



सत्यमेव जयते

**Report of the
Comptroller and Auditor General
of India**

for the year ended March 1999

No. 3

(CIVIL)

Government of Gujarat

Report of the
Commissioner and Eastern District
of India

for the year ending March 31, 1917

No. 1

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TABLE OF CONTENTS

	Paragraph	Page
Preface		xi
Overview		xiii
CHAPTER-I AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT		
Introduction	1.1	1
Financial Position of the State	1.2	1
Sources and application of Fund	1.3	8
Financial operations of the State Government	1.4	9
Revenue receipts	1.5	9
Revenue expenditure	1.6	11
Capital expenditure	1.7	13
Quality of Expenditure	1.8	13
Financial Management	1.9	14
Public debt	1.10	19
Indicators of the financial performance	1.11	20
CHAPTER-II APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE		
Introduction	2.1	29
Summary of Appropriation Accounts	2.2	30
Results of Appropriation Audit	2.3	32
CHAPTER-III CIVIL DEPARTMENTS		
SECTION-A REVIEWS		
EDUCATION DEPARTMENT		
Nutritional Support to Primary Education	3.1	39
Working of Technical Education Wing	3.2	52

	Paragraph	Page
FOOD AND CIVIL SUPPLIES DEPARTMENT		
Public Distribution System	3.3	70
HEALTH AND FAMILY WELFARE DEPARTMENT		
Integrated Child Development Services	3.4	88
HOME DEPARTMENT		
Manpower Management in Police Department	3.5	105
LABOUR AND EMPLOYMENT DEPARTMENT		
Craftsmen Training Scheme	3.6	123
SECTION-B PARAS		
FINANCE DEPARTMENT		
Personal Ledger Accounts	3.7	137
GENERAL ADMINISTRATION DEPARTMENT		
Audit of expenditure on Foreign travel	3.8	141
EDUCATION DEPARTMENT		
Non-recovery of interest as well as penal interest from Gujarat Secondary Education Board	3.9	148
AGRICULTURE AND CO-OPERATION DEPARTMENT		
Non-recovery of loan and interest with penal and additional penal interest	3.10	149
Irregular disbursement and non-recovery of loan and interest	3.11	151
Non-responsiveness to Audit findings and observations resulting in erosion of accountability.	3.12	152
HOME DEPARTMENT		
Blocking of funds due to injudicious purchase of boats and nugatory expenditure	3.13	154

	Paragraph	Page
HEALTH AND FAMILY WELFARE DEPARTMENT		
Irregular retention of capitation fees by colleges	3.14	156
FORESTS AND ENVIRONMENT DEPARTMENT		
Unfruitful expenditure due to delay in disposal of grass	3.15	157
Irregular expenditure on afforestation work on existing forest land	3.16	158
SOCIAL WELFARE AND TRIBAL DEVELOPMENT DEPARTMENT		
Non-recovery of financial assistance from defaulting beneficiaries	3.17	159
<u>GENERAL</u>		
Misappropriation, losses, etc.	3.18	160

CHAPTER-IV

WORKS EXPENDITURE

ROADS AND BUILDINGS DEPARTMENT

Execution of work without preparing plans and estimates and payment for excess quantities	4.1	161
Irregular payment of price escalation	4.2	163
Loss of interest due to delay in making payment under invoked Bank Guarantee	4.3	164
Non-completion of a bridge due to inaction in terminating the contract	4.4	165
Unauthorised aid of Rs.50.76 lakh to the contractor	4.5	168
Unauthorised aid of Rs.45.68 lakh to the contractor	4.6	169
Unauthorised aid of Rs.32.36 lakh to the contractor	4.7	170
Unauthorised utilisation of storage charges	4.8	172
Excess expenditure due to adoption of higher specification	4.9	172
Irregular execution of special repairs works	4.10	173

