



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

**FOR THE YEAR ENDED
31 MARCH 1988**

**No. 3
(CIVIL)**

GOVERNMENT OF GUJARAT

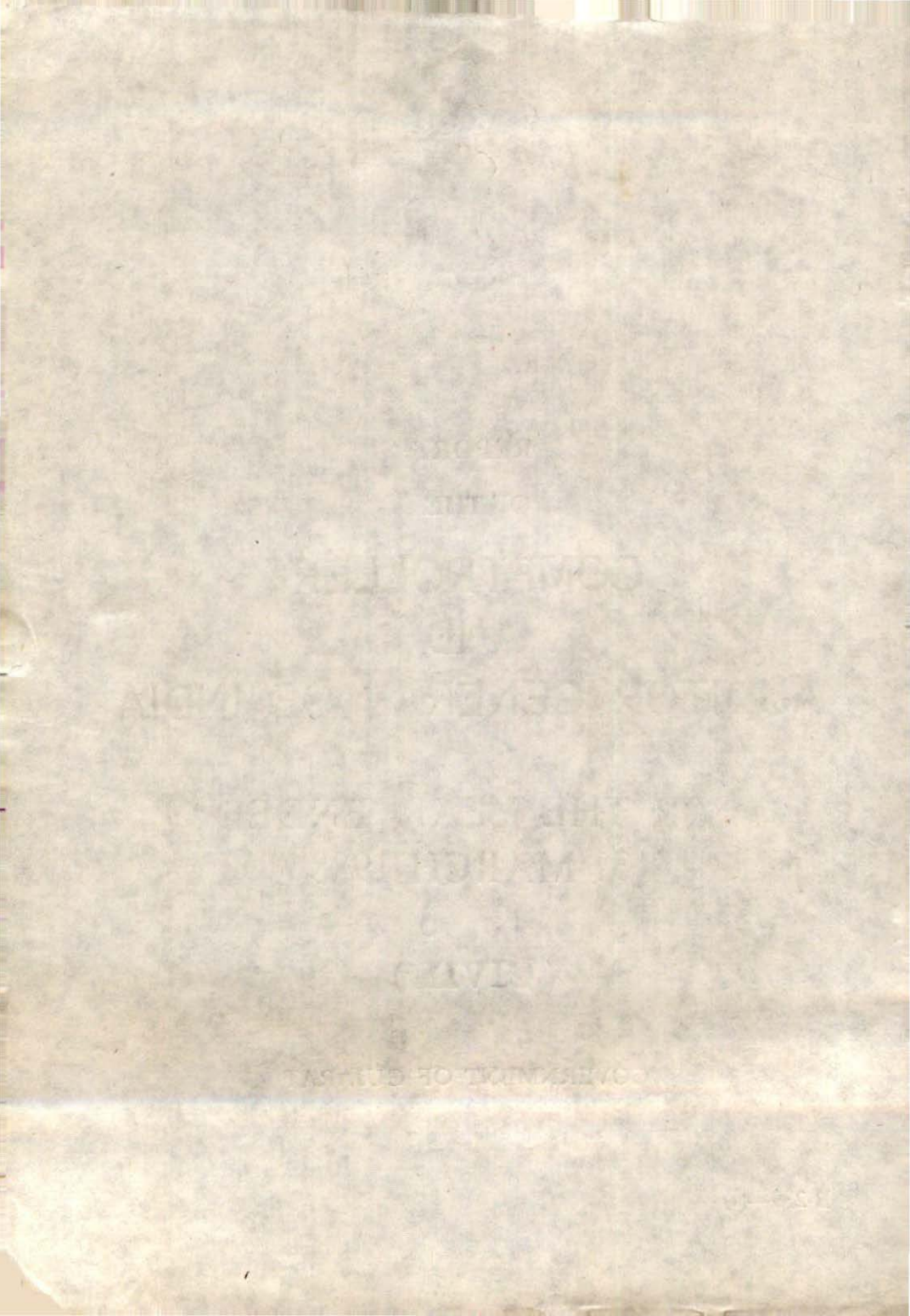


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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1987--88 together with other points arising from audit of financial transactions of the Government of Gujarat. It also includes certain points of interest arising from the Finance Accounts for the year 1987-88.

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

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1987-88 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 1987--88 have also been included wherever considered necessary.

REPORT OF THE

The report has been prepared in accordance with the provisions of the Act of the 10th March 1909, and is intended to show the progress of the work done during the year 1909-10. The work has been carried out in accordance with the programme of work approved by the Council at its meeting on the 10th March 1909.

The report contains a summary of the work done during the year, and a list of the publications issued during the year. It also contains a list of the names of the members of the Council and of the staff of the Institute.

The work done during the year has been carried out in accordance with the programme of work approved by the Council at its meeting on the 10th March 1909. The work has been carried out in accordance with the programme of work approved by the Council at its meeting on the 10th March 1909.

OVERVIEW

This Report for the year ended 31st March 1988 contains Audit Reviews on 8 schemes, programmes and projects and 27 paragraphs. The more important points featuring in this Report are summarised below :-

I Summary of Accounts

The revenue deficit during the year 1987-88 was Rs. 286.06 crores against the anticipated deficit of Rs. 190.69 crores at the budget stage.

The capital expenditure and other long term investments during the year were Rs. 761.11 crores which were financed from borrowings and receipts from Public Account. The Plan expenditure, as a whole, was less than the Plan provision by Rs. 55.43 crores. The increase in non-plan expenditure over the previous year amounted to Rs. 321.57 crores.

(Chapter I)

II Control over Expenditure

Against the gross total budget provision of Rs. 52,62.42 crores the actual expenditure was Rs. 48,11.44 crores resulting in an overall saving of Rs. 4,50.98 crores.

The supplementary provision of Rs. 13,03.79 crores obtained during 1987-88 constituted 33 *per cent* of the original budget provision. In 24 cases, the supplementary provision of Rs. 24.43 crores was unnecessary.

There was a saving of Rs. 741.11 crores in 154 grants and appropriations and excess of Rs. 290.13 crores in 34 grants and appropriations resulting in an overall saving of Rs. 4,50.98 crores. The excesses require regularisation under Article 205 of the Constitution.

(Chapter II)

III National Malaria Eradication Programme

The programme, introduced in 1958 and modified in 1977, was to reduce the incidence of malaria and prevent deaths through spraying

of insecticides, active surveillance and radical treatment rather than through total eradication. Rs. 101.51 crores were spent during 1980-81 to 1987-88 out of which Rs. 35.63 crores of assistance in cash and Rs. 20.91 crores of assistance in kind was received from Central Government.

During 1984-85 to 1987-88 expenditure on pay and allowances increased from 55 to 76 *per cent* of the total expenditure thereby reducing the available funds for the core objective. 11699 fever treatment depots and 4945 Drug distribution units were closed during 1980-87.

Further, during the same period there were shortfalls in spraying of insecticides ranging between 22 and 72 *per cent* due to less availability of funds and delay in procurement of insecticides. Also there were considerable shortfalls in achievement under surveillance, blood smear collection and their examination and administration of radical treatment. In none of the five districts test checked, the positive cases of malaria were followed up. Time barred insecticides valued at Rs. 14.11 lakhs were sprayed during 1985 and 1986. Excess consumption of anti-malarials was noticed in all the years during 1980-87.

The incidence of malaria went down during 1980-85 but increased by 100 *per cent* in 1987 due to irregular surveillance, limited coverage of population under spray of anti-malarials, unplanned urbanisation drug resistance, etc.

(Paragraph 3.1)

IV Integrated Child Development Services

This scheme was started in 1975-76 as a Centrally sponsored scheme mainly to improve the nutrition and health status of children and their all-round development by providing an integrated package of services which included supplementary nutrition, immunisation, health check-up and nutrition and health education for women. Rupees 27.38 crores were received as Central assistance and Rs. 29.42 crores had been spent during 1979-1988.

The focal point for delivery of the package of services was the *Anganwadis* set up to cover a population of 700 persons in tribal areas

and 1000 persons in other areas. 3586 sanctioned *Anganwadis* were not set up. In a number of *Anganwadis* nutrition was not provided even for 100 to 200 days in a year against the target of 300.

Targets of supplementary nutrition for expectant and nursing mothers were achieved only upto a maximum of 60 *Per cent*. The children were provided supplementary nutrition irrespective of their health status. The immunisation of children fell short by 24 to 40 *per cent* and women by 13 to 87 *per cent*. The coverage under nutrition and health education for women ranged between 29 and 56 *per cent*. Check-up of the health of children and women revealed a declining trend from 1984-85 onwards. In the 15 projects test checked, all the children and women who were given first dose of immunisation, did not come for the second/third doses. Also the records of health check up and immunisation were not properly maintained.

The implementation of Functional Literacy for Adult Women (FLAW) suffered as the number of women enrolled was as low as 5 *per cent* of the targeted population.

There was an unspent balance of Rs. 25.84 lakhs at the time of closure of the scheme and the programme suffered from shortage of trained personnel. 24 posts of Child Development Project Officers, 151 Supervisors, 3607 Anganwadi workers, 68 doctors, 35 lady health visitors and 111 auxiliary nurses were not appointed. Education of women on health care and nutrition through publicity and mass media was inadequate and only 56 *per cent* of the targeted population was covered.

(Paragraph 3.2)

V Drought Relief Programme

Drought relief measures included employment generation, provision of drinking water sources, supply of inputs to agriculturists, public health and veterinary care, supply of fodder to cattle, assistance to voluntary agencies for maintaining cattle camps, etc. Rupees 929.40 crores were spent in 1986-87 and 1987-88 which included Central assistance of Rs. 399.25 crores. In 1986-87, the State Government claimed Rs. 429.87 crores as Central assistance and was given only Rs. 144.84 crores. In 1987-88, the claim was for Rs. 1111.57 crores and was given Rs. 317.66 crores. Rs. 2208 lakhs drawn by implementing agencies remained to be spent.

The beneficiaries of the scarcity relief works were not indentified and child labour was engaged. In four districts test checked, the employment generated was less by 15 to 38 *per cent*. Twenty five *per cent* of the expenditure on relief employment was incurred on non-drought proofing works. Road metal, valued at Rs. 117 lakhs, collected by employing relief labour remained unused. Out of 2093 roads constructed, only 338 roads were metalled. Also, only 913 roads connected villages having a population of 1000—1500 people and belonged to the priority category.

Due to delay in the commencement of works, only Rs. 880 lakhs could be spent out of Rs. 1500 lakhs budgeted in respect of certain irrigation projects.

Test chek of two minor irrigation programmes revealed that only 86,000 mandays of employment were generated against the targeted 4.10 lakh mandays. Even within this achievement, the muster roll employees were engaged instead of scarcity labourers and were paid daily wages at rates higher than approved rates. Irregular expenditure was also incurred on unapproved items of work and on materials in excess of norms. Test check of Drought Relief works undertaken by Forest Department revealed that measurements were not recorded, completion certificates were not obtained and excess rates were paid resulting in overpayment of Rs. 20.56 lakhs.

Gujarat Water Supply and Sewerage Board could provide water supply only to 4230 villages out of the targeted 9701 villages but spent Rs. 88.02 crores against the sanctioned amount of Rs. 83.83 crores. Rigs purchased in 1988 at a cost of Rs. 126.37 lakhs were not used for any drilling work. Twenty seven *Per cent* of the successful bores were not fitted with power pumps. Thirteen water works undertaken at an expenditure of Rs. 62.85 lakhs were not completed before the end of scarcity period. Deepening of 83 open wells was approved by Collector, Junagadh after the arrival of good monsoon in july 1988 and Rs. 57.88 lakhs were spent. Rs. 123.04 lakhs worth of pumps and pipes also remained unutilised in Amreli, Junagadh, Kandla, Savarkundla,

Mehsana, Rajkot and Bhuj. Rs. 54.08 lakhs were spent to augment the supply of water to Gandhinagar city even though it was not identified in the Master Plan.

An amount of Rs. 20 lakhs was paid as subsidy for distribution of groundnut seeds to ineligible beneficiaries. The Board suffered a loss of Rs. 18.33 lakhs as interest on security deposit.

Rs. 141.63 lakhs were spent on purchase of tools but tools worth only Rs. 63.75 lakhs were issued. In Kachchh and Ahmedabad, 1058 tonnes of wheat valued at Rs. 16.50 lakhs were not accounted for by surrender of wheat coupons. In Panchmahal district, Rs. 7.33 lakhs worth of bogus coupons were encashed.

Out of Rs. 3977 lakhs paid as assistance to seven voluntary agencies for maintenance of cattle camps, accounts for Rs. 1411 lakhs had not been rendered. Subsidy for cattle maintenance was also being released before obtaining certificate of physical verification of cattle. Excess payment of Rs. 39.75 lakhs was made to a voluntary agency without obtaining certified returns.

The entire assistance of Rs. 320 lakhs for water supply in four cattle camps remained unutilised as no arrangements for water supply was made by Government.

Transport subsidy of Rs. 11.66 lakhs was paid to an agency without verifying basic details. Railway freight of Rs. 23.44 lakhs was paid in respect of fodder not received. 2916 tonnes of paddy straw valued at Rs. 7.29 lakhs was written off, as this was lost in transit and 569 tonnes of paddy straw were paid for even though this was not even available at loading point. 1713 tonnes of grass collected from reserved *Vidis* were not utilised in 1987-88. Rupees 46.91 lakhs worth of cattle feed and grass were rendered surplus at the end of scarcity period and these were sold at a loss of Rs. 34.31 lakhs.

(Paragraph 3.3)

VI State Lottery Scheme

The scheme was introduced in January 1982 mainly to mobilise additional resources and generate employment. Year-wise financial results were not available. Except during the years 1981-82 and 1983-84,

The expected net profit of 15 per cent of the gross value of tickets printed was never realised. The profit was reckoned as Rs. 503 lakhs but was not correctly worked out because the expenditure on printing and publicity and administrative expenses were worked out on *ad hoc* basis. Stadia was not constructed out of the profits of Raffle draw though envisaged in the scheme. Surplus staff, on which a monthly expenditure of Rs. 1.28 lakhs was incurred, was continued for 19 months after the closure of the scheme.

Overtime allowance and confidential allowance were paid to the members of staff whose number was in excess of the sanctioned strength of staff for the Lottery Scheme.

Delay in purchase of steel boxes resulted in avoidable expenditure of Rs. 3.99 lakhs on purchase of wooden boxes. There was excess consumption of security paper valued at Rs. 4.23 lakhs. Security ink valued at Rs. 2.77 lakhs became unusable due to the expiry of the validity period.

(Paragraph 3.4)

VII Mazam Irrigation Project

Construction of earthen dam across river Mazam in Sabarkantha District, was approved in December 1978 at a cost of Rs. 506.29 lakhs for completion by September 1982. The cost was revised thrice and as per the latest revision in April 1986 it was Rs. 2072.50 lakhs. Government's approval for the revised cost is awaited but Rs. 1871.24 lakhs had been incurred upto March 1988. The benefit cost ratio of the project has declined from 2.36 to less than 1.00.

In March 1988, 10 per cent of headworks, 38 per cent of canal work and 61 per cent of distributary system remained to be completed. Slow progress in the construction of canals curtailed utilisation of stored water for irrigation.

Departmental delays, increase in scope of work due to changes in design and price escalation led to payment of arbitration amount of Rs. 191.40 lakhs.

Failure to confirm availability of expected quantity of rubble from quarry specified in the tender resulted in extra expenditure of Rs. 16.69 lakhs.

Change-over from pipeline system to open trough system and reversion to pipeline system after two years deprived irrigation facilities to 837 hectares for four years. Utilisation of irrigation potential ranged between 33 and 57 per cent of downward revised targets.

Steel valuing Rs. 13.73 lakhs remained unutilised for six and a half years.

(Paragraph 4.1)

VIII Salinity Ingress Prevention Programme

To combat salinity ingress in coastal areas, a scheme was sanctioned in 1980-81 and certain measures like change in cropping pattern, regulation of underground water tapping, construction of check dams, recharge tanks, tidal regulators, etc., were to be implemented.

As against the target of 16 million cubic metres (mcm) recharge of ground water per year through recharge tanks, recharge wells and spreading channels, achievement was only 4.09 mcm. out of eight tidal regulators and thirteen *bandharas* only two tidal regulators and six *bandharas* had been constructed.

Expenditure of Rs. 986 lakhs spent on 2 tidal regulators, 2 *bandharas* and 94 check dams remained largely unfruitful due to belated decision on fixing automatic tilting gates.

Due to non-completion of distribution system, irrigation potential of only 2054 hectares was achieved against the target of 14968 hectares.

Supply of dumpers and tractor dozer ordered for in March 1981 on advance payment of Rs. 18 lakhs remained to be supplied.

Procurement of steel in excess of requirement resulted in blocking up of Rs. 24.34 lakhs for more than five years. Rs. 5.69 lakhs worth of instruments were purchased even though similar instruments purchased earlier were lying unutilised.

Legislation to check uncontrolled drawal of ground water was not passed though recommended by a High Level Committee.

(Paragraph 4.2)

IX Assistance to Small and Marginal Farmers for increasing agricultural production.

The Centrally sponsored scheme launched in April 1983 aimed at increasing agricultural production of small and marginal farmers, was implemented in all the 218 blocks distributed in 19 districts. Rupees 33.85 crores have been spent of which 50 *per cent* had been recovered as Central assistance. The scheme envisaged payment of subsidy to farmers for individual minor irrigation works supplemented by bank loans. For Community irrigation projects subsidy was paid only if these were undertaken in ayacut areas with 50 *per cent* of the farmers belonging to marginal and small farmer category. The scheme also envisaged supply of free minikits consisting of seeds for oil seeds, pulses and course grains. Land development was also envisaged. In total Rs. 5 lakhs were envisaged to be spent per block per annum.

There was a shortfall of 23 and 12 *per cent* in the distribution of minikits of seeds in 1986-87 and 1987-88 respectively. More than half the seedlings raised in 1984-85 were not distributed.

Rupees 35.36 lakhs have wrongly been released as subsidy for 32 minor irrigation works which did not qualify for subsidy. Similarly, Rs. 5.16 lakhs have wrongly been released for lift irrigation works which had been completed before the introduction of the scheme. Out of 16 minor irrigation works in Surat for which a subsidy of Rs. 28.88 lakhs was sanctioned 14 were not started at all while 2 were dropped.

For digging new wells to tap ground water, Rs. 45.62 lakhs were paid as subsidy without releasing corresponding subsidy for pump sets and oil engines.

Instead of charging at 50 per cent of the water rates Gujarat Water Resources Development Corporation (GWRDC) charged full water rates from the small and marginal farmers till June 1989. When Audit pointed out the excess recovery, instructions have been issued to adjust the excess recovery.

Utilisation certificates of Rs. 182.46 lakhs released during 1983--84 to 1987--88 in Banaskantha district remained to be furnished.

(Paragraph 7.3)

X Intergrated Development of Small and Medium Towns

The Centrally sponsored scheme was initiated to accelerate the growth of small and medium towns so that the rate of migration to urban areas would be reduced. Out of Rs. 921.12 lakhs available for the scheme, only 757.35 lakhs were utilised during 1979-88 and out of 211 works, only 24 works were completed on time.

In Kalol town benefits envisaged for economically weaker sections did not accrue due to wrong selection of sites and lack of public response. In Dehgam, out of 244 plinths developed at a cost of Rs. 34.12 lakhs only one could be sold. The project for providing vegetable market, road and shopping centre at Sanand was abandoned after incurring an expenditure of Rs. 7.52 lakhs. Shops constructed at a cost of Rs. 17 lakhs in Mehmadabad and Bhuj towns were lying unused. Porbandar Municipality abandoned the scheme after incurring an expenditure of Rs. 21.53 lakhs. Rupees 19.12 lakhs were diverted to other purposes not included in the project.

(Paragraph 7.9)

XI Other Interesting Points

(i) The scheme in Surat district envisaged distribution of 1214 hectares of reclaimed Kharland land to landless agricultural labourers by March 1975. However, only 18 out of 283 hectares of reclaimed land could be distributed till November 1989. Expenditure upto March 1989 was Rs. 52.15 lakhs against the estimated cost of Rs. 11.10 lakhs. In 1983, Government imposed a ban on the distribution of reclaimed land for agricultural purposes since Hajira was emerging as an industrial locality.

(Paragraph 4.3)

(ii) Purchase of electric shock guards, motto guard, etc., by Stores (R&B) Division, Ahmedabad was resorted to through a single order for Rs. 1.01 lakhs in June 1985, followed by 22 repeat orders. Purchase for Rs. 12.68 lakhs without reference to actual requirement resulted in material worth Rs. 11.59 lakhs lying unutilised.

(Paragraph 4.11)

(iii) A work on Talod Underground Drainage Scheme was ordered to be slowed down in May 1976. But in September 1978 the work was rescinded for slow progress. The balance of work was reawarded only in December 1983. The wrongful rescission resulted in an arbitration award against the Gujarat Water Supply and Sewerage Board besides non-recovery of Rs. 12.17 lakhs from the contractor.

(Paragraph 7.6)

(iv) Headworks of Kantala Minor irrigation project was constructed in March 1974 at a cost of Rs. 14.73 lakhs. The survey work for canal construction was undertaken only in June 1975 and the work was started in November 1984. It was completed in March 1988 but had not been put to use. This resulted in non-accrual of benefits to the cultivators for over 14 years due to non-construction of canals.

(Paragraph 7.7)

CHAPTER--I

GENERAL

The summarised position of the accounts of the Government of Gujarat emerging from the Appropriation Accounts and Finance Accounts for the Year 1987-88 is indicated in the Statement following.

1. Statement of Financial position of the Government of

LIABILITIES

Amount as on 31-3-1987		Amount as on 31-3-1988
	Internal Debt Including Ways and Means Advances	
436.70	Market Loans and Loans from LIC and others	548.24
2464.98	Loans and Advances from Central Government	3030.37
1201.66	Pre-1984-85 Loans	1127.37
797.35	Non-Plan Loans	1140.96
449.71	Loans for State Plan Schemes	741.47
8.40	Loans for Central Schemes	10.71
7.86	Loans for Centrally Sponsored Schemes	9.86
338.84	Small Savings	395.02
732.85	Deposits	860.90
20.45	Overdrafts from RBI	3.79
203.18	Reserve Funds	227.18
201.95	Suspense and Miscellaneous	192.17
11.88	Contingency Fund	21.93
2.15	Other Advances	0.23
1007.24	Surplus on Government Accounts	812.81
(—)	92.63 Current year	(—) 286.06
	Revenue Surplus	
	0.69 Miscellaneous	(—) 0.67
	Government Account	
	1099.18 Add Surplus on	1007.24
	31-3-1987	
	NIL Other Adjustment	92.30
5420.22		6092.64

Gujarat as on 31st March 1988.

(Rupees in crores)

ASSETS

Amount as on 31-3-1987		Amount as on 31-3-1988
3150.43	Gross Capital Outlay on fixed Assets	3634.60
339.82	Investment in shares of Companies, Corporations, etc.	466.36
2810.61	Other Capital Outlay	3168.24
2079.82	Loans and Advances	2356.76
1310.20	Loans for Power Projects	1455.36
675.35	Other Development Loans	812.95
94.27	Loans to Government Servants and Miscellaneous Loans	88.45
—	Other Advances	—
68.34	Remittance Balances	66.45
121.63	Cash Balance	34.83
(-) 3.28	Cash in Treasuries and Local Remittances	(-) 2.67
10.59	Departmental cash balances including permanent advances and investment of Earmarked funds	10.51
114.32	Cash Balance investment	26.99
5420.22		6092.64

RECEIPTS

SECTION :

I. Revenue Receipts

Tax Revenue	1639.59
Non-Tax Revenue	455.02
State's Share of Union Taxes	246.60
Non-Plan Grants	}
Grants for State	
Plan schemes	
Grants for Centrally Sponsored Schemes	
	465.41

II. Revenue Deficit c/o

286.06

 3092.68

DISBURESEMENTS

(Rupees in crores)

A— REVENUE

I. Revenue Expenditure	Non-Plan	Plan	Total
General Services	690.81	7.70	698.51
Social and Community Services	973.83	225.57	1199.40
General Economic Services etc.	147.07	76.76	223.83
Agriculture and Allied Services	78.17	127.23	205.40
Industry and Minerals	17.66	36.10	53.76
Water and Power Development	318.80	378.28	697.08
Transport and Communications			
Grants--in--aid	14.70	—	14.70
II. Revenue Surplus carried over to Section--B	NIL	NIL	NIL
			3092.68

SECTION-B

III	Opening balance including permanent advance and cash balance investment.	121.63
IV	Miscellaneous Capital Receipts	92.30
V	Recovery of Loans	111.59
	(i) From Government Servants	15.23
	(ii) From Others	96.36
VI	Revenue Surplus brought down	NIL
VII	Public Debt Receipts	1179.02
	(i) Internal Debt other than Ways and Means Advances.	432.84
	(ii) Ways and Means Advances	—
	(iii) Loans and Advances from Central Government	746.18
VIII	Inter-State Settlement Account	NIL
IX	Transfer from Contingency Fund	100.00
X	Contingency Fund	118.12

OTHERS

(Rupees in crores)

III	Opening overdraft from Reserve Bank of India	20.45
IV	Capital Outlay	484.17
	(i) General Services	3.06
	(ii) Social and Community Services	79.52
	(iii) General Economic Services etc.	0.16
	(iv) Agriculture and Allied Services.	32.11
	(v) Industry and Minerals	129.66
	(vi) Water and Power Development	207.44
	(vii) Transport and Communications	32.22
V	Loans and Advances	388.53
	(i) For Power Projects	148.85
	(ii) To Government Servants	17.84
	(iii) To Others	221.84
VI	Revenue deficit brought down	286.06
VII	Repayment of Public Debt	502.09
	(i) Internal Debt other than Ways and Means Advances	321.30
	(ii) Ways and Means Advances	—
	(iii) Repayment of Loans and Advances to Central Government	180.79
VIII	Inter--State Settlement Account	0.67
IX	Appropriation to Contingency Fund	100.00
X	Contingency Fund	108.07

SECTION— B

XI	Public Account Receipts	5121.93
(i)	Small Savings and Provident Fund	111.44
(ii)	Reserve Fund	179.75
(iii)	Suspense and Miscellaneous	1570.51
(iv)	Remittances	758.99
(v)	Deposits and Advances	2501.24
XII	Closing Overdraft from Reserve Bank of India	3.79
		<hr/>
		6848.38

OTHERS

XI	Public Account Disbursements	4923.51
(i)	Small Savings and Provident Funds	55.26
(ii)	Reserve Funds	155.69
(iii)	Suspense and Miscellaneous	1580.29
(iv)	Remittances	757.10
(v)	Deposits and Advances	2375.21
XII	Cash Balance at the end	34.83
(i)	Cash in treasuries and Local Remittances	(—) 2.67
(ii)	Departmental Cash Balance including Permanent Advances	10.51
(iii)	Cash balance investment	26.99
		6848.38

Sources And Application of Fund for 1987-88

(Rupees in crores)

I. Sources

1. Revenue Receipts		2806.62	
2. Capital Receipts on Government Accounts		92.30	
3. Increase in Public Debt, Small Savings, Deposits and Ways and Means Advances		859.24	
4. Net contributions from the Contingency		10.05	
Adjustments —			
Increase in Suspense balance	(—)	27.91	
Increase in Reserve Funds, Other Accounts and Inter—State Settlement Accounts		41.45	
Effect on Remittance balances		1.89	15.43
			<hr/>
		Net funds available	3783.64
			<hr/>

II Application

1. Revenue Expenditure		3092.68	
2. Capital Outlay		484.17	
3. Lending for Development and other programmes		276.94	
4. Appropriation to Contingency Fund		—	
5. Increase in closing cash balance			
Increase in cash Balance during the year		17.28	
Investment of cash balance	(—)	87.43	(—) 70.15
			<hr/>
			3783.64
			<hr/>

The comments emerging from the Statement of Affairs of the Government of Gujarat for the year 1987—88 are given in the succeeding paragraphs.

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

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

1.3 There is an unreconciled difference of Rs. 5086.69 lakhs between the figures of overdraft as shown in the accounts and that intimated by Reserve Bank of India.

1.4 The net additional Public Debt (as adjusted by the effect on Remittances and Suspense balance, the drawals from Reserve Funds, etc.) raised during the year was Rs. 884.72 crores which was more than the net of loans and advances disbursed for development and other programmes (Rs. 276.94 crores) by Rs. 607.78 crores. This excess of Rs. 607.78 crores together with capital receipts on Government Account of Rs. 92.30 crores reduced by the Revenue deficit of Rs. 286.06 crores was utilised to meet the total capital expenditure of Rs. 484.17 crores leaving a net deficit of Rs. 70.15 crores. This net deficit was reflected as increase in closing cash balance by Rs. 17.28 crores during the year, off-set by investments from cash balance and other earmarked funds (Rs. 87.43 crores).

1.5 The credit balance of Deposit Accounts on 31st March 1988 was Rs. 860.90 crores. This included Rs. 53.70 crores as Personal Deposits of Departmental Officers made by withdrawal of money from the Consolidated Fund, after booking the same as expenditure.

1.6 The decrease in non-tax revenues by Rs. 114.45 crores was mainly on account of less receipts under interest from departmental

Commercial undertakings, mineral concession fees, rent and royalties, State lotteries, Education, Sports, Arts and Culture and other receipts under Social Security and Welfare.

1.7 The arrears of revenues in respect of some of the important heads of revenues at the end of the year were reported to be Rs. 157.24 crores (against Rs. 133.04 crores in the previous year), out of which collection of Rs. 24.76 crores; sales tax (Rs. 24.69 crores) State Excise Duty; (Rs. 0.02 crore) and Entertainment Tax (Rs. 0.05 crore); was stayed.

1.8 The total amount overdue for recovery against loans advanced to Municipalities, Panchayati Raj Institutions, Other Local Bodies, Public Sector Undertakings, etc., as on 31st March 1988, the detailed accounts of which are kept in accounts office, was Rs. 91.85 crores including Rs. 45.53 crores on account of interest, the main defaulter being the State Electricity Board. In respect of loans other than loans granted to Gujarat Electricity Board the detailed accounts of which are kept by departmental officers, information about overdue instalments of principal and interest on 31st March 1988 has not been furnished (September 1988) by 58 out of 84 departmental controlling officers who are or whose subordinate departmental officers are maintaining such detailed accounts.

1.9 The interest paid on debt and other obligation was Rs. 310.70 crores. The interest received was Rs. 208.62 crores, including that from departmental commercial undertakings and others. The net accrual of interest was thus less by Rs. 102.08 crores.

The interest charges paid on Small Savings, Provident Funds, etc., was Rs. 37.29 crores, while the net accretion to the balance during the year was Rs. 56.18 crores.

1.10 Against the Plan provision of Rs. 1650.67 crores, the actual expenditure on Plan Schemes on all accounts was Rs. 1595.24 crores during the year, resulting in a saving of Rs. 55.43 crores.

1.11 The annual debt service obligation according to the schedule of repayment of principal and payment of interest was Rs. 732.35 crores ; the actual discharge was Rs. 812.80 crores.

1.12 With fresh investment of Rs. 139.27 crores during the current year in the various Corporations / Companies / Co-operative institutions, the total investment of Government in shares and debentures on 31st March 1988 was Rs. 466.36 crores. Interest and dividends received on such investment during the year was Rs. 8.71 crores, representing roughly 2 *per cent* of investment.

1.13 The contingent liability for guarantees given by the State Government for repayment of loan, etc., by statutory Corporations Companies and Co-operatives etc. on 31st March 1988 was Rs. 2852.56 crores including interest (against the maximum amount guaranteed of Rs. 3479.35 crores). A sum of Rs. 2.27 crores was paid as at the end of March 1988 in discharge of these guarantees.

1.14 A sum of Rs. 2.96 crores was received as guarantee commission during 1987--88. Information about the guarantee commission due for recovery upto March 1988 and in default called for (September 1988, October 1988 and January 1989) was awaited (November 1989).

