief on account of Natural Calamities	96.65	--do--
3	80	Dangs District	2.57	--do--
		Appropriation		
1	60	Administration of Justice	1.25	--do--
2	68	Other Expenditure pertaining to Narmada, Water Resources and Water Supply Department	76.08	--do--
		Capital Section		
1	74	Fisheries	32.68	--do--

APPENDIX - VIII

Statement showing instances of injudicious re-appropriation
(Reference: Paragraph 2.3.10 Page 32)

(Rupees in crore)

Serial number	Grant Number	Head of account	Provision (Original plus Supplementary)	Reappropriation	Final Grant /Appropriation	Actual Expenditure	Excess(+) Saving(-)
1	2	3	4	5	6	7	8
1	8	2202(iv)02(800) (4) A vocational Education	21.50	+ 6.00	27.50	27.21	-0.29
2	8	2071(vii)(112)(I)TE D-5 Development of Govt. Engineering colleges	9.25	+2.58	11.83	11.66	-0.17
3	8	2203(xiv)05(103)(1) Development of Sanskrit Pathshalas	0.83	+1.32	2.15	1.88	-0.27
4	8	2203(xxi)(103)(2)TE D-2 Technical High Schools (Vocationalisation)	6.61	+0.74	7.35	7.21	-0.14
5	8	2204 (xxiii)(102) (3) National Cadet Crops Training.	7.39	+0.54	7.93	7.82	-0.11
6	8	2202(xxvi) 80 (001) (1)EDN-23 Commissioner of higher Education (Plan)	1.28	+0.62	1.90	1.63	-0.27
7	19	2049(iv) (01) (101) (24) 11.58% Gujarat State Development Loan-2009	--	+ 4.74	4.74	4.47	-0.27
8	19	2049 (v) 01(101) (23) 12.25 % Gujarat State Development Loan 2009 (to be raised during 1999-2000)	26.00	+4.63	30.63	30.46	-0.17
9	19	2094(i) 03(104) (1) Interest on General Provident fund (other than class IV servants)	242.94	-53.28	189.66	190.35	+0.69
10	32	(M.H.)2052(i) 090(4) Information Technology Division (Plan)	11.00	-7.85	3.15	3.59	+0.44
11	38	(M.H.)2210 (i) (01)(110) (1) Civil hospital administration (medical)	108.94	-49.98	58.96	140.65	+81.69

1	2	3	4	5	6	7	8
12	38	2210 (iii)05(105) (1)HLT-39 Expansion of M.P Shah Medical Collage Jamnagar	9.06	-0.52	8.54	10.74	+2.20
13	38	2210(v) 06(101) (8) National Leprosy control programme	0.23	-0.5	0.18	1.29	+1.11
14	38	2210(x) 06(003) (4) Multipurpose works schemes	0.13	-0.07	0.06	0.71	+0.65
15	38	2216(xi) 06(101) (2) HLT-31 National T.B.Control programme	0.60	-0.60	--	1.17	+1.17
16	38	2210(xii)06(101)(3) HLT-37 Epidemic Diseases	1.21	-0.04	1.17	1.77	+ 0.60
17	38	2210(xv)01(001)(1) HLT-1 Directorate of Health Services (Medical)	1.73	-0.01	1.72	2.13	+0.41
18	42	MH 2055 (ii)(115)(1) Police Proper	5.00	-0.09	4.91	9.04	+4.13
19	42	2055(xi)(115)(1) Police Proper (Plan)	--	+4.78	4.78	--	-4.78
20	42	2055(ii)(113)(2) Grant for police welfare activities and traffic amenities	0.74	+0.22	0.96	0.08	-0.88
21	42	2055 (iii)(800)(3) Backup support for personel being engaged for coastal security	0.50	+0.28	0.78	0.23	-0.55
22	43	M.H.2056(ii)(001)(2) Modernisation of Jails Admn (plan)	0.52	+0.08	0.60	0.28	-0.32
23	43	(i)(001)(1) Inspector General of Prisons	1.10	-0.08	1.02	1.63	+0.61
24	46	M.H.4216 (i)01(107)(1) Construction of Police Building	1.00	+0.71	1.71	--	-1.71
25	62	M.H.2052(090)(3) State Law Commission	0.45	+0.005	0.45	0.30	-0.1
26	65	M.H.4801(v)01(001) (1) Direction (Plan) Narmada Development Scheme	0.18	-0.08	0.10	0.67	+0.5
27	66	M.H.2702 (viii)80(001) 02 Administration (plan)	14.82	+3.87	18.69	17.16	-1.5

1	2	3	4	5	6	7	8
28	66	M.H.2701 (x)(01)(509) (84) Maintenance and Repairs	7.71	+2.02	9.73	9.15	-0.58
29	66	M.H.2701 (xx) 01(517) 84 Maintenance and Repairs	1.71	-0.26	1.45	2.20	+0.75
30	66	M.H.2702 (xxi)80 (052) (40) Tools and Plants (Plan)	1.00	0.60	1.60	1.45	-0.15
31	66	(ii) 01(103)(13) Minor Irrigation Works (Plan)	20.71	2.55	23.26	14.95	- 8.31
32	66	M.H.2701 (v)80(004)(11) Research (plan)	3.29	0.9	3.38	2.31	-1.07
33	66	M.H.2701 (vi)(80)(004)(52) Machinery and Equipment (Plan)	1.13	-1.09	0.04	0.18	+0.14
34	66	M.H.2702(vii)01 ((101)(11) Construction and Deepening wells and Tanks	6.56	-1.26	5.30	5.61	+0.31
35	66	M.H.2701 (viii) 01(530)(84) Maintenance and Repairs	4.94	-1.26	3.68	4.26	+0.58
36	66	M.H.2701 (ix)01(507) 84 Maintenance and Repairs	3.35	-0.75	2.60	2.72	+0.12
37	66	M.H.4701 (iv) 03 (681)(80) other expenditure (plan)	0.90	+5.70	6.60	6.38	- 0.22
38	66	M.H.4702 (v)(101)(2) minor irrigation (Plan)	68.80	-2.65	66.15	72.69	+6.54
39	66	M.H.4701 (vii) 80 (799) (01) Stock (Plan)	0.55	-0.36	0.19	4.17	+3.98
40	66	(xx) 01 (508) (80) Other expenditure plan	0.40	+1.33	1.73	1.36	-0.37
41	66	M.H.4701 (xxiii) 01 (512)(80) Other expenditure (Plan)	0.02	+1.30	1.32	0.78	-0.54
42	66	(xxxiii) 80(001)(74) Direction (Plan)	0.05	+0.87	0.92	0.38	-0.54
43	66	(xxxvii) 80(799)(02) Miscellaneous works Advances (plan)	0.48	-0.32	0.16	0.74	+0.58
44	66	(L) 03(516) (80) Other expenditure (Plan)	0.05	+0.35	0.40	0.27	-0.13

1	2	3	4	5	6	7	8
45	66	(IXL) 03 (518) (80) Other expenditure (Plan)	0.01	-0.01	---	0.14	+0.14
46	66	(i) (01)(631)(80) other expenditure (Plan)	30.00	-21.50	8.50	8.33	-0.17
47	66	(ii) 03 (677)(80) Other expenditure (Plan)	7.91	-2.54	5.38	5.69	+0.31
48	66	M.H.4711(iii)03(103) (1)Drainage works. (Plan)	10.02	+6.75	16.77	8.00	- 8.77
49	66	03(657)(80)Other expenditure (Plan)	2.00	+2.65	4.65	0.07	- 4.58
50	66	(v) 03(565)(43) Canals and Branches(Plan)	2.00	-2.00	---	0.49	+0.49
51	66	(ix)03(528)(41) Dam and Appurtenant work(Plan)	1.00	+0.46	1.46	--	- 1.46
52	66	MH4701 (xi) 01 (527)(46) Distributerries and Water Courses (Plan)	2.00	-1.67	0.33	1.24	+0.91
53	66	MH4701 (xxiii)01 (542)(46) Distributerries and water Courses (Plan)	1.50	+0.50	2.00	1.22	-0.78
54	66	(xxiv)80(052)(40) Tools and Plant (Plan)	0.95	-0.56	0.39	0.69	+0.30
55	71	MH 2216 (v)03(800)(2) HSG- 12 Subsidy for construction of Houses for economically weaker section (Plan.)	3.15	-2.52	0.63	--	- 0.63
56	78	MH2053(i)(094)(1) Sub divisional establishment (including)Talaties and Kotwals circle inspectors) Prant officers Mamlatdar and Circle officer.	36.90	-0.48	36.42	38.48	+2.06
57	80	MH2575(vii)01(259) (1) Direction and administration	0.67	-0.04	0.63	0.75	+0.12
58	84	MH2059(iv)80(800) Sachivalaya complex payment of Electrical Bills	2.70	+0.30	3.00	2.53	- 0.47
59	84	MH4210(ii)02(104) Building Plan	3.70	+2.32	6.02	5.74	-0.28
60	86	MH3054(iii)80(800) (1) Roads and Bridges	1.82	-0.18	1.64	6.00	+4.36

1	2	3	4	5	6	7	8
61	86	M.H.3054 (vii) 80 (001)(2) Administration	23.96	+1.04	25.00	24.37	-0.63
62	87	M.H.4217 (i) 01(051)(2) Non Residential Buildings (plan)	5.33	+0.12	5.45	2.68	-2.77
63	87	M.H.4217 (ii) 01(051)(3) Roads and Bridges (Plan)	9.50	-2.22	7.28	7.39	+0.11
64	87	M.H.4217 01(800)(1) Building (Plan)	14.09	-1.95	12.14	15.82	+3.68
65	91	M.H.4225 03(277)(4) BCK-170-Tribal Bhavan at Gandhinagar (Plan)	1.00	-0.99	0.01	0.17	+0.16
66	93	M.H.2225 (xiii) 01(277)(12) BCK-14 Special component plan for scheduled casts Education Grants and in aid to Backward class Hostels including General (cosmopolitan) Hostels and electrification of Hostels	5.10	-1.28	3.82	3.93	+0.11
67	93	MH 2225(xxxvii) 01 (800)(01) SCW-17 special component plan for scheduled castes financial assistance to destitute Widows for Rehabilitation(plan)	2.06	+0.17	2.23	1.71	-0.52
68	93	M.H.2225 (xviii) 01(277)(10) BCK-12 special component plan for scheduled castes special scholarship to boys and girls students belonging to Valmiki, Hadi, Nadia and senva Studying in standard 8 to 10	0.80	-0.16	0.64	1.22	+0.58
69	96	M.H.2204 (i)(104)(6) YSC-70-Expansion of Activities of sports under sports Authorities of Gujarat (Plan)	3.89	-2.03	1.86	2.29	+0.43
70	96	M.H.2205 (V) (107)(2)YSC-54 Development of museum (Plan)	0.65	-0.45	0.20	0.31	+0.11

APPENDIX - IX

Statement showing expenditure on
 "New Services/New Instrument of Service"
 (Reference: Paragraph 2.3.11(a) Page 32)

(Rupees in crore)

Serial Number	Grant Number	Department	Major head and Sub-head	Amount of expenditure
1	2	3	4	5
		Revenue Section		
1	40	Health and Family Welfare	M.H.2236(iii)02 (800)(4) Integrated child development scheme programme (UDISHA Project)(World Bank Assisted)	1.61
		Total		1.61