	Paragraph	Page
NARMADA, WATER RESOURCES AND WATER SUPPLY DEPARTMENT		
Drawal of money to avoid lapse of budget grant	4.11	174
Excess use of cement valued Rs.11.36 lakh	4.12	175
GENERAL		
Non-responsiveness to Audit findings and observations resulting in erosion of accountability	4.13	177
CHAPTER-V STORES AND STOCK		
ROADS AND BUILDINGS DEPARTMENT		
Misappropriation and loss of steel due to departmental lapses	5.1	179
CHAPTER-VI FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS		
GENERAL		
Grants and Loans	6.1	181
SECTION-A REVIEWS		
AGRICULTURE AND CO-OPERATION DEPARTMENT		
Rural Employment Generation Programme	6.2	185
SECTION-B PARAS		
PANCHAYATS, RURAL HOUSING AND RURAL DEVELOPMENT DEPARTMENT		
Non-responsiveness to Audit findings and observations resulting in erosion of accountability	6.3	205
PORTS AND FISHERIES DEPARTMENT GUJARAT MARITIME BOARD		
Failure to execute agreement by Gujarat Maritime Board resulted in unauthorised aid to private parties and non-recovery of dues.	6.4	206

	Paragraph	Page
URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT RAJKOT URBAN DEVELOPMENT AUTHORITY		
Injudicious investment of funds due to construction of office building in excess of requirement	6.5	208

APPENDICES		Reference to paragraph	Page
I	Statement showing cases where supplementary provision proved unnecessary and/or could have been restricted to a token amount	2.3.3	213
II	Statement showing cases where supplementary provision was made in excess of actual requirement	2.3.4	214
III	Statement showing the excess over Grant / Appropriation requiring regularisation	2.3.5	215
IV	Statement showing cases where supplementary provision was inadequate	2.3.6	216
V	Statement showing cases where expenditure fell short by Rs.1 crore and also by 10 per cent of the provision	2.3.7	217
VI	Statement of various grants/appropriations where there was persistent saving in excess of Rs.10 lakh each and 20 per cent or more of the provision	2.3.8(a)	220
VI-A	Statement showing cases of significant persistent excess over Grant	2.3.8(b)	221
VII	Statement of various grants/appropriations where expenditure exceeded approved provision by Rs.25 lakh or more and also by more than 10 per cent of total provision.	2.3.9	222
VIII	Statement showing instances of injudicious re-appropriation	2.3.10	223
IX	Statement showing expenditure on "New Service/New Instrument of Service"	2.3.11(a)	224

APPENDICES		Reference to paragraph	Page
X	Statement of cases where expenditure was incurred without any provision of funds	2.3.11(b)	225
XI	Statement showing cases where amount of saving not surrendered	2.3.12(a)	226
XI-A	Statement showing cases of saving of Rs.1 crore or more not surrendered	2.3.12(a)	227
XII	Cases of surrender of funds on 30 and 31 March 1999	2.3.12(b)	228
XIII	Statement showing surrender in excess of actual saving in grants/appropriation	2.3.13	229
XIV	Statement showing details of shortfall in inspection	3.1.9	230
XV	Statement showing huge saving in the grant (under Revenue Account, Grant No. 8)	3.2.4.1(ix)	231
XVI	Statement showing sanctioned strength and men in position	3.2.5.1	233
XVII	Statement showing student -teacher ratio	3.2.6.1	234
XVIII	Statement showing details of procedure followed by the Director for purchase above Rs.0.20 lakh	3.2.7.1	235
XIX	Statement showing result of physical verification by Director of Accounts and Treasuries	3.2.7.2	236
XX	Statement showing norms prescribed for Inspection and Evaluation in Gujarat Technical Education Manual	3.2.9	237
XXI	Statement showing the budget provision, expenditure etc.	3.4.4(a)	238
XXII	Statement showing release of central assistance by Government of India	3.4.4(b)	239
XXIII	Statement showing details of immunisation	3.4.8	240
XXIV	Statement showing details of pre-school education-State as whole	3.4.10	241
XXV	Statement showing details of pre-school education-CDPOs test-checked	3.4.10	244
XXVI	Statement showing position of vacancy as on 31-3-1999	3.4.11	246