1.15 The increase of about Rs. 321.57 crores in the non--plan expenditure in 1987--88 over 1986--87 was mainly due to increase in Revenue expenditure (Rs. 294.35 crores), Loans and Advances (Rs. 27.41 crores) and Public Debt (Rs. 273.51 crores) partially off-set by less expenditure on Appropriation to Contingency Fund, (Rs. 270.00 crores) and less Capital expenditure (Rs. 3.70 crores). The increase in Revenue expenditure was mainly due to increase in dearness allowances and pension, more expenditure on interest payments, drought relief, assistance to non--Government Secondary Schools and Local Bodies for Primary education, etc.

CHAPTER—II
 APPROPRIATION AUDIT AND CONTROL
 OVER EXPENDITURE

2. General

2.1 The summarised position of actual expenditure during 1987-88 against grants/appropriations is as follows :—

(Rupees in crores)

	Original grant/ appropriation	Supplem- entary	Total	Actual expend- iture	Variation Saving(—) Excess(+)
I Revenue					
Voted	25,40.31	6,53.09	31,93.40	29,13.89	—2,79.51
Charged	3,06.96	49.38	3,56.34	3,51.29	— 5.05
II Capital					
Voted	5,38.49	2,32.47	7,70.96	5,49.51	—2,21.45
Charged	0.02	4.43	4.45	4.45	NIL
III Public Dept					
Charged	3,12.83	1,03.83	4,16.66	5,02.09	+85.43
IV Loans and Advances					
Voted	2,59.79	1,59.72	4,19.51	3,88.76	—30.75
Charged	0.22	0.60	0.82	0.78	—0.04
V Others-Inter State Settlement					
Charged	0.01	0.27	0.28	0.67	+0.39
VI Transfer to Contingency Fund					
Voted	—	1,00.00	1,00.00	1,00.00	Nil.
GRAND TOTAL	39,58.63	13,03.79	52,62.42	48,11.44	-4,50.98

2.2 The following results emerge broadly from the Appropriation Audit.

2.2.1 Supplementary provision obtained during the year constituted 33 *per cent* of the original budget provision as against 30 *per cent* in the year preceding.

2.2.2 Supplementary provision of Rs. 24.43 crores in 24 cases proved unnecessary. In 32 more cases additional fund required was only Rs. 3,94.36 crores against the supplementary provision of Rs. 5,20.69 crores with saving in each case exceeding Rs. 10 lakhs.

In 16 cases supplementary provision of Rs. 4,83.61 crores proved insufficient by more than Rs. 10 lakhs each, leaving an aggregate uncovered excess expenditure of Rs. 2,89.51 crores.

2.3 The overall saving was Rs. 7,41.11 crores in 154 grants and appropriations. The overall excess (Appendix 2.1) on the other hand, was Rs. 2,90.13 crores in 34 grants and appropriations requiring regularisation under Article 205 of the Constitution.

2.4 In the following grants/appropriations, the expenditure fell short by more than Rs. 1 crore each and also by more than 10 *per cent* of the total provision :

Description of the grant	Amount of saving (Rupees in crores) (percentage of provision)	Reasons for saving
5-Other expenditure pertaining to Agriculture and Rural Development Department (Revenue-Charged)	1.45 (77)	Mainly due to non-payment to cattle exporters owing to paucity of time to scrutinise the claims.

Description of the grant	Amount of saving (Rupees in crores) (per centage of provision)	Reasons for saving
19-Civil Supplies (Revenue—Voted)	20.57 (50)	Mainly due to coverage of less population under "Food for All" Scheme and less off-take of foodgrains.
30-General Administration Department (Revenue- Voted)	2.35 (38)	Mainly due to non-purchase of computers.
37-Family Welfare (Revenue-Voted)	7.84 (18)	Mainly due to vacant posts of female Community Health Workers, receipt of medical kits from the Government of India, discontinuance of the scheme, 'Area Development Project', less number of vasectomy operations, etc., (Rs. 6.13 crores). No explanation for the balance
37-Family Welfare (Capital - Voted)	6.00 (100)	Due to non-sanction of the scheme to attract couples having no male issue to adopt family planning.
38-Water Supply (Capital - Voted)	10.76 (16)	Mainly due to reduction in 'Plan' outlay.

Description of the grant	Amount of saving (Rupees in crores) (percentage of provision)	Reasons for saving
43-Other expenditure pertaining to Home Department (Capital - Voted)	3.68 (45)	No explanation.
46-Stationery and Printing (Revenue-Voted)	2.74 (16)	Due to non-receipt of papers from the mills/suppliers.
47-Industries (Capital - Voted)	44.64 (19)	Mainly due to economy in expenditure owing to scarcity, non-payment of loan to Gujarat Industrial Investment Corporation owing to non-finalisation of terms and conditions of loan to Hindustan Motors Limited and non-receipt of claims from the industries for loans against sales tax paid on sale of finished products.
52-Information and Publicity (Revenue-Voted)	1.04 (17)	Mainly due to reduction in 'Plan' outlay and non-filling up of vacant posts owing to scarcity.
56-Irrigation and Soil Conservation (Revenue - Voted)	34.94 (14)	Mainly due to non achievement of target of 'On Farm Development Works' owing to scanty rainfall, adjustment of unspent balance of grants for minor irrigation works lying with panchayats,

Description of the grant	Amount of saving (Rupees in crores) (percentage of provision)	Reasons for saving
		reduction in 'Plan coiling and slow progress in respect of minor irrigation works, non-receipt of equipment and economy in expenditure on maintenance (Rs. 11.35 crores). No explanation for the balance.
56—Irrigation and Soil Conservation (Capital-Voted)	30.04 (22)	Mainly due to slow progress of work, non-commencement of work, non/late fixation of agencies non-acquisition of land and stoppage of irrigation project works by the contractors.
65—Narmada Development Scheme (Revenue -Voted)	17.60 (27)	Due to excessive provision for interest on works.
65—Narmada Development Scheme (Capital-Voted)	99.89 (44)	Mainly due to deferring seismological instrumentation work to subsequent year, non-payment of mobilization and machinery advance for dam and appurtenant works, non-fixation of agency for civil works of canal for Head Power House, slow progress of civil works of

Description of the grant	Amount of saving (Rupees in crores) (percentage of provision)	Reasons for saving
69—Rural Housing (Capital-Voted)	1.57 (21)	River Bed Power House late commencement of main canal work, late starting of lining of canal, non-fixation of agencies and late starting of earthwork of main canal, non-finalisation of route for transmission line of Power Project and non-finalisation of plans, estimates and agency in respect of cross drainage works, etc. Mainly due to adjustment of unspent balance of grants for housing loans to the landless labourers lying with the district panchayats and sanction of less loan for housing to economically weaker section and low income group by the Life Insurance Corporation and Government of India.
70—Compensations and Assignments (Revenue-Voted)	10.29 (48)	Mainly due to Government's initial decision to abolish octroi and its subsequent reversal.
80—Relief on account of Natural Calamities (Capital Voted)	22.92 (35)	Mainly due to non-sanction of scheme for share capital contri-

Description of the grant	Amount of saving (Rupees in crores) (per centage of provision)	Reasons for saving
		<p>tribution to Gujarat Water Resources Development Corporation by the National Bank for Agriculture and Rural Development (Rs. 1.00 crore). No explanation for the balance.</p>
82-Compensations and Assignments (Capital-Voted)	1.36 (99)	<p>Mainly due to delay by the competent authorities in sending indents for bonds to the Reserve Bank of India.</p>
85-Non-Residential Buildings (Capital-Voted)	4.87 (25)	<p>Mainly due to non-finalisation of proposal for purchase of aircraft, non-fixation of the agency for works relating to employment buildings, non-receipt of administrative approval for building works from various departments and reduction in 'Plan' ceiling for housing, etc.</p>
86-Residential Buildings '(Capital-Voted)'	2.06 (11)	<p>Mainly due to reduction in 'Plan' outlay for buildings for Police and General Services, delay in finalisation of site for buildings for Agriculture Department and delay in receipt of administrative approval and fixation of agency for buildings for Fisheries Department.</p>

Description of the grant	Amount of saving (Rupees in crores) (percentage of provision)	Reasons for saving
87-Roads and Bridges (Capital-Voted)	5.10 (31)	Mainly due to reduction in 'Plan' outlay for road development.
88-Gujarat Capital Construction Scheme (Capital-Voted)	1.83 (28)	Mainly due to reduction in 'Plan' ceiling of the capital project.
94-Special Component Plan for Scheduled Castes (Capital-Voted)	1.45 (36)	Mainly due to lack of demand from Scheduled Castes people for electric connection, non-sanction by the Government for share capital contribution to the Scheduled Caste Economic Development Corporation, non-receipt of administrative approval for construction of residential schools and Government hostel for boys and girls and receipt of less applications for housing loan.
101-Urban Development (Capital--Voted)	3.09 (33)	Mainly due to cut in expenditure imposed by the Government in respect of Area Development Scheme, Disposal of Solid Garbage Project, slum upgradation and non-sanction of loan by the Government of India for fire services, etc.
102-Compensations, Assignments and Tax Collection Charges (Revenue-Voted)	70.14 (92)	Mainly due to Government's initial decision to abolish octroi and its subsequent reversal.

2.5 In additions to those mentioned in para 2.4 above, in the following cases, substantial savings arose on account of either non-implementation or slow-implementation of the Plan Schemes :

Grant or Appropriation	Name of Scheme	Amount of saving (Rupees in crores)	Percentage of saving
1	2	3	4
49-Energy Projects (Revenue)	(i) Assistance to Energy Development Agency (Plan)	0.53	24
59-Labour and Employment (Revenue)	(ii) Group Insurance Scheme for landless agricultural workers (Plan)	1.02	68
92-Social Security and Welfare (Capital)	(iii) Residential Schools for Socially and Economically Backward Class students (Plan)	0.10	100
96-Welfare of Scheduled Tribes (Capital)	(iv) Residential school for Scheduled Tribes (Plan)	0.05	100
98-Tribal Area Sub-Plan (Revenue)	(v) Subsidy for rehabilitation of overdues of Agriculture credit structure (Plan)	1.19	88
98-Tribal Areas Sub-Plan (Revenue)	(vi) Residential Schools (Plan)	1.04	77

Description of the grant	Amount of saving (Rupees in crores) (per centage of provision)	Reasons for saving
98-Tribal Areas (vii) Sub-Plan (Capital)	Capital outlay on Housing Buildings (Plan)	1.14 60
98-Tribal Area Sub-Plan (Capital)	Kelia Irrigation Scheme (Plan)	0.65 54

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

Grant or Appropriation	Percentage of saving		
	1985—86	1986—87	1987—88
Civil Supplies Revenue (Voted)	92	77	50
Narmada Development Scheme Capital (Voted)	54	66	44
Rural Housing Capital (Voted)	11	35	21
Compensations and Assignments Capital (Voted)	93	97	99
Special Component Plan for Scheduled Castes Capital (Voted)	10	46	36
Urban Development Capital (Voted)	24	9	33

An analysis of the reasons for the persistent saving in respect of two of the six grants indicated above is given below :

Civil Supplies

The saving under the grant during the three years was mainly attributable to less off take of foodgrains and coverage of less population under "Food for All" Scheme.

Rural Housing

The reasons for the saving/surrender was (i) receipt of less loan from General Insurance Corporation of India for Housing Scheme for economically weaker sections during the years 1985-86 and 1986-87, (ii) unspent balance of grants given to district panchayats for construction of houses for landless labourers during the years 1986-87 and 1987-88; (iii) non-receipt of proposal from the Gujarat Rural Housing Board for housing scheme for rural farmers during 1986-87 and (iv) sanction of less loans by the Life Insurance Corporation of India and Government of India for housing scheme for economically weaker section. As a consequence, implementation of a scheme meant for housing poor persons in rural area was not encouraging.

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

Description of the grant	Amount of excess (Rupees in crores) (percentage of provision)	Reasons for excess
1	2	3
7-Co-operation (Capital--Voted)	5.30 (143)	Mainly due to sanction of more funds by the National Bank for Agricultural and Rural Development (Rs. 0.13 lakh). No explanation for the balance.

Description of the grant	Amount of excess (Rupees in crores) (percentage of provision)	Reasons for excess
17-Repayment of Debt pertaining to Finance Department and its servicing (Capital - Charged)	85.56 (21)	Mainly due to drawal of more ways and means advances.
80-Relief on account of Natural Calamities (Revenue - Voted)	1,48.27 (34)	No explanation.
89-Other expenditure pertaining to Roads and Buildings Department (Revenue - Voted)	0.66 (26)	Mainly due to increase in the rates of dearness allowance, telephone charges and food-grain materials.

2.8 Persistent excesses were noticed in the following cases.

Grant	Percentage of excess		
	1985-86	1986-87	1987-88
Co-operation (Capital Voted)	14	90	143
Industries Mines and Energy Department (Revenue-Voted)	4	8	13
Irrigation Department (Revenue-Voted)	2	17	16
Other expenditure pertaining to Roads and Buildings Department (Revenue-Voted)	24	14	26

2.9 Expenditure on "New Service/New Instrument of Service"

Provisions in the Gujarat Budget Manual prescribe certain financial limits for different categories of expenditure beyond which the expenditure constitutes "New Services" or "New Instrument of Services" and requires prior approval of Legislature. During test check in Audit of the accounts for 1987-88, the following cases were noticed in which the prescribed limits were exceeded and the expenditure constituted "New Service" or "New Instrument of Services" but neither advance from the Contingency Fund was obtained nor prior approval of the Legislature taken.

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

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

Rupees 5.69 crores were paid as loan to Co-operative bank against which neither provision was made in the Budget Estimates nor advance from the Contingency Fund was obtained.

(ii) Revenue Department (Grant No. 80)

An expenditure of Rs. 33.71 crores was incurred towards payment of subsidy to *Panjarapoles* and *Gaushalas* against budget provision of Rs. 8.69 crores. This provision was augmented by Rs. 22.18 crores through reappropriation leaving final excess of Rs. 2.84 crores.

The provision for 'Employment generation in relief works-Irrigation (Plan)' was Rs. 1,20.00 crores. However, expenditure incurred was Rs. 2,32.22 crores leaving final excess of Rs. 1,12.22 crores.

Expenditure of Rs. 10.70 crores was incurred against provision of Rs. 6.00 crores for 'Employment generation in relief works-

Soil conservation (Plan). Balance of Rs. 4.70 crores was met by way of reappropriation.

Expenditure of Rs. 3.45 crores was incurred on 'Maintenance, repairs and replacement of tools and equipments' against the provision of Rs. 1.20 crores. Balance of Rs. 2.25 crores was met by reappropriation.

Rupees 9.09 crores were disbursed as cash doles to disabled whereas provision of Rs. 7.20 crores only existed. The balance of Rs. 1.89 crores was met by reappropriation.

Expenditure of Rs. 22.01 crores was incurred on 'Relief Establishment' against provision of Rs. 5.00 crores.; Rs. 0.67 crore were met by reappropriation leaving excess of Rs. 16.34 crores.

Against the provision of Rs. 36.05 crores for 'Animal Husbandry', an expenditure of Rs. 45.59 crores was incurred. The balance of Rs. 9.54 crores was met by reappropriation.

The provision of Rs. 50.00 crores for 'Drinking water supply arrangements in scarcity affected areas' was augmented by reappropriation of Rs. 5.67 crores. Expenditure incurred was Rs. 54.91 crores.

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

Expenditure of Rs. 1.83 crores was incurred on non-residential buildings of Industries Department against provision of Rs. 0.31 crore. An amount of Rs. 1.50 crores was met by reappropriation leaving an excess of Rs. 0.02 crore.

2.10 In spite of repeated recommendations of the Public Accounts Committee, rush of expenditure in the month of March was noticed in the following cases ;—

Description of function	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March (Rupees in crores)
Other Rural Development Programme	67.70	63.51	35.12	55
Flood Control and Drainage	2.96	3.33	1.67	50
Power	4.35	1.90	1.00	52
Compensations and Assignments to Local Bodies and Panchayati Raj Institutions	95.38	14.94	10.65	71
Capital Outlay on Public Works	3.93	2.88	1.22	42
Capital Outlay on Information and Publicity.	0.93	0.05	0.03	60
Capital Outlay on Social Security and Welfare	0.40	0.39	0.20	51
Capital Outlay on Agriculture and Allied Activities	0.76	0.27	0.14	52
Capital Outlay on Animal Husbandry	0.38	0.78	0.29	37

The reasons for rush of expenditure in the month of March in above cases have not been intimated (November 1989).

2.11 In 7 grants in Revenue Section, the actual recoveries of expenditure (Rs. 1,18.00 crores) were more than the estimated recoveries (Rs. 88.80 crores) by Rs. 29.20 crores. The excess

recoveries amounting to Rs. 1.21 crores were stated to be mainly due to transfer of more expenditure to Gujarat Insurance Fund owing to payment of more insurance claims on account of development of insurance business (Grant No. 16), transfer of more expenditure to Group V i. e. Common Expenditure of Naramda Project (Grant No. 64) and to Major Head 2059 Public Works (Grant No. 84) owing to increase in establishment expenditure arising from revision of pay scales, rates of dearness allowance, travelling allowance, daily allowance, house rent allowance and payment of bonus, etc. The reasons for the remaining excess recoveries of Rs. 27.99 crores have not been intimated. On the other hand, in 6 grants, the actual recoveries (Rs. 41.08 crores) were less than the estimated recoveries (Rs. 67.29 crores) by Rs. 26.21 crores. The shortfall amounting to Rs. 0.36 crore was due mainly to non-purchase of printing machinery (Grant-No. 46) and adjustment of unspent balance of the grants given to the panchayats in the earlier years. The reasons for the remaining shortfall of Rs. 25.85 crores have not been intimated.

Similarly, in Capital Section in 12 grants the actual recoveries of expenditure (Rs. 31.17 crores) were more than the estimated recoveries (Rs. 6.29 crores) by Rs. 24.88 crores. The excess of Rs. 9.18 crores was mainly attributable to redemption of 10 per cent H-Series debentures of Regional Rural Bank and carrying out pending adjustment for the years 1983-84 and 1984-85 relating to Insurance and Pension Fund (Grant No. 16) more recovery from the sugar nominees as price differential amount of sugar levy (Grant No. 19) sale of equity shares of the Gujarat State Fertilizers Company (Grant No. 47) and realisation of credit for materials issued during 1986-87 (Grant No. 88). The reasons for the remaining excess recoveries of Rs. 15.70 crores have not been intimated. On the other hand in 2 grants the actual recoveries (Rs. 39.62 crores) were less than the estimated recoveries (Rs. 1,29.97 crores) by Rs. 90.35 crores. The reasons for the shortfall have not been intimated. Further, details of grant-wise recoveries are given in Appendix II of the Appropriation Accounts.

CHAPTER III
CIVIL DEPARTMENTS
HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 National Malaria Eradication programme

3.1.1 Introduction

The National Malaria Eradication Programme (NMEP) was launched in 1958 for total eradication of malaria. Since total eradication was not possible, a modified plan of operation (MPO) was introduced in 1977 to reduce the incidence of disease and prevent deaths.

The incidence of malaria is judged by the Annual Parasite Incidence (API) representing the number of malaria cases noticed in a year per 1000 population. Areas with API of two and above receive special attention under the MPO.

The modified programme had the following components :

- Surveillance to collect blood smears and examine them to identify malaria cases. Active surveillance is that done by the staff of NMEP while surveillance by other medical institutions is called passive.
- Treatment of malaria patients.
- Spraying with insecticides like DDT, BHC and Malathion.
- Entomological studies to determine the resistance developed by vector mosquitoes to different insecticides and select appropriate one for spraying.

The expenditure on the programme is shared equally between the Central and State Government from 1979-80. The Central assistance is given in the form of insecticides, anti-malarial drugs, cash, etc.

3.1.2 Organisational set up

The programme was implemented in the State by the Director of Health, Medical Services and Medical Education assisted by Zonal

Malaria Officers and District malaria Officers. The institutions like Primary Health Centres (PHCs) etc., were also involved in the programme.

3.1.3 Audit coverage

Implementation of NMEP has been reviewed between February and July 1988 through test check of records at the Directorate, Rajkot zonal Office and District Malaria Offices at Ahmedabad, Dangs, Kaira Rajkot, Surat and Surendrangar.

3.1.4 Highlights

—During 1984-85 to 1987-88, expenditure on pay and allowances increased from 55 to 76 *per cent* of the total expenditure thereby reducing availability of funds for medicines, kits, etc. (Paragraph 3.1.5).

—The incidence of malaria went down speedily during 1980-85 but increased by 100 *per cent* in 1987 due to irregular surveillance, limited coverage of population under spray, unplanned urbanisation, drug resistance, etc., (Paragraph 3.1.6.1).

—There was shortfall in collection of blood smears against the targets set for total and active surveillance during 1980-87 in many sections, PHCs and districts due to more importance given to Family Welfare Programme, non-cooperation of medical institutions and poor work done by fever treatment depots and malaria clinics (paragraphs 3.1.6.3).

—Delay in examination of blood smears as well as delayed administration of radical treatment in a large number of positive cases defeated one of the main objectives of the programme. Radical treatment was not given in all the malaria positive cases (paragraphs 3.1.6.4 and 3.1.6.5).

—11699 fever treatment depots and 4945 Drug distribution units were closed down during 1980-87 (paragraph 3.1.6.8).

—The entire population to be covered by spraying operations were not covered during 1980-87 and the shortfall ranged between 22 and

72 per cent Inadequate spraying was due to less availability of funds and delay in procurement of insecticides. High incidence areas were not sprayed regularly (Paragraphs 3.1.7.1 to 3.1.7.3).

—Insecticides valued at Rs. 3.47 lakhs were sprayed in second round when the effects of first round was available resulting in wastage of insecticides (paragraph 3.1.7.5).

—Time barred insecticides valued at Rs. 14.11 lakhs were sprayed during 1985 and 1986 (Paragraph 3.1.7.6).

—Excess consumption of anti-malarials was noticed in all the years during 1980-87 (Paragraph 3.1.8).

—State and District Level Committees constituted to oversee the proper implementation of the programme were not meeting regularly (Parageaph 3.1.10).

3.1.5 Financial outaly

From April 1980 to March 1988, the expenditure on the programme amounted to Rs. 10150.63 lakhs as against the budget provision of Rs. 10810.44 lakhs. The Central assistance during the period amounted to Rs. 5653.66 lakhs of which Rs. 3562. 61 lakhs was in cash. Details are given below :

Year	Budget	Expenditure	Central assistance received in		
			Cash	Kind	Total
(Rupees in lakhs)					
1980—81	805.58	504.28	Nil	13.95	13.95
1981—82	1318.42	1307.01	516.83	56.87	573.70
1982—83	1080.39	896.74	345.00	139.28	484.28
1983—84	1445.90	1355.06	500.00	280.50	780.50
1984—85	1746.31	1689.08	809.09	327.83	1136.92
1985—86	1436.82	1452.02	911.26	512.13	1423.39
1986—87	1451.65	1431.32	377.30	229.97	607.27
1987—88	1525.37	1515.12	103.13	530.52	633.65
Total:-	10810.44	10150.63	3562.61	2091.05	5653.66

The percentage of expenditure on pay and allowances to the total has shown a rising trend. It has gone upto 76 per cent, in 1986-87, as against 41 in 1981-82. In 1987-88 also it was 74 per cent. In consequence, the share of funds for other activities was reduced.

3.1.6 Incidence of disease

3.1.6.1 The incidence of malaria went down speedily from 4.35 lakhs to 1.39 lakhs during 1980-85. However, in 1986 and 1987, the incidence increased to 1.54 lakhs and 2.75 lakhs respectively. The incidence in the districts of Broach, Baroda, Bulsar, Dangs, Kaira, Panchmahals, Sabarkantha and surat was particularly high. Government attributed the increase in incidence to very limited coverage of population under spray, resistance developed by mosquitoes to insecticides, unplanned urbanisation, drug resistance, etc.

3.1.6.2 Shortfall in surveillance visits

The staff of NMEP are to make fortnightly visits to all the houses in the villages to check malaria cases. Test check of records of the visits in nine PHCs of four districts disclosed that such visits were not regular as shown below :

Year	Number of visits due	Number of visits made	Percentage of shortfall
1985	1632	114	93
1986	1752	174	90
1987	1752	166	91

Government stated (October 1988) that the shortfall was due to other programmes of public health e. g. family welfare getting a added emphasis:

3.1.6.3 Shortfall in targets

Ten to fifteen per cent of the population is to be covered for collection of blood smears divided between the active and passive surveillance in the ratio of 60 : 40. This should be further distributed

among the districts, PHCs and sections on population basis; such targets have to be distributed evenly through out the year. The targets set for the State were achieved as shown below :

Year	Blood smear collection	
	Target	Achievements
	(Number in lakhs)	
1984	35.75	42.33
1985	36.21	38.58
1986	36.47	44.20
1987	37.07	55.47

An analysis of information collected in respect of 14 districts, however, disclosed that there were shortfalls in collection of blood smears under total as well as under active surveillance during the year 1980-87. The total targets were not achieved in any of the eight years in Banaskantha, Rajkot and Surat and in Ahmedabad, Junagadh and Panchmahals, it was not achieved during 1981-87. Further analysis of data in 15 out of 26 PHCs of Rajkot and Surendranagar districts disclosed the shortfall as under :

Year	Number of PHCs	Number of months in which shortfall noticed	Range of shortfall in percentage
1984	14	1 to 11	1 to 67
1985	14	8 to 12	2 to 96
1986	15	4 to 12	2 to 86
1987	15	2 to 11	1 to 91

According to Government this was due to staff of PHC giving importance to family welfare programme, non-cooperation of medical institutions and poor work done by fever treatment depots and malaria clinics.

3.1.6.4 Delay in examination of blood smears and treatment

All the blood smears collected should be examined within 7 to 10 days after collection. However, test check of 0.41 lakh blood smear cases during 1980—87 revealed that 65 per cent of them were examined after 10 days.

Treatment of malaria positive cases should be within 15 days after collection of blood smears which included the time taken for the slides to reach laboratory for examination. Delays in administering radical treatment for a significant proportion of the cases from the date of examination were also noticed during the test check of 0.41 lakh cases as under :

Year	Positive malaria cases	Cases treated		
		Within 10 days of examination	Between 11 to 30 days of examination	Beyond 30 days of examination
1980	3214	667	1007	1540
1981	2449	521	773	1155
1982	5723	1450	1294	2979
1983	9942	2407	2410	5125
1984	6956	2563	1902	2491
1985	3637	1590	768	1279
1986	4883	3015	949	919
1987	3714	2003	994	717
Total	40518	14216	10097	16205

Early detection and administration of radical treatment which was one of the main objectives of MPO to reduce mortality and spreading of the disease was largely not fulfilled.

According to Government, delays at various stages were due to carelessness of multipurpose workers (MPWs), their engagement

mostly in other programmes, non-availability of trained technicians, incomplete address, lack of public cooperation, etc.

3.1.6.5 *Non-administration of radical treatment*

The Programme envisaged that all positive cases were to be administered radical treatment (RT). However, during 1980 to 1987, 4 to 14 per cent of positive malaria cases were not given such treatment as indicated below :

Year	Number of positive cases	Number of positive cases not given radical treatment	Percentage of cases not given radical treatment
		(number in lakhs)	
1980	4.35	0.24	6
1981	4.15	0.23	6
1982	3.33	0.20	6
1983	2.80	0.12	4
1984	2.54	0.22	9
1985	1.39	0.12	9
1986	1.54	0.15	10
1987	2.75	0.39	14

The Director stated that migration and untraceability of patients were the major reasons for not giving radical treatment apart from infants, pregnant mothers, old and weak persons who can not be treated on clinical grounds.

3.1.6.6 *Lack of follow-up on positive cases*

All positive cases in areas with API of less than 2 were to be followed with blood tests after treatment at monthly intervals for 12 months. In none of the 6 districts test checked, such follow-up action was taken except in Ahmedabad district. Even there, only

the falciparum cases were followed up once. Government stated (October 1988) that with the rising trend of malaria cases, such follow-up was not feasible.

3.1.6.7 *Deficiencies in blood smears slides*

Cross checking of slides pertaining to Jamnagar, Kachchh, Rajkot and Surendranagar districts carried out in the Rajkot zonal office revealed deficiencies in slides such as too thin, fixed, not able to see through, poor stain, etc. and the number of such slides increased considerably during 1983-87 in all the four districts from 6 to 53 *per cent*. Lack of proper training to MPWs in drawing blood smears and laboratory technicians in proper staining were the reasons for deficient slides which made the irregular surveillance ineffective. Government stated (February 1989) that suitable instructions have been issued to improve the quality of slides.

3.1.6. *Fever Treatment Depots (FTD) and Drug Distribution Centres (DDC)*

Emphasis was laid on establishing more and more FTDs and DDCs particularly in inaccessible areas and areas not properly surveyed by MPWs to minimise mortality and morbidity due to malaria. With the growing slackness in fortnightly surveillance, the number of FTDs and DDCs came down from 21559 and 11749 in 1980 to 9860 and 6804 respectively in 1987 denying the benefits to the rural community; the decrease was noticed in all the districts of the State inspite of increasing trend of malaria cases during 1986 and 1987.

3.1.7 *Spraying*

The Programme envisaged insecticides spraying with DDT, BHC and Malathion (MLT) between June and October regularly in areas with API of two and above. Containment of outbreaks in other areas was attempted by focal spray. The norm for covering 10 lakh population was 100 tonnes of DDT in two rounds, 336 tonnes of BHC in three rounds and 900 tonnes of MLT in three rounds.

The deficiencies noticed in spraying operation were as below :

3.7.1 *Inadequate coverage of population*

The entire population to be covered by spraying operations were not covered and the shortfalls ranged between 22 and 72 percent as indicated below :

Year	Population to be covered under spray	Population actually covered	Shortfall
	(Number in lakhs)		
1980	221.59	86.40	61
1981	221.59	145.60	34
1982	203.31	88.20	57
1983	203.31	105.50	48
1984	203.31	152.40	25
1985	203.31	158.60	22
1986	203.31	124.40	39
1987	203.31	57.01	72

3.1.7.2 *Inadequate spraying in subsequent rounds*

The population covered under spray was not uniform in all the rounds, except in 1980 and 1982. The extent of spraying done in second and third rounds expressed as a percentage of the population covered in the first round was as below :

Year	Percentage of population covered	
	Second round	Third round
1980	99	97
1981	71	39
1982	93	66
1983	91	6
1984	96	32
1985	115	43
1986	74	9
1987	95	6

Inadequate spraying in subsequent rounds impaired the effectiveness of spraying operations and prevention of the transmission of malaria. While agreeing with this, Government stated that there was delay in procurement of insecticides.

3.1.7.3 Failure to spray in high incidence areas

Ninetyone out of 124 PHCs in areas of high incidence with API of two and above were not sprayed regularly and some of the areas were not sprayed at all for over five years as below :

Districts	Number of PHC with API of two and above 1980	Number of PHC with API of two in and above in 1987	Number of PHC with API of two and above not covered by spray for		
			1—2 years	3—4 years	5 Years and above
Amreli	11	11	3	2	Nil
Ahmedabad	10	7	7	1	Nil
Junagadh	16	13	7	3	2
Panchmahals	23	24	14	Nil	Nil
Sabarkantha	13	9	8	3	5
Surat	17	21	13	2	1
Vadodara	16	18	5	3	2
Valsad	18	18	7	5	

3.1.7.4 Ineffective spraying

The spraying operations were to be regulated with reference to resistance developed by the vector mosquitoes to the various insecticides as assessed from entomological studies. The extent of resistance already developed in 251 PHC areas in the State was as below :

Resistance to	Number of PHC areas where resistance was developed during		
	1983	1986	1987
DDT	248	251	251
BHC	242	251	251
MDT	30	87	251

Thus, from 1983 the vector mosquitoes had developed more and more resistance and by 1987 they are immune to all the insecticides. In view of this, it is not clear whether the spraying activities effectively controlled the transmission of the disease. Government stated that appropriate type of insecticides as per susceptibility status of vector mosquitoes could not be procured due to very high cost and less availability of funds.