APPENDIX - X

Statement of cases where expenditure was incurred without
any provision of funds
(Reference: Paragraph 2.3.11(b) Page 32)

(Rupees in crore)

Serial Number	Grant Number	Department	Major head and Sub head	Amount of expenditure
1	2	3	4	5
		Revenue Section		
1	19	Finance	M.H.2049 (xxvii) 01(101)(6)9 ¾ % Gujarat State Development Loan 1998	0.08
2	66	Narmada, Water Resources and Water Supply	M.H.2702(ii) 02 (103)(06) Tube wells	31.89
3	66	Narmada, Water Resources and Water Supply	M.H.2702 (iv)01(103)(11) Other minor irrigation works (plan)	10.50
4	66	Narmada, Water Resources and Water Supply	M.H.2702 (xxiv) 01(103) Tube wells (plan)	0.23
5	66	Narmada, Water Resources and Water Supply	M.H.2701 (12)(xxx) 80 (003) Water management (plan)	0.14
6	66	Narmada, Water Resources and Water Supply	M.H.2701(xxiiI) 01(513)(84) Maintenance and Repairs (Plan)	0.09
7	71	Panchayats, Rural Housing and Rural Development	M.H.2501(ii) state watershed programme on Demand (plan)	4.25
8	71	Panchayats Rural Housing and Rural Development	M.H.2216 (v)03(102)(9) HSQ-15-A Subsidy for constructing Houses on the House site (Plan)	0.63
9	86	Roads and Buildings	M.H.3054 (v) 04 (337) Roads and Bridges	0.75
			Total	48.56
		Capital Section		
1	46	Home	M.H.4055(i) 211Police Housing (Plan)	1.26
2	46	Home	(ii)211 Police Housing	0.97
3	65	Narmada, Water Resources and Water Supply	M.H.4801(iii) (01)(052)(7) Generating plant and machinery (Plan)	1.36
4	66	Narmada, Water Resources and Water Supply	M.H.4701(xxii) (01)(508)(46) Distributories and Water courses (Plan)	0.90
5	66	Narmada, Water Resources and Water Supply	M.H.4701 (xxxii) (03)(601)(80) Other expenditure (Plan)	0.34

1	2	3	4	5
6	66	Narmada, Water Resources and Water Supply	M.H.4711 (XLV) 03(555)(80) Other expenditure (Plan)	0.16
7	66	Narmada, Water Resources and Water Supply	M.H.4711 (XLVIII) 03(528)(80) Other expenditure (Plan)	0.13
8	66	Narmada, Water Resources and Water Supply	M.H.4701(Li) (03)(609) 80 other expenditure	0.11
9	66	Narmada, Water Resources and Water Supply	M.H.4701(liv)03(521)(80) Other expenditure (plan)	0.08
10	66	Narmada, Water Resources and Water Supply	M.H.4701(lv) (03)(562)(41) Loan and Appurtenant works (Plan)	0.08
11	66	Narmada, Water Resources and Water Supply	M.H.4711(lviii) (01)(001)(53) machinery and equipment (Plan)	0.06
12	66	Narmada, Water Resources and Water Supply	M.H.4701(Lx)(01(512)(42) Buildings (plan)	0.06
13	66	Narmada, Water Resources and Water Supply	M.H..4701(lxi)01(541)(41) Dam and Appurtenant works (plan)	0.06
14	74	Ports and Fisheries	M.H.7051 (i) 01(800)(1) Loans to pipavav port Ship breaking project (IDP-1156)(Plan)	20.64
15	74	Port and Fisheries	M.H.7051(ii) 01(800)(2) Loans to Gujarat pipavav Port Trust (IDP-115)	12.69
			Total	38.90
			Grand Total	87.46

APPENDIX - XI

Statement showing cases where amount of saving not surrendered
(Reference: Paragraph 2.3.12(a) Page 33)

(Rupees in crore)			
Serial Number	Grant/ Appropriation Number	Department	Amount of saving not surrendered
1	2	3	4
		Revenue Section	
1	20	Food Civil Supplies and Consumer Affairs	0.04
2	29	General Administration	0.06
3	64	Narmada Water Resources and Water supply	0.37
4	83	Roads and Building	0.04
		Total	0.51
		(b) Appropriations	
1	25	Forests and Environment	0.48
2	34	General Administration	0.01
3	42	Home	0.03
4	66	Narmada, Water Resources and Water Supply	0.01
5	86	Roads and Buildings	0.36
6	88	Roads and Buildings	1.56
		Total	2.45
		Capital Section	
1	3	Agriculture and Co-operation	0.81
2	4	Agriculture and Co-operation	0.02
		Total	0.83
		(b) Appropriation	
1	18	Finance	0.01
2	66	Narmada, Water Resources and Water Supply	0.29
3	86	Roads and Buildings	0.04
4	94	Social Justice and Empowerment	0.18
		Total	0.52
		Grand Total	4.31

APPENDIX - XI-A

Statement showing cases of saving of Rs.1 crore or more not surrendered
(Reference : Paragraph 2.3.12(a) Page 33)

(Rupees in crore)

Serial Number	Grant/ Appropriation Number	Department	Amount of saving	Amount surrendered	Amount not surrendered
1	2	3	4	5	6
		Revenue Section (a) Grants			
1	43	Home	1.33	0.01	1.32
2	46	Home	7.35	2.33	5.02
3	48	Industries, Mines and Tourism	3.66	0.65	3.01
4	60	Legal	3.66	0.35	3.31
5	73	Panchayats Rural Housing and Rural Development	11.59	0.06	11.53
6	93	Social Justice and Empowerment	52.37	43.48	8.89
7	101	Urban Development and Urban Housing	2.08	0.20	1.88
		Total	82.04	47.08	34.96
		Capital Sections			
1	25	Forests and Environment	1.46	0.02	1.44
2	84	Roads and Buildings	36.00	33.00	3.00
3	85	Roads and Buildings	8.00	7.00	1.00
4	94	Social Justice and Empowerment	7.30	2.15	5.15
		Total	52.76	42.17	10.59
		Grand Total	134.80	89.25	45.55

APPENDIX - XII

Cases of surrender of funds on 30 and 31 March 2000
(Reference: Paragraph 2.3.12(b) Page 33)

(Rupees in crore)

Serial Number	Grant Number	Name of Grant	Department	Amount Surrender
1	2	3	4	5
		Revenue Section (a) Grants		
1	21	Civil Supplies	Food, Civil Supplies and Consumer Affairs	0.58
2	32	General Administration Department	General Administration	0.03
3	90	Social Security and Welfare	Social Justice and Empowerment	0.06
4	93	Special component plan for schedule casts	Narmada, Water Resources and Water Supply	1.76
5	94	Tribal Area Sub Plan	Sports Youth and Cultural Activities	0.45
6	94	Tribal Area Sub Plan	Food, Civil Supplies and Consumer Affairs	3.10
7	94	Tribal Area Sub Plan	Narmada, Water Resources and Water Supply	0.16
8	94	Tribal Area Sub Plan	Narmada, Water Resources and Water Supply	1.34
9	94	Tribal Area Sub Plan	Narmada, Water Resources and Water Supply	0.19
10	94	Tribal Area Sub Plan	Narmada, Water Resources and Water Supply	0.16
11	94	Tribal Area Sub Plan	Narmada, Water Resources and Water Supply	2.59
12	94	Tribal Area Sub Plan	Narmada, Water Resources and Water Supply	0.25
13	94	Tribal Area Sub Plan	Industries Mines and Tourism	0.45
14	94	Tribal Area Sub Plan	Industries Mines and Tourism	4.68
			Total	15.80
		Capital Section		
1	65	Narmada Development Scheme	Narmada, Water Resources and Water Supply	143.48
2	65	Narmada Development Scheme	Narmada, Water Resources and Water Supply	327.85

1	2	3	4	5
3	68	Other expenditure pertaining to Narmada Water Resources and Water Supply Department	Narmada, Water Resources and Water Supply	0.58
4	94	Tribal Areas Sub Plan	Narmada, Water Resources and Water Supply	8.41
5	94	Tribal Areas Sub Plan	Narmada, Water Resources and Water Supply	1.40
6	94	Tribal Areas Sub Plan	Narmada, Water Resources and Water Supply	0.17
7	94	Tribal Areas Sub Plan	Forests and Environment	0.02
			Total	481.91
			Grand Total	497.71

APPENDIX - XIII

**Statement showing surrender in excess of actual saving in
Grants/Appropriations
(Reference : Paragraph 2.3.13 Page 33)**

(Rupees in crore)

Serial number	Grant number	Department	Amount of saving	Surrender of saving	Excess
1	2	3	4	5	6
		Revenue Section			
		(a) Grants			
1	2	Agriculture and Co-operation	8.15	14.00	5.85
2	3	Agriculture and Co-operation	0.51	0.90	0.39
3	5	Agriculture and Co-operation	0.05	0.75	0.70
4	15	Finance	0.21	0.50	0.29
5	18	Finance	309.81	311.47	1.66
6	21	Food, Civil Supplies and Consumer Affairs	0.60	0.63	0.03
7	25	Forests and Environment	1.09	4.02	2.93
8	32	General Administration	8.75	8.95	0.20
9	34	General Administration	1.08	1.22	0.14
10	38	Health and Family Welfare	42.08	130.01	87.93
11	40	Health and Family Welfare	21.68	21.71	0.03
12	47	Industries, Mines and Tourism	0.03	0.09	0.06
13	57	Labour and Employment	0.80	0.96	0.16
14	65	Narmada, Water Resources and Water Supply	465.00	471.33	6.33
15	74	Ports and Fisheries	0.66	0.75	0.09
16	91	Social Justice and Empowerment	2.49	2.55	0.06
17	94	Social Justice and Empowerment	17.79	25.57	7.78
18	96	Sports, Youth and Cultural Activities	4.08	5.19	1.11
		Total	884.86	1000.60	115.74
		Capital Section			
1	40	Health and Family welfare	0.75	1.22	0.47
2	67	Narmada, Water Resources and Water Supply	5.58	7.90	2.32
3	91	Social Justice and Empowerment	0.93	1.23	0.30
		Total	7.26	10.35	3.09
		Grand Total	892.12	1010.95	118.83

APPENDIX – XIV

Statement showing performance of LBs/VOs and PPCs under sterilisation bed scheme
(Reference : Paragraph 3.1.11 Page 45)

(i) LBs/VOs

Year	Number of beds sanctioned	Number of beds in operation	Number of operations to be performed as per norms of 60 per bed	Number of operations performed	Average tubectomy per bed	Number of beds performing 60 tubectomy	Number of beds performing between 45 and 59 tubectomy	Number of beds performing below 45 tubectomy	Number of beds performing NIL tubectomy
1995-96	368	368	22080	13120	36	220	-Nil-	-Nil-	148
1996-97	368	368	22080	12998	35	216	-Nil-	1	151
1997-98	368	368	22080	15170	41	165	-Nil-	43	160
1998-99	368	368	22080	13269	36	190	-Nil-	41	137

(ii) PPCs

Year	Number of beds sanctioned	Number of beds in operation	Number of Tubectomies to be performed as per norms of 75 per bed	Number of Tubectomies performed	Average Tubectomy per bed	Number of beds performing 75 tubectomy	Number of beds performing between 45 and 74 Tubectomies	Number of beds performing below 45 Tubectomies	Number of beds having Nil Tubectomy	Percentage
1995-96	636	636	47700	37.420	59	215	222	20	179	28
1996-97	636	636	47700	36.811	58	213	238	20	165	26
1997-98	636	636	47700	34.899	55	179	245	5	207	33
1998-99	636	636	47700	32.701	51	129	281	--	226	36