APPENDICES		Reference to paragraph	Page
XXVII	Statement showing details of field visits	3.4.14.2	247
XXVIII	Statement showing district-wise analysis of the incidence of crimes with reference to population and deployment of police personnel in police stations	3.5.9	248
XXIX	Statement showing reinstatement of dismissed officials at the instance of court	3.5.16	249
XXX	Statement showing difference in expenditure figures	3.6.4	250
XXXI	Statement showing position of machinery and equipment in ITIs	3.6.6(a)	251
XXXII	Statement showing position of vacancy of Craft instructor and Foreman instructor in ITIs	3.6.6(b)	252
XXXIII	Statement showing percentage of drop out	3.6.7	253
XXXIV	Statement showing Machinery lying idle	3.6.10(i)	254
XXXV	Statement showing the details of foreign travel performed by Ministers, MLAs, Officers etc. during the year 1998.	3.8.2(a),(b), (c),(d),(h) and (i)	255
XXXVI	Statement showing year-wise position of outstanding Inspection Reports and Paragraphs	3.12	258
XXXVII	Year-wise cases of Misappropriation, losses, etc. (Reported up to 31 March 1999 and outstanding at the end of 30 September 1999)	3.18	259
XXXVIII (a)	Details regarding year-wise Inspection Reports/Paras outstanding for more than 10 years	4.13	262
XXXVIII (b)	Statement showing year-wise details of Inspection Reports paragraphs issued upto 31-12-1998 and outstanding as on 30-06-1999 in respect of Roads and Buildings Department and Irrigation Department of Government of Gujarat	4.13	263
XXXIX	Statement showing the Unsettled Serious Irregularities as of May 1999	4.13	264

APPENDICES		Reference	Page
		to	
		paragraph	
XL	Statement showing the details of the departments which had not furnished the information	6.1.3	265
XLI	Statement showing the details of bodies whose accounts have been entrusted to the Comptroller and Auditor General of India	6.1.7	267
XLII	Statement showing year-wise budget provision and expenditure during 1992-99	6.2.4	268
XLIII	Statement showing the difference in figures of expenditure between the records of Commissioner and the DRDAs under EAS (less Rs.2.96 crore) and JRY (excess Rs.7.77 crore)	6.2.4	269
XLIV	Statement showing shortcomings in execution of various works	6.2.19	270
XLV	Statement showing year-wise position of outstanding Inspection Reports and Paragraphs	6.3	271
XLVI(a)	Statement showing the details of the Irregularities commented upon in the outstanding Inspection Reports of District Panchayat, Surat	6.3	272
XLVI(b)	Statement showing the details of the Irregularities commented upon in the outstanding Inspection Reports of District Development Agency, Godhra	6.3	273
XLVII	GLOSSARY OF ABBREVIATIONS		274

PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the Year ended 31 March 1999.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock and audit of Autonomous Bodies.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1998-99 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 1998-99 have also been included wherever necessary.

INDEX

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OVERVIEW

This Report contains six chapters, the first two contain the observations of Audit on the Accounts of the State Government for 1998-99 and the other four contain seven reviews and 30 paragraphs based on the audit of certain selected schemes and programmes and financial transactions of the Government. A synopsis of the findings contained in the reviews and more important paragraphs is presented in this overview.

1 An overview of the finances of the State Government

As against revenue surplus in 1994-95 the succeeding four years ended with revenue deficits. The year 1998-99 registered a steep increase in deficit to Rs.2863.42 crore up by 181 per cent over the deficit of 1997-98.