3.1.7.5 *Wastage of insecticides*

Residual spraying effect of DDT remains for 2½ months and hence it was sprayed in 2 rounds to cover the transmission season from June to October. In four PHCs of Rajkot district during 1987 and two PHCs in Kaira district and one PHC in Surendrangar district during 1984, second round of DDT spray involving Rs. 3.47 lakhs was carried out when the residual effect of first round was available resulting in waste of insecticides.

Reasons attributed were to delayed commencement of first round, early second spraying due to festivals and availability of staff.

3.1.7.6 *Timebarred insecticides*

Malathion has a shelf-life of 12 months from the date of manufacture. It was, however, seen that time expired MLT was used for spraying as indicated below :

(i) Thirtythree tonnes of MLT valued at Rs. 5.61 lakhs (approximately) manufactured in September/October 1984 were used for spray between October and November 1985.

(ii) Fifty tonnes of MLT valued at Rs. 8.5 lakhs with shelf-life upto July 1986 was used for spray during August to October 1986.

Government while accepting the facts contended that spraying of timebarred insecticides was better than leaving the areas without spraying.

3.1.7.7 *Delay in setting up an insecticide testing laboratory*

In March 1983, Central Government approved the setting up of an insecticides testing laboratory at an estimated cost of Rs. 4.40 lakhs which was to be shared equally between Central and State Governments. Owing to non-availability of suitable accommodation, Government decided (October 1987) to establish it in the existing building. However, the laboratory has not become operational as yet (April 1990) because of non-provision of staff and equipments.

3.1.8 *Excess consumption of anti-malarials*

Under the Programme, every fever case was assumed to be due to malaria unless otherwise proved and presumptive treatment administered with three chloroquine tablets on an average and followed with radical treatment wherever proved positive with three chloroquine and twenty primaquine tablets on an average. Excessive consumption of chloroquine and primaquine tablets produces serious toxic manifestation especially the former mainly on skin and eyes. In relation to number of fever cases treated and average dosages, excess consumption during 1980 to 1987 of 389.94 lakhs chloroquine and 36.65 lakhs primaquine was noticed in test checked districts. According to the Department, the excess consumption was due to Medical Officers giving more dosages.

3.1.9 *Urban Malaria Scheme*

In 1971, Government of India initiated the Urban Malaria Scheme (UMS) with the main objective of controlling malaria by reducing the vector population in urban areas through recurrent anti-larval measures since indoor spraying of insecticides was not acceptable to residents. One of the most important aspects of control of malaria in UMS was implementation of bye-laws of mosquito control and drainage and water collection in the cities.

The UMS was in operation in 16 towns in the State and executed by Corporations, Municipalities, Nagarpalikas and Notified area for which grant-in-aid was paid as per approved staffing pattern and larvicides supplied by Government of India and the entire expenditure was equally shared by both the Governments.

Government of India assisted the Programme through the State to the extent of Rs. 193.96 lakhs (Cash : Rs 73.89 lakhs and kind : Rs. 120.07 lakhs) during 1980-88. The State paid Rs 296.17 lakhs as grant-in-aid to 16 Municipalities, etc., towards the implementation of the Programme during 1980--88.

Of the four urban areas of Gandhinagar, Nadiad, Rajkot and Surendranagar test checked, the incidence had come down since 1980. However, even by 1987, all these areas had API of two and above. The API of Nadiad was 17.3 even in 1987, indicating very high incidence.

The bye-laws passed by Nadiad Municipality in November 1982 could not be enforced for want of confirmation from Government since then and Rajkot Municipal Corporation could not enforce similar bye-laws confirmed by Government in November 1985 for want of delegation of powers to a nominated officer. In Surendranagar and Gandhinagar bye-laws have been passed and were being enforced.

3.1.10 *Coordination committees*

For watching and guiding implementation of the Programme, a State Level Committee and District Level Committees were set up to meet once in a quarter. State Level Committee was not meeting regularly and met only seven times during 1979 to 1987. The District Level Committees were also not meeting regularly. Government stated (February 1989) that efforts will be made to convene the State Level Committee meetings regularly and that the District Level Committees had been disbanded.

3.2 Integrated Child Development Services

3.2.1 Introduction

3.2.1.1 The Integrated Child Development Services Scheme (ICDS) was started in 1975--76, as a Centrally Sponsored Scheme in order

(i) to improve the nutrition and health status of children in the age group of 0--6 Years ;

(ii) to lay the foundation for proper psychological, physical and social development of the child ;

(iii) to reduce the incidence of mortality, morbidity, malnutrition and school drop-outs amongst children ;

(iv) to achieve effective coordinated policy and its implementation amongst the various departments to promote child development ;

(v) to enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education.

3.2.1.2 These objectives were to be achieved with the package of services in ICDS project areas consisting of supplementary nutrition, immunisation, health check up, referral services, nutrition and health education for women and non-formal pre-school education to children below 6 years of age.

3.2.1.3 Alongwith ICDS, a scheme of Functional Literacy for Adult Women (FLAW) aimed at providing non-formal education to adult women in the age group of 15--45 years was also implemented upto December 1984.

ICDS and FAW were centrally sponsored schemes with full Central assistance on Central projects except expenditure on supplementary nutrition. Expenditure on supplementary nutrition

scheme, alongwith all expenditure on State project was met by the State Government. The UNICEF provided assistance in kind by supplying equipments, mopeds, cycles, jeeps and cash for meeting *Anganwadi* workers training, travel, etc., and CARE provided assistance of food articles to be distributed to the beneficiaries of *Anganwadis* (AWs).

3.2.1.4 At the end of March 1988, there were 82 Central (48 rural, 27 tribal and 7 urban) and 16 State sponsored (11 rural, 5 tribal) projects in the State.

3. 2. 2 *Organisational set up*

3.2.2.1 The two schemes are implemented under the direction of the Health and Family Welfare Department at the Secretariat assisted by the Director of Health, Medical Services and Medical Education, by the District Panchayats for rural areas and Municipal Corporations for urban areas, to whom funds are provided by the Government.

3.2.2.2 Each ICDS project is headed and supervised by a Child Development Project Officer (CDPO). The rural urban projects consists of 100 villages and a tribal project consists of 50 villages. The focal point of delivery of all the services in a project is the *Angawadi* set up to cover a population of about 1000 people in rural and urban projects and about 700 people in tribal projects. It is managed by a *Anganwadi* Worker (AWW) responsible for supplementary nutrition (SN) programme, pre-school education and nutrition and health education. Health services, such as, overall health check up, immunisation and referral services are attended to by Medical Officers and para-medical staff of the primary health centres (PHCs) or municipal hospitals, dispensaries selected for a rural or urban project area.

3.2.3 *Audit Coverage*

The implementation of the two schemes was reviewed through test check of records in the Directorate, s rict Panchayats of Panch-

mahalas, Rajkot, Surat, Surendranagar, Dangs, Valsad, Vadodara, Kachchh and Bharuch districts with particular reference to Central projects at Kalol, Wankaner, Vyara, Lakhtar, Godhra, Ahwa, Songadh, Umargaon, Tilakwada, Valia and Amod, Urban project at Jamnagar and State projects at Mundra, Lodhika and Mandvi.

3.2.4 Highlights

— Against the Central assistance of Rupees 2737.94 lakhs received, expenditure totalling Rs. 2941.76 lakhs was incurred during 1979-88 (Paragraph 3.2.5.1).

3586 *Anganwadis* out of 14528 which were sanctioned had not been set up (Paragraph 3.2.6).

— Targets for supplementary nutrition for expectant and nursing mothers were achieved only upto a maximum of 60 per cent. Children were provided supplementary nutrition irrespective of their health status. In a number of *Anganwadis*, nutrition was not provided even for 100 to 200 days against the target of 300 days in a year for want of food articles, absence of *Anganwadi* workers and problems of transportation of food articles (Paragraph 3.2.8).

— Immunisation of children fell short of targets by 24 to 40 per cent and that of women by 13 to 87 per cent (Paragraph 3.2.9).

— The actual health check up of women and children was inadequate and there was sharp decline in the health check up from 1984-85 onwards (Paragraph 3.2.10).

— The percentage of women covered under nutrition and health education ranged between 29 and 56 during 1980-88. Equipments for audio-visual media were mostly lying idle in 13 test checked projects (Paragraphs 3.2.12 and 3.2.13).

— The implementation of FLAW scheme suffered as the number of women enrolled during 1980-84 was as low as 5 to 8 per cent of the targeted population. This was on account of lack of interest of

beneficiaries. There was also an unspent balance of Rs. 25.84 lakhs at the time of closure of the scheme (paragraph 3.2.15)

— Meetings of State Level Co-ordination Committees were held only twice in four years and the District Level Committees had not been constituted. Monitoring of the scheme was inadequate (Paragraph 3.2.16)

3.2.5 Central projects

3.2.5.1 Utilisation of Central Assistance

Central assistance amounting Rs. 2,737.94 lakhs was received during 1979-80 to 1987-88 for ICDS against which Rs. 2,941.76 lakhs were spent. The expenditure on the programme was significantly stepped up in the last three years as shown below :

Year	Central assistance received	Expenditure
(Rupees in Lakhs)		
1979—80	40.51	44.42
1980—81	34.89	23.96
1981—82	65.43	36.90
1982—83	82.41	71.83
1983—84	127.73	159.08
1984—85	343.55	260.85
1985—86	343.30	688.05
1986—87	680.79	608.11
1987—88	1019.33	1048.56
	2737.94	2941.76

The expenditure also included Central assistance meant for local bodies like District Panchayats for implementation of the scheme and the excess expenditure was met from the State Government's own funds.

No information was available about the actual utilisation and unspent balances with these local bodies. Test check in six Central

projects disclosed unutilised assistance of Rs. 16.61 lakhs in 1985, Rs. 32.38 lakhs in 1986 Rs. 31.26 lakhs in 1987 and Rs. 46.91 lakhs in 1988.

Rupees 2459.64 lakhs were spent by the State Government for State projects and supplementary nutrition upto 1987-88 against the budget provision of Rs. 2575.56 lakhs.

3.2.6 *Slow Progress in setting up Anganwadis*

There was slow progress in setting up *Anganwadis* after sanctions were issued. Only 75 to 91 *per cent* of the sanctioned *Anganwadis* were set up in the same financial year as shown below :

Year	Number of projects sanctioned	Number of Anganwadis		Shortfall Percentage
		sanctioned	Set up	
1979—80	7	789	652	17
1980—81	12	1162	1012	13
1981—82	23	2036	1760	14
1982—83	43	3527	3104	12
1983—84	63	5150	4314	16
1984—85	63	7552	6852	9
1985—86	71	9029	7861	13
1986—87	78	11299	10178	10
1987—88	98	14528	10942	25

3.2.7 *Shortage of staff and trained personnel*

The Programme suffered from shortage of staff and untrained personnel. As of March 1988, 24 posts of CDPO out of 98, 151 posts of Supervisors out of 929 and 3607 posts of *Anganwadi* workers out of 14528 were vacant. The untrained personnel were 27 *per cent* in CDPOS' cadre, 26 *per cent* in supervisors cadre and 14 *per cent* in *Anganwadi* workers cadre. The programme also suffered from shortage

of medical personnel. 68 posts of Doctors out of 294 posts, 35 out of 327 posts of Lady Health visitors and 111 Auxillary Nurses posts out of 1718 were unfilled as of March 1988.

3.2.8 Supplementary Nutrition

Annual targets had been fixed for provision of supplementary nutrition to children, severely malnourished children, and to expectant and nursing mothers. The performance details are given below:

	YEAR						
	1981 —82	1982 —83	1983 —84	1984 —85	1985 —86	1986 —87	1987 —88
	(Numbers in lakhs)						
Normal Children							
Target	0.75	1.99	2.06	6.83	5.25	6.25	6.53
Number of children fully benefitted	0.25	1.15	1.33	3.49	3.92	5.48	6.12
(Percentage)	(33)	(58)	(65)	(51)	(75)	(88)	(94)
Severely malnourished children							
Target	0.04	0.18	0.25	1.03	1.36	2.03	2.05
Number of children fully benefitted	0.01	0.05	0.07	0.68	0.87	1.77	2.99
(Percentage)	(25)	(28)	(28)	(66)	(64)	(88)	(146)
Expectant and nursing mothers							
Target	0.01	0.09	0.10	1.61	2.07	2.40	2.53
Number of women fully benefitted	Negligible	0.02*	0.06*	0.69	0.97	1.40	1.50
(Percentage)		(22)	(60)	(43)	(47)	(58)	(59)

*Represents figures of State projects only as figures of Central projects were not available.

The deficiencies in implementation noticed during test check were as below :

(i) Children who came to the AWs were registered for supplementary nutrition irrespective of their health status.

(ii) Children in the age group of 6 months to 3 years who were not attending the AWs were given carry home food in 80 per cent of the cases, instead of ensuring consumption of food in the AW itself. This was applied to women beneficiaries also.

(iii) In all the projects, twice the quantity of normal supplementary nutrition was given for severely malnourished children instead of special therapeutic nutrition.

(iv) A number of *Anganwadis* could not provide nutrition even for 200 days against the target of 300 days in a year as detailed below :

	YEAR			
	1984—85	1985—86	1986—87	1987—88
Total number of AWs	1021	1405	1813	1837
Number of AWs which provided nutrition for 100—200 days	244	165	173	91
Number of AWs which provided nutrition for less than 100 days	55	29	32	17
Number of AWs which did not provide any nutrition	4	4	1	4

The shortfall in the number of feeding days was attributed to want of stock of food articles, problems of transportation, absence from duty due to leave of the AWWs, etc.

3.2.9 Immunisation

Immunisation was planned to be given to children below six years of age through one dose of BCG against TB, 3 doses of DPT and 3 doses of polio vaccines. All expectant mothers were also to be immunised against Tetanus with two doses of Tetanus Toxide. Except during the years 1979-80, 1980-81 and 1984-85, the percentage of children immunised fell short of the targets. The targets for women to be immunised were not achieved in 5 out of 9 years. The shortfall ranged between 13 to 86 per cent. The details are as below :

	YEAR								
	1979 -80	1980 -81	1981 -82	1982 -83	1983 -84	1984 -85	1985 -86	1986 -87	1987 -88
	(Number in lakhs)								
Children									
Target to be covered	0.16	0.01	1.78	4.35	4.78	3.17	5.88	7.00	7.07
Number actually covered	0.28	1.04	1.16	3.24	3.65	4.06	3.53	4.64	5.20
(Percentage)	(175)	(103)	(65)	(74)	(76)	(128)	(60)	(66)	(74)
Women									
Target to be covered	0.31	0.40	0.72	1.16	1.55	1.00	1.32	1.82	2.03
Number actually covered	0.04	0.51	0.42	1.19	1.15	1.19	1.73	1.53	1.77
(Percentage)	(13)	(128)	(58)	(103)	(74)	(119)	(131)	(84)	(87)

In the 15 projects test checked, all the children and women who had received first dose of immunisation did not get subsequent doses between April 1984 and March 1988, affecting adversely the effectiveness of immunisation, as indicated below :

Immunisation against,	Number administered		
	First dose	Second dose	Third dose
1. DPT	191228	166961	147042
2. Polio	179473	149787	124751
3. Tetanus	150381	122402	—

Lack of interest of parents to bring their children for immunisation, absenteeism, blind faith of tribal people were attributed as the reasons.

3.2.10 Health check up

The health check up consisted of periodical physical examination of expectant mothers, post-natal visits twice within ten days after delivery, where PHCs and sub-centres were located, and in other cases once within the first month after delivery and general check up of all children under six years of age every three/six months.

Target set for these were not achieved and there was a sharp decline in the percentage of health check up provided to the beneficiaries from 1984-85 onwards. Details are given below :

	YEAR							
	1980	1981	1982	1983	1984	1985	1986	1987
	—81	—82	—83	—84	—85	—86	—87	—88
(Number in lakhs)								
Children								
Target	0.50	1.24	2.13	2.32	9.62	12.12	15.59	21.05
Number given								
health check up	0.22	0.82	0.97	1.45	0.90	1.79	3.21	6.05
(Percentage)	(44)	(66)	(45)	(62)	(9)	(15)	(21)	(29)
Women								
Target	0.12	0.44	0.53	0.50	2.21	2.78	3.58	4.85
Number given								
health check up	0.08	0.29	0.33	0.45	0.55	0.58	0.88	0.71
(Percentage)	(67)	(65)	(62)	(90)	(25)	(21)	(25)	(15)

In respect of 14 projects test checked, the shortfall in village visits by the ANMs ranged between 89 and 93 *per cent* during the years 1984-85 to 1987-88.

3.2.11 Immunisation records

The details of immunisation, health check up of women and children etc., are required to be noted in health cards, pre-natal/post-natal cards and immunisation registers which are meant to serve as a control mechanism. A test check of the records of 261 *Anganwadis* of 15 projects disclosed that the child health cards and the pre-natal and post-natal cards had not been maintained and the entries in the immunisation registers were incomplete.

3.2.12 Education and publicity

Nutrition and health education was to be provided to all women in the age group 15-45 years through the use of mass media and other forms of publicity, special campaigns, home visits by AWWs, specially organised short courses, demonstrations, formation of Mahila Mandals, etc. However, the actual coverage ranged only from 29 to 56 *per cent* of the targeted number of women as shown below —

	YEAR							
	1980	1981	1982	1983	1984	1985	1986	1987
	—81	—82	—83	—84	—85	—86	—87	—88
	(Numbers in lakhs)							
Nutrition and health education to								
Women								
Target number	0.42	0.45	1.12	1.59	1.41	1.84	2.66	2.84
Number actually covered	0.15	0.19	0.32	0.86	0.72	1.00	1.48	1.55
(Percentage)	(36)	(42)	(29)	(54)	(51)	(54)	(56)	(54)

3.2.13 *Supply of equipment and other essential items*

For effective and satisfactory implementation of ICDS, it was essential that the projects functionaries were supplied with essential equipments and supplies. In 12 out of 15 projects test checked, basic equipments like utensils for cooking and feeding, health and nutrition cards, colour strips, kits for non-formal education, first aid materials, weighing scales, etc., had not been supplied to *Anganwadis*.

Out of 15 projects test checked, no use of audio-visual media was made in 13 projects. Out of 1830 villages in these projects *Mahila Mandals* were set up only in 184 villages, just 10 per cent of total. Thus, the education and publicity efforts made appeared inadequate.

3.2.14 *Unutilised equipments*

Various inputs supplied free of cost by UNICEF to the ICDS projects were not put to optimum use. Illustratively, in five projects, English typewriters were lying unused (for the last 5 years) from the date of supply due to absence of English knowing typists. In 10 projects, the film slides/strips projectors, etc., were lying unused from the date of supply. In three projects, refrigerators were lying in unserviceable condition for more than 2 years. 248 weighing scales in 7 projects were lying surplus. Out of five mopeds supplied to a project, 2 were unserviceable and 3 were lying unutilised as Lady supervisors were not willing to use the mopeds in the tribal areas.

3.2.15 *Functional Literacy for Adult Women (FLAW)*

3.2.15.1 The scheme envisaged providing a functional literacy class comprising 30 adult women in the age group of 15-45 years in an AW to impart knowledge and skills to perform the functions of a house wife. The classes were to be spread over 250 hours in 10 months in a year according to prescribed curriculum.

The implementation suffered as the number of women enrolled was low and the number who actually attended was even less. The details are given below :

	YEAR			
	1980—81	1981—82	1982—83	1983—84
Number of women in the target group	29400	40950	44218	44070
Number actually enrolled	1531	2018	3495	3484
(Percentage)	(5)	(5)	(8)	(8)
Number actually attended out of those enrolled	935	817	1705	2137
(Percentage out of enrolled women)	(61)	(40)	(49)	(61)

3.2.15.2 Out of Central assistance of Rs. 91 lakhs received for FLAW upto 1983-84, expenditure of Rs. 65.16 lakhs was incurred by the State Government leaving an unspent balance of Rs. 25.84 lakhs at the time of closure of the scheme in December 1984.

3.2.16 *Co-ordination, Monitoring and Evaluation Co-ordination Committees*

The State Level Co-ordination Committee required to meet quarterly, met only twice in four years on account of delay in constitution of the new body. No district level co-ordination committees had been constituted. No evaluation of the scheme has been attempted so far.

3.2.17 The above observations were reported to Government (September 1988); reply had not been received (December 1989).

REVENUE DEPARTMENT

3.3 Drought Relief Programme**3.3.1 Introduction**

3.3.1.1 Due to scarce and irregular rains for four successive years, scarcity was declared in 149 out of 183 talukas in the State in the year ending september 1986; in 146 talukas in 1987 and 166 talukas in 1988. With the occurrence of good monsoon, the scarcity relief works were closed in August, 1988.

3.3.1.2 Since primary responsibility for extending relief devolves upon the State, a margin money of Rs. 2875 lakhs per annum was to be set aside. Half of the amount is provided by the State Government from its own resources and the other half is to be contributed by the Central Government as grant-in-aid. Central share can be drawn after State share is utilised. The unspent State share and Central share not released to the State in any year, are to be carried forward from year to year and utilised when the natural calamity occurs. If, however, the requirement of relief expenditure is substantially in excess of the margin money, Central assistance as recommended by a Central team is admissible both on non-plan and plan account. The assistance on plan account is treated as advance plan assistance to be adjusted against total Central assistance for plan in the next five years.

3.3.1.3 Accordingly a team from Government of India visited Gujarat in 1986-87 and recommended assistance of Rs. 14484 lakhs against the claim of Rs. 42987 lakhs preferred by the State Government. For 1987-88, Rs. 31766 lakhs were recommended against Rs. 111157 lakhs preferred by the State. In addition, Rs. 1500 lakhs was sanctioned in October 1987 separately by Central Government for certain identified schemes in the irrigation sector.

3.3.1.4 The relief measures included employment generation, provision of drinking water sources, transportation of drinking water, supply of inputs to agriculturists, public health and veterinary care, subsidy for maintenance of cattle camps, 'gaushalas' and 'panjrapoles' and supply of fodder to cattle.

3.3.2 Organisational set up

The scarcity relief operations implemented by various departments and organisations were coordinated by the collectors at the district level and by the Heads of Departments at the State level. The overall supervision and control of relief operations was exercised by commissioner of Relief and Secretary to Government, Revenue Department.

3.3.3 Audit coverage

An audit review of expenditure on Drought Relief Programme, during the years 1983-84 to 1985-86 was included as paragraph 3.5 of the Report of the Comptroller and Auditor General of India for the year 1985-86 (Civil). A further review of the programme covering the period upto July 1988, was conducted primarily in five selected districts viz., Rajkot, Junagadh, Surendranagar, Mehsana and Kachchh and in certain offices in six other districts viz Bhavnagar, Jamnagar, Ahmedabad, Kheda, Vadodara and Gandhinagar. The works taken up by Gujarat Water Supply and Sewerage Board (GWSSB) for supply of drinking water in the five selected districts were examined in detail.

3.3.4 Highlights

—The beneficiaries of scarcity relief works remained unidentified and child labour was engaged (Paragraph 3.3.6.1).

—Though employment generation in 1987-88 was reported as 144 per cent of the estimates for the State as a whole it was less by 15 to 38 per cent of the estimates in the test checked districts (Paragraph 3.3.6.2).

—Out of Rs. 68400 lakhs spent upto July 1988 on generation of employment, Rs. 17300 lakhs were spent on non drought proofing works such as road works, spinning of yarn and manufacture of handicrafts (Paragraph 3.3.6.3).

—7.68 Lakh cubic metres of road metal were collected as part of drought relief employment. 5.85 lakhs cubic metres of metal valued at Rs. 117 lakhs remained unutilised and were lying at the quarry site of works in Rajkot and Junagadh Districts (Paragraph 3.3.6.3).

—Due to delay in commencement of the work only Rs. 880 lakhs could be spent against Rs. 1500 lakhs budgeted to be spent in respect of certain irrigation projects (Paragraph 3.3.6.4).

—Three forest divisions paid Rs. 20.56 lakhs in excess of prescribed rates for soil and moisture conservation works (Paragraph 3.3.6.5).

—Subscription of Rs. 300 lakhs towards the share capital of Gujarat Water Resources Development Corporation Limited under generation of employment for scarcity labour was incorrect as the intended purpose was not served (Paragraph 3.3.6.7).

—Rupees 141.63 lakhs were spent on purchase of tools but tools worth only Rs. 63.75 lakhs were issued (Paragraph 3.3.6.8).

—Gujarat Water Supply and Sewerage Board (GWSSB) provided water supply only to 4230 villages as against the target of 9701 villages due to delayed survey and selection of sites and delay in completion of works (Paragraph 3.3.7.1).

—Due to delay in delivery, none of the five rigs purchased in 1988 at a cost of Rs. 126.37 lakhs was used for any drilling work during the scarcity period (Paragraph 3.3.7.2).

—In spite of GWSSB having 58 rigs, 84 per cent of the bores were got drilled by private agencies as optimum utilisation of departmental rigs was not possible for want of trained personnel (Paragraph 3.3.7.3).

—One hundred and fortyseven out of 542 successful bores remained without power pumps (Paragraphs 3.3.7.4).

—13 water works were undertaken at an expenditure of Rs. 62.85 lakhs as scarcity relief works. These were not completed before the end of scarcity period. Rs. 57.88 lakhs were spent on scarcity relief without Government sanction and after good monsoon (Paragraph 3.3.7.5).

—GWSSB suffered a loss of rebate of Rs. 4.59 lakhs due from suppliers by not lifting resin in time. It also suffered a loss of Rs. 18.33 lakhs as interest on security deposit (Paragraph 3.3.7.6).

—Rupees 54.08 lakhs were spent to augment the supply of water to Gandhinagar city even though it was not identified in the Master Plan (Paragraph 3.3.7.8).

—Rupees 20.06 lakhs were paid as subsidy for distribution of groundnut seeds to ineligible beneficiaries (Paragraph 3.3.8).

—Out of Rs. 3937 lakhs paid to voluntary agencies for relief work, account for Rs. 1411 lakhs had not been rendered. Rs. 39.75 lakhs were paid in excess to a voluntary agency as maintenance subsidy without obtaining certified returns from the agency (Paragraphs 3.3.9.2 and 3.3.9.5).

—Central assistance of Rs. 320 lakhs for water supply in four cattle camps remained unutilised as no arrangement for water supply was made (Paragraph 3.3.9.6).

—Transport subsidy of Rs. 11.66 lakhs were paid without verifying the basic records like permit for movement, quantity involved and reasonableness of transport charges (Paragraph 3.3.9.7).

—2916 tonnes of paddy straw costing Rs. 7.29 lakhs was short received Rupees 23.44 lakhs were also paid as railway freight in respect of short supplied paddy straw (Paragraph 3.3.11.1).

3.3.5 *Expenditure and utilisation of Central assistance*

The state Government spent Rs. 30467 lakhs (including Rs. 2764 lakhs incurred in 1985-86 from Contingency Fund but recouped during 1986-87) and Rs. 62473 lakhs in 1986-87 and 1987-88 respectively. The actual Central assistance in these two years was limited to Rs. 12553 lakhs and Rs. 27372 lakhs though the ceilings fixed for assistance by Government of India was Rs. 14484 lakhs and Rs. 33266 lakhs respectively. Out of the above expenditure Rs. 2208 lakhs had been drawn by the implementing agencies but not actually spent.

Component-wise expenditure fixed for Central assistance is as below:

Component	1986--87		1987--88	
	Ceilings fixed	Actual expenditure	Ceilings fixed	Actual Expenditure
1	2	3	(Rupees 4	in Lakhs) 5
I-Plan				
Employment generation	5511	16215	21543	35794
Agricultural contingent plan and vegetable kits	—	—	206	204
Fodder/Veterinary care	—	—	3600	4560
Drinking water supply arrangements	4685	8133	4272	8817
Public Health	30	41	50	73
Supplementary Nutrition	71	50	558	530
Agricultural input subsidy seeds and grass tagavi	1612	675	574	785
Investigation and survey	—	2	—	—
Rescheduling of loan	846	846	525	525
	12755	25962	31328	51288

1	2	3	4	5
II-Non-plan				
Gratuitous relief	78	470	452	909
Supply of fodder/ Transportation, Labour charges	799	1354	—	2466
Cattle relief measures, subsidy to Panjrapoles Gausshalas and Cattle Camps	431	1116	542	3477
Transportation of drinking water	421	670	919	1787
Anti—Malaria	—	20	25	—
Establishment and other charges	—	875	—	2546
	1729	4505	1938	11185
Total :	14484	30467	33266	62473

3.3.6 *Employment Generation*

3.3.6.1 Identity cards were not issued to the Target group of beneficiaries, in terms of the standing procedure evolved by Government in July 1984. Government further instructed (November 1987) that the group photographs of the beneficiaries should be affixed on the gang book supplied to the leader of the gang. In most of the offices test checked, the photographs of beneficiaries had not been obtained. Thus, the beneficiaries of scarcity relief works remained unidentified and possibilities of misuse of relief funds could not be ruled out. The inspection reports of flying squad showed that child labour was continued to be engaged even after introduction of the system of identification through photographs.

3.3.6.2 The primary object of expenditure on drought relief was to generate employment and construct durable assets. While the expected level of employment was not generated in the year ending June 1987, the target for employment generation was exceeded in the next year as below :

Scarcity year	Target	Actually Provided
	(In lakh mandays)	
1986 (upto June 1987)	1448	907
1987 (upto June 1988)	2507	3611

Government stated (February 1989) that projected generation of mandays, based on anticipated turn out of labourers cannot be treated as targets to be achieved.

Though for the state as a whole, employment generation in 1987-88 was reported as 144 *per cent* of the estimate, four of the test checked districts viz, Mehasna, Kachchh, Surendranagar and Junagadh reported less generation of mandays ranging from 15 to 38 *per cent*. The shortfall was attributed to less demand for work and shortage of labourers.

3.3.6.3 Drought proofing works

(i) Sanctions of ceilings stressed that drought relief employment generation activities be restricted to works which were drought proofing in nature such as water shed development, soil conservation, social forestry, minor irrigation, percolation tanks and other works which improve the local ecology. Guidelines for deciding the drought proofing works were not issued to the district authorities. The guidelines issued by Government of India envisaged that the areas which are drought prone would benefit more from employment generation works which are drought proofing in nature rather than road construction works. The targets for various drought proofing works were not prescribed. Out of Rs. 68400 lakhs spent during the years 1986-87 to 1988-89

on generation of employment, Rs.17300 lakhs, constituting 25 *per cent* of total were spent on non-drought proofing works like road works (Rs. 17100 lakhs), spinning of yarn(Rs. 100 lakhs) and manufacture of handicrafts (Rs. 100 lakhs).

(ii) Roads and Buildings Department decided (January 1984) that earthen roads completed in scarcity years should be provided with metal surface and pipe drains in order to make these roads durable. Priority was to be given to roads connecting villages having a population of 1000 to 1500 or more and villages without any all weather road. Test check of the five districts showed that out 2093 roads executed during 1986-87 and 1987-88, only 913 roads (44 *per cent*) belonged to priority category. Besides, only 338 roads were provided with metal surface and pipe drains.

Further, out of 7.68 lakh cubic metres of road metal collected in Rajkot and Junagadh districts as part of drought relief employment, 5.85 lakh cubic metres (value Rs. 117.04 lakhs) remained unused and were lying at the quarry site and site of works. 6824 cubic metres (value Rs. 1.36 lakhs) of metal were reported to have been washed away in Junagadh district. There was no explanation why the metal so collected could not be used for construction of roads and creation of durable assets. Thus, adequate efforts were not made for creation of durable roads.