APPENDIX – XV

**Statement showing performance of the State under different
immunisation programme
(Reference : Paragraph 3.1.14 (a) Page 47)**

(Numbers in lakh)

Sr. No.	Gujarat State	1995-96			1996-97		
		Target	Achievement	Percentage	Target	Achievement	Percentage
1	T.T. (Mothers)	13.17	12.46	94.60	13.17	12.28	93.24
2	D.P.T.	12.03	11.89	98.83	12.03	11.69	97.17
3	Polio	12.03	11.97	99.50	12.03	11.75	97.67
4	BC.G.	12.04	12.14	100.83	12.03	11.92	99.08
5	Measles	12.03	10.99	91.35	12.03	11.13	92.51
6	T.T. 10 years	10.16	7.8	76.77	10.16	7.92	77.95
7	T.T. 16 Years	09.1	6.40	70.32	9.01	6.34	70.36
8	D.T. 5 years	10.4	8.37	80.48	10.41	8.62	82.80
9	IFA Mother	13.17	13.61	103.34	13.17	11.43	86.78
10	Vitamin 'A' Ist dose	12.03	10.52	87.44	12.03	9.57	78.96
11	Vitamin 'A' IInd dose	10.55	8.23	78.00	10.55	7.34	69.57
12	D.P.T. Booster	11.74	8.40	71.55	11.74	8.29	70.61
13	Polio Booster	12.17	9.16	75.26	12.17	9.06	74.44

(Numbers in lakh)

Sr. No.	Gujarat State	1997-98			1998-99			1999-2000		
		Target	Achievement	Percentage	Target	Achievement	Percentage	Target	Achievement	Percentage
1	T.T. (Mothers)	13.17	12.48	94.76	13.48	12.50	92.72	13.55	13.09	96.60
2	D.P.T.	12.03	11.71	97.33	12.16	12.02	98.84	12.23	12.17	99.50
3	Polio	12.03	11.78	97.92	12.16	12.18	100.16	12.23	12.23	100
4	BC.G.	12.03	12.09	100.49	12.16	12.14	99.83	12.23	12.23	100
5	Measles	12.03	11.07	92.01	12.16	11.14	91.61	12.23	11.79	96.40
6	T.T. 10 years	10.16	07.44	73.26	9.58	8.19	85.49	9.80	7.25	73.97
7	T.T. 16 Years	9.01	06.23	69.14	8.11	6.83	84.21	8.78	6.05	68.90
8	D.T. 5 years	10.41	7.14	68.58	9.31	6.61	70.99	9.12	7.41	81.25
9	IFA Mother	13.17	11.46	87	13.48	8.52	63.20	13.55	13.96	103.02
10	Vitamin 'A' Ist dose	12.03	09.51	79.05	12.16	8.76	72.03	12.23	10.32	84.38
11	Vitamin 'A' IInd dose	10.55	7.70	72.98	8.80	7.36	83.63	9.65	8.19	84.87
12	D.P.T. Booster	11.74	8.41	71.63	10.48	8.89	84.82	10.48	9.18	87.59
13	Polio Booster	12.17	8.72	71.65	10.83	9.16	84.57	10.49	9.23	87.98

APPENDIX – XVI

Statement showing distribution of drug and equipment kits

(Reference : Paragraph 3.1.14 (b) Page 47)

(i) Equipment kit C to P

Level	Name of kits	No.of kits required as per strength of March 2000	No. of kits supplied
Centre	Kit C	7274	2772
	Mid-wife Kit	7274	NIL
PHC	Kit D	980	385
FRU	Kit E to Kit P	88	77

(ii) Drug kits A and B

Year	Kit A		Kit B	
	Required	Supplied	Required	Supplied
1995-96	14548	NA	14548	NA
1996-97	14548	14562	14548	14570
1997-98	14548	14570	14548	14570
1998-99	14548	15012	14548	15012
1999-2000	Awaited	Awaited	awaited	awaited

NA : Information not available.

APPENDIX – XVII

**Statement showing number of courses planned and staff trained during
1995-2000**

(Reference : Paragraph 3.1.17 Page 48)

Year	Courses for medical officer							
	Courses planned	courses conducted	Short-fall	Percentage	No. to be trained	No. actually trained	short-fall	Percentage
1995-96	30	26	4	13	600	524	76	13
1996-97	28	25	3	11	560	429	131	23
1997-98	25	22	3	12	500	425	75	15
1998-99	13	9	4	11	260	103	157	60
1999-2000			Awaited					
	96	82	14		1920	1481	439	

Year	Courses for para medical officer							
	Courses planned	courses conducted	Short-fall	Percentage	No. to be trained	No. actually trained	short-fall	Percentage
1995-96	1220	1180	40	3	30500	22011	8489	28
1996-97	1312	1235	77	6	32800	25763	7037	21
1997-98	1200	1001	199	17	24000	16008	7992	33
1998-99	740	512	228	31	18500	11698	6802	37
1999-2000								
	4472	3928	544		105800	75480	30320	

APPENDIX - XVIII

Statement showing details of drawal of AC bills

(Reference Paragraph 3.6.1 (i) Page 55)

Serial number	Name of Drawing and Disbursing Officer	Month of Drawal	Amount (Rupees in lakh)	Submission of DC bill	Purpose
1	Joint Commissioner, Food and Drugs Laboratory, Baroda	March 1999	94.43	November 1999	For importing equipment and contingency
2	Dean, Medical College, Jamnagar	March 1997	2.50	November 1997	For purchasing of Blood Analysis photometers
3	Dean, Medical College, Jamnagar	March 1998	25.85	October 1998	For purchasing of instruments
4	Administrative Officer, Central Jail, Sabarmati, Ahmedabad	March 1999	7.90	April 2000	Not mentioned
5	District Employment Officer, Junagadh	March 1998	2.76	April 1999	Not mentioned
6	Collector, Dangs-Ahwa	Between April 1998 to March 1999	9.27	Beyond stipulated period of 3 months	Not mentioned
	Total		142.71		

APPENDIX - XIX

Statement showing details of foreign travel performed by Ministers,
Officers etc. during 1999-2000

(Reference : Paragraph 3.7.2 Page 58 to 62)

Serial number	Name	Designation	Portfolio held	Place(s) of visit	Period of visit	Purpose of visit	Expenditure by
1	2	3	4	5	6	7	8
(1) i	Shri Keshubhai Patel	Chief Minister	Chief Minister	UK and USA	1-7-1999 to 7-7-1999	To attend meeting of Patel Samaj and for NRI investment	GAD
ii	Shri S.K. Shelat	Advisor to CM	Chairman GIIC	--do--	27-6-1999 to 7-7-1999	--do--	GIIC
iii	Shri Haribhai Desai	Chairman	NRG Foundation	--do--	--do--	--do--	NRG Foundation
iv	Shri P.K. Pujari	Secretary	GAD NRI	--do--	--do--	--do--	GAD
v	Dr.K.N. Shelat	Industries Commissioner and Chairman, Indext-b	Industries Commissioner and Chairman, Indext-b	--do--	--do--	--do--	Indext-b
vi	Shri R.J. Shah	Chief Industrial Advisor	Indext-b	--do--	1-7-1999 to 4-7-1999	--do--	Indext-b
vii	Shri Shetal Pandya	Asstt. to CM	CM Office	--do--	1-7-1999 to 7-7-1999	--do--	GAD
(2)(i)	Shri Keshubhai Patel	Chief Minister	Chief Minister	UK, Netherlands and Belgium	4-2-2000 to 10-2-2000	To present Gujarat-Vision 2000 and to interact with NRIs.	GAD
(ii)	Shri S.K. Shelat	Advisor to CM	Advisor to CM	--do--	--do--	--do--	GAD/GIIC
(iii)	Shri P.K. Pujari	Secretary	GAD, Sachivalaya	--do--	--do--	--do--	GAD
(iv)	Shri Kuntal Sanghvi	Personal Secretary to CM	CM Office	--do--	--do--	--do--	GAD
(v)	Dr. K.N. Shelat	Industries Commissioner and Chairman Indext-b	Industries Commissioner and Chairman Indext-b	--do--	--do--	--do--	Indext-b
(vi)	Shri Atnu Chakraborty	Chief Exe. Officer	GIDBS	--do--	--do--	--do--	GIDBS
3(i)	Shri Sureshchandra R. Mehta	Minister	Industries and Mines and Civil Aviation Department	Washington DC, USA and London, UK	16-9-1999 to 24-9-1999	To attend VIIIth Annual World Economic Congress	Indext-b

1	2	3	4	5	6	7	8
(ii)	Shri L.N.S. Mukundan	Chief Secretary GOG	GAD	--do--	16-9-1999 to 20-9-1999	--do--	GAD
(iii)	Shri G. Subbarao	Principal Secretary	I & M Department	--do--	16-9-1999 to 24-9-1999	--do--	GIDBS
(iv)	Shri Atnu Chakraborty	CEO	GIDBS	--do--	--do--	--do--	--do--
(v)	Shri A.D. Desai	Secretary	Ports and Fisheries Department	Washington DC	16-9-1999 to 23-9-1999	--do--	GMB
(vi)	Shri H.P. Jamdar	Secretary	R&B Department	--do--	--do--	--do--	GRDC
(vii)	Dr. K.N. Shelat	Industries Commissioner	I&M Department	--do--	--do--	--do--	Indext-b
4	Shri Ashok Koshi	ACS	ACS to Government of Gujarat investment promotion New Delhi	Newzealand Australia	8-4-2000 to 15-4-2000	To attend joint conference	Industries Commissioner
5(i)	Mrs G.N.Solanki	Director of FTC	Agriculture Department (Director Agriculture Ahmedabad)	Netherlands	16-01-2000 to 05-2-2000	Study tour	Netherlands Government
(ii)	Miss F.Z.Mirza		-do-	-do-	-do-	-do-	
6(i)	Shri L.N.S.Mukundan	Chairman GSPC	CS GOG/ GAD Gandhinagar	Canada	9-8-1999 to 14-8-1999	To lead delegation of confederation of Indian Industry (CII)	GSPC
(ii)	Shri Sanjay Gupta	MD GSPC.	MD GSPC.	GSPC
7	Shri Vijayranchan	Principal Secretary & Director of GNVFC	E&P Department	USA			GNFC
8(i)	Shri Bimal Shah	Minister	Information & Technology Gandhinagar	Singapore & USA	31-1-2000 to 12-2-2000	To study development in I.T. field (Study tour)	Government of Gujarat
(ii)	Shri K.Srinivas	Additional Secretary to Chief Minister	ACSIT GAD	-do-	-do-	-do-	--do--
(iii)	Prof. N.V.Vasani	Adviser to Chief Minister	Chief Minister's office	-do-	-do-	-do-	Gujarat Council of Science City
(iv)	Shri Sanjay Gupta	Member Secretary Science city	Member Secretary, Science city	-do-	-do-	-do-	--do--
(v)	Shri J.S.Rana	Secretary	Information and technology and science city	-do-	-do-	-do-	GAD