The aggregate of the amount received by the State Government on account of the State's share of Union Taxes, Duties and Grants-in-aid increased from Rs.1575.42 crore in 1994-95 to Rs.2360.47 crore in 1998-99 implying an increase of 50 per cent. The amounts received from the Government of India to the revenue receipts of the State declined from 20 per cent in 1994-95 to 19 per cent in 1998-99. Tax receipts of the State increased to Rs. 7615.78 crore in 1998-99 compared to Rs.6591.06 crore in 1997-98.

The Plan revenue expenditure increased during 1998-99 to Rs.2149.97 crore from Rs.1500.89 crore during 1997-98. Non-Plan revenue expenditure increased to Rs.13456.19 crore in 1998-99 from Rs.10642.25 crore in 1997-98.

As at the end of 1998-99, the total investment in statutory corporations, Government companies etc., worked out to Rs.3661.78 crore (against Rs.3219.68 crore as at the end of 1994-95). Dividend and interest received thereon were a negligible 0.61 per cent of investments.

Public Debt of the State increased by 86 per cent from Rs.9183.15 crore at the end of 1994-95 to Rs.17079.66 crore at the end of 1998-99. The repayment of principal and payment of interest worked out to 68 per cent of the fresh loans received from the Central Government during the year. The amount guaranteed by the State

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

Government on behalf of statutory corporations, Government companies etc. outstanding as on 31 March 1999 was Rs.7669.16 crore. Rupees 16.80 crore of guarantees were discharged by the Government during the year.

As on 31 March 1999, a total amount of Rs.428.90 crore including interest of Rs.68.24 crore was overdue for recovery against loans advanced to Municipalities, Panchayati Raj Institutions, Other Local Bodies and Public Sector Undertakings etc. Only eight out of 84 departmental officers, had Rs.83.25 crore, including interest of Rs.41.86 crore as over due for recovery in respect of loans and advances. Since the information was not furnished by most of the departmental officers, recoveries of loans disbursed by them were largely unknown.

Based on the analysis of the commonly understood financial indicators financial position of the State Government revealed the following :

The State had a relatively comfortable financial position in 1994-95 when it had a revenue surplus and comparatively low Fiscal deficit coupled with substantial positive balance from current revenue which was maintained till 1996-97. The position declined rapidly in the last two years mainly due to steep increase in revenue expenditure (caused inter-alia by implementation of Pay Commission award) and significant increase in capital expenditure (most of which went for Narmada Project in recent years). The hundred per cent increase in revenue expenditure within one year indicated a situation of fiscal stress. The financial fortune of the state declined as they had undertaken an expansion in capital expenditure as well as revenue expenditure without increase in resources as seen from the stagnant State tax/Gross Domestic Product ratio and actual decline in the ratio of Sales tax to the total tax revenue of the State. Worse, large part of the capital borrowings was invested in project which is not generating return and is standstill adding to State's debt burden and consequent interest burden.

(Paragraphs 1.1 to 1.11)

2 Appropriation Audit and control over expenditure

Against total budget provision of Rs.20273.38 crore (including supplementary), actual expenditure was Rs.19745.14 crore. Overall saving of Rs.528.24 crore was the result of saving of Rs.1509.51 crore in 135 grants and appropriations and excess of Rs.981.27 crore in 23 grants and appropriations. The excess required regularisation by the Legislature under Article 205 of the Constitution of India.

In 20 cases, supplementary provision of Rs.156.31 crore obtained in March 1999 proved unnecessary and/or could have been restricted to a token amount.

In 26 cases, expenditure fell short by more than Rs. one crore and also by 10 per cent of total provision.

In 19 cases, expenditure of Rs.83.66 crore was incurred without budget provision. In five cases expenditure of Rs.7.41 crore was met by reappropriation without obtaining requisite approval of Legislature, since these cases attracted the limitation of "New Service/New Instrument of Service", prior approval of the Legislature or advance from the Contingency Fund was required.

In Grant No.66-Irrigation and Soil Conservation, excess expenditure of Rs.715.46 crore, 95 per cent of the provision occurred. Reasons for excess expenditure were not furnished by the Narmada, Water Resources and Water Supply Department. In Grant No.65-Narmada Development Scheme, there was a saving of Rs.346.05 crore.