3.3.6.4 *Failure to expedite Irrigation works*

For completion/expeditious execution of 228 projects under irrigation sector, an outlay of Rs. 3000 lakhs was approved in September 1987. Central Government sanctioned an assistance of Rs. 1500 lakhs for the financial year 1987-88 in addition to annual plan outlay of Rs. 2604 lakhs. Though the amount of Rs. 1500 lakhs was to be spent before March 1988, the expenditure upto March 1988 on these projects was only Rs. 880 lakhs. Non-utilisation of the entire sanctioned amount was attributed by Government (February 1989) to commencement of works after December 1987.

Two medium irrigation schemes viz., Modernisation of Dantiwada and Fatewadi Projects on which Rs. 1.39 crores (approved outlay Rs. 1.45 crores) were spent upto August 1988 by four divisions were reviewed. The following points were noticed.

(i) Only 0.86 lakh mandays of employment out of the target of 4.10 lakhs was generated in Fatewadi Modernisation Project upto August 1988. (ii) Though employment generation was to be without any canal lining work, four divisions executed lining of field channels with precast troughs. Expenditure on materials was 73 to 87 per cent instead of limiting it to 50 per cent as per approved scheme. The daily wages paid ranged from Rs. 15.85 to Rs. 21.70 instead of Rs. 11.00 resulting in excess payment of Rs. 6.72 lakhs in two divisions. Government stated (February 1989) that scarcity labourers were not available and the works were carried out with regular nominal musters by employing local village labourers on wages as per Minimum Wages Act. The contention of the Government is not acceptable because the works was undertaken as scarcity relief measure and the entire expenditure has been booked under scarcity relief.

3.3.6.5 Defects in works of Forest Department

Test check disclosed the following deficiencies in the execution of drought relief works by the Forest Department.

(i) Measurements were not recorded in respect of capital works executed by Deputy Conservators of Forests, Rajkot and Mehsana.

(ii) Completion certificates were not issued by the competent authority in respect of works executed in five test checked districts.

(iii) Three divisions paid Rs. 7.70 per cubic metre for soil and moisture conservation works instead of Rs. 5.50 per cubic metre (January 1986) resulting in avoidable excess expenditure of Rs. 20.56 lakhs. Government stated (February 1989) that the rate of Rs. 7.70 per cubic metre was adopted considering the

type of work in Saurashtra. This is not tenable as the prescribed rate of Rs. 5.50 was for all types of soil other than hard murrum all over Gujarat.

3.3.6.6 Gujarat State Khadi Gramodhyog Board

A scheme of spinning with *Ambar Charkha* was implemented through Gujarat State Khadi Gramodhyog Board (Board) to employ fresh spinners with a ceiling rate of Rs. 9 per day raised to Rs. 11 from February 1988. The Board was given assistance of Rs. 171.01 lakhs for this purpose. The Board implemented the scheme through 38 Institutions affiliated to it. Each spinner was expected to spin upto 10 hanks per day in the first month and 15 hanks thereafter upto July 1988. The Board showed utilisation of Rs. 168.81 lakhs for generating 14.36 lakh mandays of work.

The Board did not utilise Rs. 44.81 lakhs on reimbursement of wages paid by five institutions as these were paying wages higher than the prescribed rate. Out of this amount, the Board incurred an expenditure of Rs. 12.29 lakhs on provision of *Ambar Charkhas*, repairs to *Charkha*, etc; to these institutions. The balance of Rs. 32.52 lakhs was not refunded to Government.

Though the minimum of 15 hanks per day was not realised after the first month, scarcity wages of Rs. 9 was paid resulting in excess payment of Rs. 8.12 lakhs in 83 test checked cases.

3.3.6.7 Subscription towards Share Capital from scarcity fund

Rupees 300 lakhs were subscribed to the share capital of Gujarat Water Resources Development Corporation (GWRDC) in order to secure institutional finance from National Bank for Agricultural and Rural Development (NABARD) for minor irrigation works. Subscription to share capital from scarcity funds without scope for generation of employment was inappropriate.

3.3.6.8 *Excess purchase of tools*

In five test checked districts tools valued at Rs. 141.63 lakhs were purchased for issue to labour engaged in drought relief programme. However, tools worth only Rs. 63.75 lakhs were issued and the balance of tools valued at Rs. 77.88 lakhs are lying in stock.

3.3.6.9 *Printing of Coupons*

(i) Orders were issued in January 1987 that payment of half the wages to scarcity works labourers will be in cash and balance in the form of wheat, to be obtained from Fair Price Shops, on production of coupons issued by the departmental officers. The shops were required to forward the used coupons to Mamlatdars for cancellation. However, cancellation of used coupons was not in vogue in any of the five talukas test checked.

(ii) In Kachchh and Ahmedabad, coupons were issued for 71292 tonnes of wheat but coupons for only 70234 tonnes were encashed, implying that wages in kind valued at Rs. 16.50 lakhs were not drawn. The Government discontinued issue of coupons in October 1987 and thereafter paid the entire wages in cash. This rendered the coupons already printed, at a cost of Rs. 3.42 lakhs useless.

(iii) Departmental officers had detected encashment of bogus coupons valued at Rs. 7.33 lakhs in Panchmahals District. Of this only Rs. 3.86 lakhs could be recovered from Fair Price Shops.

3.3.7 *Provision of drinking water*

3.3.7.1 The State Government prepared an emergency Master plan to provide water to 9701 villages/towns through Gujarat Water Supply and Sewerage Board (GWSSB). GWSSB was to sanction schemes that could be completed by March 1988 and Rs. 8383.46 lakhs were released by Government for this purpose during 1986-88. GWSSB incurred a much larger expenditure of Rs. 8802.42 lakhs. Despite the excess, GWSSB provided water supply to only 4230 villages.

Government stated (February 1989) that only 6830 villages/towns had been identified before March 1988 out of which 4230 were supplied with water. Thus, the shortfall in achievement was due to delayed survey and selection of sites and non-completion of works in time.

3.3.7.2 Purchase of Rigs

(i) With a view to complete drilling programme before March 1988, normal procedure of open tenders was relaxed and orders for supply of five 100 mm rigs at a cost of Rs.126.37 lakhs were placed by April 1988 on the basis of limited tenders issued in September 1987. All the rigs were delivered by November 1988 and the only rig that was available in June 1988 was used in non-scarcity area. Thus, none of the five rigs was used for drilling during the scarcity period.

(ii) In February 1988 GWSSB deposited Rs. 48 lakhs with UNICEF for import of 2 Hydrofacturing units meant for increasing the yield of water in low discharge tube wells in rocky areas. The objective was frustrated as the units had not been delivered (February 1989).

3.3.7.3 Performance of Departmental rigs

(i) GWSSB had 58 rigs including 34 procured between May and July 1986 at a cost of Rs. 573 lakhs. This fleet could drill 5508 bores per annum as assessed by Government. However, only about one third of the capacity could be actually utilised. Consequently, private agencies drilled 84 per cent of bores. The details are as below:

Scarcity Year	Number of wells drilled by GWSSB Rigs	Percentage utilisation of capacity to drill	Number of wells drilled by rigs of private agencies	Percentage of wells drilled by private agencies
1986	1596	29	8525	84
1987	1939	35	11218	85

The Government replied (February 1989) that the departmental rigs could not be effectively used as they were old and adequate manpower was not available for operating all the rigs.

(ii) A test check of utilisation of rigs in four districts between December 1987 and May 1988 of seven rigs deployed for drilling showed that most of the rigs were idling without utilisation; and the bores depth drilled were far below the norms as shown below :

District	Number of rigs worked	Use-able days of working	Actual days worked	Bores drilled		Meterage drilled		Percentage : actual to norms
				As per norms	Actual-ly drilled	As per norms	Actual-ly drilled	
Surendranagar	1	182	117	18	3	3600	671	19
Junagadh	2	350	174	192	122	7200	5073	70
Bhavnagar	3	529	160	288	85	9800	3805	35
Kachchh	1	180	101	96	7	3600	666	19

3.3.7.4 Delay in installation and energisation of pumps

Unless the successful bores were fitted with handpumps, the villages could not be supplied with water. However, on 417 bores (Sabarkantha 117, Baroda 108, Panchmahal 85, Kaira 69 others 38), hand pumps were not installed till July 1988.

There were delays in installation and energisation of pumps on larger bores also. As per Government instructions (January 1988), application of power connection, receipts of firm quotation etc., were to be arranged well in advance, so that the power connection was received within 15 days of installation of pumps. In Rajkot and Junagadh Divisions, the delay in energisation ranged from 24 to 98 days. The delay was attributed by the Divisions to non-supply of power by Gujarat Electricity Board and non-execution of agreements by local bodies.

The Government instructed (September 1987) that there should not be delay of more than eight days in installation of power pumps. As of July 1988, 147 wells out of 542 successful bores remained without installation of power pumps which resulted in depriving the benefit of water supply to 147 villages.

3.3.7.5 *Incomplete water supply schemes*

(i) In Kachchh District, seven rejuvenation schemes of providing pipe lines and civil works estimated to cost Rs. 16.95 lakhs were partially executed incurring Rs. 4.66 lakhs (July 1988) mainly on laying pipe lines. In Mehsana District, not much headway was made in eighteen villages due to late approval of schemes, non-creation of source and non-receipt of power connection, even though Rs. 5.58 lakhs was expended upto July 1988. In all, expenditure of Rs. 62.85 lakhs in 13 incomplete works in Rajkot, Kachchh, Junagadh and Mehasana districts proved unproductive as the expenditure was on pipe lines without developing water resources of completion of all ancillary works during scarcity period.

(ii) The Executive Engineer, Junagadh Engineering Division sought the sanction of the District Collector on 29th June, 1988 to deepen 83 open wells, at a total cost of Rs. 86.01 lakhs, since water level of these wells was decreasing. Disregarding his own decision dated 18th July 1988, that no new works should be taken up in view of good rains in the District, the Collector accorded approval on 19th July 1988 to these works in anticipation of Government sanction. The Division executed all these works and spent Rs. 57.88 lakhs during July 1988 from scarcity funds.

3.3.7.6 *Supply of Resin*

For manufacture of PVC pipes meant for relief work, GWSSB obtained an additional quota of 500 tonnes of resin from Indian Petro Chemicals Ltd. (IPCL) at a price of Rs. 19,500 per tonne. The suppliers of PVC pipes agreed to pay GWSSB Rs. 3,200 as rebate for every tonne of resin so arranged

to be supplied to them. The rebate was to be reduced to the extent of the increase in the price of resin to be paid to IPCL. Though 500 tonnes of resin was released in favour of three suppliers in November 1987 at a price of Rs. 19,500 per tonne, the material was not lifted immediately. As IPCL increased the price of resin in January 1988 by Rs. 2,000 per tonne, the P.V.C. suppliers did not pay to the GWSSB Rs. 4.59 lakhs in respect of resin lifted by them after escalation of price.

Though it was not obligatory on the part of GWSSB to pay any amount towards value of resin or keep any deposit with IPCL, to ensure that the resin would be lifted by the PVC pipes suppliers, GWSSB deposited Rs. 300 lakhs with IPCL as security deposit for a period over 6 months without receiving any interest. The loss of interest for the period of deposit at the rate of ten *per cent* worked out to Rs. 18.33 lakhs.

3.3.7.7 *Excessive purchase*

Out of 57 Km length of pipes procured during 1987-88 at a cost of Rs. 86.15 lakhs for works at Kandla, Amreli, Junagadh, Savarkundla and Porbandar towns, 51 Km length of pipes were not utilised and were valued at Rs. 77.12 lakhs.

Public Health Divisions at Junagadh, Mehsana, Rajkot and Bhuj did not utilise pipes, handpumps, submersible pumps, etc., valued at Rs. 45.92 lakhs. Government stated (February 1989) that these materials could be used in the normal schemes and would not go waste. The value of these materials was not adjusted to normal schemes and was not appropriate to treat it as relief expenditure.

3.3.7.8 *Unfruitful outlay in Gandhinagar city*

Though Gandhinagar city was not one of the towns identified in the Master Plan, Rs. 54.08 lakhs were spent on drilling eight new tube wells and purchasing four existing tubewells from

GWSSB. None of the eight new tube wells and two old tube-wells were energised and commissioned before closure of scarcity. The two existing tube wells purchased were also used only partially. Thus the expenditure of Rs. 54 lakhs was largely unfruitful.

3.3.8 *Agricultural inputs subsidy for small and marginal farmers*

Procurement and distribution of groundnut seeds to small and marginal farmers, identified by Taluka Development Officers was arranged through Gujarat State Seeds Corporation Ltd. (GSSC) and Gujarat Cooperative Oil Seeds Growers' Federation Ltd. (GROFED) .

Value of seeds handed over to farmers was treated as tagavi loan to farmers and was paid to the agencies. The agencies were also paid subsidy to make good the difference between sale value and tagavi value.

1672 tonnes of seed were sold by agencies to non eligible beneficiaries and subsidy payment of Rs 20.06 lakhs thereof was not appropriate.

3.3.9 *Maintenance of cattle camps by voluntary agencies*

3.3.9.1 The Government ordered in March 1987 payment to voluntary agencies maintaining cattle camps which were eligible for maintenance subsidy of Rs. 3 per cattle per day (reduced to Rs. 2.75 for 20 days of July 1987 and enhanced to Rs. 3.50 from 21st July 1987) or half of expenditure on the camp whichever is less. Government removed, in August 1987, the limitation of subsidy to half of the expenditure provided the agency spent on each cattle atleast Rs. 4.00 per day to earn fully subsidy of Rs. 3.50 per cattle per day.

Voluntary Agencies were to maintain necessary records and furnish monthly returns to concerned Mamlatdars who were to physically count the cattle and examine the accounts before certifying the returns for

payment by the district Collector. However, in respect of agencies running cattle camps in more than one district, Government authorised (April 1987) that 80 *per cent* of the claim be paid by Director of Voluntary Agencies on receipt of fortnightly returns duly certifying the number of cattle by the Mamlatdar. The return is to be countersigned by the Deputy Collector in charge and the payment must be authorised within a week by the Director of Voluntary Agencies. Balance 20 *per cent* of the subsidy was to be paid after detailed scrutiny of expenditure.

3.3.9.2 Seven Voluntary agencies were paid Rs. 3937 lakhs but detailed accounts have been received only for Rs. 2526 lakhs. Accounts for Rs 1131 lakhs for 1987-88 and for Rs. 280 lakhs for 1988-89 were still awaited (March 1989).

3.3.9.3 Though 80 *per cent* of subsidy admissible was to be paid only after obtaining certificates of physical verification of cattle in the camp, it was noticed that the Director of Voluntary Agencies released 80 *per cent* of subsidy without obtaining the certificates of physical verification of cattle. Government stated (February 1989) that it had approved the action of the Director of Voluntary Agencies since the voluntary agencies were experiencing financial difficulties. Out of 11302 certified returns receivable for the period upto July 1988 only 8480 returns had been obtained (March 1989).

3.3.9.4 Test check of records relating to two agencies disclosed that in all these 24 camps run by them the cattle were not regularly counted every fortnight and certified. The agencies did not furnish the returns to Mamlatdar regularly and they maintained more than the permissible number of 3000 cattle per camp in all the 24 camps. Rupees 160 lakhs had been paid to these two agencies and accounts for Rs. 97 lakhs only had been furnished which included an overpayment of Rs. 7.35 lakhs.

3.3.9.5 Physical counting in cattle camps at Rafaleshwar was undertaken for first time in June 1987. Since a third camp was established in September 1987, second counting was undertaken

in November 1987 but abandoned midway as cattle already counted were mixed up with those not counted. Immediately thereafter cattle in these camps were taken to Paryej in Kaira District by the Voluntary Agency. According to the Collector, Rajkot who got the cattle counted, only 35,351 cattle were maintained by the agency in the three camps at Rafeleshwar. In the meantime, the Director of Voluntary Agencies advanced Rs 189.46 lakhs as subsidy for cattle ranging from 45334 to 81914 for the period September 1987 to December 1987, without obtaining certified returns. The overpayment is reckoned as Rs 39.75 lakhs which remains to be recovered.

As the count was disputed by the agency, physical counting was arranged at Paryej in January 1988 by a Secretary to Government. This count revealed that 66,002 cattle had migrated from Rafeleshwar camp. It was reported by Collector Rajkot in March 1988 that cattle which had not migrated from Morvi, Wankaner and Rajkot talukas had been shown as having migrated to Paryej from Rafeleshwar. Government had not taken action (April 1989) on this report of the Collector, Rajkot.

3.3.9.6 Rupees 320 lakhs were sanctioned for arranging water supply in four cattle camps. The expenditure was to be incurred during October 1987 to June 1988 but the entire amount remained unutilised as no water supply arrangement was made by State Government.

3.3.9.7 A voluntary agency was paid Rs. 11.66 lakhs as reimbursement of transport charges incurred on movement of fodder, without verification of records like export permits for movement of fodder issued by Collectors, quantity involved, reasonableness of transport charges, etc. A scrutiny of the registers by officials of Collectorate at the Narmada bridge showed that none of the vehicles covered by the subsidy payments actually passed through the toll tax barriers. It was reported by Collector, Junagadh that the matter was under investigation (September 1988).

3.3.10 *Fodder Minikits*

127676 small and marginal farmers having irrigation facility in an area of 63838 hectares were supplied with fodder minikits to increase fodder production. The input included seeds, fertilizers etc., procured from Gujarat State Rural Development Corporation (Rs. 86.95 lakhs), Gujarat State Seeds Corporation (Rs. 109.20 lakhs) and Gujarat Dairy Development Corporation (Rs. 2.00 lakhs). District Rural Development Agencies incurred an expenditure of Rs. 1.85 lakhs on this score.

It was noticed that the actual yield of fodder was not ascertained from the District Rural Development Agencies. Utilisation of the fodder minikits was also not verified and non-verification was attributed to lack of adequate manpower.

Under the scheme GSRDC purchased jowar seeds from a producer in November 1987 at the rate of Rs. 13.68 per kg. In the same month, GSSC also purchased 1.99 lakhs kg. of the same seeds from the same producer but at a rate of Rs. 14.84 per kg. The difference in rates accounted for an extra expenditure of Rs. 2.31 lakhs which has not been recovered.

3.3.11 *Cattle feed*

3.3.11.1 State Government approved (October 1987) purchase of 10000 tonnes of dry paddy straw for cattle at the rate of Rs. 250 per tonne from an agency in Punjab. The rate included the cost of baling, packing, loading, unloading and transport upto rail head. 7079 tonnes of paddy straw at a cost of Rs. 17.37 lakhs was supplied.

It was seen from records that 265 tonnes of paddy straw had been reported as spoilt before despatch; out of this 144 tonnes had been rejected by the inspecting officers even at the time of supply. However, it was agreed between the suppliers and the Government that 50 per cent of 265 tonnes

would be paid for. Instead the Government should have agreed to pay, if at all, only towards 50 per cent of 121 tonnes since 144 tonnes had been rejected at the time of supply itself.

As against 6814 tonnes despatched only 3898 tonnes were actually received. The cost of 2916 tonnes of dry straw valued at Rs. 7.29 lakhs was written off in October 1988. No claims were preferred against Railways for the loss.

Collector Kachchh paid to railways Rs. 25.56 lakhs being the freight for 3790 tonnes though only 1777 tonnes were received. The freight relating to the shortage was Rs. 13.58 lakhs. Similarly, in Panchmahals and Jamnagar, freight amounting Rs. 9.86 lakhs approximately was paid for 1472 tonnes of fodder not received.

Though, the paddy straw was reportedly accepted from supplier on weighment, loading was done without weighment. Though only 6814 tonnes were available for despatch the railway receipts showed the despatch as 7383 tonnes.

3.3.11.2 A part of the requirement of grass is met out of the collection done by Forest Department which undertakes special drive for collection of grass from reserved *vidis* (grass growing plots) during scarcity years.

Out of the normal collection of 7340 tonnes during 1986-87 grass supplied to Revenue Department was 5627 tonnes leaving on hand 1713 tonnes on which an expenditure of Rs. 5.70 lakhs was incurred on collection. This grass could have been utilised in 1987-88 instead of procuring fodder from outside the State.

The grass collected during 1985-88 but spoiled due to non lifting by the Revenue Department accounted for 1224 tonnes. This was valued at Rs. 6.55 lakhs.

3.3.11.3 In four districts 611 tonnes of cattle feed valued Rs. 9.77 lakhs and 2668 tonnes of grass valued at Rs. 46.91 lakhs were rendered surplus after closure of scarcity in July 1988. Government sold in August 1988 the cattle feed and grass at concessional rates to voluntary agencies and *gaushalas* resulting in a loss of Rs. 34.31 lakhs.

3.3.12 *Unjustified opening of sub-divisions*

According to the scarcity works norms a sub division could be opened for employing upto 15000 labourers or for executing 25 works. However, fifteen sub-divisions handling scarcity work in Mehsana District did not fulfill the norms. Two divisions spent, upto June 1988, Rs. 27.91 lakhs on salaries of excess staff.

FINANCE DEPARTMENT

3.4 State Lottery Scheme

3.4.1 *Introduction*

3.4.1.1 The State lottery scheme called '*Gurjar Laxmi*' was introduced in January 1982 to mobilise additional resources, to arrest outflow of money through other lotteries, chit funds, *varli-matka* etc. and to generate employment opportunities in Gujarat.

3.4.1.2 The scheme was in operation upto April 1987. During this period, 246 draws (1 Raffle, 15 Bumpers, 47 monthly and 183 weekly) were held. The Raffle draw was held to finance the construction of stadia at different places in the State.

The scheme was closed from May 1987, due to reduced sales, famine conditions, levy of tax on the sale of lottery tickets from April 1986 and non-achievement of the objective of generation of employment opportunities in the State.

3.4.2 *Organisational set up*

The scheme was implemented by the Director of State Lotteries under the overall control of the Finance Department. A

Lottery Advisory Committee advised on the policy matters pertaining to the scheme. Government Photolitho Press, Ahmedabad was entrusted with the responsibility of printing of tickets. Lottery tickets were sold by the Government through district treasuries.

3.4.3 Audit coverage

A review of the implementation of the scheme during January 1982 to April 1987 was conducted in June 1988.

3.4.4 Highlights

—Year-wise financial results were not available (Paragraphs 3.4.6).

—Profit of Rs. 503 lakhs was made in 7 years including loss of Rs. 151 lakhs in the last two years. This was however, below the target of 15 per cent of gross value of tickets printed (Paragraph 3.4.5.1).

—The profit was not correctly calculated since the cost of publicity, printing, establishment expences were calculated on *ad hoc* basis. 43 weekly draws, 17 monthly draws and 12 bumper draws resulted in loss (Paragraphs 3.4.6 and 3.4.5.2).

—Stadia was not constructed out of the profit of the Raffle draw though it was envisaged (Paragraph 3.4.5.2).

—After the closure of the scheme in May 1987, 88 persons rendered surplus were continued at a monthly expenditure of Rs. 1.28 lakhs, till December 1988. 14 persons thereof are still continuing (Paragraph 3.4.7.1).

—Overtime allowance ranging between 42 and 107 per cent of the total salary was paid during the period from 1982-83 to 1986-87 20 per cent of basic pay calculated as confidential allowance was paid to 156 employees to 295 employees during the years 1983-84 to 1986-87 as against the sanctioned strength of 153 employees for the lottery scheme (Paragraphs 3.4.7.2 and 3.4.7.3).

—Case files for purchase of machines, valued at Rs. 48.26 lakhs were not made available to audit (Paragraph 3.4.8.1).

—Delay in purchase of steel boxes resulted in avoidable expenditure of Rs. 3.99 lakhs on purchase of wooden boxes (Paragraph 3.4.8.3).

—Security paper valued at Rs. 4.23 lakhs was consumed in excess (Paragraph 3.4.9).

—19 to 59 per cent of the tickets printed remained unsold and the gross value ranged from Rs. 243.77 to Rs. 669.06 lakhs (Paragraph 3.4.10.1).

—Records for purchase and distribution of gift articles worth Rs. 1.49 lakhs were not maintained (Paragraph 3.4.11).

—Security ink valued at Rs. 2.77 lakhs became unusable due to expiry of the validity period (Paragraph 3.4.12).

—The Lottery Advisory Committee did not meet after July 1984 (Paragraph 3.4.10.2).

3.4.5 *Objects and achievements*

3.4.5.1 *Generation of resources*

The actual receipts and expenditure of the lottery scheme for the period 1981-82 to 1987-88 (upto April 1987) were as under:

Year	Receipts	Expenditure	Net profit/loss
	(Rupees in lakhs)		
1981—82	263	165	98
1982—83	676	599	77
1983—84	1019	794	225
1984—85	1044	878	166
1985—86	706	618	88
1986—87	483	582	(—)99
1987—88	32	84	(—)52

Losses in the last two years were attributed to famine conditions and introduction of tax on sale of lottery tickets. As per the guidelines issued by Government of India (June 1984), the net profit accruing was to be at least 15 per cent of the gross value of the tickets printed for sale. Except for the year 1981-82 and 1983-84, in other years, the norm was not fulfilled.

3.4.5.2 Draws

Category-wise draws conducted and number of draws in which profit was made, etc., are given below :

Category	Number of draws conducted	Number of Profitable draws	Number of draws resulting in loss
Bumper	15	3	12
Monthly	47	30	17
Weekly	183	140	43
Raffle	1	1	—

A review of the draw-wise sales reports revealed that all the Bumper draws except 3 draws held in April 1982, July 1984 and March 1985 resulted in losses. Out of 47 monthly draws and 183 weekly draws, only 30 monthly and 140 weekly draws respectively showed profit. One raffle draw, held in November 1984, also showed profit of Rs. 35.54 lakhs which included the unclaimed prize money of Rs. 27.60 lakhs. The income derived was not utilised for the intended purpose of construction of stadia at different places in the State. The losses in the monthly and weekly draws mainly accrued from May 1985 onwards. No information was furnished for last two draws. Bumper and monthly draws, when found uneconomical, no measures were adopted to minimise these draws.

3.4.5.3 Generation of employment

One of the objectives of the Scheme was to generate employment through appointment of agents for sale of lottery tickets. The total number of agents appointed during 1981-82 to 1985-86 ranged between 1827 to 3393, as detailed below :

Year	District level agents	Taluka level agents	Village level agents	Total
1981—82	369	834	624	1,827
1982—83	470	1,078	1,003	2,551
1983—84	612	1,337	1,251	3,200
1984—85	665	1,439	1,277	3,381
1985—86	644	1,457	1,292	3,393
1986—87	Figures not available			

The Government stated (April 1988) that attempts made to increase the number of agents did not succeed.

3.4.6 Accounts

No accounting procedure was devised for lottery accounts. The net results worked out did not reflect the correct picture, as the cost of administration and publicity charges were worked out on *ad hoc* basis at 2 and 5 *per cent* respectively of gross value of total tickets printed and added to the expenditure incurred under the lottery scheme. Separate account for printing the lottery tickets was also not maintained in Government Photo Litho Press. The cost per ticket was calculated on an *ad hoc* basis of 3.6 paise per ticket and was not revised despite increases in expenditure on pay and allowance, overtime, materials, etc. Draw-wise/Year-wise financial results based on actual expenditure were not available. The Government also did not lay down any policy for utilisation of income for the intended objectives, mainly generation of employment opportunities.

3. 4. 7 *Engagement of staff for lottery work*

3. 4. 7. 1 The printing of lottery tickets was entrusted to Government Photo Litho Press, Ahmedabad. Details of the technical staff sanctioned and operated with year-wise expenditure incurred on them were as under :

Year	Posts sanctioned and operated	Expenditure on pay and allowances (Rupees in lakhs)
1981—82	74	4.73
1982—83	94	11.14
1983—84	153	12.98
1984—85	153	14.61
1985—86	153	18.28
1986—87	153	21.46

Consequent upon closure of the scheme in May 1987, 65 posts were rendered surplus and transferred to other Government departments during June and July 1987 and remaining 88 posts (technical as well as non-technical) were continued with average monthly expenditure of Rs. 1.28 lakhs. It was stated (January 1989) that 10 posts out of the surplus 88 posts were placed at the disposal of Collector, Ahmedabad in October 1988 and 43 posts were transferred to other offices in October 1988 / December 1988, 21 posts were adjusted against vacant posts leaving a balance of 14 posts remaining to be transferred.

3. 4. 7. 2 In 1982-83 monthly overtime allowance was paid to personnel numbering between 142 and 343. In 1983-84 to 1986-87 it ranged between 120 and 395. In other words payments of overtime allowance ranged between 42 and 107 *per cent* of the total salary bill. According to the Manager, Government Photo Litho Press, Ahmedabad, staff unions resisted payment of overtime only to those engaged in printing of lottery tickets and

insisted on the grant of overtime to the entire staff. The details of the overtime allowance paid etc., were as under :

Year	Sanctioned strength for lottery scheme	Emoluments paid to the lottery staff	Overtime paid to the staff including lottery scheme			Percentage of overtime expenditure to emoluments of sanctioned staff
			Total Amounts of over-time paid	Minimum number of staff members	Maximum number of staff members	
1981—82	74	4.73	2.58	—	—	55
1982—83	94	11.14	4.86	142	343	44
1983—84	153	12.98	5.72	169	229	44
1984—85	153	14.61	15.64	120	395	107
1985—86	153	18.27	12.30	145	185	67
1986—87	153	21.46	9.11	153	186	42

3.4.7.3 Confidential allowance of 20 per cent of basic pay was also paid to workers and as against the sanctioned strength of 153 for the lottery scheme, confidential allowance was paid to staff ranging from 156 to 295 during the years 1983-84 to 1986-87.

3.4.8 Purchase

3.4.8.1 Out of machines valuing Rs. 58.20 lakhs purchased during 1981-82 to 1986-87 records relating to purchases of machines worth Rs. 9.94 lakhs only were made available to audit.

3.4.8.2 Further, 7981 wooden boxes of different sizes valued at Rs. 4.90 lakhs were purchased (6136 through CSPO and 1845 from local market) between January 1982 and May 1986 for transporting the lottery tickets and publicity materials. Of the above, 3100 wooden boxes costing Rs. 2.11 lakhs were purchased from Gujarat Rural Industrial Marketing Corporation, Ahmedabad (GRIMCO) through CSPO during the period December 1984 to October 1985 and were found to be of inferior quality and not of specified sizes. No action was taken to rectify the poor supply.

3.4.8.3 Steel boxes, it was considered, would be more economical in the long run for transportation of lottery tickets/material. Procurement of 240 steel boxes at a cost of Rs. 0.83 lakh was made only in October 1986 but the lottery scheme was discontinued from May 1987. The delay in processing the purchase proposal for steel boxes was attributed by the Finance Department to incompleteness of the proposals, time taken to decide on specification and number, time taken by Central Stores Purchase Organisation, disturbed condition in Ahmedabad city, etc. Had the purchase of steel boxes been effected in time, wooden boxes purchased at a cost of Rs. 3.99 lakhs between 1983-84 to May 1986 could have been avoided.

3.4.9 *Excess utilisation of security paper*

It was stated by the Manager, that 80, 60 and 40 tickets could be printed per security paper after allowing permissible margin of 5 per cent, 5 per cent and 17 per cent in respect of weekly, monthly, and bumper draws respectively. According to the norms of printing requirement, security paper for printing 5,271 lakhs of tickets worked out to 16012 reams. As against this, 17853 reams were actually used by the press.

The consumption of 1,841 reams valued at Rs. 4.23 lakhs was avoidable.