1	2	3	4	5	6	7	8
9	Shri J.A.Lakhani	SE GMB, Gandhinagar	GMB Gandhinagar	Japan	22-2-2000 to 28-2-2000	Inspection of goods	Supplier of goods
10	Shri P.N.Roychowdhury	VC and. Chief Executive officer GMB	VC and CEO GMB	UK France Belgium Nether- lands and Germany	22-11-1999 to 30-11-1999	Ports study tour	Expenditure incurred by G.PPL .
11	P.Paneervell	Tansport Commis- sioner	Home (Tansport)	UK.	7-12-1999 to 8-12-1999	Submit a paper on smart-card Driving Licence	By smartchip limited New Delhi.
12	Shri P.N.Roychowdhury	Secretary FD	Finance Department	Washing- ton DC USA	29-3-1999 to 16-4-1999	SSTA Study Tour	Sponsored by ADB under SSTA.
13(i)	Shri A.D.Desai	Secretary to Government	Ports & Fisheries Department	Singapore	31-7-1998 to 4-8-1998	Agree- ment signing ceremony	Incurred by GPPL(Joint venture of GOG)
(ii)	Shri K.V.Kailashnathan	VC & CEO GMB	VC & CEO GMB	-do-	-do-	-do-	-do-

APPENDIX – XX

Statement showing execution of works not covered under the scheme
(Reference: Paragraph 3.8.2(3) Page 64)

(Rupees in lakh)

Serial number	Name of the constituency	Details of works	Nos	Expenditure incurred	Year	By whom approved	Remark/Reasons
1	Valsad/Dang	Procurement of computers in District Panchayats	1	9.99	2000-01	DPO Dang Ahwa	(1)The purchase of computer for Govt.Office is not permissible under the scheme
2	Valsad-Dangs	Construction of bus stand with office for	1	5.00	2000-01	DPO Dang Ahwa	(2) Construction of bus stand with office is not covered under the scheme
3	Rajkot	(i) Construction of Panchayat Ghar	1 2 3	1.00 2.07 4.73	96-97 97-98 98-99	DPO Rajkot	Work not covered under the scheme
		(ii) Resurfacing of Roads	5	23.83	98-99	DPO Rajkot	Resurfacing work is being of the nature of repair works was not permissible under the scheme
4	Banaskantha	(i) Construction of Panchayat Ghar	3	2.48	1999-00	DPO Palanpur	Works were not covered under the scheme
		(ii) Construction of Com.Hall to Primary school	2 1	3.32 0.68	1997-98 1999-00	--do-- --do--	
5	Kheda	(i)Construction of compound wall to primary schools	11 20 04	5.21 8.99 2.58	1997-98 1998-99 1999-00	DPO Kheda Nadiad	
		(ii)Construction of Panchayat Ghar	1	0.70	1998-99		
		(iii) Repair works of room of primary school	1	0.49	1998-99	DPO Kheda	Repair work is not permissible under the scheme
		(iv) Dead-Box-Dissection hall in hospital Nadiad	1	3.08	1999-00	DPO Kheda	Construction of hall for aided-hospital is not covered under the scheme
		(v) Providing water cooler at bus stop (swaminarayan college)	1	0.75	1998-99	DPO Kheda	Purchase of inventory was not allowed

Serial number	Name of the constituency	Details of works	Nos	Expenditure incurred	Year	By whom approved	Remark/Reasons
6	Ahmedabad	(i) Construction of compound wall	9	3.23	1997-98	DPO Ahmedabad	Not covered under the scheme
			6	14.87	1998-99		
		(ii) Hospital equipments supply to AMC hospitals	3	63.07	1997-98	DPO Ahmedabad	Purchase of equipments to AMC hospital is not Covered under the scheme
			3	95.53	1998-99		
			37	23.99	1999-00		
		(iii) Electrifying in municipal areas of Ahmedabad Municipal Corporation	26	9.43	1997-98	DPO Ahmedabad	Electrification on roads in the corporation area of AMC is not covered under the scheme
			54	30.24	1998-99		
			46	1.73	1999-00		
		Total		316.99 i.e. Rs.3.17 crore			

APPENDIX - XXI

Statement showing less drawal of samples

(Reference : Paragraph 3.9(g) Page 71)

Serial number	Name of Commodity	1995			1996		
		D	T	A	D	T	A
1	Beverages						
	1 Alcoholic	--	--	--	2	2	--
	2 Non Alcoholic	130	123	16	193	194	14
	3 Mineral water	--	--	--	18	18	3
2	Spices & Condiments						
	1 Whole	2034	1869	118	287	291	14
	2 Powder	--	--	--	1390	1435	80
3	Sweetening Agents	448	428	12	334	360	4
4	Tea, Coffee etc.	435	421	13	291	309	8
5	Milk	892	825	98	966	985	109
6	Butter, Ghee Milk product	851	801	83	721	796	51
7	Edible oils & vanaspati	2083	1973	134	1734	1770	106
8	Cereals & Pulses	1083	1120	36	882	884	24
9	Fruit & vegetable product						
	1 Jam etc.	194	197	15	171	161	12
	2 Pickles	--	--	--	30	25	5
10	Infant Milk	17	17	--	8	6	--
11	Infant Food	9	9	--	36	37	--
12	Salt & iodised salt	--	--	--	336	306	40
13	Supari & pan masala	--	--	--	104	99	9
14	Sweets & confectionery	--	--	--	--	--	--
15	Namkeens	--	--	--	--	--	--
16	Miscellaneous	2230	2030	165	1559	1608	82
17	Bakery products	--	--	--	--	--	--
	Total	10406	9813	690	9062	9286	561

Note: Figures of Municipal Corporation for the year 1999 were not available

D- Drawn
T- Tested
A Adulteration

Serial number	Name of Commodity	1997			1998			1999		
		D	T	A	D	T	A	D	T	A
1	Beverages									
	1 Alcoholic	12	12	3	--	--	--	--	--	--
	2 Non Alcoholic	134	137	4	173	144	16	107	117	12
	3 Mineral water	48	43	17	--	--	--	51	58	5
2	Spices & Condiments									
	1 Whole	273	269	3	--	--	--	132	155	9
	2 Powder	1204	1211	75	1053	1109	34	559	539	23
3	Sweetening Agents	327	313	12	223	242	8	112	98	2
4	Tea, Coffee etc.	346	336	16	345	321	10	269	249	10
5	Milk	842	871	77	902	867	110	319	329	55
6	Butter, Ghee Milk product	532	550	44	720	703	66	540	528	63
7	Edible oils & vanaspati	1424	1455	73	2356	2045	115	1553	1476	84
8	Cereals & Pulses	804	793	23	921	914	11	220	208	8
9	Fruit & vegetable product									
	1 Jam etc.	163	161	16	212	202	34	72	72	16
	2 Pickles	27	34	1	20	18	--	19	19	3
10	Infant Milk	18	13	--	--	--	--	46	31	--
11	Infant Food	21	21	1	28	26	2	11	11	--
12	Salt & iodised salt	234	243	41	18	14	--	84	85	7
13	Supari & pan masala	98	103	63	33	31	2	30	29	8
14	Sweets & confectionery	--	--	--	--	--	--	178	158	3
15	Namkeens	--	--	--	--	--	--	60	45	2
16	Miscellaneous	1630	1326	174	1541	1669	158	244	245	27
17	Bakery products	--	--	--	--	--	--	27	29	2
	Total	8137	7891	643	8545	8316	566	4633	4481	339

APPENDIX - XXII

Statement showing year-wise position of outstanding Inspection Reports and Paragraphs

(Reference : Paragraph 3.15 Page 90)

Year	Inspection Reports	Paragraphs
Upto 1995-96	141	297*
1996-97	50	145
1997-98	54	132
1998-99	80	300
1999-2000	78	258
Total	403	1132

* Of these 17 Inspection Reports and 36 Paragraphs have not been replied to/settled for more than 10 years.

APPENDIX – XXIII

**Year-wise cases of Misappropriation, losses, etc. (Reported up to 31 March 2000 and outstanding at the end of 30 September 2000)
(Reference : Paragraph 3.16 Page 92)**

(Rupees in lakh)

Serial number	Name of Department	Upto 1991-92		1992-93		1993-94		1994-95		1995-96	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Food and Civil Supplies	2	0.64	--	--	--	--	--	--	--	--
2	Agriculture, Co-operation and Rural Development	2	2.67	1	29.00	1	3.89	1	0.29	--	--
3	Fisheries (Ports and Fisheries)	--	--	--	--	--	--	--	--	--	--
4	Forest and Environment	5	3.34	--	--	2	0.11	1	0.98	--	--
5	Home	8	8.79	--	--	2	0.51	--	--	--	--
6	Labour and Employment	--	--	--	--	--	--	--	--	--	--
7	Home (Transport)	1	2.56	--	--	--	--	--	--	--	--
8	Finance	3	5.62	--	--	--	--	--	--	--	--
9	Health and Family Welfare	14	18.60	--	--	1	0.13	--	--	--	--
10	Roads and Buildings	5	6.05	--	--	--	--	1	0.20	1	1.43
11	Narmada and Water Resources (WR)	29	13.62	2	0.89	1	0.77	--	--	--	--
12	Industries and Mines	--	--	--	--	--	--	--	--	--	--
13	Narmada and Water Resources (Narmada)	2	1.37	--	--	--	--	--	--	--	--
14	Legal	2	1.02	--	--	--	--	--	--	--	--
15	Education	--	--	--	--	1	1.13	--	--	--	--
16	Panchayat and Rural Housing	--	--	--	--	--	--	1	0.08	--	--
17	Revenue	15	2.69	1	3.44	1	5.86	--	--	--	--
18	Information and Publicity	--	--	--	--	--	--	--	--	--	--
19	Urban Development and Urban Housing	--	--	--	--	--	--	--	--	--	--
20	Sports, Youth Services and Cultural Activities	--	--	--	--	--	--	--	--	--	--
21	Land Revenue	42	5.16	--	--	--	--	--	--	4	0.24
	Total	130	72.13	4	33.33	9	12.40	4	1.55	5	1.67

(The figures have been

(Rupees in lakh)

Serial number	Name of Department	1996-97		1997-98		1998-99		1999-2000		Total	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Food and Civil Supplies	--	--	--	--	--	--	--	--	2	0.64
2	Agriculture, Co-operation and Rural Development	1	1.41	3	16.13	--	--	4	1.14	13	54.53
3	Fisheries (Ports and Fisheries)	--	--	--	--	--	--	2	3.71	2	3.71
4	Forest and Environment	--	--	--	--	--	--	--	--	8	4.43
5	Home	1	3.88	5	2.35	--	--	--	--	16	15.53
6	Labour and Employment	--	--	--	--	3	0.58	--	--	3	0.58
7	Home (Transport)	--	--	--	--	--	--	1	0.32	2	2.88
8	Finance	--	--	--	--	--	--	--	--	3	5.62
9	Health and Family Welfare	2	1.29	--	--	1	0.57	1	0.02	19	20.61
10	Roads and Buildings	--	--	--	--	--	--	--	--	7	7.68
11	Narmada and Water Resources (WR)	--	--	--	--	--	--	--	--	32	15.28
12	Industries and Mines	1	0.07	1	0.68	--	--	--	--	2	0.75
13	Narmada and Water Resources (Narmada)	--	--	--	--	--	--	--	--	2	1.37
14	Legal	--	--	3	3.34	--	--	--	--	5	4.36
15	Education	2	8.65	1	1.90	1	1.00	2	3.48	7	16.16
16	Panchayat and Rural Housing	3	0.25	--	--	3	66.90	1	0.40	8	67.63
17	Revenue	--	--	--	--	--	--	--	--	17	11.99
18	Information and Publicity	--	--	1	0.58	--	--	4	1.08	5	1.66
19	Urban Development and Urban Housing	--	--	--	--	--	--	2	9.13	2	9.13
20	Sports, Youth Services and Cultural Activities	--	--	--	--	--	--	1	4.47	1	4.47
21	Land Revenue	1	0.06	2	0.33	--	--	1	0.11	50	5.90
	Total	11	15.61	16	25.31	8	69.05	19	23.86	206	254.91

rounded in thousands)