In four cases advances of Rs.25.54 crore were sanctioned from Contingency Fund in violation of Contingency Fund Rules.

(Paragraphs 2.1 to 2.3)

3 Nutritional Support to Primary Education

To give a boost for universalisation of primary education by increasing enrolment and attendance and simultaneously impacting on nutrition of students in primary classes, the scheme for Nutritional Support to Primary Education was launched by Government of India in August 1995.

Allocation of foodgrains on the basis of enrolment figures, instead of actual off take resulted in excess allotment of foodgrains valued Rs.145 crore by Government of India. Actual utilisation of the allotted foodgrains was 88 per cent. The State Government obtained excess transportation charges amounting to Rs.63.73 lakh from Government of India. Flouting the orders of Government of India foodgrains valued Rs.3.77 crore were diverted to children of senior classes during 1998-99.

Mid-day Meal centres were not inspected to the extent of 68 per cent to 77 per cent during 1995-99. The scheme was not monitored and mismanaged.

As the Mid-day Meal centres did not operate from the beginning of the academic session 12.30 lakh to 22.30 lakh students were deprived of feeding for one to three months in each year.

Monitoring by various Committees was virtually absent and independent monitoring and evaluation was not arranged by the State Government.

(Paragraph 3.1)

4 Working of Technical Education Wing

Technical Education Wing deals with technical education in the State through engineering colleges, polytechnics, pharmacy colleges and technical high Schools for quality improvement, capacity expansion and efficiency improvement of technical education.

There was significant weakness in budgetary and expenditure control system resulting in non-utilisation and in surrender of 30 per cent Plan grant during 1995-96.

The training colleges suffered from persistent shortage of teaching staff ranging between 27 per cent and 39 per cent (Government Engineering Colleges and Polytechnics) and 62 per cent (Government Pharmacy College). As against maximum permissible Staff Teacher ratio of 16:1 actual ratio ranged between 18:1 and 85:1 during 1995-98.

Large number of teachers appointed on ad hoc basis, were continued indefinitely without Government sanction. Forty per cent of the regular faculty members and teachers were not given pedagogy and professional training in disregard of All India Council for Technical Education norms.

(Paragraph 3.2)

5 Public Distribution System

Public Distribution System aimed at uninterrupted distribution of essential commodities at affordable prices to the public. A scheme of Revamped Public Distribution System was launched from 1992 to improve availability of essential commodities of wheat and rice to the most vulnerable section of the population in 97 blocks. Targeted Public Distribution Scheme was introduced from June 1997 to specially cater to the families below poverty line by providing them essential commodities at the specially subsidised

prices. Lifting of foodgrains in excess of projected demand resulted in availing of excess subsidy of Rs.26.90 crore during 1992-97. Due to liberal criteria followed for identification of families below poverty line, State Government had to bear the burden of additional subsidy of Rs.118.70 crore.

Fixation of higher selling rates than prescribed by Government of India resulted in imposing extra burden of Rs.64.66 crore to consumers under Revamped Public Distribution System and Public Distribution System. As the rates of commodities were revised later than the dates prescribed by Government of India, State Government suffered a loss of Rs.24.21 crore. Delay in crediting the amount to food credit availed by Gujarat State Civil Supplies Corporation resulted in avoidable payment of interest of Rs.70.26 lakh. Food grains valued Rs.21.22 crore were distributed on 4.06 lakh bogus cards. No evaluation of the scheme was done by the State Government.

(Paragraph 3.3)

6 Integrated Child Development Services

Integrated Child Development Services Scheme was started in 1975-76 as a centrally sponsored scheme mainly to improve nutritional and health status of children in the age group of 0-6 years, reduce incidence of mortality, malnutrition and school drop out among children and enhance the capacity of the mother to look after normal health and nutritional needs of child through nutrition and health education.