3.4.10 Sales and sales promotion

3.4.10.1 Year-wise sales data of lottery tickets is given below:

Year	Number printed (in lakhs)	Number unsold (in lakhs)	Percentage of unsold tickets	Gross value	Amount realised	Profit/loss	Percentage of profit/loss to gross value
(Rupees in lakhs)							
1982—83	846	237	28	1046	676	77	7
1983—84	1077	236	22	1242	1019	225	18
1984—85	1053	200	19	1283	1044	166	13
1985—86	1051	547	52	1181	707	88	7
1986—87	942	554	59	1134	483	(—)99	9
1987—88 (upto April 1987)	84	50.26	60	108	32	(—)52	48

(i) Though the sales of lottery tickets had declined in the years 1985--86 and 1986--87 and the profit margin declined from 1984--85 with losses in the years 1986--87 and 1987--88, no review of the scheme was conducted. Even the Lottery Advisory Committee did not meet after July 1984 to take stock of the working of the scheme.

(ii) The loss in the last two years was attributed mainly to the levy of sales tax at 10 per cent and surcharge at 10 per cent over sales tax on lottery tickets from April 1986. The agents/stockists protested by not lifting the lottery

tickets. Eventually, Government decided to bear the sales tax from State funds, and Rs. 40 lakhs were paid. Sales tax amounting to Rs. 3.88 lakhs alongwith interest of Rs. 0.93 lakh for 1987-88 was waived by Government.

3.4.10.2 Sales Promotion

(i) Information received from 14 districts revealed that only 8 conferences (Bharuch 4 and Himatnagar 4) of the press representatives were arranged as against the total number of 896 conferences to be arranged in the district Collectorates during 64 months of operation of the scheme.

(ii) There was a shortfall of 86 *per cent* and 89 *per cent* in the monthly meetings of agents by Deputy Mamlatdar at district headquarters and taluka level. No reasons for the shortfall were furnished by the Department.

(iii) Lottery Advisory Committee with Finance Minister as Chairman had only 6 meetings in all during March 1981 to July 1984.

(iv) Lottery Advisory Committee in their 5th meeting held in February 1983 recommended that some field staff should be appointed for boosting lottery sales. No field staff was, however, appointed for want of budget provision.

(v) No policy was laid down for appointment of stockists and payment of service charges to them for sale of tickets outside the State.

(vi) Draw-wise sales targets were not fixed except for the years 1984--85 and 1985--86.

The sales targets for 1984--85 and 1985--86 were Rs. 12 crores and Rs. 15 crores respectively. However, sales declined from Rs. 10.44 crores in 1984--85 to Rs. 7.07 crores in 1985--86 and Rs. 4.83 crores in 1986--87.

3.4.11 *Distribution of gifts*

Gift articles worth Rs. 1.49 lakhs were purchased and distributed during the years 1984--85 to 1986--87 with a view to encourage sale of lottery tickets. Neither any policy was laid down nor were records maintained in this regard.

3.4.12 *Surplus stores*

Security ink worth Rs. 2.93 lakhs was enough to meet the requirement of two years as against the prescribed four months. Ink worth Rs. 0.16 lakh only could be utilised during the period June 1987 to January 1988, leaving a balance stock of ink worth Rs. 2.77 lakhs.

EDUCATION AND AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENTS

3.5 **Outstanding Inspection Reports**

3.5.1 **Audit observations** on financial irregularities and defects in initial accounts **noticed during** local audit and not settled on the spot are **communicated to** the Heads of offices and to the next higher authorities through audit inspection reports for prompt action. The more important irregularities are also reported to the Heads of Departments and the Government for initiating immediate corrective action. According to Government instructions, first replies to the inspection reports should be sent to the Accountant General within one month of their receipt.

3.5.2 The position in Education and Agriculture and Rural Development Departments regarding action taken on audit inspection reports and efforts made to settle the audit observations contained therein is not satisfactory. Failure to take prompt action on these inspection reports is likely to delay in recovery of irregular payments as also losses to the Government.

3.5.3 Education Department

3.5.3.1 An analysis of the outstanding inspection reports issued upto 31st December 1987 in respect of five districts (Ahmedabad, Baroda, Bhavnagar, Jamnagar and Sabarkantha) to District Education Officers and Other offices under the control of Education Department indicated that action was pending (June 1988) on 1330 paragraphs included in 493 inspection reports, bulk of which were issued more than six to seven years earlier. The detailed break-up is given below :

Year	Number of reports	Number of paragraphs
1981-82 and earlier years	431	771
1982-83	9	31
1983-84	13	46
1984-85	12	53
1985-86	11	44
1986-87	11	237
1987-88 (Upto December 1987)	6	148
Total..	493	1330

3.5.3.2 Despite instructions of Government, even first replies had not been received (June 1988) for 196 inspection reports (472 paragraphs) of which 181 reports related to the year 1981-82 and earlier years.

3.5.3.3 The extent of delay in the settlement of 493 inspection reports in these districts ranged upto three years in respect of 28 reports, four to five years in respect of 25 reports, six to ten years in respect of 54 reports and over ten years in respect of 386 reports.

3.5.3.4 The outstanding paragraphs mainly fall under the following broad categories :

	Category	Number of paragraphs	Amount involved (Rs. in lakhs)
(1)	Recovery of overdue instalment of principal and interest of loan	8	2.97
(2)	Excess payment, non-recovery of rent, Government dues, advances, etc.	49	1.55
(3)	Overpayment on account of leave travel concession	1	1.04
(4)	Excess payment of grants/subsidy	1012	162.36
(5)	Shortage of stores	22	1.71
(6)	Drawal of funds in advance of requirements	2	1.84
(7)	Irregular expenditure for want of sanction	20	0.04
(8)	Economically Backward class recovery of interest free loan scholarship outstanding	27	13.99
(9)	Miscellaneous	189	6.40
	Total	1330	191.90

3.5.4 Agriculture and Rural Development Department

3.5.4.1 Action was pending (June 1988) on 281 paragraphs included in 107 inspection reports issued upto 31st December 1987 in

respect of the Directorate of Agriculture and other offices under its control as detailed below :

Year	Number of reports	Number of paragraphs outstanding
1981-82 and earlier years	55	127
1982-83	2	3
1983-84	23	65
1984-85	2	5
1985-86	7	21
1986-87	16	54
1987-88	2	6
(upto December 1987)	Total.. 107	281

Fifty three *per cent* of the outstanding inspection reports containing 46 *per cent* of the total outstanding paragraphs pertained to 1982-83 and earlier years.

3.5.4.2 Uptill June 1988, 281 paragraphs remained to be replied including 81 paragraphs for 3 years, 70 paragraphs for 4-5 years, 95 paragraphs for 6-10 years and 35 paragraphs, over 10 years; even the first replies had not been received (September 1988) for 10 inspection reports relating to years 1977-78 to 1985-86.

3.5.4.3 The outstanding paragraphs mainly fall under the following broad categories :

Category	Number of paragraphs	Amount involved (Rupees in lakhs)
Recovery of overdue instalments of principal and interest of loan	19	2122.84
Overpayments (Non-recovery of rent, advances, Government dues, etc.)	3	96.28
Excess payment of Grants/Subsidy	1	8.56
Shortage of stores	1	0.32
Miscellaneous recovery of stipend, transport charges, labour charges, loss of revenues, etc.	255	188.95
Irregular expenditure for want of sanction, extra expenditure	2	5.73
Total	281	2422.68

The matter was reported to Education and Agriculture and Rural Development Departments in November 1988, reply has not been received (December 1989).

GENERAL

3.6 Misappropriation, losses, etc. .

Finalisation of 184 cases of alleged misappropriation, losses, etc., involving Rs. 49.04 lakhs was reported to the Audit Office upto March 1988 and was pending at the end of September 1988 as shown below :

	Land Revenue, Tagavi dues, etc.		Other cases	
	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
Cases reported upto end of March 1987 and pending at the end of September 1987	64	6.46	121*	41.36
Cases reported during 1987-88	1	0.03	6	1.57
Cases closed during October 1987 to September 1988	1	0.01	7	0.37
Cases outstanding at the end of September 1988	64	6.48	120	42.56

*Difference of two items (Rs. 0.46 lakh) in 'Other cases' is due to adjustment of one item (Rs. 0.04 lakh) shown twice in earlier years and another item (Rs. 0.42 lakh) already reported in the Report of Examiner, Local Fund Accounts.

Cases reported during the year related to Health and Family Welfare Department (two), Legal Department (two), Narmada Development (one) and Revenue Department (two). Cases closed during the year related to Health and Family Welfare Department (two), Legal

Department (one), Revenue Department (two), Roads and Buildings Department (one) and Water Resources Department (two). Year-wise details of outstanding cases and their status are given in Appendices 3.1 and 3.2.

Though, rules provide that cases of losses, misappropriation, etc., are required to be reported immediately to the Accountant General, 15 cases relating to the years 1984-85 to 1987-88 of Roads and Buildings Department (6 cases Rs. 5.88 lakhs) and Water Resources Department (9 cases Rs. 4.29 lakhs), were neither reported to the Accountant General nor were the reasons furnished for non-reporting (December 1989).

CHAPTER IV

WORKS EXPENDITURE

WATER RESOURCES DEPARTMENT

4.1 Mazam Irrigation Project

4.1.1 Introduction

Mazam Irrigation Project was administratively approved in December 1978 for Rs. 506.29 lakhs. Work on the projects started in September 1979 with full command area development expected to be completed by September 1982. But the project is still under construction and the expenditure till March 1988 was Rs. 1871.24 lakhs. The project partially assisted by World Bank envisaged construction of 2 km long earthen dam across the river Mazam near village Volva of Modasa Taluka in Sabarkantha District, a masonry spillway with radial gates and head regulator and construction of fully lined left bank canal of 12 km to irrigate 4717 hectares of land in Modasa Taluka.

4.1.2 Organisational set up

The project was to be executed by two divisions of Public Works Department with headquarter at Modasa under the supervision of a Superintending Engineer, Himatnagar. The overall charge of the project is vested with the Chief Engineer (IP). The on farm development work was to be executed by Assistant Director of Agriculture (Soil Conservation), Modasa.

4.1.3 Audit coverage

A review was carried out in Audit on the execution of the project through test check of records of all the executing agencies between February and April 1988.

4.1.4 Highlights

—The Mazam Irrigation Project sanctioned in December 1978 and scheduled to be completed by September 1982, is incomplete. The estimated cost of the project of Rs. 506.29 lakhs was revised thrice and the latest revision in April 1986, was for Rs. 2072.50 lakhs. Government approval for the latest revision has not been received so far. Expenditure of Rs. 1871.24 lakhs had been incurred upto March 1988 (Paragraph 4.1.5).

—The benefit cost ratio had declined from 2.26 to less than 1.00. No benefit cost ratio was worked out on the basis of the latest revision in cost (Paragraph 4.1.6).

—Ten per cent of head work, thirtyeight per cent of canal [work and sixty one per cent of distributary remained to be completed in March 1988. Slow progress in construction of canals curtailed utilisation of stored water for irrigation. Departmental delays, increase in scope of work due to changes in design and price escalation led to payment of an arbitration award of Rs. 191.40 lakhs (Paragraphs 4.1.7 and 4.1.8).

—Inadequate investigation and faulty confirmation as to the availability of rubble resulted in extra expenditure of Rs. 16.69 lakhs (Paragraph 4.1.10).

—Extra expenditure due to delay in fixing agency of dewatering was Rs. 2.09 lakhs. Changeover from pipeline system to open trough system and reversion to pipeline system after two years deprived irrigation facilities to 837 hectares of Culturable Command area for four years and was indicative of improper planning (Paragraphs 4.1.13 and 4.1.16).

—Surplus steel lying with a division even six and a half years after procurement was valued at Rs. 13.73 lakhs (Paragraph 4.1.17).

—Execution of On Farm Development works of the projects was far behind target. Utilisation of irrigation potential ranged between 33 and 57 per cent of the revised targets (Paragraphs 4.1.18 and 4.1.19).

4.1.5 *Cost overruns*

The original estimate of Rs. 506.29 lakhs was revised to Rs. 1310.70 lakhs and approved in May 1982. Further upward revisions to Rs. 1702 lakhs in April 1984 and to Rs. 2072.50 lakhs framed in April 1986 were still to be approved (September 1989). Rupees 1871.24 lakhs has been incurred so far as detailed below :-

	Original estimates (December 1978)	Approved revised estimates May 1982	Re-revised estimates April 1984	Updated estimates April 1986	Expenditure up- to March 1988
(Rupees in lakhs)					
Dam and Appurtenant works	387.33	728.90	916.80	1110.60	869.35
Main Canal Branches and Distributories	65.74	245.50	549.00	549.00	339.81
Direction and Administration	33.06	104.60	85.20	209.80	208.45
Other Expenditure	20.16	231.70	151.00	203.10	453.63
	506.29	1310.70	1702.00	2072.50	1871.24

Increased expenditure was attributed to the following reasons;

(i) increase in the height of the dam and additional blocks in masonry dams, due to revised hydrology

(ii) increase in the rates of acquisition of land and amenities for the oustees

(iii) increase in administrative charges

(iv) upgradation of works to World Bank standard

(v) increase in cost of labour and materials due to prolongation of schedule of construction and

(vi) large payments of arbitration awards

4.1.6 *Viability of the project*

The benefit cost ratio at 10 per cent interest on capital cost of the project declined from 2.36 as per original project report of 1978 to 1.10 as per revised cost estimate of 1982. It further declined to 1.05 as per re-revised estimate of 1984. For the updated cost estimates of 1986 no such ratio was worked out by the department. However, Audit has computed the latest ratio as 0.86, indicating that project has turned unviable.

4.1.7 *Delays in execution*

As per the project report of 1978, the programme of construction was proposed to be spread over a period of three years for head-works and canal system while complete development in the command area was assumed to take place within the period of five years. The work on spillway was started in September 1979, on earthen dam in February 1980 and radial gates in August 1982. By the end of three years, the progress was only 64 per cent for spillway 71 per cent for earthen dam and 14 per cent for radial gates work. Even a revised target date of March 1984 could not be maintained and by then only 90 per cent of spillway 97 per cent of earthen dam and 75 per cent of radial gates could be completed. As of March 1988, the project was complete with 10 per cent of the head works like concreting work on apron, work of retaining wall, etc., yet to be completed. Reasons for time overruns were reported as revision of hydrology, change in design of radial gates, delay in acquisition of land, deeper excavation in foundation due to fault zone. No target date has now been fixed for completion.

The work on canals was to synchronise with the completion of head works so that phased irrigation benefits could accrue to the farmers from the third year onwards. But this synchronisation has not been achieved. The canal work was started in July 1982 and only 19 per cent of canals and 15 per cent of distributary system could be completed by March 1984. As of March 1988, canals and distributary system have progressed only upto 62 and 39 per cent respectively. The slow progress was attributed to non-availability of land, construction of underground pipeline instead of open channel as demanded by farmers, inadequate allocation of funds, restrictions imposed on inviting new tenders and non-availability of forest land.

Since most of the dam work was completed in 1983, water was impounded partially in the dam during the monsoon of 1983, but due to slow construction of canal system, significant irrigation has not been possible so far. Thus, the expenditure on the project has not yet become productive.

4.1.8 *Earthen dam of headworks*

4.1.8.1 The construction of the earthen dam excluding masonry works and spillway gates was entrusted in February 1980 to a contractor for a value of Rs. 153.61 lakhs. The work was to be completed by February 1982, but was completed in May 1984 at a total cost of Rs. 238.28 lakhs including urgent works executed departmentally at a cost of Rs. 22.34 lakhs. The excess expenditure due to changes in design was Rs. 84.67 lakhs.

4.1.8.2 In February 1984, the contractor sought arbitration for loss sustained due to delay in supply of electric power, delay in giving possession of worksite and drawings, increase in quantity of work, revision in design etc. Fifteen claims were settled in arbitration for Rs. 191.40 lakhs.

4.1.8.3 Out of Rs. 191.40 lakhs, Rs. 89.32 lakhs was on account of price escalation. However, in October 1986, the Government noted that price escalation was subject to a ceiling limit of Rs. 1.50 lakhs. Payment of Rs. 87.82 lakhs for price escalation was therefore avoidable.

4.1.9 *Construction of spillway*

4.1.9.1 The construction of spillway including radial gates was entrusted in October 1979 to a contractor for a value of Rs. 181.99 lakhs to be completed by September 1981. The work was, completed only in December 1983 due to departmental delays in finalisation of design, revised hydrology, delay in acquisition of land, plum concrete work, etc. Against his final bill for Rs. 479.27 lakhs, he was paid Rs. 276.24 lakhs (April 1984).

4.1.9.2 The contractor filed a civil suit in March 1987 for Rs. 367.88 lakhs for 21 claims and the case is pending (April 1989).

4.1.10 *Extra expenditure due to inadequate investigation*

4.1.10.1 For the work of spillway the department confirmed availability of stone for masonry from Varthu stone quarry. However, only 2200 cubic metres was found available against the requirement of 60000 cubic metres. The contractor was, therefore, allowed to operate a new quarry. However, after extracting 46480 cubic metres he was stopped from quarrying by the Forest Department as the quarry was in a Central Reserve Forest. Thereupon the contractor was allowed to operate a third quarry at a distance of 17 kms from the worksite and extracted 5386 cubic metres rubble and an interim payment of Rs. 0.81 lakh was made towards lead charges and the contractor is claiming Rs. 5.81 lakhs which is under consideration.

4.1.10.2 In the absence of availability of sufficient rubble in time, the Government had sanctioned, in April 1983, use of costlier plum concrete work leading to extra expenditure of Rs. 15.88 lakhs. The division stated that the confirmation as to the availability of rubble in Varthu quarry was given without actual investigation by the divisional office.

4.1.11 *Irregularities in earthen dam.*

The Vigilance Commission conducted an enquiry into the irregularities in drilling and grouting of the earthen dam and recommended recovery of Rs. 1.69 lakhs paid in excess to the contractor. The Government after examining the case held that there was no lapse on the part of field officers and referred the matter back to Vigilance Commission in February 1986.

The Commission, however, reiterated its original recommendation in April 1986. So far no action has been taken (March 1988).

4.1.12 *Avoidable payment for retaining wall*

4.1.12.1 The work of providing extension of downstream retaining walls and raising of right downstream retaining wall was entrusted to a contractor in January 1985 at a tendered cost of Rs. 13.79 lakhs for completion by July 1985. Upto September 1985, the contractor had, however, executed work only for Rs. 3.34 lakhs and the work was stopped thereafter. The department did not follow up the notice issued to the contractor for slow progress and liquidated damages. After a lapse of 27 months, the contractor was however allowed to restart the work without any liquidated damages.

4.1.12.2 While the work was in progress, a number of slips had occurred on the right side retaining wall and the contractor was asked in June 1985 to restore the slopes and provide necessary shortings etc., so that the safety of the structure was not endangered.

The contractor failed to comply with the directions. In June 1985, it was decided to construct a reinforced cement concrete (RCC) protective wall for both the retaining walls as the monsoon was round the corner and excavation for extension walls might endanger the safety of the dam. This construction work was awarded to the same defaulting contractor and he was paid Rs. 0.74 lakh without any penalty for his defaults. The reasons for making this avoidable payment were not on record.

4.1.13 *Avoidable excess expenditure on dewatering*

4.1.13.1 In June 1982, it was decided to have a new road with a submersible bridge on river Mazam in the vicinity of village Vaniad Kokapur as an alternative means of communication to the three interior villages which were to go under partial submergence. The final alignment to the new road was approved in January 1983 and the technical sanction for the plans and estimates was also accorded in April 1983. The work was however awarded only in October 1983. Earlier a decision had been taken to impound water in the Mazam reservoir during the monsoon of 1983. Due to such impounding of water and consequent rise in water table the quantity of dewatering work increased.

4.1.13.2 In all dewatering work amounted to 116762 horse-power hours (hph) as against only 3600 hph provided in the sanctioned estimate. For 88943 hph a contractor was engaged and was paid Rs. 3.56 lakhs at the rate of Rs. 4 per hph. The rest of the dewatering was done departmentally at an estimated cost of Rs. 0.43 lakh at a rate of Rs. 1.55 per hph. If the work had been done departmentally the expenditure on dewatering would have been Rs. 1.90 lakhs only. Further if the dewatering had been restricted to 3600 hph the department could have saved Rs. 2.09 lakhs.

4.1.14 *Injudicious procurement of M. S. Trays*

An order was placed in February 1986, for supply of 1500 trays for casting blocks at a cost of Rs. 1.41 lakhs. No quotations were called for, in view of the urgent need for the trays. 923 trays were supplied upto March 1986 at a cost of Rs. 0.88 lakh and further supplies were stopped. Despite the alleged urgency for purchase, the trays were not utilised till December 1987.

4.1.15 *Excess procurement of polythelene film*

Canal division assessed its requirement of low density polythelene films, used in the canal lining works, as 0.5 tonne and intimated Kadana Mechanical Division in March 1985 for centralised

procurement. An advance of Rs. 1.50 lakhs was also paid. Before supplies were arranged, the canal division locally purchased between October 1985 and February 1986, 9.70 tonnes of film valued at Rs. 2.50 lakhs due to urgent requirement. Out of this, 5.5 tonnes valued at Rs. 1.42 lakhs was lying unused (March 1988). Further it was also not clear as to how the requirement was assessed as 0.5 tonne when 4.20 tonnes was shown as utilised.

4.1.16 *Injudicious change in construction methods,*

4.1.16.1 Shinol minor distributary was initially proposed as an underground pipeline system. In September 1985, it was changed to open trough channel, but the reasons therefore were not available on records.

4.1.16.2 In August 1987, when work worth Rs. 2.65 lakhs had been completed it was decided to revert back to pipeline system because of difficulty experienced in acquiring land. The reason for reversion to pipeline system were stated to be the recommendation of the World Bank. The World Bank wanted pipelines to be provided in the command area where ground is steeper. The division also wanted to avoid extensive land acquisition. Also open channel sandy soil was prone to rain cuts which the division wanted to avoid. It was not clear how these aspects were overlooked in September 1985 when the decision to construct open channel was taken.

4.1.16.3 The reversion to underground pipeline system led to delay in completion of the work and denied the benefit of irrigation facilities to 837 hectares for four years.

4.1.17 *Excess procurement of steel*

658 tonnes of steel items were procured between September 1981 and October 1982 for construction of the dam and appurtenant works. The basis on which the need was assessed was not available with the division. By the time the dam work was completed in 1984, the division had utilised only 306 tonnes and the value of surplus steel was Rs. 13.73 lakhs.

4.1.18 *Poor Progress on On Farm Development Works*

4.1.18.1 On Farm Development (OFD) works of the project like survey, planning, land levelling, execution of field channel, field drains, *warabandhi*, etc; are to be executed by the Command Area Development Authority (CADA). In May 1982, it was envisaged that these works would be completed by March 1987. However, the work is still in progress (March 1989).

4.1.18.2 Work of construction of the field channels suffered due to delay in receipt of base plans from the project authorities. Of the targeted 4717 ha. to be covered by field channels base plans could be handed over only for 2075 ha. by March 1988. Against this, construction of field channels by CADA was only for 1481 ha. Even out of 1481 ha. of field channel works shown as completed at a cost of Rs. 18.82 lakhs by March 1988, masonry works were still incomplete in 218 ha, water testing has not been done in 1263 ha. CADA attributed these shortfalls to difficulties in getting skilled labourers, non-receipt of scarce materials like cement and pipes and inadequate water level in the reservoir for water testing.

4.1.18.3 No work on land levelling and shapping was done in the command area. Also operation of *warabandhi* system could not be started since no completed blocks of canal system were handed over to CADA.

4.1.19 *Utilisation on irrigation potential*

Taking into account the progress of work on various fronts, the department fixed annual targets of irrigation potential to be created. By March 1988 the department had targeted to provide irrigation potential for 2293 ha. However, base plans for field channel was given to create a potential of only 2075 ha. Since CADA had not completed masonry works, water testing etc.; the actual utilisation of irrigation potential created was only for 917 ha. While CADA had shown the creation of Irrigation potential as 1487 ha. the department showed an achievement of 1600 ha. The utilisation,

however, ranged between 33 and 57 per cent of the potential created. The details are as under :

Year	Creation of Irrigation potential		Utilisation of irrigation potential	Percentage of utilisation to potential created
	Progressive target	Achievement		
	(in Hectares)			
1984-85	500	534	277	52
1985-86	705	753	351	47
1986-87	970	970	324	33
1987-88	2293	1600	917	57

4.1.20 Recovery of water charges

Initially the project report envisaged collection of Rs. 16.41 lakhs as water charges during the period 1984-85 to 1987-88. However, due to delay in completion of project, demands of only Rs. 1.53 lakhs could be levied out of which Rs. 0.63 lakh collected leaving an arrear of Rs. 0.90 lakh.

In addition to the above, an amount of Rs. 7.66 lakhs remained to be collected from Modasa Nagar Palika on account of water charges for drinking water supplied to them during the year 1985-86 to 1987-88.

4.1.21 The matter was reported to Government in December 1988; reply has not been received (March 1990).

4.2 Salinity Ingress Prevention Programme

4.2.1 Introduction

4.2.1.1 Gujarat has 1600 kms. coastline out of the total coastline of 4300 kms. of India. Ground water which has been the main source of irrigation in the coastal region has been declining in the recent years due to extensive extraction of water from wells

through electrical motors and pumps. The excess drawal of water without corresponding recharge lead to lowering of the water table and ingress of saline water.

4.2.1.2 In order to study the problem of salinity and suggest remedial measures, the Government appointed two High Level Committees in December 1976 and July 1978 which submitted four reports on Madhavpur-Una (160 kms.), Una-Bhavnagar (180 kms.), Madhavpur-Malia (425 Kms.) and Malia-Lakhpur (360 Kms.) between October 1978 and November 1984 for preventing salinity ingress in four reaches of coastline. Of these, the Government accepted two reports on Madhavpur-Una reach and Una-Bhavnagar reach in March 1979 and April 1984 respectively. The reports for remaining two reaches are under the consideration of the Government. The Committee suggested remedial measures through management techniques like change in cropping pattern and regulation of ground water extraction construction of checkdams, recharge tanks, recharge wells, spreading channels and afforestation; construction of tidal regulators *bandharas* and static barriers.

4.2.1.3 Against the total outlay of Rs. 78912 lakhs recommended by both the High Level Committees for four reaches covering 1125 Km. of sea coastline works for Rs. 6705 lakhs only were sanctioned. The Government accorded administrative approval for taking up individual works on Madhavpur-Una reach in April 1980 and for Una-Bhavnagar reach between September 1981 and January 1988 involving an outlay of Rs. 6705.65 lakhs against which an expenditure of Rs. 4766 lakhs has been incurred upto March 1988. Clearance from Central Water Commission for these projects have not been received so far (March 1989).

4.2.1.4 The projects was partially assisted by the World Bank.

4.2.2 *Organisational set up*

The projects are implemented by the Irrigation Department (now renamed as Water Resources Department (WRD) through two

Superintending Engineers, Salinity Ingress Prevention Circle, Rajkot (SE, SIPC), Salinity Ingress Investigation Circle, Jamnagar (SE, SIIC) and Executive Engineers/Geologist assisted by Forest Department Gujarat State Land Development Corporation (GSLDC), Junagadh and Gujarat Water Resources Development Corporation (GWRDC).

4.2.3 Audit Coverage

The implementation of the projects for the last eight years was reviewed in audit through test check of the records in the offices of the two Superintending Engineers, Conservator of Forest Junagadh, GSLDC, Junagadh and GWRDC, Rajkot.

4.2.4 Highlights

—No legislation for regulation of uncontrolled development of balance ground water and future expansion of construction of wells was made though the High Level Committee recommended such legislation by March 1981 (Paragraph 4.2.6.2).

—As against target of 16 million cubic metres (MCM) recharge of ground water per year through recharge tanks, recharge wells and spreading channels, recharge of 4.09 MCM only was achieved during 1983-84 to 1987-88 (Paragraph 4.2.6.5).

—Out of 8 tidal regulators and 13 *bandharas* only 2 tidal regulators and 6 *bandharas* had been constructed (Paragraph 4.2.6.6).

—2 tidal regulators 2 *bandharas* and 94 check dams constructed at a cost of Rs. 986 lakhs remained largely unfruitful due to delay in decision of fixing automatic tilting gates (Paragraph 4.2.7).

—Due to non-completion of distribution system irrigation potential of only 2054 hectares was achieved against the target of 14968 hectares (Paragraph 4.2.6.7).

—Rs. 18.00 lakhs advanced for supply of Dumpers and Tractor Dozer in March 1981 remained blocked. Neither the supply has materialised nor the schemes have been sanctioned (Paragraph 4.2.9.1).

—Extra expenditure of Rs. 5.69 lakhs was incurred on purchase of instruments eventhough similar instruments purchased earlier were lying unutilised (Paragraph 4.2.9.4).

—Procurement of steel in excess of requirement resulted in blocking of capital of Rs. 24.34 lakhs for more than five years and avoidable expenditure Rs. 0.99 lakh on its transportation (Paragraph 4.2.9.5).

—Cement purchased in excess of requirement necessitated retransportation to other divisions at a cost of Rs.1.94 lakhs (Paragraph 4.2.9.6).

4.2.5 Budget provision and expenditure

As against the budget provision of Rs. 4932.71 lakhs, expenditure of Rs. 4766.79 lakhs was incurred during 1980-81 to 1987-88.

4.2.6 Target and achievements

4.2.6.1 After the sanction of the works in Madhavpur-Una reach in 1980-81, they were required to be completed within seven years from the date of sanction. Except for the construction of checkdams and *nala* plugs physical progress on other works was either negligible or very poor as is evident from the table below:-

Works/Items	Unit	Physical		Financial	
		Target	Achievement	Target	Achievement (Rupees in lakhs)
Change in crop pattern (TCD Farms)	Nos.	3	Nil	45.00	Nil
Regulation of ground water	—	100	<i>per cent</i> Nil	2.00	Nil
Checkdams*	Nos.	94	220	163.00	617.41
Recharge tanks	Nos.	7	5	120.00	2.53

*Includes 260 checkdams sanctioned under HLC II, out of which 82 were completed and the remaining are under progress.

Works/Items	Unit	Physical		Financial	
		Target	Achievement	Target	Achievement (Rupees in lakhs)
Recharge wells	Nos.	200	20	73.40	6.72
Spreading channels	Kms.	60	Nil	493.64	Nil
New Reservoirs	Nos.	4	1	768.52	365.23
Tidal Regulators	Nos.	6	2	1070.00	924.47
Bandharas	Nos.	13	6	212.00	192.79
Static Barrier (Pilot Project)	Metres	200	Nil	18.66	10.00
Afforestation	Ha.	10000	2946	172.00	210.87
Nala Plugs	Nos.	1000	2253	109.00	153.44
Total				3247.22	2583.46

4.2.6.2. Legislation

The quantum of withdrawal and natural recharge for the year 1977, which was a good year, was analysed by High Level Committee (HLC) and found that 102.55 mcm of water was drawn in excess of recharge. Additional recharge of 83 mcm water was envisaged by the Committee. The Committee suggested ground water legislation for future expansion of construction of wells and to direct the farmers to reduce their withdrawal to achieve ground water balance. However, there was no progress in this regard though the requisite legislation was required to be enacted by March 1981. Government stated (March 1989) that it was now actively considering the matter.

4.2.6.3 Recharge tanks not only help in increasing the rate of recharge but also improve the quality of ground water. The recharge tanks are connected with checkdams by constructing regulators and feeder channels. During the monsoon, flood water from checkdam

is diverted to recharge tanks through regulators and feeder channels. It was noticed that the regulators and feeder channels were not constructed connecting five recharge tanks on which expenditure of Rs. 2.53 lakhs was incurred. As against the target of recharge of 4.00 mcm water per year, the total recharge of water achieved during the period 1983-84 to 1987-88 was 3.98 mcm only.

Government replied that construction of feeder channel was dropped due to practical difficulty and recharge tanks in the small and local catchment area were constructed due to which some induced recharge did take place. The shortfall was also attributed to negligible grant sanctioned for this work as this item was not covered by World Bank credit.

4.2.6.4 As against the targeted recharge of 4.00 mcm water per year through the construction of 200 wells, there was recharge of 0.11 mcm only through 20 wells during 1983-84 to 1987-88. The Government attributed the shortfall in achievement to non-inclusion of this component in World Bank Project and consequent less release of grant.