APPENDIX - XXIV

Statement showing the details of payment made to Capital Project
Division No.III in March 1999

(Reference : Paragraph 4.11 Page 112)

HO No. and Date	Name of Division	HR No. and Date		Name of work		Major Head
1	2	3	4	5	6	7
HO/1647 31-03-1999	Executive Engineer, Capital Project Division No.-III, Gandhinagar	HR No.-A- <u>11</u> 03-1999	21,23,810	Strengthening of internal Roads of STC/Town Hall and Sachivalaya	21,23,810	4217 C.O. U.D. R&B
HO/1648	-- do --	HR NO. A- <u>64</u> 03-1999	20,27,210	(i) Strengthening the internal Roads of Mini Bunglow enclave	15,98,700	-- do --
				(ii) Strengthening the internal Roads Raj Bhavan Staff Quarters Campus	1,16,070	-- do --
				(iii) Strengthening the internal Roads of Circuit House Campus	1,54,760	-- do --
				(iv) Strengthening the internal Roads 'K' Type Bunglow	1,57,680	-- do --
HO/1649	-- do --	HR No. A-5 03-1999	7,48,980	Internal Roads of Dr. J.M. Mehta Bhavan	7,48,980	-- do --
Total			49,00,000		49,00,000	

APPENDIX - XXV

Details regarding year-wise Inspection Reports/Paras outstanding for more than 10 years (Upto 31-03-1990)

(Reference : Paragraph 4.20 Page 124)

Year	Roads and Buildings Department		Narmada, Water Resources and Water Supply Department		Total	
	Inspection Reports	Paras	Inspection Reports	Paras	Inspection Reports	Paras
1979-80	--	--	--	--	--	--
1980-81	3	3	--	--	3	3
1981-82	3	3	4	5	7	8
1982-83	3	3	7	8	10	11
1983-84	3	4	11	17	14	21
1984-85	7	11	30	67	37	78
1985-86	10	15	26	47	36	62
1986-87	14	26	54	132	68	158
1987-88	17	27	40	110	57	137
1988-89	12	23	47	106	59	129
1989-90	27	55	57	152	84	207
Total	99	170	276	644	375	814

APPENDIX - XXVI

Statement showing year-wise details of Inspection Reports-Paragraphs issued upto 31-12-1999 and outstanding as on 30-06-2000 in respect of Roads and Buildings and Irrigation Departments of Government of Gujarat

(Reference : Paragraph 4.20 Page 124)

Year	Roads and Buildings Department		Narmada, Water Resources and Water Supply Department		Total	
	Inspection Reports	Para-graphs	Inspection Reports	Para-graphs	Inspection Reports	Para-graphs
Upto 1979-80	1	1	--	--	1	1
1980-81 to 1989-90	99	170	276	644	375	814
1990-91 to 1994-95	201	515	301	747	502	1262
1995-96	52	140	46	106	98	246
1996-97	61	168	59	127	120	295
1997-98	38	129	60	160	98	289
1998-99	26	113	68	211	94	324
April 1999 to December 1999	54	360	62	277	116	637
Total	532	1596	872	2272	1404	3868

APPENDIX - XXVII

Statement showing the Unsettled Serious Irregularities as of March 2000

(Reference : Paragraph 4.20 Page 124)

(Rupees in lakh)

Serial number	Nature of Irregularities	Roads and Buildings Department		Narmada, Water Resources and Water Supply Department	
		Number of Paras	Amount	Number of Paras	Amount
1	Unauthorised financial aid to the contractor/supplier	43	2137.84	23	225.07
2	Outstanding recoveries from contractor/suppliers	46	866.61	57	1533.06
3	Extra expenditure due to delay in acceptance of tender/unworkable rate	20	278.07	11	81.79
4	Extra expenditure due to delay in completion/ abandonment of work	8	298.51	8	320.73
5	Avoidable extra expenditure	30	413.48	54	864.27
6	Extra expenditure	21	612.76	46	1681.12
7	Irregular Job Expenditure/ Payment	41	1101.14	75	1082.63
8	Unfruitful expenditure	17	759.41	30	4701.58
9	Infructuous expenditure	2	10.25	9	286.68
10	Blocking up of fund	19	1244.36	34	1345.33
11	Unadjusted advances/MPW advance	3	284.52	12	132.66
12	Expenditure incurred in excess of deposit work/ deposit transaction	2	82.41	3	66.16
13	Irregular allotment of Job Number	15	13876.23	--	--
14	Unutilised stores/spare parts/machineries lying idle etc.	14	168.56	19	784.33
15	Excess expenditure than letter of credit/budget grants allotment	20	2182.88	29	1787.33
16	Outstanding amount in CSS accounts	1	20.23	--	--
17	Irregular purchases	6	308.68	11	57.24
18	Loss to Government	26	1436.59	14	175.75
19	Misappropriation	1	2.50	--	--
20	Diversion of fund	14	2452.35	13	722.25
21	Other Miscellaneous	49	9376.69	51	3013.79

APPENDIX – XXVIII

Statement showing the details of bodies whose accounts have been entrusted to the Comptroller and Auditor General of India

(Reference : Paragraph 6.1.7 Page131)

Serial number	Name of body	Period of entrustment of audit	Date of entrustment
1	Gujarat Maritime Board, Ahmedabad	Upto 2002	12 January 1999
2	Gujarat Municipal Finance Board, Ahmedabad	Upto 2003-2004	21 January 1999
3	Gujarat Housing Board, Ahmedabad	Upto 2002-03	18 February 1998
4	Gujarat Rural Housing Board, Gandhinagar	Upto 2002-03	02 May 1998
5	Gujarat Slum Clearance Board, Ahmedabad	Upto 2002-03	02 May 1998

APPENDIX - XXIX

Statement showing Budget-Provision expenditure, excess and saving
(Plan/Non-Plan)

(As per books of Accountant General (Accounts and Entitlement) Gujarat)

(Reference : Paragraph 6.2.4(i) Page 135)

(Rupees in crore)

Year	Grant number	Budget provision		Total budget provision	Expenditure		Total expenditure	Excess (+)		Total excess (+)	Saving (-)		Total saving (-)
		Plan	Non-plan		Plan	Non-plan		Plan	Non-plan		Plan	Non-plan	
1996-97	8	39.97	984.99	1024.97	36.66	980.73	1017.39	--	--	--	3.32	4.26	7.58
	93	2.05	--	2.05	2.05	--	2.05	--	--	--	--	--	--
	94	27.77	17.07	44.83	27.82	18.00	45.82	0.07	0.93	1.00	0.01	--	0.01
Total		69.79	1002.06	1071.85	66.53	998.73	1065.26	0.07	0.93	1.00	3.33	4.26	7.59
1997-98	8	83.08	1082.78	1165.86	86.32	1082.38	1168.70	8.12	0.01	8.13	4.89	0.41	5.30
	93	4.19	--	4.19	4.17	--	4.17	--	--	--	0.02	--	0.02
	94	19.33	18.50	37.83	17.78	17.85	35.63	0.12	0.01	0.13	1.66	0.66	2.32
Total		106.60	1101.28	1207.88	108.27	1100.23	1208.50	8.24	0.02	8.26	6.57	1.07	7.64
1998-99	8	92.69	1524.82	1617.51	83.80	1524.20	1608.00	--	0.10	0.10	8.89	0.72	9.61
	93	4.49	--	4.49	4.49	--	4.49	--	--	--	--	--	--
	94	33.05	20.24	53.29	29.80	20.53	50.33	0.29	0.30	0.59	3.54	0.01	3.55
Total		130.23	1545.06	1675.29	118.09	1544.73	1662.82	0.29	0.40	0.69	12.43	0.73	13.16
Grand Total		306.62	3648.40	3955.02	292.89	3643.69	3936.58	8.60	1.35	9.95	22.33	6.06	28.39

APPENDIX - XXX
Statement showing departmental figures
(Reference : Paragraph 6.2.4(i) Page 135)

(Rupees in crore)

Year	Grant number	Budget provision		Total budget provision	Expenditure		Total expenditure	Excess (+)		Total excess (+)	Saving (-)		Total saving (-)
		Plan	Non-plan		Plan	Non-plan		Plan	Non-plan		Plan	Non-plan	
1996-97	8	36.66	985.28	1021.94	36.65	981.07	1017.72	--	--	--	0.01	4.21	4.22
	93	2.05	--	2.05	2.05	--	2.05	--	--	--	--	--	--
	94	26.80	16.39	43.19	26.80	16.39	43.19	--	--	--	--	--	--
Total		65.51	1001.67	1067.18	65.50	997.46	1062.96	--	--	--	0.01	4.21	4.22
1997-98	8	92.73	1083.00	1175.73	81.80	1082.58	1164.38	--	--	--	10.93	0.42	11.35
	93	4.19	--	4.19	4.19	--	4.19	--	--	--	--	--	--
	94	18.56	18.50	37.06	16.93	17.87	34.80	--	--	--	1.63	0.63	2.26
Total		115.48	1101.50	1216.98	102.92	1100.45	1203.37	--	--	--	12.56	1.05	13.61
1998-99	8	88.17	1523.72	1611.89	74.03	1523.45	1597.72	--	--	--	14.15	0.02	14.17
	93	4.49	--	4.49	4.49	--	4.49	--	--	--	--	--	--
	94	32.13	20.56	52.69	25.06	20.50	45.57	--	--	--	7.07	0.05	7.12
Total		124.79	1544.28	1669.07	103.58	1544.20	1647.78	--	--	--	21.22	0.07	21.29
Grand Total		305.78	3647.45	3953.23	272.00	3642.11	3914.11	--	--	--	33.79	5.33	39.12

APPENDIX - XXXI

Statement showing the expenditure incurred without Budget Provision
(Reference : Paragraph 6.2.4(ii) Page 135)

(Rupees in lakh)

Serial number	Grant number, Major head/Minor head/ Sub-head	Budget Provision	Final Grant	Expenditure
1	Year 1996-97 : 94-Tribal Area Sub Plan (TASP) 2202 01 (796) (2) Nucleus Budget : Free and universal primary education for all children up to the age of 14 years by 1980-87 Non Plan		Nil	92.94
2	Year 1997-98 8-Education 2202 01 (104) (3) Up-gradation of primary schools Plan	O 249.77 R (-)249.77	Nil	249.19
3	Year 1997-98 8-Education 2202 01 (104) (7) Improvement in attendance Plan	O 740.00 R (-)740.00	Nil	427.75
4	Year 1997-98 8-Education 2202 01 (104) (19) EDN 7-B Tarang Ullas Programme in primary schools Plan	O 17.50 R (-) 17.50	Nil	0.01
	Total			769.89

APPENDIX - XXXII

Statement showing non-surrender of grant
(Reference : Paragraph 6.2.4(iii) Page 135)

(Rupees in crore)