Out of central assistance of Rs.241.82 crore received during 1992-99, Rs.12.19 crore were not utilised by the State Government. State Government neither furnished utilisation certificates to Government of India nor obtained the same from the implementing agencies .

Targeted population of 45.03 lakh remained uncovered as sanctioned projects were not established. 17 per cent of the anganwadis, covering a population of 61.59 lakh were not set up though sanctioned. Figures of achievements under supplementary nutrition were inflated and unreliable due to wide discrepancy between the figures in districts and those of the State as a whole. Nutrition supplied after January 1998 contained significantly less calorific and protein value than the norms prescribed. Therapeutic and weaning food was not given to the severely malnourished and malnourished children respectively. Supply of rapeseed oil instead of cotton seed oil by Gujarat State Civil Supplies Corporation to Government occurred due to failure of the Department to ensure

proper check of the quality of the supplies. No Supplementary Nutrition was provided in 4 per cent to 8 per cent of Anganwadis and only in 60 to 76 per cent of Anganwadis feeding for more than 240 days could be provided, as against the prescribed 300 days in a year. Figures of achievements under immunisation, home visits and non-formal pre-school education were not reliable as records were defective/not maintained. Large number of Anganwadis were functioning without hand pumps and toilet blocks. Administrative expenditure under the project was much above the norm, particularly after 1995-96.

(Paragraph 3.4)

7 Manpower Management in Police Organisation

Police Department is responsible for efficient maintenance of law and order, investigation of criminal cases etc.

Expenditure on pay and allowances ranged between 68 per cent and 83 per cent of the total expenditure of the Department. Manpower requirements and their deployment was not made as per approved policy and norms. Large number of temporary posts were created and continued for long period. Transfer policy was grossly violated. Director General and Inspector General of Police did not act upon government instruction to form a committee to study the staff pattern.

Deployment of police personnel was not consistent with the incidence of crime and population growth. Districts with high crime rates remained comparatively underpoliced.

State Reserve Police Force were routinely deployed outside their Head Quarters for long periods involving huge expenditure.

Wireless personnel in State Reserve Police Force groups were continued though there were no wireless stations during 1997-99.

Deployment charges amounting to Rs.2.06 crore for 1997-98 were not reimbursed by four State Governments as of August 1999. Rupees 5.91 crore were not recovered from Airport Authorities.

Routine deployment of police personnel during holidays resulted in avoidable expenditure of Rs.72.51 crore during 1995-99.

Rupees 33.61 lakh were irregularly spent from the funds of modernisation of State Police Force in violation of scheme guidelines.

Mahila Police Stations at three places were not made functional for more than three years despite government orders and increase in crimes against women.

Private vehicles were routinely hired without permission of Director General and Inspector General of Police in disregard of government norms.

(Paragraph 3.5)

8 Craftsmen Training Scheme

To ensure steady flow of skilled workers in different trades for industry, raise the availability and quantity of industrial production and reduce unemployment among educated youth, Craftsmen Training Scheme was implemented in the State, through the Industrial Training Institutes.

Rupees eight crore were spent in excess of budget provision during 1992-99. Cost of staff worked out to 73 per cent of the total expenditure during 1993-97. Huge deficit of machinery/equipment (Rs.53.90 crore) in 29 trades and vacancy in key training posts (between 20 per cent and 55 per cent) affected the quality of training. Machinery and equipment valued Rs.58.36 lakh, procured without any indent were lying idle as the posts of trainers were vacant. Though drop out ranged between 20 per cent and 45 per cent in the institutes during 1992-99, the Commissioner did not conduct any survey to ascertain the reasons of drop out.

Sheds valued Rs.45.48 lakh procured for use of the Institutes at various places were lying idle for one year to ten years. Rupees 24 lakh were spent on salaries of surplus staff by three Institutes. Intake of trainees were not monitored and necessity of courses undertaken in the Institutes were not reviewed by Government.

Impact of the scheme was not assessed as there was no record in this regard. Only 18 per cent to 26 per cent of the successful trainees were in self employment.