4.2.6.5 Spreading channels form a useful recharge device when recharge is desired along a narrow but long area. If the artificial recharge is attempted near the junction of *milliolite limestone* and *Gajlimestone* the induced recharge will result in ground water movement towards the sea. It helps to control saline water ingress in addition to providing additional ground water. There was no recharge of water through spreading channel as against targeted recharge of 8.00 mcm per year on account of non-construction. The Government replied that this component was not within the World Bank Project and hence priority was not given.

4.2.6.6 Tidal Regulator/Bandhara

Tidal Regulators are provided to stop ingress of sea water through the mouth of river or creeks and allow the flood water to flow into the sea.

Out of eight tidal regulators taken up for construction, only two had been completed. In respect of the remaining, following observations are made :

(i) The civil works on Meghal tidal regulator commenced in February 1979, and stipulated to be completed by February 1981, was abandoned after incurring an expenditure of Rs. 24.28 lakhs due to revision of hydrology on account of heavy floods in 1980. The work on the basis of revised hydrology was commenced in February 1985 and completed in March 1987. However, design of automatic tilting gates was yet to be finalised.

(ii) The civil work for Muldwarka tidal regulator, commenced in June 1979 and stipulated to be completed by June 1982 was abandoned in 1983 after incurring expenditure of Rs. 6.48 lakhs due to change of site on account of foundation problem. The work was restarted through another agency in July 1985 and completed in June 1986. Consequently the installation of vertical lifting gates got delayed and remain to be fixed.

(iii) The preparation of final scheme of Pipalva and Saiyed Rajpara tidal regulators on which expenditure of Rs. 78.58 lakhs was incurred, has been kept in abeyance as World Bank had not agreed to finance the same.

(iv) The Medha Creek tidal regulator was in progress at foundation level.

(v) The tender for installation of automatic lifting gates on Rukmavati tidal regulator was yet to be finalised.

Bandharas

Construction of 13 *bandharas* estimated to cost Rs. 326.07 lakhs was sanctioned. Out of these only six had been completed at a cost of Rs. 171.66 lakhs between 1980-81 and 1988-89 and construction

of two *bandharas* was in progress. In this respect] the position was as under :

(i) The construction of Barda *bandhara*, stipulated to be completed in March 1982, was actually completed in June 1985. The delay was attributed to heavy floods of 1983 which could have been avoided had the work been completed by the contractor by the stipulated time limit.

(ii) The proposal to construct Somnath, Veraval and Hirko *bandharas* was dropped due to non availability of suitable site.

(iii) The plans and estimates for Adri and Khada were yet to be finalised.

(iv) Draft tender papers for the automatic tilting gates for Jankharwada and Sodam *bandharas* were yet to be finalised.

Due to non-construction of tidal regulators/*bandharas* and non-fixation of gates, salinity control in these areas could not be achieved and irrigation in these areas could not be taken up.

4.2.6.7 The project also envisaged provision of irrigation facility for 14968 hectares for Madhavpur-Una reach, against which 2054 hectares only was achieved. The Government replied that due to non-fixation of gates in case of tidal regulators and checkdams the distribution system could not be completed, which played a prominent role in retardation of the achievement of irrigation potential.

4.2.7 Unproductive civil works

Civil works of 2 tidal regulators, 2 *bandharas* and 94 check dams were completed between August 1984 and March 1987 at a cost of Rs. 986.00 lakhs. These structures were designed for fixing of automatic tilting gates instead of conventional wooden needles in check dam and vertical lift gates in tidal regulators *bandharas* on scientific and technical consideration. However, the matter of payment by Government of royalty and consultancy charges for deta led

design, supply of drawings and providing consultancy services for fixing of these gates, etc., has not yet been settled (November 1988). The Government had approved in October 1988 issue of tenders for providing and fixing automatic gates in completed structures with the royalty charges towards the detailed designs being paid by the contractor to the consultant directly. Due to delay in installation of the gates, the expenditure of Rs. 986 lakhs on civil works incurred so far has remained unproductive except utilisation of water stored upto crest level through lift irrigation.

4.2.8 *Nala Plugs*

The construction of *nala* plugs was done by the Gujarat State Land Development Corporation (GSLDC) on behalf of Irrigation Department. Till 1987-88, 1815 plugs at a cost of Rs. 143.20 lakhs were constructed by GSLDC and 438 by the divisions of department at a cost of Rs. 10.24 lakhs for which administrative approval had not been accorded by Irrigation Department. There was no co-ordination between GSLDC and Irrigation Department regarding location/site, number of *nala* plugs or its maintenance though the entire cost of construction was being borne by the Irrigation Department. Government stated that overall performance of *nala* plug works will be watched hereafter and agreed that administrative approval was necessary in such cases.

4.2. *Purchase of equipments etc.*

4.2.9.1 Advance payment of Rs. 12.00 lakhs to Division No II, ward Colony for supply of six dumpers and Rs. 6.00 lakhs to Irrigation Project Division No. 2, Bodeli for supply of tractor dozer was made in March 1981 by the salinity Control Division, Junagadh. The expenditure was debited to Saraswati and Devka Reservoir Projects though these schemes had not been sanctioned (November 1988). The dumpers had not been received so far and tractor dozer received was returned back to the concerned division in September 1981 as it required major repairs.

4.2.9.2 Advance payment of Rs. 70.00 lakhs to Kadana Mechanical Division, Gandhinagar was made by Salinity Control Division, Junagadh in February 1981 for supply of steel. Steel and cement worth Rs. 31.96 lakhs were received during July 1981 to July 1988, leaving a balance of Rs. 38.04 lakhs.

4.2.9.3 Salinity Control (SC) Division, Veraval procured three second hand tippers from Damanganga Mechanical Division at a cost of Rs. 1.65 lakhs. As against the proscribed norms of 10,000 hours, three tippers were utilised for 487, 1564 and 2003 hours since their initial purchase. These tippers required major repairs which were not considered economical and the same were certified for write off in October 1988.

4.2.9.4 Instruments/equipments for hydromet stations were purchased at a cost of Rs. 27.27 lakhs during 1986--87 and 1987--88. However, purchase of instruments worth Rs. 5.69 lakhs could have been avoided as similar instruments purchased by Water Resources Investigation Circle, Ahmedabad were lying unutilised.

4.2.9.5 The requirement of steel for the construction of Meghal Tidal Regulator, Mul-Dwarka Tidal Regulator, Vadodara Zala Tidal Regulator and Barda Bandhara was assessed as 2057 tonnes in 1980--81 by Executive Engineer, Salinity Control Division, Veraval. The division was having 1610 tonnes of steel on 31st March 1980, hence 447 tonnes of steel was required to complete these works. Instead of procuring exact requirement of steel direct from suppliers, ad-hoc advance of Rs. 80.00 lakhs was made for 2000 tonnes in February 1981, to Kadana Mechanical Division-I, Gandhinagar which was the co-ordinating agency for procurement of steel. By September 1983, the division received 1019 tonnes of steel costing Rs. 35.52 lakhs and incurred an expenditure of Rs. 1.26 lakhs on carting.

Till November 1986, the division issued 1715 tonnes of steel. Out of the remaining 914 tonnes of steel, 735 tonnes of steel valued at Rs. 24.34 lakhs was declared surplus in December 1986 and balance quantity was still lying with the division to be used on works on hand (November 1988).

As such, procurement of steel in excess of requirement and subsequently declaring 735 tonnes steel surplus resulted in unnecessary blocking up of capital of Rs 24.34 lakhs for more than 5 years and avoidable expenditure of Rs. 0.99 lakh on account of carting.

4.2.9.6 *Avoidable extra expenditure on transportation of cement.*

In January 1984, the Salinity Control Division No. 3 Bhavnagar (now defunct) had a stock of 2523 tonnes cement. The division placed orders for supply of 6170 tonnes cement by November 1984 for ongoing works and 92 checkdams for which proposals had been submitted. Out of 92 checkdams proposed, only 16 requiring 1970 tonnes of cement were targeted to be completed during 1984-85. Ultimately the construction of 92 checkdams was not approved by the Government due to financial constraints.

The division received 6292 tonnes of cement including 122 tonnes against pending orders by March 1985, against which actual consumption was 3115 tonnes. 490 tonnes of cement were transferred to other divisions.

With the opening stock of 2523 tonnes receipt of 6292 tonnes and consumption and transfer of 3605 tonnes upto March 1985, the balance of cement on hand by end March 1985 was 5210 tonnes.

The division had failed to plan the procurement of cement on realistic basis resulting in an avoidable expenditure of Rs. 1.94 lakhs on transportation to other division.

4.2.10. Drilling works for collecting requisite data for foundation of various recharge and salinity control schemes such as checkdams, tidal regulators, *bandharas* etc. in Malia-Lakhpur reach was undertaken by Geologist-I, Jamnagar and Salinity Ingress Investigation Division, Jamnagar. Drilling work at 16 places at a cost of Rs. 2.92 lakhs was done between January to July 1985. In none of the cases, investigation reports had been prepared since the completion of drilling work (November 1988). The Government stated that report of 7 drilling works had now been prepared and the remaining work was expected to be completed by the end of March 1989.

4.2.11 According to norms of work load prescribed, each sub-division was required to prepare plans and estimates of Rs. 124.00 lakhs (Rs. 62.00 lakhs upto 1985--86) per year. On this basis, the circle, with various sub-division, was required to prepare plans and estimates for Rs. 4850 lakhs, against which plans and estimates of Rs. 1919 lakhs only (40 per cent) were prepared. Out of these plans and estimates of only Rs. 783.74 lakhs, were submitted between March 1985 and August 1988 to Government for approval.

4.2.12 Irrigation Department decided in August 1986 to continue the establishment in various divisions/sub-divisions as per the prescribed work load norms. Accordingly, the Superintending Engineer, Salinity Ingress Prevention Circle was instructed to declare the staff in three divisions and 17 sub-divisions surplus. The surplus staff was to be transferred to other departments against existing or newly created posts. Three divisions and seventeen sub-divisions were closed by February 1987. Out of 323 persons found surplus, 250 persons were transferred during 1987--88 to other departments, scarcity works and 73 persons were still awaiting transfer orders. Expenditure of Rs. 17.89 lakhs was incurred on pay and allowances of such surplus staff upto September 1988 and expenditure of Rs. 1.40 lakhs per month was continued to be incurred on 73 surplus persons.

4.3 Unfruitful outlay on 'Kharland reclamation scheme'

Under special employment programme, a Pilot Project for reclamation of *Kharland* in Surat and Bulsar districts was administratively approved by the Government in October 1972. The reclamation scheme in Surat District known as Delasa scheme targeted for completion in March 1975 envisaged distribution of 1214 hectares of reclaimed land to landless agricultural labourers on charging full cost of reclamation to be recovered in twenty equal instalments and production of 1500 tonnes of additional foodgrains *per annum* worth Rs. 15 lakhs on completion of land distribution. The scheme qualified for fifty per cent Central assistance. As the scheme was not completed by March 1975, no Central assistance was received.

The Delasa Scheme, executed by Kakrapar Right Bank Canal Division, Surat, consisted of construction of two protective earthen bunds viz; Jinod Bhagwa bund of 903 metres length for protecting 283 hectares of *Kharland* and Delasa Kapasi bund of 625 metres length for protecting 921 hectares of *Kharland*. The original estimated cost of the scheme of Rs. 11.10 lakhs was revised in March 1976 to Rs. 22.61 lakhs and further revised to Rs. 64.62 lakhs in May 1987 to which Government approval was awaited (March 1989).

The construction of protective bund, Jinod Bhagwa, was completed in June 1980 at a cost of Rs. 3.15 lakhs. The *Kharland* reclaimed was 283 hectares of which 211 hectares was handed over by the Agriculture Department to the Revenue Department between July 1980 and 1987 after retaining 72 hectares for developmental activities like canal system, land drainage, farm roads, etc. Eighteen out of thirty six hectares of land received prior to November 1983 was auctioned in November 1983 by the Revenue Department for agricultural use while the remaining 18 hectares of land was reserved for distribution among landless members of SC/ST/Backward class agriculturists. In the meantime, development of Hajira, a neighbouring locality as industrial area increased the potential of the reclaimed land for industrial use. Government, therefore, imposed a ban in November 1983 on the distribution of land for agricultural purpose. No further distribution of land could, therefore, be made by Revenue Department though a major portion (258 hectares) of the land was received by them only in May 1987 when the ban was in force.

The construction of Delasa Kapasi bund, planned for completion in March 1975, had not been completed till March 1989. Government attributed (November 1987) the delay to the remoteness of the site, poor response to repeated tenders invited, shortage of water and interruption of work during monsoon.

The expenditure so far incurred (March 1989) on both the works amounted to Rs 52.15 lakhs and that initial objective of the scheme to distribute reclaimed *Kharland* among landless agricultural labourers with a view to increase agricultural production remains abandoned.

4. Abandoned works

The work of manufacturing, supply and fixing precast reinforced cement concrete (RCC) structure for canals of 10 to 15 cusecs on the distribution system of Deo Irrigation scheme was entrusted to a contractor at the tendered amount of Rs 13.49 lakhs under six agreements. Work orders were issued in February 1983 to be completed by September 1983.

Between February 1983 and March 1986, the contractor was paid Rs 10.17 lakhs which included irregular payment of Rs. 5.35 lakhs pertaining to the structures which were lying at contractor's site and were not in departments custody. Further, Rs. 0.99 lakh was recoverable on account of material issued to the contractor and Rs. 0.80 lakh on account of machinery advance and interest thereon. Against the recoverable amount of Rs. 1.79 lakhs, the division was having a security deposit of Rs 0.75 lakh.

The contractor abandoned the works in March 1986 and the division was not in a position to intimate the reasons for abandonment. The contract was terminated by June 1987, at the risk and cost of the contractor, and by December 1989, new agencies were fixed only in respect of three works out of six.

The matter was reported to Government in April 1988; reply has not been received (March 1990).

4.5 Infructuous expenditure

The work of brick lining of Moti Fatewadi Canal from chainage (Ch) 350 to 5334 metres was entrusted in January 1978 by the Ahmedabad Irrigation Division at a cost of

Rs. 17.86 lakhs and was scheduled for completion in July 1979. During the course of execution of the work, the contractor indicated the unsuitability of single tile sandwich brick lining in slopes due to high water table of the surrounding area and offered to execute cement concrete lining in slopes at the same rates as for brick lining. This offer was accepted by the Government (January 1979) on the grounds of shortage of slack coal required for manufacturing bricks. Meanwhile, the sandwich brick lining work in certain reaches, constructed at a cost of Rs 1.88 lakhs, collapsed which was attributed to silty nature of earth filling for lining work and water table in the surrounding ground being high. Considering the peculiar soil characteristics and the collapse of sandwich brick lining in side slopes, it was eventually decided (July 1981) by Government to relieve the contractor of the remaining work. The Central Designs Organisation (CDO), Gandhinagar was consulted and it was decided to provide cement concrete lining in the entire chainage 350 to 5334 metres at an estimated cost of Rs. 58.75 lakhs. The work entrusted to a contractor in July 1984 at his tendered cost of Rs 57.86 lakhs was scheduled for completion in January 1987.

Due to failure to take into account the earlier occurrence of damages in September 1977 to similar brick lining in Fatewadi feeder canal executed under similar site conditions and failure to assess the suitability of brick lining before commencing the work resulted in infructuous expenditure of Rs. 2.37 lakhs including dismantling cost of Rs. 0.49 lakh incurred on the above work.

Government stated (August 1988) that the reasons for the failure of brick lining work in Fatewadi feeder canal could not be made applicable in the case of Moti Fatewadi canal except the sandy strata and the only unknown contributory factor leading to the collapse of brick lining work was the high water table in certain chainages. The reply of Government is not tenable as this fact was brought to notice of department in May 1978 by the contractor.

4.6 Loss of interest

Government issued instructions in December 1979 that the margin money in respect of all letters of credit to be opened thereafter should be kept in short term time deposits earning interest. However, failure to comply with these instructions led to a loss of Rs. 2.10 lakhs as interest in respect of margin money of Rs. 41.4 lakhs deposited by the Deputy Director, Gujarat Engineering Research Institute, Vadodara in April, 1985.

The matter was reported to Government in June 1988, reply has not been received (March 1990).

4.7 Avoidable expenditure in canal works

According to the specifications recommended by World Bank and approved in consultation with Central Water Commission (CWC) and communicated by Government in December 1981 to the Superintending Engineers, canal lining works were to be executed with the specifications of "laying the precast blocks on a layer of 6 mm thick 1:5 cement sand mortar." However, Ahmedabad Irrigation Division did not adopt the revised specifications and executed the works with the original approved specifications of "laying the precast blocks on a layer of 10 mm thick 1:5 cement sand mortar including filling joints with 1:5 cement sand mortar" involving use of more cement and sand. In two such works taken up after December 1981 extra expenditure of Rs. 2.22 lakhs was incurred towards the cost of cement and sand at the estimated rates to be used in these works based on Scheduled of Rates.

Government stated (June 1989) that that directive of Government in December 1981, was only a broad guideline for lining in canals and changes in the guideline to suit local conditions were permitted. Since modifications to specification made by Government in December 1981 was in consultation with World Bank and CWC, modified specification was applicable to all World Bank aided projects. As modernisation of Fatewadi Canal System was a World Bank aided project, Government's reply is not tenable.

4.8 Excess payment to contractor

The work of providing and fixing precast structures on the distributary of Jhuj Irrigation Scheme was awarded by the Jhuj Project Canal Division to an agency in November 1983 at his tendered cost of Rs. 15.86 lakhs to be completed by August 1984. Neither was the work completed by them nor was any extension of time granted. The agency had stopped the work from October 1985 without assigning any reasons and they were paid Rs. 6.35 lakhs for the work done upto June 1985. The work completed and measured but not paid, upto June 1986 amounted to Rs. 8.57 lakhs.

When the work done was measured in June 1986, it was noticed that the contractor had been overpaid to the extent of Rs. 1.32 lakhs on account of concrete hump pipes which had not been brought to site of work (Rs. 0.62 lakh) and were not executed (Rs. 0.70 lakh).

The contractor was also paid machinery advance of Rs. 0.46 lakh and Rs. 0.30 lakh in November 1983. At the end of November 1988 Rs. 0.30 lakh remained to be recovered towards machinery advance and Rs. 0.32 lakh as interest.

The Government stated (March 1989) that the overpayment was being inquired into. Results of inquiry have not been intimated (March 1990).

4.9 Injudicious investment on stores

Kakrapar Canal Remodelling Division, Surat procured 2176 mild steel (MS) dies valuing Rs 1.84 lakhs during February and April 1985 to issue them on hire to the contractor to accelerate the canal lining works in progress. There was neither any provision in the contract for such issue nor was it needed since the work of cement concrete (CC) block casting was completed by February 1985.

These MS dies remained unutilised and the division had no plans to utilise them in the near future. The procurement resulted in blocking up of capital to the extent of Rs 1.84 lakhs for more than three years.

The matter was reported to Government in May 1988, reply has not been received (March 1990).

ROADS AND BUILDINGS DEPARTMENT

4. 10 Excess issue of material to a contractor

Construction of Sales Tax Bhavan (estimated cost Rs 53.91 lakhs) and Regional Transport Office (RTO) buildings (estimated cost Rs. 42.40 lakhs) was awarded by Ahmedabad City Construction (R & B) Division No. 1, Ahmedabad to a contractor for Rs 57.26 lakhs and Rs 47.09 lakhs in February 1979 and March 1980 respectively. The works were completed in June 1982 and August 1984.

Against 866 tonnes of steel to be supplied by the department for these two works the division supplied 798 tonnes, out of which 100 tonnes remained unutilised with the contractor.

The division confirmed (September 1987) that material was issued in excess of requirement and without reference to progress of work and stated that reasons therefor were not on record. The contractor did not return the unused steel in the case of the work of Sales Tax Bhavan and returned in piece-meal the steel issued for RTO buildings. Consequently, there was delay in passing 'final bills' of the contractor.

According to final bills passed in July 1987, Rs. 7.86 lakhs were recoverable in respect of Sales Tax Bhavan and Rs 0.13 lakh in respect of RTO Buildings. Against these, the Division was having security deposits of Rs. 2.77 lakhs in the form of bank guarantees. The bank guarantees could not, however, be

encashed as the contractor brought a stay order from the Court. The question of initiating legal action against the contractor for recovery of the dues was not yet decided by the department (March 1989).

Accepting the facts Government stated (March 1989) that the concerned Executive Engineers were charge sheeted in April 1988. Final outcome of the charge sheet has not been intimated (March 1990).

4. 11 Blocking up of capital

Orders for the supply of electric shock guards, motto guards, etc., meant for the maintenance of electric installations estimated to cost Rs 1.00 lakh were placed with a firm at the lowest tendered cost of Rs 1.01 lakhs by the Stores (R & B) Division, Ahmedabad in June 1985. The estimate was based on the requirements of the Stores Division and its sub-divisions. Simultaneously, the division issued (June 1985) a circular to other divisions asking them to place indents with the Stores Division for their requirements of electric shock guards, motto guards, etc. The first order (Rs. 1.01 lakhs) placed in June 1985 was followed by 22 repeat orders (Rs. 11.67 lakhs) for the supply of electric shock guards and motto guards.

Placing of repeat orders in excess of hundred *per cent* of the original order without obtaining prior approval of the Government was irregular in terms of Government instructions of May 1984. Besides, out of the purchase of Rs. 12.68 lakhs, materials valuing Rs 6.71 lakhs only were lifted by seven divisions. Balance material valuing Rs. 5.97 lakhs is lying unutilised for more than two years. Only two out of the seven divisions which lifted the material have intimated utilisation of the material valued at Rs 1.09 lakhs.

Government stated (July 1988) that it had been decided to institute departmental enquiry against the officials concerned. Action taken in this regard has not been intimated (March 1990).

4.12 Purchase of Cement

The Roads and Buildings Division No. 2 Surat purchased 2477 tonnes of cement valuing Rs. 22.72 lakhs during May 1984 to April 1985 by making advance payment to a cement company at prices ranging between Rs. 840.85 and Rs. 982.15 per tonne (inclusive of taxes). The same cement company had also been enlisted in September 1983 by the Director General of Supplies and Disposals (DGS & D) on rate contract with effect from 1st April 1984 and the rate contract prices ranged between Rs. 859.33 and Rs. 921.97 per tonne (inclusive of taxes). The Division thus incurred avoidable extra expenditure of Rs. 0.53 lakh by not resorting to purchases under DGS & D rate contract.

According to Government of India instructions of September 1978 and October 1983, cement producers are liable to pay interest at 14 per cent on advance payments received by them, if the supply of cement is not effected within 30 days of receipt of advance. The division had paid advances aggregating Rs. 44.78 lakhs to the cement company during the period from December 1982 to April 1985. Since the supply took more than 30 days thereafter interest of Rs 1.58 lakhs (approximately) was recoverable. However, no recovery was made.

Government stated (February 1989) that efforts were being made to recover the excess payment and interest from the cement company.

4.13 Overpayment to contractor

Construction of a group of roads within the Command Area of Damanganga Irrigation Project was entrusted to a contractor for Rs 25.99 lakhs in June 1982 for completion by August 1983. The work was, however, abandoned in June 1983 after carrying out work of the value of Rs 9.62 lakhs. The contract was terminated in December 1984 and the remaining work was taken up at the risk and cost of defaulting agency, besides for-

feiting security deposit of Rs 0.53 lakh. However, by that time he was paid Rs. 11.06 lakhs for work done resulting in overpayment of Rs 1.44 lakhs mainly due to incorrect recording of measurement of earth work. Further, Rs 0.06 lakh was also recoverable for non-return of cement and empty cement bags.

Government stated (October 1988) that the earthwork was being paid in Running Bills on the basis of measurement recorded on tape measurements while in the final bill measurement was recorded on cross sectional basis. The quantity of earthwork as per final measurement was found less than the quantity recorded as per the previous Running Bills. There was, however, no justification for recording of measurements for earthwork in running bills stage by 'tape measurements' as standard technical specifications, forming part of the agreement stipulated that the payments for earthwork were to be regulated by measurements on cross sectional basis.

While accepting the overpayment, Government stated (November 1989) that it has been decided to fix responsibility for the overpayment.

GENERAL

4.14 Irregular purchase/execution of works

Government of Gujarat have granted several concessions to labour co-operative societies including entrustment of civil and electrical work at estimated rates without inviting open competitive tenders, price preference, exemption from earnest money deposit, concessional security deposit, etc. subject to certain restrictions. However, only such work wherein labour component was predominant should be awarded to the societies and supply contracts were not to be entered into with the societies.

It was seen in audit that purchase of furniture, furnishings, utensils, crockery, wooden sleepers, engineering kit, *tagara*, *pawda*, etc. valued at Rs. 8.24 lakhs were made by three Irrigation Divisions through four labour co-operative societies, during June 1984 to February 1986 in violation of the rules.

Further, civil and electrical works like providing and fixing self priming centrifugal pump sets, submersible pump sets, electrically resistant welded pipes, box type cupboards, barbed wires etc., involving nominal labour component were also got executed through 15 labour co-operative societies at estimated rates during 1985--86 to 1987--88 in violation of the restrictions. The labour component in these works ranged between eight to thirty-nine *per cent* while prescribed minimum was fifty *per cent*. The value of such works awarded by five divisions amounted to Rs. 54.02 lakhs.

The matter was brought to the notice of Government between July 1987 and April 1988. Government has not furnished (March 1990) reply in one case; in three cases enquiry proceedings were ordered; in one case facts were not refuted and in remaining two cases urgency was reported to be the reason for bypassing instructions.

4.15 Outstanding Inspection Reports

Audit observations of financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to the heads of offices and to the next higher department authorities through audit inspection reports for prompt action. The more important irregularities are also reported to the heads of departments and the Government for initiating immediate corrective action. In respect of the three departments mentioned below, 990 inspection reports issued upto December 1987 were pending till June 1988. Of these, 417 (42 *per cent*) relate to the period prior to 1983--84.

Year(s)	Roads and Buildings		Water Resources		Narmada Development	
	Number of Inspection Reports	Number of paragraphs	Number of Inspection Reports	Number of paragraphs	Number of Inspection Reports	Number of paragraphs
Upto						
1982—83	112	203	294	742	11	19
1983—84	24	58	35	122	3	4
1984—85	37	131	99	371	12	29
1985—86	30	118	70	274	13	44
1986—87	41	163	96	509	15	49
1987—88	22	116	61	320	15	73
Total	266	789	655	2338	69	218

The matter was reported to Government in October 1988, while Narmada Development Department have confirmed (March 1989) the position of outstanding inspection reports and paragraphs issued upto December 1987 and pending till June 1988, confirmation from Irrigation and Roads and Buildings Departments has not been received (March 1990).

CHAPTER V

STORES AND STOCK

INFORMATION, BROADCASTING AND TOURISM DEPARTMENT

5.1 Non-installation of radio sets

The Director of Information purchased 1,000 radio sets (cost Rs. 2.78 lakhs) in March 1986 and 45 pieces of Direct Reception sets (Disc Antena TV system sets) in March 1988 (cost Rs. 7.02 lakhs) for installation in the villages located in Tribal areas where TV reception from any ground TV Centre was not possible.

It was noticed in audit (September 1988) that both the equipments were not installed due to non-receipt of list of villages where the sets were to be installed from the Administrative Departments.

The Director stated (October 1989) that Direct Reception sets have been installed in concerned districts in March 1989 while approval for installing the 1,000 radio sets had not been received (January 1990).

Thus, amount of Rs. 2.78 lakhs on purchase of radio sets was blocked for about four years.

WATER RESOURCES DEPARTMENT

5.2 Injudicious purchase of Steel

The sanctioned estimates, prepared in 1983--84, for the work of lining of canals of the Jhuj Irrigation Scheme envisaged the use of 6 mm mild steel bars for troughs. Simultaneous with the tender invitation for the work, procurement action for these bars was initiated and 199 tonnes valued at Rs. 10.16 lakhs were received in May 1984, by the Jhuj Project Canal Division, Chikhli.

However, while selecting the agency to do the work, the Government ordered that the specification of 6 mm bars for reinforcement should be changed to 5 mm bars for effecting economy in use of steel. Despite the availability of 6 mm bars, 99 tonnes of 5 mm bars were procured between March 1986 and October 1986 at a cost of Rs. 6.91 lakhs. In February 1986, 159 tonnes of 6mm bars valued at Rs. 8.40 lakhs were declared surplus by the division and assigned for transfer to other division for appropriate use.

The decision to change the specification after procuring the bars resulted in idle investment of Rs. 8.40 lakhs for more than 3 years on surplus bars.

Government stated (August 1988) that out of the surplus quantity of 159 tonnes, 136 tonnes of 6 mm bars were issued to four divisions between December 1987 and March 1988 leaving a balance of 23 tonnes. Government reply was, however, silent on the utilisation of the material.

5.3 Unfruitful recurring expenditure on preservation of surplus stores

Mention was made in para 5.3 of the Civil Audit Report for the year 1980--81 regarding unserviceable equipment and spare parts worth Rs. 2.51 lakhs which were declared surplus in a division in December 1976 and incurring of recurring expenditure of Rs. 1.17 lakhs for their preservation and hire charges from January 1977 to March 1981.

During subsequent audit (June 1987) it was noticed that further expenditure of Rs. 2.27 lakhs was incurred during the period from April 1981 to September 1987 towards pay and allowances of staff and rent of the godown where the unserviceable equipments and spare parts were kept from December 1976.

The matter was reported to Government in January 1988; reply has not been received (January 1990).

5.4 Excessive purchase

The Superintending Engineer, Palanpur Irrigation Project Circle, Palanpur accorded sanction for purchase of 200 "shellbe" tubes in June 1983 for survey and investigation of periphery of Mukteshwar Project. Prior to the receipt of sanction the Executive Engineer, Mukteshwar Project Head Works Division, Palanpur invited tenders in May 1983 and entered into an agreement (June 1983) with an agency for supply of 1000 "Shellbe" tubes valued at Rs. 2.01 lakhs as against requirement of 200 tubes. The entire quantity of 1000 tubes was received during the period from June 1983 to March 1984.

Out of 1000 tubes procured by division, only 200 tubes were issued to the Executive Engineer, Dharoi Design Unit, Dharoi, in October 1983. The remaining 800 tubes valued at Rs. 1.61 lakhs was lying unutilised. The division intimated (June 1988) that the balance quantity would be utilised at the time of construction of earthen dam and hence "Shellbe" tubes were not declared surplus by division.

This resulted in unnecessary locking up of capital of Rs. 1.61 lakhs in idle inventory for more than five years, with attendant risk of deterioration in quality of material due to passage of time.

The matter was reported to Government in June 1988; no reply has been received (December 1989).

CHAPTER—VI
COMMERCIAL ACTIVITIES
AGRICULTURE AND RURAL DEVELOPMENT
DEPARTMENT

6.1 Departmentally managed commercial undertakings

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

6.1.2 There were eleven departmentally managed commercial and *quasi-commercial* undertakings in the State as on 31st March 1988 and all of them were under the Agriculture and Rural Development Department.

6.1.3 The accounts of all the eleven undertakings were in arrears for various periods as indicated in Appendix 6.1.

6.1.4 None of the undertakings had finalised their *proforma* accounts for the year 1987—88. The accounts of the following four undertakings were in arrears for more than three years :

1. Poultry farm, Dahod from 1980—81.
2. Poultry farm, Surat from 1981—82.
3. Boring and Tractor Organisation, Rajkot from 1981—82.
4. Poultry farm, Vadodara from 1982—83.

6.1.5 On the basis of latest available accounts the Poultry farms at Vadodara and Junagadh as well as cattle breeding farm Thara incurred losses except for a small profit by poultry farm in Junagadh during 1983—84. Their summarised financial results are given in Appendix 6.2.