Year	Budget provision		Total Budget provision	Expenditure		Total expenditure	Excess (+)	Saving (-)	Net Excess (+)/ Saving(-)
	Plan	Non-plan		Plan	Non-plan				
1996-97	69.79	1002.06	1071.85	66.53	998.73	1065.26	1.00	7.59	6.59(-)
1997-98	106.60	1101.28	1207.88	108.27	1100.23	1208.50	8.26	7.64	0.62(+)
1998-99	130.23	1545.06	1675.29	118.09	1544.74	1662.83	0.70	13.16	12.46(-)
Total							9.96	28.39	18.43(-)

APPENDIX - XXXIII
Statement showing the abnormal excess expenditure
(Reference : Paragraph 6.2.4(iv) Page 135)

(Rupees in lakh)

Serial Number	Grant number	Major head/Minor head/ Subhead	Total grant	Expenditure	Excess	Percentage
1	2	3	4	5	6	7
	1994-95					
1	8-A General Service (e) Pension and Misc. General Service	2071 01 (104) (1) Non-plan	500.00	720.97	220.97	44
2	94-A tribal Area Sub Plan	2202 01(796) (17) EDN - 2 Plan	114.25	181.21	66.96	58
	1995-96					
3	8-A General Service (e) Pension and Misc. General service.	2071 01 (101) (1) Non-plan	2310.00	3499.96	1189.96	51
4	8-----do---	2071 02 (104) (1) Non Plan	740.00	1216.67	476.67	64
5	95-Tribal Area Sub Plan	4202 01 (796) (1) Plan	14.60	28.88	12.28	84
	1996-97					
6	8-A General Service (e) Pension and Misc. General Service	2071 01 (101) (1) Non Plan	4500.00	5572.84	1072.84	24
	1997-98					
7	8-A General Service (e) Service Pension and Misc. General Service	2071 01 (101) (1) Non Plan	3500.00	7505.36	4005.36	114
8	8-----do-----	2071 01 (104) (1) Non Plan	1500.00	2465.00	965.84	64
9	8-----do-----	2071 01 (105) (1) Non Plan	375.00	579.01	204.01	54
10	8-Education	2202 01 (104) (12) EDN 7-A Plan	2.40	5.00	2.60	108
11	8-Education	2202 01 (107) (1) EDN-10 Plan	23.25	41.79	18.54	75
12	94-Tribal Area Sub Plan	4202 01 (796) (1) Plan	35.25	47.03	11.78	33
	1998-99					
13	8-A General Service (e) Pension and Misc. General Service	2071 01 (101) (1) Non Plan	4590.00	14787.46	10197.46	222
14	8-----do-----	2071 01 (104) (1) Non Plan	1900.00	6647.39	4747.39	250
15	8-----do-----	2071 01 (105) (1) Non Plan	495.00	684.45	189.45	38
16	94-Tribal Area Sub Plan	4202 01 (796) (1) Plan	47.15	76.03	28.88	61
	Total				23410.99	

APPENDIX – XXXIV

Statement showing shortage of class rooms during 1996 to 1999

(Reference Paragraph 6.2.10 Page136)

(a) For State

(In lakh numbers)

Year	Rooms required	Rooms available	Shortage	Percentage
1996-97	1.38	1.02	0.36	26
1997-98	1.42	1.03	0.39	27
1998-99	1.53	1.10	0.43	28

(b) For selected district

Name of districts	Class rooms required	Class rooms available	Shortage	Percentage
Ahmedabad	6166	4604	1562	25
Panchmahals	7052	4936	2116	30
Rajkot	7658	3490	4168	54
Vadodara	8124	6774	1350	17
Valsad	4642	3286	1356	29

APPENDIX - XXXV
Statement showing year-wise release of funds by GOI and GOG and
expenditure there against during 1996-2000
(Reference: Paragraph 6.2.15.1 Page 140)

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	Total
Annual work plan and Budget	9.37	18.06	22.15	28.65	78.23
Opening Balance	--	3.31	8.30	5.47	--
Fund released by GOI	5.19	10.56	10.00	20.00	45.75
Funds released by GOG	Nil	4.50	4.50	2.00	11.00
Interest earned on balance deposits during the year	0.04	0.17	0.34	0.44	0.99
Total fund available during the year	5.23	18.54	23.14	27.91	--
Expenditure incurred	1.92	10.24	17.67	25.48	55.31
Unspent balance with the Society	3.31	8.30	5.47	2.43	--

APPENDIX – XXXVI

Statement showing difference in enrolment among social group
(Reference : Paragraph 6.2.15.2 (i) (b) Page 141)

Banaskantha District

(In percentage)

Year	Percentage of other student enrolled	Percentage of SC student enrolled	Percentage of ST student enrolled	Differences between		
				SC and Others (SC-OT)	ST and Others (ST-OT)	SC and ST (SC-ST)
1997-98	74.95	101.11	71.50	(+) 26.16	(-) 3.45	29.61
1998-99	79.27	105.84	77.34	(+) 26.57	(-) 1.93	28.50
1999-2000	83.81	104.18	84.71	(+) 20.37	(+) 0.90	19.47

Panchmahals District

1997-98	69.94	86.78	73.23	16.84	(+) 3.29	13.55
1998-99	73.03	81.85	77.51	8.82	(+) 4.48	4.34
1999-2000	72.80	84.46	78.90	11.66	(+) 6.10	5.56

Dangs District

1997-98	72.41	72.29	122.13	(-) 0.12	49.72	(-) 49.84
1998-99	68.36	107.65	125.10	39.29	56.74	(-) 17.45
1999-2000	58.54	61.71	126.99	3.17	68.45	(-) 65.28

APPENDIX - XXXVII

Statement showing drop out ratio in selected districts
during 1997 - 2000

(Reference: Paragraph 6.2.15.2 (ii) (a) Page 141)

(In percentage)

Year	Banaskantha			Panchmahals			Dangs		
	Boys	Girls	Difference	Boys	Girls	Difference	Boys	Girls	Difference
1997-98	12.84	19.08	6.24	8.14	0.095	8.045	15.44	18.95	3.51
1998-99	13.30	18.91	5.61	6.46	9.90	3.44	17.63	19.74	2.11
1999-2000	9.62	15.81	6.19	9.49	12.50	3.01	14.06	16.75	2.69

APPENDIX – XXXVIII

Statement showing the number of identified villages having problem of Salinity, Nitrates & Fluorides in the drinking water sources, year-wise
(Reference: Paragraph 6.3.5.3 Page 152)

Serial number	DISTRICT	F.Y. 1997-98			F.Y. 1998-99			F.Y.1999- 2000		
		TDS	NITRATE	FLUORIDE	TDS	NITRATE	FLUORIDE	TDS	NITRATE	FLUORIDE
1	2	3	4	5	6	7	8	9	10	11
1	AHMEDABAD	41	4	41	56	8	48	65	17	55
2	AMRELI	44	None	10	52	9	17	60	10	19
3	ANAND	None	None	None	10	9	13	11	9	15
4	BANASKAN-THA	29	35	87	31	46	97	35	57	108
5	BHARUCH	14	4	11	19	8	17	41	11	25
6	BHAVNAGAR	18	None	19	27	2	23	39	3	33
7	DAHOD	None	None	None	3	8	33	6	17	42
8	DANG	None	None	None	None	None	None	None	None	None
9	GANDHINAGAR	3	None	43	5	7	51	9	9	64
10	JAMNAGAR	49	9	7	57	13	12	68	15	15
11	JUNAGADH	23	None	14	28	3	18	31	6	38
12	KACHCHH	29	None	3	61	2	5	70	4	8
13	KHEDA	54	57	147	58	62	160	63	66	166
14	MAHESANA	75	7	106	80	10	112	88	13	117
15	NARMADA	None	None	None	None	None	8	1	9	20
16	NAVSARI	None	None	None	8	None	5	8	1	8
17	PANCHMAHAL	8	19	33	12	20	34	15	25	45
18	PATAN	None	None	None	66	1	101	68	3	113
19	PORBANDAR	None	None	None	4	1	1	7	3	9
20	RAJKOT	83	1	37	90	3	42	110	5	49
21	SABARKANTHA	18	19	126	22	39	134	25	53	139
22	SURAT	17	4	8	18	9	9	11	11	19
23	SURENDRA-NAGAR	37	2	65	47	7	72	53	8	79
24	VADODARA	24	10	46	57	25	81	61	28	115
25	VALSAD	1	None	None	7	2	2	15	3	3
	Total	567	171	803	818	294	1095	960	386	1304

APPENDIX – XXXIX

Analysis Report of sample collected from outlet of CETP

(Reference: Paragraph 6.3.6.4 Page 154)

All in mg/l or ppm

Serial number	Parameter	GPCB norms	Vatva sample Date 8-10-99	Naroda Date 10-5-2000 mgl.	Odhav I (GEPL) Date 11-5-99	Odhav II (GVMSA) Date 28-7-99	Nand e-sari Date 6-4-96	Vapi Date 29-4-99	Ankle-shwar Date 1-11-99	Jetpur Dhare-shwar 27-11-95	Jetpur (Dying & Printing) Date 9-2-2000	Sari-gam Date 20-8-96
1	Colour	100	500	600	250	200	NIL	2500	1000	300	25	1700
2	Total dissolved solid	2100	22732	20904	16892	12346	10800	7060	3300	564	2664	4210
3	Sulphates	1000	2931	4015	2396	1494	1600	1966	600	ND	32	635.46
4	BOD	30	157	959	60	40	958	18	23.30	281	92	122
5	COD	250	1980	3520	683	840	1782	457	145	782	430	400
6	Chloride	1000	8000	7300	7000	5200	2820	2325	1400	--	931	1230
7	Ammonical Nitrogen	50	117.4	84	70.6	92.26	48	147	56.89	2722	876	95
8	Suspended solid	100	164	114	176	74	158	50	104	564	46	152
9	Lead	0.01	0.31	0.05	0.21	0.27	ND	ND	NA	NA	NA	NA
10	Mercury	0.01	0.21	ND	NA	NA	NA	NA	NA	NA	NA	NA
11	Cyanide (as CN)	0.2	NA	NA	NA	NA	0.288	NA	ND	NA	NA	0.16
12	PH	6.5-8.5	7.91	7.85	7.43	7.67	7.46	7.28	7.67	7.28	7.46	7.84
13	Oil & grease	10	1.6	9.2	2.8	1.6	39	6.4	0.80	15	7	6.6
14	Capacity M ³ day	--	16000	3000	1200	1000	5500	55000	1525	668	5400	200

NA : Information not available; ND : Not detected

Discharge of CETPS

1. Vatva : Through Kharicut cannal to river Sabarmati.
2. Naroda : Through Kharicut cannal to Sabarmati.
3. Ohdhav : Through Kharicut cannal to Sabarmati.
4. Ohdhav : Through Kharicut cannal to Sabarmati.
5. Nandesari : River Mahi.
6. Vapi : Discharged into tidal zone of river Damanganga through existing pipe line.
7. Ankaleshwar : Into river Narmada through GIDC under ground pipe line.
8. Jetpur : Dhareshwar for washing, printing table and for irrigation plantation.
9. Jetpur D & P : Fatal talav.
10. Sarigam : Valsad, to open surface drain to Tokarkhadi.

APPENDIX - XL

A Statement showing the position of disposal of drainage water from sewage of six Municipal Corporations (Reference: Paragraph 6.3.7 Page 155)

All in mg/l

Serial number	Name of Municipal Corporation/Capacity	Parameters and Norms fixed for disposal standard for Sewage	Actual value of sample		
1	2	3	4		
1(i)	Ahmedabad (Pirana) 144 MLD	(a) Suspended Solid 30	26-10-98 340	05-01-2000 178	
		(b) Bio-chemical Oxygen demand 20	210	86	
(ii)	Ahmedabad(Vasa-na) 80MLD	(a) Suspended Solid 30	26-10-98 32	16-6-99 394	05-01-2000 64
		(b) Bio-chemical Oxygen demand 20	24	145	36
2	Bhavnagar Not Available(NA)	(a) Suspended Solid 30	24-6-94 162	10-4-97 290	1-6-98 584
		(b) Bio-chemical Oxygen demand 20	25	25	313
3	Jamnagar NA	(a) Suspended Solid 30	10-2-97 260	3-8-98 364	
		(b) Bio-chemical Oxygen demand 20	178	209	
4	Rajkot NA	(a) Suspended Solid 30	17-4-98 192	25-5-98 160	10-6-98 464
		(b) Bio-chemical Oxygen demand 20	71	21	98
5(i)	Surat (Bhesan) NA	(a) Suspended Solid 30	21-10-97 80		
		(b) Bio-chemical Oxygen demand 20			
(ii)	Surat(Mandvi) NA	(a) Suspended Solid 30	21-10-97 102		
		(b) Bio-chemical Oxygen demand 20			
6(i)	Vadodara(Wadi) 63MLD	(a) Suspended Solid 30	4-4-97 576	6-2-98 310	2-4-98 364
		(b) Bio-chemical Oxygen demand 20	258	237	276
(ii)	Vadodara(Tarsali) 45 MLD	(a) Suspended Solid 30	4-4-97 662	6-2-98 390	2-4-98 230
		(b) Bio-chemical Oxygen demand 20	248	190	178
(iii)	Vadodara(Atladra) 45 MLD.	(a) Suspended Solid 30	4-4-97 340	6-2-98 72	2-4-98 80
		(b) Bio-chemical Oxygen demand 20	126	135	104

APPENDIX - XLI

Statement showing the position of court cases outstanding as on 31-3-1999 for
Surat and Vadodara Regional Offices

(Reference : Paragraph 6.3.9 Page 155)

(A) Regional Office Surat

Year	Opening balance	Cases filed in court	Total	Cases disposed off by the court	Conviction	Closing balance
1994-95	568	39	607	10	-	597
1995-96	597	42	639	6	-	633
1996-97	633	67	700	1	-	699
1997-98	699	11	710	9	-	701
1998-99	701	-	701	7	-	694
Total				33		

(B) Regional Office Vadodara

Year	Opening balance	Cases filed in court	Total	Cases disposed off by the court	Conviction	Closing balance
1994-95	360	26	386	34	-	352
1995-96	352	93	445	19	-	426
1996-97	426	21	447	6	-	441
1997-98	441	9	450	7	-	443
1998-99	443	1	444	14	-	430
Total				80		

APPENDIX - XLII

Statement showing the objectives, funding pattern, nodal agencies and target groups of the schemes under Urban Employment Generation Programme

(Reference: Paragraph 6.5 Page 160)

Serial Number	Name of Scheme (date of introduction)	Objectives	Funding pattern and flow of fund	Nodal agency	Target group
			Central State		
1	Nehru Rojgar Yojana (NRY) (October 1989)	To improve quality of life by providing employment through (i) setting up of self employment ventures (ii) creation of socially and economically useful assets and (iii) shelter upgradation.	60 40 Central as well as state share provided directly to the nodal agency viz. Gujarat Municipal Finance Board, (GMFB).	Gujarat Municipal Finance Board (GMFB)	People living below poverty line under NRY/SJSRY, women beneficiaries should be 30 % and SC/ST must be benefited at least to the extent of proportion of their strength in local population. In PMIUPEP special attention should be laid to the above categories and disabled persons. Under SJSRY education should not be beyond ninth standard.
2	Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) (November 1995)	Generation of employment and Shelter Upgradation and Environmental improvement.	60 40 Funds made available to the Director of Municipalities as nodal agency for distribution among Municipalities.	Director of Municipalities (DOM)	
3	Swarna Jayanti Shahri Rojgar Yojana (SJSRY) (December 1997). Schemes at Sr. No.1 and 2 have been merged with this.	To provide gainful employment to Urban unemployed/Under employed poor by encouraging setting up of self employment venture or provision of wage employment.	75 25 Funds were made available to GMFB as nodal agency for releasing to Urban local Bodies (ULBs).	GMFB	
4	Prime Ministers's Rojgar Yojana (PMRY) (October 1993)	To provide employment to more than million persons by setting up of Micro-enterprises by the educated unemployed youth.	100 00 Funds passed on to banks through RBI. Banks provide loans to beneficiaries keeping central subsidy in fixed deposit for adjustment against loan	Commissioner of Cottage and Rural Industries. (Commissioner)	Educated youth with family income upto Rs.24000. Reservation of 22.5 per cent for SC/ST and 27 per cent to OBC and preference to women as well as other weaker sections was stipulated.

APPENDIX - XLIII

Statement showing Scheme-wise details of funds

(Reference : Paragraph 6.5(a) Page 160)

(Rupees in crore)

Year	Components of scheme	State budget provision	Opening balance	Central share sanctioned	Central share received	State share received	Total funds	Grant released by GMFB	Closing balance	
1995-96	NRY		12.12							
	SUWE			0.73	0.73	0.50	1.23	0.68		Opening Balance 12.12
	SUME (L/S)			0.79	--	--	--	0.31		+ Grant received
	SUME (Trg.)			0.18	--	--	--	0.05		(1) Central 1.11
	AUOE			0.12	0.18	0.19	0.38	0.10		(2) State 0.72
	ST to ULBs			0.08	0.12	--	0.12			(3) Others 1.83
	ASSH to NGO			0.18	0.08	--	0.08			-----
	SHASU (Trg.)			0.08	--	0.03	0.03			13.95
	SHASU (L/S)			--	--	--	--	0.02		Less:
			12.12	2.16	1.11	0.72	1.84	1.16	12.79	Grant released 1.16

										Closing balance 12.79
1996-97	NRY		12.79							
	SUWE			0.39	--	0.25	0.25	1.43		Opening Balance 12.79
	SUME (L/S)			--	0.79	0.30	1.09	0.71		+ Grant received
	SUME (Trg.)			--	0.18	--	0.18	0.04		(1) Central 0.97
	AUOE			0.19	--	0.20	0.20	0.28		(2) State 0.75
	ST to ULBs			0.12	--	--	--	--		(3) Others 0.01
	ASSH to NGO			0.08	--	--	--	0.07		1.73
	SHASU (Trg.)			--	--	--	--	0.06		-----
	SHASU (L/S)			--	--	--	--	--		14.52
			12.79	0.78	0.97	0.75	1.72	2.59	11.93	Less:
										Grant released 2.59

										Closing balance 11.93
1997-98	NRY		11.93							
	SUWE			2.17	0.66	6.63	7.29	0.31		Opening Balance 11.93
	SUME (L/S)			2.52	--	--	--	0.59		+ Grant received
	SUME (Trg.)			0.23	--	--	--	0.04		(1) Central 1.54
	AUOE			0.18	0.37	0.01	0.38	0.27		(2) State 6.63
	ST to ULBs			0.19	0.31	--	0.31			(3) Others 0.88
										8.19

										20.12
										Less:
										Grant released 1.37

Audit Report (Civil) for the year ended 31 March 2000

Year	Components of scheme	State budget provision	Opening balance	Central share sanctioned	Central share received	State share received	Total funds	Grant released by GMFB	Closing balance	
	ASSH to NGO			0.12	0.20	--	0.20			Closing balance 18.75
	SHASU (Trg.)			0.24	--	--	--	0.01		
	SHASU (L/S)			0.11	--	--	--	--		
	Community Structure			0.22				0.15		
			11.93	5.98	1.54	6.64	8.18	1.37	18.75	
1998-99	SJSRY		18.75							
	UWEP			2.46	4.35	2.17	6.52	3.90		Opening Balance 18.75 + Grant received (1) Central 12.75 (2) State 4.83 (3) Others 0.84 ----- 18.16
	USEP (L/S)			2.21	4.72	0.84	5.56	2.74		
	USEP (Trg.)			0.23	0.47	0.08	0.55	0.95		
	A&OE					1.55	1.55	0.68		----- 36.91
	DWCUA (L/S)			0.81	1.05	0.08	1.13			Less: Grant released 8.27 -----
	DWCUA (Trg.)									Closing balance 28.64
	Inf. Supports			0.47	0.49	0.01	0.50			
	TCS			0.40	0.50	0.03	0.53			
	Community structure			1.30	0.91	0.07	0.98			
			18.75	7.88	12.49	4.83	17.32	8.27	28.64	
1999-2000	SJSRY		28.64							
	UWEP			1.81	1.81	2.38	4.19	9.99		Opening Balance 28.64 + Grant received (1) Central 2.42 (2) State 5.62 (3) Others 1.14 ----- 37.82
	USEP (L/S)					3.24	3.24	3.77		
	USEP (Trg.)									
	A&OE							0.59		----- 37.82
	DWCUA (L/S)									Less: Grant released 14.43 -----
	DWCUA (Trg.)									Closing balance 23.39
	Infra support									
	TCS									
	Community structure			1.60	0.61	--	0.61	0.08		
			28.64	3.41	2.42	5.62	8.04	14.43	23.39	

APPENDIX - XLIV

Statement showing the utilisation of funds in test-checked implementing agencies during 1995-2000

(Reference : Paragraph 6.5(h) Page 162)

(Rupees in lakh)

Name of implementing agency	Opening balance	Grant received by ULBs etc.	Total funds	Expenditure incurred	Balance with ULBs	Percentage of utilisation
Ahmedabad Municipal corporation	109.51	45.00	154.51	93.80	60.71	61
Rajkot Municipal Corporation	19.29	9.18	28.47	16.36	12.11	57
DPO, Kheda	--	71.94	71.94	15.22	56.72	21
DPO, Ahmedabad	--	122.24	122.24	18.86	103.38	15
DPO, Sabarkantha	--	48.43	48.43	30.20	18.23	62
DPO, Rajkot	--	74.13	74.13	19.49	54.64	26
Dholaka Nagar Palika	--	11.54	11.54	2.46	9.08	21
Modasa Nagar Palika	0.97	16.33	17.30	13.89	3.41	80
Morbi Nagar Palika	--	16.14	16.14	8.09	8.05	50
Jetpur-Navagadh Nagar Palika	--	23.20	23.20	19.07	4.13	82
Dhoraji Nagar Palika	--	10.07	10.07	6.92	3.15	69
Himatnagar Nagar Palika	0.42	31.63	32.05	20.82	11.23	65
Nadiad Nagar Palika	--	22.09	22.09	7.05	15.04	32
Gondal Nagar Palika	1.11	11.24	12.35	2.95	9.40	24
Dehgam Nagar Palika	--	13.97	13.97	0.54	13.43	4
Upleta Nagar Palika	--	16.36	16.36	12.29	4.07	75
Wankaner Nagar Palika	--	4.86	4.86	4.49	0.37	92
Total	131.30	548.35	679.65	292.50	387.15	43

APPENDIX - XLV

Statement showing year-wise position of outstanding Inspection Reports and Paragraphs

(Reference : Paragraph 6.6 Page 164)

Year	District Panchayat, Bharuch		District Rural Development Agencies, Vadodara		Total	
	Inspection Reports	Paragraphs	Inspection Reports	Paragraphs	Inspection Reports	Paragraphs
Upto 1995-96	48	167	8	98	56*	265*
1996-97	--	--	1	24	1	24
1997-98	10	30	--	--	10	30
1998-2000	6	42	--	--	6	42
Total	64	239	9	122	73	361

* Of these nine Inspection Reports and 32 paragraphs of District Panchayat Bharuch and three Inspection Reports and 16 paragraphs of District Rural Development Agency, Vadodara respectively have not been replied to/settled for more than 10 years.