The matter was reported to Government (October 1988), reply has not been received (December 1989).

CHAPTER—VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

General

7.1 Audit of financial assistance to local bodies and others

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

Government issued instructions in May 1975 to all the twenty one administrative departments to furnish to Audit before the end of the July every year, information about grants and/or loans given by them to various bodies and authorities and the expenditure incurred by the recipient bodies and authorities in the preceding financial year. Such information had not been received from one department for the year 1986—87 and from 15 departments for the year 1987—88 (August 1988).

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

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

The reports on the accounts of an autonomous body or authority, the audit of which is entrusted to the Comptroller and Auditor General of India under Section 19 (3) of the Act are required to be submitted (from 1983--84) to the State Government for laying before the Legislature of the State. The State Government laid down a time schedule in December 1985, under which the organisations are required to submit the accounts to Audit within three months after closure of the accounts of the year (i.e. by 30th June). In respect of three autonomous bodies (non-commercial) the audit of which was entrusted to the Comptroller and Auditor General of India, there were delays ranging from 4 to 30 months for the years 1984--85 to 1987--88 (Gujarat Housing Board 1986--87 and 1987--88, five months each, Gujarat Slum Clearance Board, 1986--87 six months, 1987--88 four months, Gujarat Rural Housing Board, 1984--85 30 months, 1985--86 18 months). The accounts of Gujarat Rural Housing Board for the years 1986--87 and 1987--88 had not been submitted (June 1989).

In respect of eight out of ten other autonomous bodies (non-commercial), the audit of accounts of which was entrusted to the Comptroller and Auditor General of India under Section 20(1) of the Act, *ibid* there was delay ranging from 2 to 14 months in the submission of accounts for the years 1986-87 and for 1987-88 due to non-compilation of annual accounts by the organisation.

7.2 Audit under Section 14

7.2.1 Statutory audit arrangement

The statutory audit of the bodies/authorities, other than those in respect of which the Comptroller and Auditor General of India is the sole auditor is conducted by other agencies. While the District Panchayats, Universities, Municipalities are audited by the Examiner Local Fund Accounts, the District Rural Development Agencies, societies other than Co-operative societies, trusts, Boards etc., are audited by Chartered Accountants. Audit of Co-operative societies is conducted by the Registrar of Co-operative societies. The accounts of Municipal Corporations are audited by the Chief Auditors appointed by the Corporation concerned.

Statutory audit by the Examiner, Local Fund Accounts of the accounts of 11 out of 19 District Panchyats and by the Chartered Accountants of the accounts of five out of 19 District Rural Development Agencies for the year 1987-88 were in arrears (March 1989).

7.2.2 The number of bodies/authorities which received substantial grants and loans from 1985-86 to 1987-88 (to the extent information was received from the departments upto August 1988) and the number of such bodies / authorities from which accounts have been received and from which accounts have not been received by Audit are given below :

Year	Number		
	which received substantial grants and loans	Accounts received from	Accounts yet to be received from
1985—86	69	51	18
1986—87	89	48	41
1987—88	26	Nil	26

7.2.3 Response from the audited agencies to Inspection Reports

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

An analysis of the inspection reports issued to 19 district panchayats upto December 1987 disclosed that action was pending at the end of June 1988 on 1284 inspection reports involving 4780 paragraphs relating to the period from 1966-67 to 1987-88. A further analysis of outstanding reports in respect of two district panchayats for the same period indicated that action was pending on 571 paragraphs of 168 inspection reports as shown below :-

Name of Panchayat	Number of inspection reports		Number of paragraph		Percentage of outstanding to	
	issued	outstanding	issued	Settled	outstanding	total paragraphs issued
Godhra	187	103	730	404	326	45
Surendranagar	129	65	663	418	245	37

There was delay in furnishing even the first reply to the inspection report ranging between 2 and 12 months by 50 branches of the District Panchayats (Godhra 28, Surendranagar 22), 13 and 24 months by 24 branches (Godhra 14, Surendranagar 10) and 25 and 36 months and more by 46 branches (Godhra 26, Surendranagar 20).

The outstanding paragraphs fell broadly under the following categories :-

Category	Number of paragraphs	
	Godhra	Surendranagar
Outstanding recoveries	99	33
Improper investments/utilisation of grants	12	28

Category	Number of paragraphs	
	Godhra	Surendra-nagar
Excess grants/unutilised grants	15	30
Non-maintenance/Improper maintenance of records/registers.	11	19
Other procedural irregularities	189	135
	<u>326</u>	<u>245</u>

The matter was reported to the Administrative Departments of Government in December 1988, reply has not been received (December 1989).

7.2.4 Important points noticed during audit under section 14 are given in the succeeding paragraphs.

AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT

7.3 Assistance to Small and Marginal Farmers for increasing agricultural production.

7.3.1 Introduction

7.3.1.1 The Centrally sponsored scheme of assistance to small and marginal farmers for increasing agricultural production (SMFP) was started in April 1983. Small farmers are those owning land between one and two hectares. Marginal farmers are those with land of less than one hectare. It is implemented in all 218 blocks of 19 districts of the State.

The outlay on the scheme was equally shared by the Central and State Government. An annual outlay of Rs. 5 lakhs per block was envisaged as detailed below :-

Components	1983—84	1985—86
	and 1984—85	Onwards
(Rupees in lakhs)		
(i) Subsidy on minor irrigation works	3.50	3.50
(ii) Subsidy on plantation of fruit and fuel trees.	0.50	withdrawn
(iii) Free distribution of minikits of seeds and fertilizers for oil seeds and pulses, land development and cost of staff	1.00	—
(iv) Free distribution of minikits of seeds for oilseeds, pulses and coarse grain crops.	—	0.50
(v) Land development including cost of staff restricted to Rs. 4,000 per block	—	1.00

The main component of the scheme is subsidy for minor irrigation works on the pattern of Integrated Rural Development Programme. The subsidy is to be supplemented by loans from banks. The rates of subsidy are 25, 33.33 and 50 per cent of the project cost for small, marginal and scheduled tribes farmers subject to ceilings of Rs. 3,000, 4,000 and 5,000 respectively. From 1985-86, the ceiling limit in respect of individual minor irrigation works had been abolished and the prescribed rates of subsidy were applied to the unit cost of the projects as fixed by National Bank of Agricultural and Rural Development (NABARD) for different agro-climatic regions in the country. Subsidy upto Rs. 1,000 was also admissible to individuals in the case of failed wells. Community irrigation projects were also granted subsidy under the SMFP, provided they were undertaken in ayacuts where more than half the land holders were small and marginal farmers who own not less than half the land. The subsidy payable was 50 per cent up to 1984-85 and 100 per cent

from 1985-86 of the cost apportionable on the basis of land held by small and marginal farmers in the ayacut.

7.3.1.2 Organisational set up

The overall responsibility for implementation lay with the agriculture and Rural Development Department (Department) and Commissioner of Rural Development (CRD). At the district level, it was implemented by District Rural Development Agency (DRDA) to which funds were passed on.

Gujarat Water Resources Development Corporation (GWRDC) executed community irrigation works and drilling of tube wells. Gujarat Land Development Corporation (GLDC) was entrusted with the execution of community land development works and Gujarat State Seed Corporation (GSSC) was entrusted with the work of preparation of minikits of seeds.

7.3.1.3 Audit coverage

The implementation of the scheme was reviewed in audit between March and August 1988 through test check of records for the period from April 1983 to March 1988 of DRDAs of six districts (Banaskantha, Kheda, Panchmahals, Surat, Surendranagar, Vadodara) the Departments, CRD, GWRDC and GSSC.

7.3.2 Highlights

—Percentage of shortfall in distribution of minikits of seeds was 23 and 12 in 1986-87 and 1987-88 respectively due to acute scarcity conditions and reduction in financial outlay (Paragraph 7.3.6).

—More than half the seedlings raised in 1984-85 were not distributed (Paragraph 7.3.8).

—Instead of charging at 50 per cent of the water rates, the GWRDC charged full water rates from the small and marginal farmers till

June 1989. When audit pointed out the excess recovery, instructions have been issued to adjust the excess recovery (Paragraph 7.3.9).

—Rupees 35.56 lakhs have wrongly been released as subsidy for 32 minor irrigation works which did not qualify for subsidy. Similarly, Rs. 5.16 lakhs have wrongly been released for five lift irrigation works which had been completed before the introduction of the scheme. Out of 16 minor irrigation works in Surat for which a subsidy of Rs. 28.88 lakhs was sanctioned 14 were not started at all while 2 were dropped (Paragraph 7.3.11).

—For digging new wells to tap ground water Rs. 45.62 lakhs were paid as subsidy without releasing corresponding subsidy for pump-sets and oil engines (Paragraph 7.3.13).

—Utilisation certificate for Rs. 182.46 lakhs released during 1983-84 to 1987-88 in Banaskantha district remained to be furnished (Paragraph 7.3.5).

7.3.3 Central and State assistance

As against an envisaged annual expenditure of Rs. 1090 lakhs at the rate of Rs. 5 lakhs per block the budgeted outlay on the scheme declined steadily from Rs. 1090 lakhs in 1983--84 to Rs. 575.52 lakhs only in 1987--88. But even the reduced budget provision of Rs. 4309.52 lakhs for the five years 1983--84 to 1987--88 was not spent, and actual assistance to DRDAs was only Rs. 3384.63 lakhs. Though the Central assistance was envisaged as Rs. 2725 lakhs only Rs. 1751.41 lakhs were released out of which only Rs. 1692.31 lakhs were passed on by the State with matching assistance to DRDAs. Year-wise figures are given below :

Year	Budget provision	Central assistance received	Central assistance transferred to DRDAs	Un-utilised Central assistance	State assistance	Total given to DRDAs
(Rupees in lakhs)						
1983—84	1090.00	544.84	544.84	Nil	544.84	1089.68
1984—85	1090.00	220.90	212.98	7.92	212.99	425.97

Year	Budget provision	Central assistance received	Central assistance transferred to DRDAs	Un-utilised Central assistance	State assistance	Total given to DRDAs
(Rupees in lakhs)						
1985-86	740.00	367.06	300.84	66.22	300.84	601.68
1986-87	814.00	295.97	345.89	(-) 49.92	345.89	691.78
1987-88	575.52	322.64	287.76	4.88	287.76	575.52
	4309.52	1751.41	1692.31	59.10	1692.32	3384.63

7.3.4 Utilisation of assistance

As against Rs. 3384.63 lakhs, DRDAs actually spent Rs. 3432.17 lakhs by diversion of other funds available with them. Out of this Rs. 2609.01 lakhs were spent on minor irrigation, Rs. 687.38 lakhs on minikits of seeds and land development and Rs. 135.78 lakhs on plantations. The average annual expenditure worked out to only Rs. 3.15 lakhs per block.

7.3.5 Wanting utilisation certificates

The utilisation certificates were required to be sent by implementing officers to DRDAs. Details regarding outstanding utilisation certificates due from implementing officers / agencies to DRDAs were not available for the State as a whole. Amongst the district test checked, utilisation certificates for the period from 1983-84 to 1987-88 for Rs. 182.46 lakhs were not received from implementing officers by DRDA, Banaskantha District. The department replied (June 1989) that the DRDA, Banaskantha District has been asked to expedite the matter.

7.3.6 Distribution of minikits

The targets fixed for distribution of minikits were not achieved in any year. The shortfall were significant in 1986-87 and 1987-88

as shown below :

Year	Target (Number of minikits)	Achievement (Number of minikits)	Shortfall
1983—84	Not available	113932	
1984—85	125780	121165	4615
1985—86	83200	82807	393
1986—87	139000	107555	31445
1987—88	120310	106084	14226

The percentage of shortfall in achievement ranged between 23 and 12. The shortfall was attributed (June 1989) to prolonged and acute scarcity conditions prevailing in the State and reduction in financial outlay under minikit component of the scheme.

7.3.7 Land Development works

As against Rs. 654 lakhs initially envisaged, only Rs. 23.50 lakhs was spent from 1985-86 to 1987-88. The shortfall was attributed to the watersheds for land development works not being identified and the small and marginal farmers not coming forward for subsidy, since the State scheme provided for increased subsidy for similar works.

In two DRDAs covered by test check, total subsidy of Rs. 11.04 lakhs was given to GLDC for eight works. Only Rs. 6.55 lakhs were spent by GLDC which completed just one work.

7.3.8 Plantation of fuel and trees

This scheme started in 1983-84 was discontinued in 1985-86 after incurring an expenditure of Rs. 135.78 lakhs. Out of seedlings raised, only 13 per cent were distributed in 1983-84. In 1984-85, the utilisation rose to 49 per cent. The reasons for shortfall were not explained by the Government.

7.3.9 *Non-charging of concessional water rates*

The scheme as well as orders sanctioning subsidy for community irrigation works stipulated 50 *per cent* concession in water rates to small and marginal farmers for five years. However, it was noticed in audit that GWRDC charged full water rates from small and marginal farmers. Thus, the benefit of subsidy on capital cost of Rs. 310 lakhs paid to GWRDC during 1983--84 to 1985--86 was not extended to small and marginal farmers as required under the scheme.

The Department stated (June 1989) that all DRDAs were now instructed to review all community irrigation projects assisted under SMFP and to take action if concession in water rates was not given and for adjustment of excess recovery of water rates.

7.3.10 *Excess/irregular drawal of Central assistance*

DRDA of Kheda District drew two cheques aggregating Rs. 8.73 lakhs in March 1987 in favour of GWRDC. The cheques in question were not passed on to GWRDC as the expenditure was under objection. However, Rs. 8.73 lakhs were shown to have been spent during 1986--87 by DRDA thereby claiming Central assistance of Rs. 4.37 lakhs. In September 1987, the cheques were cancelled and Rs. 8.73 lakhs were taken as receipts in the books of DRDA. Thus, during 1986--87, Central assistance of Rs. 4.37 lakhs was claimed incorrectly.

7.3.11 *Irregular/excess payment of subsidy to GWRDC*

7.3.11.1 Four DRDAs paid a subsidy of Rs. 35.56 lakhs to GWRDC during 1983--84 to 1985--86 in respect of 32 minor irrigation works (Surat : 13 works, Rs. 17.81 lakhs, Kheda : 8 works, Rs. 6.38 lakhs, Vadodara : 6 works, Rs. 7.23 lakhs and Banaskantha : 5 works, Rs. 4.14 lakhs) which were started before the introduction of SMFP and completed thereafter. Only "new" works qualify for subsidy under SMFP. The department stated (June 1989) that since the main object of SMFP was achieved and conditions laid

down by Government of India were fulfilled by GWRDC in these cases, subsidy was paid under SMFP.

7.3.11.2 DRDA, Surat paid, during 1983--84 to 1985--86, a subsidy of Rs. 74.20 lakhs to GWRDC for 49 lift irrigation schemes for creating irrigation potential of 7539 hectares. However, it was noticed that out of 49 schemes, only 20 schemes were reported to have been completed by June 1988 and 13 were reported to be in progress. For the balance of 16 works the subsidy paid was Rs. 28.88 lakhs, including 14 works which had not been started and 2 works were dropped. No action has been taken to effect recovery of the unutilised subsidy lying with GWRDC. The department stated (June 1989) that DRDA Surat had taken up the matter with GWRDC to complete the works which were still in progress and that action was being taken to recover the subsidy paid for works dropped or not started.

7.3.11.3 DRDA, Surat paid a subsidy of Rs. 5.16 lakhs to GWRDC during 1983--84 to 1985--86 in respect of 5 lift irrigation works which were started during March 1979 to 1981 and also completed during October 1980 to February 1983. Hence, the subsidy of Rs. 5.16 lakhs sanctioned for schemes completed well before launching of SMFP was inadmissible.

The department stated (June 1989) that subsidy under SMFP was paid as they conformed to the conditions laid down by the Government of India in this regard and the object of assisting small and marginal farmers for increasing of irrigation facilities was achieved. The reply of the department is not tenable as these works were completed prior to launching of the SMFP.

7.3.11.4 As per Government of India guidelines, pipeline works for supply of irrigation water could be undertaken only as individual scheme and subsidy paid. During 1983--84 to 1985--86, DRDA of Kheda District sanctioned 104 pipeline works as "Community Irrigation works" and paid subsidy of Rs. 25.62 lakhs to GWRDC

at the higher rate of 50 *per cent*. This resulted in excess and avoidable expenditure of Rs. 13.92 lakhs.

The department stated (June 1989) that the main object of the Community irrigation works was to bring more area under irrigation. Appropriate water conveyance and distribution systems, therefore, required to be developed for which installation of pipeline was necessary. Subsidy given for pipeline works, as a part of project in community irrigation works, is, therefore, as per the guidelines issued by Government of India. The reply of the department is not tenable as only individual schemes for supply of irrigation work could be taken up.

7.3.11.5 According to the guidelines community irrigation works can be taken up only where 50 *per cent* land holders in the ayacut are small and marginal farmers and also they own not less than 50 *per cent* (25 *per cent* from April 1986) of the land in the ayacut. The subsidy payable under SMFP for community irrigation works is based on the cost apportionable to land of small and marginal farmers benefited and also falling within the ayacut.

In Kheda District, GWRDC was paid a subsidy of Rs. 1.81 lakhs during 1983--84 to 1985--86 in respect of 102 hectares of land belonging to small and marginal farmers though not falling within the ayacut of 23 approved Community irrigation works. Thus, the entire payment of Rs. 1.81 lakhs was inadmissible. DRDA of Kheda District stated (April 1988) that he was kept in the dark by GWRDC about these basic facts which resulted in inadmissible payment.

7.3.11.6 DRDA, Kheda District paid a subsidy of Rs. 7.07 lakhs during 1984--85 to 1985--86 to GWRDC for 4 lift irrigation schemes to create irrigation potential of 440 hectares. Neither the works had been started nor the subsidy of Rs. 7.07 lakhs had been refunded (June 1989). The Department stated (June 1989) that the matter was under correspondence with GWRDC.

7.3.11.7 DRDA, Banaskantha District paid during March 1985 to March 1986, a subsidy of Rs. 1.31 lakhs to GWRDC, for a tube-

well work for which the related drilling work was completed by November 1983 and the water was found suitable only for seasonal irrigation due to high salinity. Despite this severe constraint, the tubewell was completed. There was no demand from the farmers for water from the tubewell and therefore, the tube well was closed in 1987 by GWRDC. Thus, assistance of Rs. 1.31 lakhs proved infructuous.

7.3.11.8 DRDA, Vadodara paid Rs. 19.17 lakhs to GWRDC during 1984--85 and 1985--86 for 14 minor irrigation works deleting certain big farmers from the list of beneficiaries though their lands were within the ayacut. This inflated the percentage of land holding of the small and marginal farmers and resulted in excess payment of subsidy of Rs. 2.98 lakhs. DRDA, Vadodara agreed (April 1988) to carry out necessary recovery on receipt of completion certificates from GWRDC.

7.3.12 *Payment of subsidy at rates in excess of fixed unit cost*

As per Government of India guidelines, subsidy for minor irrigation works will be payable when credit facilities have been availed of from financial institution. Hence, under SMFP 50 per cent of the cost of the work is met out of subsidy and for the remaining 50 per cent bank loan is to be obtained.

DRDA, Panchmahals District paid a subsidy of Rs. 15.09 lakhs during 1983--84 to 1985--86 to a voluntary organisation for six lift irrigation works. The voluntary organisation had not taken any loan as required under the guidelines. Instead, the remaining amount of Rs. 15.09 lakhs was also got sanctioned as subsidy from Government funds debitable to Tribal Area Sub plan / Tribal Welfare Schemes. Thus, 100 per cent subsidy was paid for these works as against 50 per cent admissible.

It was also observed that voluntary organisation did not execute any agreement with DRDA though the amount of subsidy exceeded Rs. 30 lakhs and the assets created out of subsidy were neither reflected in the balance sheet of the voluntary organisation nor in the balance sheet of the Co-operative Society running the works.

The department stated (June 1989) that as the beneficiaries were from tribal community, they could not afford to contribute their share of 50 *per cent* required to be invested by them and so, the remaining 50 *per cent* share was given as subsidy from State Tribal sub plan scheme by the other agency. This was given as per provisions made in old guidelines issued by Government. As regards assets, DRDA was taking action to get these reflected in the balance sheet of co-operative society since the voluntary organisation was eligible for 50 *per cent* subsidy only and the balance was to be obtained as loan, the reply of the Government is not acceptable and deviation from the revised guidelines resulted in excess payment of subsidy of Rs. 15.09 lakhs.

7.3.13 Non-provision of pump sets for irrigation wells

The single most important measure that would benefit small and marginal farmers to increase production is provision of a well and pump sets which would provide both assured source of supply of water and also improve the productivity of land.

For successful implementation of SMFP, it is necessary not merely to tap ground water resources but also to ensure that water so located is pumped out and conveyed to the fields. Subsidy was payable both for construction of new wells and also for installing pump sets, oil engines, diesel engines, electric motors, etc. If subsidy is paid only for construction of wells with no subsidy for pump sets/oil engines, the investment on wells would largely remain unfruitful.

On account of paucity of funds and with a view to cover more beneficiaries, DRDA of Banaskantha District decided to give only one asset to one beneficiary under SMFP. Accordingly, subsidy of Rs. 45.62 lakhs was paid to 1670 beneficiaries during 1983--84 to 1987--88 for construction of 1670 new wells in Banaskantha district. They were, however, not paid any subsidy for purchase of pump sets/oil engines. This resulted in non achievement of objective despite payment of subsidy of Rs. 45.62 lakhs on new wells.

The department stated (June 1989) that a lot of these beneficiaries were assisted for pump sets/oil engines during the next financial year and remaining, if any, would be assisted on priority.

However, the details furnished by the DRDA did not corroborate the claims of the Government.

Other topics

7.3.14 Declining yield of groundnut

An analysis of the data relating to production of groundnut in Gujarat during 1970-71 to 1986-87 indicated the following declining trend in the yield of groundnut.

	1970— 71	1980— 81	1981— 82	1982— 83	1983— 84	1984— 85	1985— 86	1986— 87
Area (in lakh of hectares)	1758	2124	2207	2057	2149	2061	1793	1824
Production (in lakh of tonnes)	1835	1644	2198	1312	1905	1572	448	1291
Yield (in kgs per hectare)	1044	744	996	638	886	763	250	708

In spite of supply of minikit of seeds and rhizobium culture, the yield declined by 32 per cent from 1044 kgs per hectare in 1970-71 to 708 kgs in 1986-87, thus, the object of obtaining higher yield per hectare was not fulfilled.

7.3.15 Distribution of old/sub standard varieties of seeds

The programme envisaged distribution of improved varieties of certified seed. However, truthfully labelled seed-seed of promising variety as true to type and labelled by the seed certification agency, as distinct from certified seed, could also be distributed in case certified seeds were not available. Only those varieties which were within seven years of their notification were required

to be distributed. The varieties beyond seven years of notification could be distributed only with the prior approval of Central Government. Details of dates of notification of seeds supplied in minikits during 1983-84 and 1984-85 were not available. According to details furnished by GSSC in respect of seeds supplied during 1985-86 to 1987-88, only seeds worth Rs. 113.63 lakhs out of seeds worth Rs. 145 lakhs were truthfully labelled. There were no records to suggest that the truthfully labelled seeds had been tested to meet the quality standard. In short the aim of supplying only certified seeds remained unfulfilled.

Out of the balance seeds worth Rs. 12.83 lakhs (41 per cent) were having their dates of notification beyond the prescribed period of 7 years. Approval of Ministry of Agriculture, as required was not obtained.

The department stated (June 1989) that proposals were being made to Government of India for post facto sanction.

7.3.16 Supplementary bank loans

For minor irrigation works, only subsidy is admissible under the scheme which are required to be supplemented by bank loans. However, only 54 to 63 per cent of the applications sponsored were accepted by the banks for grant of loans as shown below :

Item	1984-85	1985-86	1986-87	1987-88
Number of applications sponsored	16790	32725	28943	27032
Number of applications sanctioned	9144	19083	18106	16778
Percentage of applications sanctioned to those sponsored	54	58	63	62

The percentage of rejection of loan applications by banks was on the high side for the State as a whole.

In 1984-85, it was 54 and 55 *per cent* in Kheda and Surendranagar districts respectively. The department attributed (April-June 1989), the high percentage of rejection to the farmers being defaulters of other loans, prolonged scarcity conditions in the State and lack of orientation of field level staff of DRDA and bank for implementation of this type of scheme.

WATER RESOURCES DEPARTMENT

7.4 Infertuous expenditure

Five minor lift irrigation schemes, estimated to cost Rs. 12.88 lakhs, were undertaken under Drought Prone Area Programme (DPAP) in Banaskantha District between February 1978 and May 1981 and completed at a cost of Rs. 17.43 lakhs between July 1981 and March 1983 as per details given below :

Sl. No.	Name of the Scheme	Date of commencement	Scheduled date of completion	Actual date of completion	Estimated cost (Rupees in lakhs)	Actual cost (Rupees in lakhs)	Estimated potential (area in hectares)
1	Badarpura Jack-well Lift Irrigation Scheme	May 1981	August 1982	March 1983	4.82	7.46	243
2	Gadsai Canal Lift Irrigation Scheme	December 1980	Executed departmentally	March 1983	2.82	2.77	160
3	Chodungari Lift Irrigation Scheme	May 1980	July 1981	June 1982	2.08	2.76	73
4	Vasan Lift Irrigation Scheme	February 1978	April 1979	October 1982	1.58	2.15	65
5	Satsan Lift Irrigation Scheme	February 1978	April 1979	July 1981	1.58	2.29	73
					12.88	17.43	614

Against the estimated irrigation potential of 614 hectares, no potential was actually created from Gadsai, Chodungari and Vasan Lift Irrigation Schemes (cost Rs. 7.68 lakhs), while Badarpura Jackwell and Satsan could irrigate only 80.95 hectares and 33.32 hectares respectively upto 1987--88 due to insufficient discharge and surface flow.

Before deciding the feasibility of the schemes, report of the Geohydrologist was obtained only in respect of Badarpura Jackwell Scheme, wherefrom actual yield of water was only 20000 gallons per hour as against the estimated 60000 gallons per hour. No detailed survey or scientific investigation was done for the other schemes to ascertain the dependability and adequacy of the sources of water, though these were to be taken up in drought prone areas, where the rain fall is always scanty. Instead, the schemes were finalised on the basis of enquiries from the local people. Thus, the benefits of schemes, on which Rs. 17.43 lakhs had been spent did not accrue to the villagers.

The matter was reported to Government in June 1985 ; Government stated in March 1989 that due to scanty rainfall during 1983--84 to 1987--88, post monsoon flow was not available and therefore, no benefit could be achieved during those years, in respect of Gadsai Canal. As regards Chodungari, Vasan and Satsan Schemes, Government stated that due to hard strata, sub-surface flow of water was not available and irrigation could not be done. Government further stated that attempts to fix agencies to drill bores in these wells having failed, they were considering entrusting the work to other agencies. Further developments were not intimated (December 1989).

HEALTH AND FAMILY WELFARE DEPARTMENT

7.5 Gujarat Cancer and Research Institute (GCRI)

By virtue of an agreement (January 1972) between the State Government and the GCRI, the former undertook to pay the latter an annual a grant-in-aid to cover the revenue deficit. The grants paid

in any year were, therefore, provisional and were subject to adjustment till the figures of deficit were known. Though such accounts were received, no such adjustment of grants paid with reference to revenue was carried out by the State Government for the years 1985--86 and 1986--87 as a result of which excess payment of Rs. 56.16 lakhs remained unadjusted.

	1985—86	1986—87
	(Rupees in Lakhs)	
(i) Recurring expenditure as reflected in the Income and Expenditure Account less depreciation on buildings and assets which is inadmissible.	204.07	240.68
(ii) Less income	33.91	41.80
(iii) Deficit (i) — (ii)	170.16	198.88
(iv) Grant paid	210.00	215.20
(v) Excess of grant paid (iv) — (iii)	39.84	16.32
(vi) Total excess grant paid during 1985—86 and 1986—87		56.16

The GCRI stated (January 1989) that for computing the deficit, the non-recurring expenditure incurred by them should also be taken into account. This was not acceptable in view of the definition of 'in the 1972 agreement.

The matter was reported to Government (November 1988) ; reply has not been received (December 1989).

7.6 Wrongful rescission of contract

The work of "laying Sewer Collecting System" of Talod Underground Drainage Project was awarded by Gujarat Water Supply and Sewerage Board (Board) at the tendered cost of Rs. 8.91 lakhs in June 1975 to be completed by December 1976. The contractor was instructed to slow down the work by the Superintending Engineer (SE) in May 1976 but was not granted extension of time. As the work progressed slowly, the contract was rescinded in September 1978 and the balance of work was awarded to another contractor in December 1983. The Civil Suit filed by the first contractor in April 1980 and the counterclaim filed by the Board in May 1986 were transferred to Arbitrator in August 1984 and March 1987 respectively. The Arbitrator held (March 1988) that the entire delay in the progress of work hinged squarely on the Superintending Engineer's instruction in May 1976 to slow down the work. The termination of contract was not justified and Arbitrator also awarded refund of security deposit and the penalty already recovered from the contractor. The counterclaim of the Board for recovery of extra cost Rs. 12.17 lakhs was held untenable. The work was completed finally at a cost of Rs. 23.04 lakhs.

The matter was reported to Government in May 1989, reply has not been received (December 1989).

AGRICULTURE AND RURAL DEVELOPMENT AND WATER RESOURCES DEPARTMENTS

7.7 Unproductive Outlay

Head works of the Kantala Minor Irrigation Project in Amreli District was completed in March 1974 at a cost of Rs. 14.73 lakhs. The progress on construction of the canal to utilise the irrigation potential of 527 hectares envisaged for the project was, however, extremely slow.

The survey work for canal was taken up in June 1975 only after the construction of head works. The land required was acquired in June 1984.

The execution of canal work started in November 1984, was finally completed in March 1988 at a cost of Rs. 7.12 lakhs. The canal system had not been put to use for irrigation so far (November 1988).

The water impounded in the dam as well as water overflowed in seven years till 1987 could not be used for irrigation purposes due to this delay.

The matter was reported to Agriculture and Rural Development Department (August 1987) and Water Resources Department (May 1988). The former Department agreed (December 1987) that the benefit of irrigation could not reach the cultivators for want of canals; the latter Department while accepting the delay in construction of canal stated (June 1989) that instructions issued in December 1974 and in December 1978 for synchronisation of all stages of irrigation schemes were reiterated in May 1989.

ROADS AND BUILDINGS DEPARTMENT

7.8 Avoidable Loss

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

A motor vehicle of Roads and Buildings Division No. 1 (Division) of the Mehsana District Panchayat (Panchayat) met with an accident in April 1981 with a private jeep causing death of three persons. The Motor Accident Claims Tribunal, Himatnagar (Tribunal) ordered (November 1983) payment of compensation

amounting to Rs. 1.19 lakhs recoverable jointly and severally from the Panchayat and other co-opponents as specified in the order of the Tribunal to the claimants with costs and six *per cent* interest. If the amount was not deposited within three months from the date of award, interest was chargeable at 12 *per cent per annum*.

An amount of Rs. 1.84 lakhs (compensation Rs. 1.19 lakhs, interest Rs. 0.56 lakh and costs Rs. 0.09 lakh) was deposited by the Panchayat in the Court in March 1986 after rejection (July 1984) of an appeal filed by it in the High Court (March 1984).

The insurance policy taken for the vehicle had expired in February 1981, and was not renewed. Hence the compensation paid could not be recovered from the insurers. No action was taken to fix responsibility for the failure to renew the policy in time.

Due to delay in depositing the amount of award within three months from the date of award, the Panchayat had to pay additional interest of Rs. 0.37 lakh which was attributed (March 1988) to delay in taking decision for filing appeal in the High Court and the delay by the advocate in intimating the dismissal of the appeal.

Government stated (February 1989) that in the absence of valid insurance of the vehicle, Division should not have used the vehicle and that it has been decided to fix the responsibility of the concerned officer for the lapses.

Audit under Section 15

Important points noticed during audit under Section 15 are given in the succeeding paragraphs.

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

7.9 Integrated Development of Small and Medium Towns

7.9.1 Introduction

7.9.1.1 The Integrated Scheme on the Development of Small and Medium Towns (IDSMT) is a Centrally Sponsored Scheme for improving the environment and Development capabilities of fast growing small and medium towns with a population of less than three lakhs on the basis of 1971 census (one lakh prior to April 1985), as well for reduction of the rate of migration from the rural areas to metropolitan and large cities.

7.9.1.2 The Scheme envisaged assistance to Municipalities, Nagar Panchayats, etc., from the Central and State Governments shared equally to meet expenditure on land acquisition, land development, improvement of traffic, transportation and development of mandis, markets, provision of industrial estates and low cost sanitation. The State Government was to provide the funds for supplementing components like slum improvement, urban renewal, etc., from State plan resources.

7.9.1.3 The maximum Central assistance was fixed as Rs 46 lakhs per town (Rs 40 lakhs prior to April 1985). For low cost sanitation additional Rs 15.00 lakhs per town were given as Central assistance.

7.9.1.4 Proposals for development of towns were to be submitted to the Government of India for approval and for assistance under the scheme. The Central assistance was to be matched equally for State assistance.

7.9.1.5 Twenty four towns of Gujarat were covered under the scheme. The details of towns and the years from which they were assisted are given in Appendix 7.1.

7.9.1.6 *Organisational set up*

The Scheme was implemented by the Urban Development and Urban Housing Department (the erstwhile Panchayat, Housing and Urban Development) (Department) through the Director of Municipalities/Chief Town Planner, Ahmedabad (CTP), and Ahmedabad Urban Development Authority (AUDA). Gujarat Municipal Finance Board (GMFB) was associated with the implementation of the scheme only for disbursement of State Government's share upto 1985-86.

7.9.1.7 *Audit Coverage*

The scheme was reviewed between March and July 1988 by test check of records of eight towns viz., Kalol, Mehmedabad, Dehgam, Sanand, Porbandar, Bhuj, Deesa, Upleta, of AUDA, CTP and GMFB.

7.9.2 *Highlights*

—Against Central assistance of Rs. 590.42 lakhs the matching funds provided by the State Government were Rs. 330.70 lakhs and the expenditure incurred was only Rs. 757.35 lakhs. There was delay of two to eleven months in passing on Central assistance to Municipalities (Paragraph 7. 9. 3).

—Out of 211 works to be executed in 17 towns in the Sixth Plan, only 24 works were completed within the time limit. The delay was due to delay in acquisition of land, revision of projects etc. (Paragraph 7. 9. 4. 2).

— Economically weaker section was not benefitted in Kalol town. Due to wrong selection of site, the land acquired for one scheme at a cost of Rs. 37.10 lakhs at Kalol could not be utilised. There was no demand for the plinths developed under another scheme, and the plinths were finally sold to a cooperative society at a loss of Rs. 23.66 lakhs (Paragraph 7. 9. 5. 1).

—In Dehgam, out of 244 plinths developed at a cost of Rs. 34.12 lakhs, only one could be sold (Paragraph 7. 9. 5. 4).

—The entire project for providing vegetable market, road and shopping centre, at Sanand was abandoned due to poor response from public after incurring an expenditure of Rs. 7.52 lakhs (Paragraph 7. 9. 5. 2).

—Fifty four shops constructed at a cost of Rs. 17 lakhs in Mehmedabad and Bhuj towns were lying unused due to lack of demand (Paragraphs 7. 9. 5. 3 and 7. 9. 5. 6).

—After incurring an expenditure of Rs. 21.53 lakhs, Porbandar Municipality had expressed its disinclination to continue the scheme (Paragraph 7. 9. 5. 5).

—Rupees 17.10 lakhs were overdue towards principal repayment of Central/State loan and Rs. 98.42 lakhs as interest thereon from the municipalities upto end of March 1988 (Paragraph 7. 9. 6).

—Rupees 19.12 lakhs were diverted to purposes not included in the project (Paragraph 7. 9. 7).

—The State Level Committee, met only eight times in five years and was abolished in April 1987 (Paragraph 7. 9. 8).

7.9.3 *Expenditure and utilisation of Central assistance*

7.9.3.1 During the nine years from April 1979 to March 1988, Central assistance of Rs 590.42 lakhs was passed on to the municipalities in addition to Rs 330.70 lakhs given by State Government.

7.9.3.2 *Utilisation by Municipalities*

Out of the total assistance of Rs. 921.12 lakhs received, the expenditure incurred by municipalities, etc. upto 31st March 1988 was only Rs 757.35 lakhs. Fourteen towns did not fully

utilise the assistance. Unjha Municipality failed to utilise the assistance of Rs 30.00 lakhs. The others spent more than the assistance received (Appendix 7.2). Government attributed lesser expenditure to delay in land acquisition for some projects (September 1989).

7.9.3.3 Delay in passing on Central assistance

As against one month fixed for passing on Central assistance to municipalities, there were delays ranging from two to eleven months involving a total amount of Rs. 217.96 lakhs. Government stated (September 1989) that further Central assistance was released after observing progress of work and balance of Central assistance available with the local body.

7.9.4 Poor progress

7.9.4.1 Out of 24 towns covered by the scheme, only Anand town has been developed as planned. The development of Patan town (North Gujarat) Veraval-Patan, Porbandar and Valsad remains incomplete even after eight years. In 17 towns, which were taken up for development during the Sixth Plan (1980--85) the progress was as under by March 1988 :

	Target	Achievement
1 Construction/widening of roads (Numbers)	120	68
2 Development of Plinths/plots (Numbers)	7047	827
3 Construction of shops/stalls (Numbers)	2948	1269
4 Low cost sanitation (Latrines) unit.	8666	352

7.9.4.2. Out of 211 works to be executed in these 17 towns, only 24 works were completed within the stipulated time limit. The delay in completion was upto five years and 100 works were still in progress. The delay was attributed to time consumed in land acquisition, non-availability of technical staff with the municipalities, financial constraints, revision of projects and procedural delays, etc.

7.9.5 Points noticed in towns test checked

7.9.5.1 Kalol

The approved project report of the town consisted of two schemes estimated to cost Rs. 114.46 lakhs under which 2001 plinths were to be constructed. One scheme, for which land was acquired at a cost of Rs. 37.10 lakhs in 1980 could not be utilised as the site was in a low lying area. For the other scheme, expenditure of Rs. 51.64 lakhs was incurred on land and construction of 824 plinths. In the absence of response from public, the plinths were sold to a Co-operative Society at a reduced price resulting in a loss of Rs. 23.66 lakhs. The Society had paid only 0.32 lakh against Rs. 34.84 lakhs payable by it till March 1987. It was not ensured that the Society allotted the plinths to economically weaker sections as envisaged in the Scheme.

7.9.5.2 Sanand

The Project report of the town approved in 1980--81 provided construction of vegetable/fruit market, roads and a shopping centre. Against the loan of Rs. 18.25 lakhs paid upto 1982--83, expenditure of Rs. 7.52 lakhs was incurred till August 1988. The shopping centre was completed in June 1987 at a cost of Rs. 4.55 lakhs but possession thereof was not taken and final bill is pending. Vegetable/fruit market could not be constructed due to non-availability of land. Roads were constructed at a cost of Rs. 2.97 lakhs but the project was abandoned due to poor response from the public.

7.9.5.3 Mehmedabad

Construction of 63 shops at an estimated cost of Rs. 16.47 lakhs was approved. Twelve shops completed at a cost of Rs. 1.87 lakhs were lying vacant as there was no demand. Construction of 19 shops (expenditure Rs. 2.86 lakhs) started in August 1982 was still not completed. Construction of remaining 32 shops was not started as there was no demand for the same. No demand survey was made before undertaking the construction.

7.9.5.4 Dehgam

Development of land and construction of 198 plinths were completed (cost Rs. 10.41 lakhs) in December 1985, but only one plinth could be sold. Despite poor public response another similar scheme for construction of 46 plinths was taken up in anticipation of Government approval and expenditure of Rs. 23.71 lakhs was incurred upto September 1986. However, these plinths also could not be sold as there was no demand.

7.9.5.5 Porbandar

Construction of various works estimated to cost Rs. 83.41 lakhs was approved in March 1980. The municipality was given a loan of Rs. 54.37 lakhs till 1983--84, against which Rs. 21.53 lakhs was spent upto March 1988. The municipality approached the State Government in July 1987 to refund the unspent loan amount due to lack of interest by its elected wing and law and order problem in the town. The Government decision was awaited. Further, the municipality had kept various amounts totalling Rs. 23.75 lakhs in fixed deposit with nationalised banks since 1985--86 in contravention of conditions of assistance.

7.9.5.6 Bhuj

As per approved project report, three shopping centres consisting of 88 shops were to be constructed at an estimated cost of Rs. 24.48 lakhs. Construction of one shopping centre consisting of 42 shops was completed in 1983 at cost of Rs. 15.14 lakhs. The shops were lying vacant due to poor public response (June 1988).

7.9.6 Recovery of loans and interest

As on March 1988, 12 municipalities failed to repay the Central Government loan to the extent of Rs. 8.33 lakhs. As against interest of Rs. 136.16 lakhs due upto March 1988 from 19 municipalities, only Rs. 70.24 lakhs had been recovered.

As regards State loan, repayment of loan to the extent of Rs. 8.77 lakhs from 13 municipalities and interest of Rs. 32.50 lakhs from 17 municipalities due was not recovered by March 1988.

7.9.7 Diversion of funds

Valsad municipality and AUDA had diverted Rs. 17.12 lakhs and Rs. 2.00 lakhs respectively for purposes other than those for which the assistance was disbursed.

7.9.8 Monitoring

State level and district level committees were required to be set up for effective co-ordination, monitoring and evaluation of the programmes outlined in the scheme. The State Level Committee, formed in April 1980, met only eight times in five years and was abolished in April 1987. The department stated that since the quarterly monitoring of the scheme was done by the Head of Department it was not considered necessary to continue State Level Committee.

7.9.9 Evaluation

The Regional Centre for Urban and Environment Studies, Bombay (RCUES) made a representative study in five towns where scheme was implemented, in 1985-86. The important findings of the study were as follows :

- While acquisition of land was problem in general, even where the land belonged to Government it was not handed over to municipalities.

- Financial position of municipalities was the main constraint which had been barely able to meet the expenses from the present income.
- The municipalities were short of trained staff. This delayed preparation of reports and necessary completion certificates.
- Proper maintenance and operation of the assets and facilities created had not been attended to with required seriousness.
- There was delay in releasing the assistance to municipalities.

M. S. Shekhawat

Rajkot
The

13 JUL 1990

(M. S. SHEKHAWAT)
Accountant General (Audit)II,
Gujarat.

Countersigned



17 JUL 1990

New Delhi
The

(C. G. SOMIAH)
Comptroller and Auditor General of India.

APPENDICES

160-A

B-239(20-A)

ALFRED T. BEE

APPENDIX 2.1

Grants/Appropriations where excess requires regularisation

(Reference : Paragraph 2.3, Page 15)

(a) Voted Grants

Sl. No.	Number and Name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
1	2	3	4	5
Revenue Section				
EDUCATION DEPARTMENT				
(i)	9—Education Department	65,00,000	65,40,365	40,365
FINANCE DEPARTMENT				
(ii)	15—Pensions and other Retirement Benefits	68,03,97,000	84,71,25,113	16,67,28,113
FOOD AND CIVIL SUPPLIES DEPARTMENT				
(iii)	18—Food and Civil Supplies Department	1,52,45,000	1,55,49,404	3,04,404
(iv)	20—Food	2,88,73,000	2,93,62,303	4,89,303
FORESTS AND ENVIRONMENT DEPARTMENT				
(v)	23—Forests	9,96,77,000	10,22,28,531	25,51,531
GENERAL ADMINISTRATION DEPARTMENT				
(vi)	31—Economic Advice and Statistics	2,24,30,000	2,25,33,754	1,03,754

APPENDIX 2.1 (Cont'd.)

1	2	3	4	5
HEALTH AND FAMILY WELFARE DEPARTMENT				
(vii)	36—Medical and Public Health	1,29,40,95,000	1,31,27,49,961	1,86,54,961
HOME DEPARTMENT				
(viii)	40—Home Department	79,51,000	81,73,996	2,22,996
(ix)	41—Police	1,48,14,18,000	1,57,75,09,166	9,60,91,166
INDUSTRIES, MINES AND ENERGY DEPARTMENT				
(x)	44—Industries, Mines and Energy Department	72,19,000	81,74,751	9,55,751
INFORMATION, BROADCASTING AND TOURISM DEPARTMENT				
(xi)	51—Information, Broadcasting and Tourism Department	15,00,000	15,73,075	73,075
IRRIGATION DEPARTMENT				
(xii)	55—Irrigation Department	69,75,000	80,84,039	11,09,039
PANCHAYAT AND RURAL HOUSING DEPARTMENT				
(xiii)	67—Panchayat and Rural Housing Department	54,00,000	56,34,800	2,34,800
PORTS, TRANSPORT AND FISHERIES DEPARTMENT				
(xiv)	74—Transport	64,32,70,000	81,75,16,852	17,42,46,852

APPENDIX 2.1 (Contd.)

1	2	3	4	5
REVENUE DEPARTMENT				
(xv)	78—Tax Collection Charges (Revenue Department)	13,54,68,000	13,66,43,159	11,75,159
(xvi)	79—District Administration	13,53,57,000	13,93,65,555	40,08,555
(xvii)	80—Relief on account of Natural Calamities	4,31,50,83,000	5,79,77,55,891	1,48,26,72,891
(xviii)	81—Daaga District	6,42,93,000	6,54,07,244	11,14,244
ROADS AND BUILDINGS DEPARTMENT				
(xix)	84—Roads and Buildings Department	1,50,00,000	1,81,89,328	31,89,328
(xx)	85—Non-Residential Buildings	53,08,35,000	53,17,18,889	8,78,889
(xxi)	87—Roads and Bridges	94,65,99,000	97,02,82,450	2,36,83,450
(xxii)	89—Other expenditure pertaining to Roads and Buildings Department	2,52,86,000	3,18,47,652	65,61,652
SOCIAL WELFARE DEPARTMENT				
(xxiii)	91—State Excise	1,05,04,000	1,12,06,192	7,02,192

APPENDIX 2.1 (Contd.)

1	2	3	4	5
Capital Section				
CO-OPERATION DEPARTMENT				
(i)	7-Co-operation	3,70,76,000	9,00,75,610	5,29,99,610
INFORMATION BROADCASTING AND TOURISM DEPARTMENT				
(ii)	53-Tourism	94,90,000	95,56,161	66,161
NARMADA DEVELOPMENT DEPARTMENT				
(iii)	66-Other expenditure pertaining to Narmada Development Department	65,65,000	66,69,160	1,04,160
TRIBAL DEVELOPMENT DEPARTMENT				
(iv)	97-Other expenditure pertaining to Tribal Development Department	20,61,000	89,35,407	18,74,407
URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT				
(v)	103-Other expenditure pertaining to Urban Development and Urban Housing Department	21,74,000	23,36,646	1,62,646
(b) Charged Appropriation				
Sl. No.	Number and name of appropriation	Total Appropriation	Expenditure	Excess
		Rs.	Rs.	Rs.
Revenue Section				
IRRIGATION DEPARTMENT				
(i)	57-Other expenditure pertaining to Irrigation Department	1,09,91,000	1,10,01,646	10,646
ROADS AND BUILDINGS DEPARTMENT				
(ii)	87-Roads and Bridges	36,78,000	41,97,500	5,19,500
Capital Section				
FINANCE DEPARTMENT				
(i)	16-Other expenditure pertaining to Finance Department	28,00,000	67,38,000	39,38,000
(ii)	17-Repayment of Debt pertaining to Finance Department and its servicing	4,16,50,01,000	5,02,05,72,963	85,55,71,963
NARMADA DEVELOPMENT DEPARTMENT				
(iii)	65-Narmada Development scheme	12,59,000	14,62,920	2,03,920
ROADS AND BUILDINGS DEPARTMENT				
(iv)	85-Non-Residential Buildings	20,30,000	21,29,892	99,892

APPENDIX 3.1

APPENDIX 3.1

Year-wise cases of misappropriation, losses, etc. (reported upto 31st March 1988 and outstanding at the end of September 1988)

(Reference : Paragraph 3.6 Page 91)

(Rupees in lakhs)

Sl. No.	Name of the Department	1979—80		1980—81		1981—82		1982—83		1983—84	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1.	Food and Civil Supplies	3	0.69	—	—	—	—	—	—	—	—
2.	Agriculture and Rural Development	3	0.60	2	0.01	—	—	—	—	—	—
3.	Forest and Environment	1	0.15	1	0.55	3	1.45	—	—	—	—
4.	Ports and Fisheries	2	2.78	—	—	—	—	—	—	—	—
5.	Tribal Development	1	0.04	—	—	—	—	—	—	—	—
6.	Home	3	0.72	—	—	—	—	1	0.01	1	0.01
7.	Finance	1	1.00	—	—	—	—	—	—	1	2.47
8.	Gujarat Legislature Secretariat	1	0.41	—	—	—	—	—	—	—	—
9.	Narmada Development	—	—	—	—	—	—	—	—	—	—
10.	Education	3	2.62	—	—	—	—	—	—	—	—
11.	Health and Family Welfare	15	9.75	3	0.68	1	0.12	—	—	4	0.57
12.	Roads and Buildings	8	0.43	—	—	—	—	—	—	—	—
13.	Water Resources	20	4.12	1	0.19	—	—	5	4.77	—	—
14.	Legal Department	—	—	—	—	—	—	—	—	—	—
15.	Revenue										
	(i) Land Revenue	55	5.13	4	0.34	—	—	—	—	—	—
	(ii) Other than Land Revenue	21	2.56	2	0.68	—	—	—	—	—	—
	Total ..	137	31.00	13	2.45	4	1.57	6	4.78	6	3.05

APPENDIX 3.1 (Contd.)

Sl. No.	Name of the Department	1984—85		1985—86		1986—87		1987—88		Total	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1.	Food and Civil Supplies	—	—	—	—	—	—	—	—	3	0.69
2.	Agriculture and Rural Development	—	—	—	—	—	—	—	—	5	0.61
3.	Forest and Environment	1	0.50	—	—	—	—	—	—	6	2.65
4.	Ports and Fisheries	—	—	—	—	—	—	—	—	2	2.78
5.	Tribal Development	—	—	—	—	—	—	—	—	1	0.04
6.	Home	—	—	—	—	—	—	—	—	5	0.74
7.	Finance	—	—	—	—	—	—	—	—	2	3.47
8.	Gujarat Legislature Secretariat	—	—	—	—	—	—	—	—	1	0.41
9.	Narmada Development	—	—	—	—	—	—	1	0.92	1	0.92
10.	Education	—	—	—	—	—	—	—	—	3	2.62
11.	Health and Family Welfare	—	—	—	—	—	—	2	0.33	25	11.45
12.	Roads and Buildings	—	—	1	0.02	—	—	—	—	9	0.45
13.	Water Resources	3	1.98	2	0.67	1	0.45	—	—	32	12.18
14.	Legal Department	—	—	—	—	—	—	1	0.16	1	0.16
15.	Revenue										
	(i) Land Revenue	—	—	1	0.26	3	0.72	1	0.03	64	6.48
	(ii) Other than Land Revenue	—	—	—	—	—	—	1	0.15	24	3.39
	Total	4	2.48	4	0.95	4	1.17	6	1.59	184	49.04

APPENDIX

Status of cases of misappropriation, losses etc.,

(Reference : Paragraph 3.6 Page 91)

Sl. No.	Name of the Department	Awaiting completion of investigation		Pending in Court of law	
		Number	Amount	Number	Amount
1.	Food and Civil Supplies	2	0.64	—	—
2.	Agriculture and Rural Development	2	0.47	1	0.12
3.	Forest and Environment	6	2.65	—	—
4.	Ports and Fisheries	—	—	2	2.78
5.	Tribal Development	1	0.04	—	—
6.	Home	—	—	4	0.73
7.	Finance	—	—	2	3.47
8.	Gujarat Legislature Secretariat	—	—	1	0.41
9.	Narmada Development	1	0.92	—	—
10.	Education	2	0.47	—	—
12.	Health and Family Welfare	6	8.45	5	0.70
12.	Roads and Buildings	1	0.02	1	0.12
13.	Water Resources	17	8.66	1	0.83
14.	Legal	1	0.16	—	—
15.	Revenue				
	(i) Land Revenue	1	0.18	16	2.95
	(ii) Other than Land Revenue	1	0.01	4	0.81
	Total	41	22.67	37	12.92

3.2

(pending on 30th September 1988)

(Rupees in lakhs)

Order of recovery issued but recovery is pending		Information about recovery of amount ordered to be recovered is awaited		Other reasons		Total	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
—	—	—	—	1	0.05	3	0.69
—	—	—	—	2	0.20	5	0.61
—	—	—	—	—	—	6	2.65
—	—	—	—	—	—	2	2.78
—	—	—	—	—	—	1	0.04
—	—	—	—	1	0.01	5	0.74
—	—	—	—	—	—	2	3.47
—	—	—	—	—	—	1	0.41
—	—	—	—	—	—	1	0.92
—	—	—	—	1	2.15	3	2.62
1	0.12	1	0.16	12	2.02	25	11.45
—	—	—	—	7	0.31	9	0.45
—	—	—	—	14	2.69	32	12.18
—	—	—	—	—	—	1	0.16
9	0.30	—	—	38	3.05	64	6.48
4	0.26	2	0.17	13	2.14	24	3.39
14	0.68	3	0.33	89	12.44	184	49.04

APPENDIX 6.1

(Reference : Paragraph 6.1.3 Page 128)

List of departmentally managed commercial and *quasi* commercial undertakings for which *proforma* accounts have not been received.

Sl. No.	Name of the undertaking	Year/years for which accounts were awaited
1	2	3
1	Cattle breeding farm, Morvi (1)	1977—78 to 1979—80 (upto 10th August 1979) and 1986—87 to 1987—88
2	Cattle breeding farm, Thara	1987—88
3	Cattle breeding farm, Mandvi (Surat Dist.)	1986—87 to 1987—88
4	Cattle breeding farm, Bhuj	1986—87 to 1987—88
5	Poultry farm, Makarba	1986—87 to 1987—88
6	Poultry farm, Junagadh	1986—87 to 1987—88
7	Poultry farm, Dahod	1980—81 to 1987—88
8	Poultry farm, Vadodara	1982—83 to 1987—88
9	Poultry farm, Surat (2)	1981—82 to 1987—88
10	Poultry farm, Rajkot (3)	1986—87 to 1987—88
11	Boring and Tractor Organisation, Rajkot (4)	1981—82 to 1982—83 (upto January 1983) 1.1.1987 to 31.3.1987 and 1987—88.

Note : (1) The arrears prior to 1979 of the Cattle breeding farm, Morvi are due to destruction of records in floods of August 1979. Government order waiving preperation of these accounts has since been received (November 1989).

Note : (Contd.)

- (2) Clarification sought for in June 1987 in respect of accounts of Poultry farm, Surat for 1979—80 and 1981—82 has not been received.
- (3) Accounts of Poultry farm, Rajkot for the period 1978—79 to 1981—82 (When the farm was under control of District Panchayat) have not so far been certified by the Examiner Local Fund Accounts.
- (4) The Boring and Tractor Organisation, Rajkot was transferred to the Gujarat Land Development Corporation Limited from 1st February 1983 and retransferred to Government with effect from 1st January 1987.

APPENDIX

Financial results of Departmentally managed

(Reference : Paragraph

Sl. No.	Name of undertakings	Period of Account	Government Capital at the end of the year	Mean Capital	Free Reserve
	2	3	4	5	6
1.	Poultry farm, Vadodara	1979—80	4.03	4.44	—
		1980—81	5.35	7.78	—
		1981—82	6.70	8.10	—
2.	Poultry farm, Junagadh	*1980—81	2.18	2.83	—
		*1981—82	2.66	2.27	—
		1982—83	2.49	2.74	—
		1983—84	2.94	2.25	—
		1984—85	2.54	3.32	—
		1985—86	2.99	4.20	—
3.	Cattle breeding farm, Thara	1984—85	36.06	39.43	—
		1985—86	45.20	52.36	—
		1986—87	48.15	47.40	—

*The financial results for 1980-81 and 1981-82 given in Appendix 6.1 of the Report modified due to revised proforma accounts submitted by the department.

-6.2

Commercial/quasi Commercial undertakings

6.1.5 Page 128)

Block Assets (Net)	Depreciation	Profit (+) Loss(-)	Interest charges added back	Total return	Percentage of return on Mean Capital
7	8	9	10	11	12
0.72	0.04	(-) 0.72	0.29	(-) 0.43	—
1.30	0.68	(-) 1.98	0.37	(-) 1.56	—
1.24	0.10	(-) 2.46	0.51	(-) 1.95	—
1.81	0.07	(-) 0.36	0.16	(-) 0.20	—
1.75	0.06	—	0.17	(+) 0.17	7.48
1.69	0.06	(-) 0.28	0.17	(-) 0.11	—
1.66	0.06	(+) 0.27	0.17	(+) 0.44	19.56
1.64	0.06	(-) 0.44	0.18	(-) 0.26	—
1.60	0.06	(-) 1.17	0.22	(-) 0.95	—
5.24	0.31	(-) 6.17	2.18	(-) 3.99	—
7.94	0.88	(-) 8.21	3.17	(-) 5.04	—
7.56	0.45	(-) 3.43	3.27	(-) 10.16	—

of the Comptroller and Auditor General of India for the year 1985-86 are

APPENDIX 7.1

Details of towns covered under IDSMT (Reference : Paragraph 7.9.1.5 page 152)

Sl. No.	Name of Town	Date of Approval
(1)	Patan (N.G.)	13-3-1980
(2)	Anand	13-3-1980
(3)	Veraval Patan	13-3-1980
(4)	Probandar	13-3-1980
(5)	Valsad	13-3-1980
(6)	Palanpur	28-2-1981
(7)	Sanand	28-2-1981
(8)	Ankleshwar	30-3-1981
(9)	Dahod	30-3-1981
(10)	Mehmedabad	30-3-1981
(11)	Godhra	4-5-1981
(12)	Bhuj	4-5-1981
(13)	Amreli	4-5-1981
(14)	Mehsana	9-6-1981
(15)	Khambhat	9-6-1981
(16)	Kalol	22-1-1982
(17)	Dehgam	28-3-1983
(18)	Mahuva	13-8-1986
(19)	Deesa	30-9-1986
(20)	Billimora	7-5-1987
(21)	Visnagar	26-3-1987
(22)	Upleta	26-3-1987
(23)	Unjha	28-9-1987
(24)	Gondal	28-9-1987

APPENDIX 7.2

*Utilisation of assistance by Municipalities**(Reference : Paragraph 7.9.3.2 Page No. 155)*

Sl. No.	Name of Town	Approved cost of the Project	Assistance received		Total	Expenditure upto March 1988 by Municipalities
			Central	State		
1	2	3	4	5	6	7
(Rupees in lakhs)						
1	Patan (N. G.)	68.53	22.24	20.50	42.74	43.45
2	Anand	84.45	40.00	27.00	67.00	69.88
3	Veraval-Patan	100.57	24.50	12.50	37.00	30.27
4	Porbandar	83.41	28.37	26.00	54.37	21.53
5	Valsad	91.88	41.74	32.50	74.24	63.83
6	Palanpur	67.32	31.94	18.12	50.06	53.02
7	Sanand	24.13	8.00	10.25	18.25	70.52
8	Ankleshwar	86.69	38.24	22.25	60.49	56.56
9	Dahod	75.92	36.95	17.73	54.68	39.63
10	Mehmedabad	59.04	14.25	14.00	28.25	21.59
11	Godhra	74.13	34.87	17.43	52.30	60.40
12	Bhuj	64.51	12.00	6.00	18.00	23.21
13	Amreli	98.84	37.00	18.50	55.50	59.09
14	Mehsana	76.39	27.42	13.70	41.12	50.86
15	Khambhat	92.42	24.25	12.14	36.39	36.66
16	Kalol	119.86	40.00	20.00	60.00	65.93
17	Dehgam	45.64	15.00	13.75	28.75	23.61
18	Mahuva	16.97	4.50	2.24	6.74	5.28
19	Deesa	81.20	12.15	2.47	14.62	1.11
20	Billimora	119.56	20.00	5.00	25.00	12.40
21	Visnagar	89.11	20.00	5.00	25.00	3.65
22	Upleta	68.94	13.00	3.00	16.00	3.40
23	Unjha	118.93	24.00	6.00	30.00	Nil
24	Gondal	54.44	20.00	4.62	24.62	4.47
Total		1862.88	590.42	330.70	921.12	757.35

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ERRATA

Report of the Comptroller and Auditor General of India for the year ended 31 March 1988 No. 3 (Civil)—Government of Gujarat.

Page 1	Line 2	For 3	Read 4
(iii)	9th	WEALFARE	WELFARE
(ix)	14th from bottom	provison	provision
(x)	1st	redical	radical
(x)	11th	ware	were
(xi)	20th	Chid	Child
(xii)	1st	indentified	identified
(xii)	6th	emplying	employing
(xii)	13th	chek	check
(xii)	15th	achievemete	achievement
(xvi)	17th	farmenrs	farmers
(xvi)	19th	course	coarse
(xvii)	17th	757.35	Rs. 757.35
(xviii)	11th	electirc	electric
9	6th	155.69	155.65
10	2nd	Fund	Funds
28	18th	0.93	0.33
30	7th	ir	in
31	7th from bottom	onc	one
32	14th	(parageaph3.1.10)	(paragraph3.1.10).
33	10th	Baroda, Bular	Vadodara, Valsad
38	19th	1086	1986
40	13th	Surendrangar	Surendranagar
40	10th form bottom	was	It was
41	11th from btotom	first word	may be read as "prescribing"
43	3rd from bottom	F AW	FLAW
55	8th	occurance	occurrence
61	19th	Mehasna	Mehsana
64	12th	finst	first

Page 1	Line 2	For 3	Read 4
65	22nd	enchshment	encashment
65	23rd	bougus	bogus
67	4th	Para (ii) A test checkbelow:	(ii) A test check of utilisation of rigs in four districts between Decemb- er 1987 and May 1988 revealed that seven rigs deployed for drilling were mostly idling; and the bores / depth drilled were far below the norms as shown below ;
68	16th	Mehasana	Mehsana
70	5th from bottom	fully	full
72	17th	Migrat d	Migrated
73	3rd from bottom	Howcver	However
76	13th	per cent	per cent
97	2nd	spillawy	spillway
97	3rd	spillaway	spillway
100	6th from bottom	September a	September
104	15th	legistation	legislation
107	14th	argeted	targeted
109	12th from bottom	the due	due
109	5th from bottom	fiiXng	fixing
109	4th from bottom	needless	needles
110	9th from bottom	4. .9.1	4.2.9.1
110	8th from bottom	wada	Diwada
115	6th	4	4.4
117	8th from bottom	that that	that
122	14th	technica	technical
123	10th from bottom	of	on

(3)

Page 1	Line 2	For 3	Read 4
126	last line	received	received
130	14th	clearance	clearance
130	14th from bottom	and for	and/or
144	4th from bottom	sing	sing
145	8th from bottom	below	below
146	7th	conditions	conditions
147	12th from bottom	in	in
147	last	a grant-in-aid	grant-in-aid
148	3rd from bottom	deficit	'deficit'
151	last	succeeding	succeeding
154	7th	constructed	constructed
169	11th	Amount 0.20 shown in column 'other reasons' may be read as 0.02	
175	against Sl. No. 7 Sanand in Column 7	70.52	7.52