APPENDIX -XLVI(a)

Statement showing the details of the Irregularities commented upon in the outstanding Inspection Reports of District Panchayat, Bharuch

(Reference : Paragraph 6.6 Page 164)

Serial number	Category of objection	Nos. of Paras	Total Amount (Rupees in lakh)
1	Overpayments, non-recovery of rents and advances/miscellaneous recoveries	28	771.27
2	Incomplete/abandoned works	15	136.91
3	Excess/irregular expenditure for want of sanctions	24	746.20
4	Non-utilisation of grants	27	917.42
5	Wasteful, infructuous/unfruitful expenditure	09	55.01
6	Non-crediting of Government income into Government account	12	35.04
7	Non-reconciliation with treasury banks	06	336.63
8	Lapse deposits not credited into Government accounts	04	96.89
9	Non-receipts of contribution from Municipalities	02	2.84
10	Non-disposal of unserviceable articles of stores	22	18.85
11	Drawal of funds in advance of requirement/blocking of funds	12	745.52
12	Diversion of funds	01	1.40
13	Misappropriation of stores/cash/fraud	06	1.79
14	Irregular purchases	03	44.36
15	Non-obtaining of utilisation certificates	11	811.78
16	Miscellaneous irregularities	54	1583.29
17	Outstanding Irrigation Dues	03	10.63
	Total	239	6315.83

APPENDIX – XLVI(b)

Statement showing the details of the Irregularities commented upon in the outstanding Inspection Reports of District Development Agency, Godhra

(Reference : Paragraph 6.6 Page 164)

Serial number	Category of objection	Total Paras	Amount Involved (Rupees in lakh)
1	Overpayments, non-recovery of rents and advances/miscellaneous recoveries	06	5.77
2	Incomplete/abandoned works	09	576.49
3	Excess/irregular expenditure for want of sanctions	14	493.52
4	Non-utilisation of grants	12	354.54
5	Wasteful, infructuous/unfruitful expenditure	18	222.92
6	Non-crediting of Government income into Government account	01	7.13
7	Irregular purchases	04	114.28
8	Irregular excess payment of subsidy	05	52.90
9	Works executed through contractor instead of providing gainful employment in un-employed departmentally/Government Agency	03	23.66
10	Un-authorized financial aid to contractor/Agency	02	5.74
11	Non-obtaining of utilisation/Completion certificate	02	36.46
12	Miscellaneous Irregularities	46	144.58
	Total	122	2037.99

APPENDIX – XLVII
GLOSSARY OF ABBREVIATIONS

AA	Administrative Approval
AB	Abortion
ACS	Additional Chief Secretary
AD	Additional Director
ADB	Asian Development Bank
ADEIs	Assistant District Education Inspectors
AG	Accountant General
AGR	Annual Growth Rate
ALS	Alternative Schooling System
AMC	Ahmedabad Municipal Corporation
ANM	Auxiliary Nurse Midwife
AOE	Administrative and Operational Expenses
BAS	Baseline Assessment Survey
BCR	Balance from Current Revenues
BOD	Bio-chemical Oxygen Demand
BOT	Built Operate and Transfer
BOT	Built Operate and Transport
BRCs	Block Resource Centres
CBR	Crude Birth Rate
CDR	Crude Death Rate
CE	Capital Expenditure
CE	Chief Engineer
CE&JS	Chief Engineer and Joint Secretary
CETP	Common Effluent Treatment Plant
CF	Consolidated Fund
CFWB	City Family Welfare Bureau
CHC	Community Health Centre
CM	Chief Minister
COD	Chemical Oxygen Demand
CP	Capital Project
CPCB	Central Pollution Control Board

CPR	Couple Protection Rate
CRCs	Cluster Resource Centres
CRF	Calamity Relief Fund
CSSM	Child Survival and Safe Motherhood
DAO	Divisional Account Officer
DC	District Collector
DDOs	District Development Officers
DDOs	Drawing and Disbursing Officers
DEE	Deputy Executive Engineer
DFWB	District Family Welfare Bureau
DIC	District Industries Centers
DOM	Director of Municipalities
DPE	Director of Primary Education
DPEO	District Primary Education Officer
DPEP	District Primary Education Programme
DPO	District Planning Officer
DPs	District Panchayats
DPT	Diphtheria
DRDA	District Rural Development Agency
DTP	Draft Tender Papers
DUDAs	District Urban Development Agencies
DWCUA	Development of Women and Children in Urban Area
E&PD	Energy and Petrochemical Department
EC	Eligible Couple
EE	Executive Engineer
EFC	Expenditure Finance Committee
EMD	Earnest Money Deposit
FD	Finance Department
FD	Fiscal Deficit
FI	Food Inspector
GAD	General Administration Department
GB	Governing Body
GEB	Gujarat Electricity Board
GEC	Gujarat Ecology Commission

GEER	Gujarat Ecological Education and Research Foundation
GEMI	Gujarat Environment Management Institute
GEMS	Global Environmental Monitoring System
GFR	Gujarat Financial Rules
GIDB	Gujarat Infrastructure Development Board
GIDBS	Gujarat Infrastructure Development Board Society
GIDC	Gujarat Industrial Development Corporation
GIIC	Gujarat Industrial Investment Corporation
GMB	Gujarat Maritime Board
GMFB	Gujarat Municipal Finance Board
GOG	Government of Gujarat
GOI	Government of India
GPF	General Provident Fund
GPPL	Gujarat Pipavav Ports Ltd.
GPWD	Gujarat Public Works Department
GERI	Gujarat Engineering Research Institute
GSDP	Gross State Domestic Product
GSHDCL	Gujarat State Handloom Development Corporation Limited
GWSSB	Gujarat Water Supply and Sewerage Board
H&FWD	Health and Family Welfare Department
Ha	Hectare
HFWTC	Health and Family Welfare Training Centre
HUDCO	Housing and Urban Development Corporation
I&MD	Industries and Mines Department
ICDS	Integrated Child Development Service
IEC	Information Education and Communication
IFA	Iron Folic Acid
IMD	Industries and Mines Department
IMR	Infant Mortality Rate
IR	Inspection Reports
IRs	Inspection Reports
IT	Information Technology
Km	Kilometer
LB	Local Body

LBM	Lean Bituminous Macadam
LHA	Local Health Authority
LIC	Life Insurance Corporation
LOC	Letter of Credit
Manual	Gujarat Budget Manual Volume-I
MAS	Material at site
MAS	Mid-term Assessment Survey
MB	Measurement Book
MCH	Maternal and Child Health
MD	Managing Director
MEA	Ministry of External Affairs
MH	Major Head/Minor Head
MI	Minister of Industries
MINAR	Monitoring of Indian National Aquatic Resources
MM	Milimitre
MM ³	Million Cubic Mitre
MMR	Maternal Mortality Rate
MOF	Ministry of Finance
MOF(DOEA)	Ministry of Finance (Department of Economic Affairs)
MOST	Ministry of Surface Transport
MPs	Members of Parliament
MPW(M)	Multi Purpose Health Worker (Male)
MR	Maintenance and Repair
MR	Muster Roll
MSBs	Municipal School Boards
MT	Matric Tonne
NABARD	National Bank for Agriculture and Rural Development
NEERI	Natural Environmental Engineering Research Institute
NGOs	Non-Government Organisations
NH	National Highway
NHP	National Health Policy
NRG	Non-Resident Gujaraties
NRI	Non-Resident Indian
NRR-1	Net Reproductive Rate Of Units

NRY	Nehru Rojgar Yojna
OB	Operation Blackboard
OD	Overdraft
ORG	Operation and Research Group
ORT	Oral Dehydration Therapy
PAC	Public Accounts Committee
PD	Primary Deficit
PF	Provident Fund
PFA Act	Prevention of Food Adulteration Act
pH	Negative Logarithm Hydrogen Ion
PHC	Primary Health Centre
PLA	Personal Ledger Accounts
PM	Prime Minister
PMIUPEP	Primer Minister's Integrated Urban Poverty Eradication Programme
PMRY	Prime Minister's Rojgar Yojna
PPC	Post Partum Centre
PSU	Public Sector Undertakings
R&B	Roads and Buildings Department
RA	Rate Analysis
RA	Running Account
RAA	Ramroti Annakshetra Ashram
RBI	Reserve Bank of India
RCH	Reproductive Child Health
RD	Revenue Deficit
RFL	Regional Food Laboratory
ROB	Road Over Bridge
ROI	Return on Investment
RTI	Reproductive Tract Infection
RUDA	Rajkot Urban Development Authority
SC	Schedule Caste
SCL	Saurashtra Cement Limited
SD	Security Deposit
SE	Superintending Engineer
SHASU	Scheme for Housing And Shelter Upgradation

SIHFU	State Institute Of Health and Family Welfare
SJSRY	Swarn Jayanti Sahari Rojgar Yojna
SOR	Schedule of Rates
SPD	State Project Director
Sq.m	Square metre
SR	Special Repairs
SRP	State Reserve Police
SSTA	Small Scale Technical Assistance
ST	Schedule Tribe
STD	Sexually Transmitted Diseases
STP	Sewage Treatment Plant
SUDA	State Urban Development Agency
TB-	Tuberculosis
TCS	Thrift and Credit Society
TDO	Taluka Development Officer
TDS	Total Dissolved Solids
TFC	Tenth Finance Commission
TT	Titanus
UBSP	Urban Basic Service for Poor
UCs	Utilisation Certificates
UEGP	Urban Employment Generation Programme
UFWC	Urban Family Welfare Centre
UIP	Universal Immunisation Programme
UK	United Kingdom
ULBs	Urban Local Bodies
USA	United States of America
VC & CEO	Vice Chairman & Chief Executive Officer
VO	Voluntary Organisation
WMA	Ways and Means Advances

ERRATA

Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 (Civil) – Government of Gujarat

Page number	Reference to Line/Column	For	Read
xiv	6 th line	duto	due to
xvi	12 th line from bottom	there was 54 and 25 per cent of shortage	54 and 25 per cent of shortage was
xix	13 th line from bottom	levels of.	levels.
6	2 nd line	APPLICAION	APPLICATION
17	4 th line	Para 1.11(viii)	Para 1.11.3(viii)
18	9 th line	Municipalties	Municipalities
25	7 th line	payments). While	payments), while
44	6 th line	Sterlisation	Sterilisation
48	9 th line from bottom	utilisation	utilisation of
55	1 st line	costal	coastal
113	last line	ubordinate	subordinate
117	5 th line from bottom	genuinness	genuineness
155	7 th line from bottom	restring	restraining
167	7 th line from bottom	croe	crore
232	3 rd line	Page 136	Page 138

ERRATA

Notes of the Commission and Faculty of Arts of the University of Toronto, 1827-1828

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