None of the Institutes was inspected after 1993. There was virtually no monitoring of the scheme by the State Council for Vocational Training and recommendations of the concurrent evaluation of 1990 were not implemented.

(Paragraph 3.6)

9 Rural Employment Generation Programme

For providing gainful work and employment opportunities to poor families, wage employment programmes like Jawahar Rojgar Yojana, Employment Assurance Scheme and Million Wells Scheme were introduced by Government of India.

Release of funds by District Rural Development Agencies to implementing agencies and by State Governments to District Rural Development Agencies were delayed upto a maximum of nearly 3 months. In contravention of Government of India guidelines Rs.22.68 crore were parked in Personal Ledger Accounts and Rs.26.35 crore were parked in Fixed/Term deposits by several District Rural Development Agencies.

Rupees 15.13 crore were diverted by District Rural Development Agencies, Valsad (Rs.0.79 crore), Kachchh (Rs.13.84 crore), Bhavnagar (Rs.0.40 crore) and Surat (Rs.0.10 crore) for purposes not covered in the scheme.

Non-observance of prescribed procedure in withdrawing of funds from bank by Taluka Development Officer, Mandvi facilitated misappropriation of Rs.27.40 lakh.

District Rural Development Agencies Banaskantha, Kachchh and Rajkot incurred administrative expenditure in excess of norms amounting to Rs.36.39 lakh.

In four districts muster rolls for payments of Rs.63.33 crore did not contain details of family cards and hence identification of payees and verification of payment were not possible.

Seven talukas did not maintain register of employment and payments were not susceptible to verification. Large amounts were paid through middlemen in contravention of scheme guidelines. In the absence of any record actual disbursement was doubtful.

Works valued Rs.3.09 crore executed in four districts had negligible wage component. Assets created at a cost of Rs.10.12 crore were not recorded in the Asset Register. As no verification of creation and existence of asset was possible expenditure was doubtful.

Rupees 3.32 crore were spent by DRDAs on flood damage works and repairs and maintenance works in contravention of provision of Manual/guidelines.

Figures of generation of employment were overstated in many years as these were not commensurate with expenditure.

(Paragraph 6.2)

10 Other points of interest

(i) Rupees 705.12 crore pertaining to Centrally Sponsored Schemes (Rs.9.46 crore) and State Plan Schemes (Rs.695.66 crore) were transferred to Personal Ledger Accounts during 1998-99. Between 26 per cent and 88 per cent of these funds were transferred in the months of March of every year. Expenditure booked in the Accounts for these schemes were inflated to the extent of these transfers.

Rupees 11.43 crore were blocked in Personal Ledger Accounts of Gujarat Growth Centres Development Corporation Ltd (Rs.10.31 crore) and District Industries Centre, Surat (Rs.1.12 crore).

Irregular deposit of scheme funds in Personal Ledger Accounts by District Rural Development Agency, Mehsana and Surat Urban Development Authority resulted in loss of interest of Rs.1.76 crore.

Rupees 8.60 crore were irregularly deposited in Personal Ledger Accounts not earmarked for the purpose and by person other than Personal Ledger Accounts holder.

(Paragraph 3.7)

(ii) In 24 cases of foreign travel, formal deputation orders indicating reference of sanction of Ministry of Finance were not issued. In 22 cases of foreign travel, approval of Ministry of Finance was not obtained. In 12 cases involving hospitality by overseas agencies, copies of formal order of Ministry of Home Affairs were not available and clearance under Foreign Contribution Regulation Act was doubtful. In two cases of foreign travel by Ministers prior approval of Prime Minister was not obtained. One Minister and the Deputy Inspector General of Police performed foreign tour for nine days but spent only one day for the official work.

In five cases involving expenditure of Rs.7.25 lakh and drawal of foreign exchange US \$ 6650, no TA bills were submitted. In three cases, drawal of DA in excess of entitlement resulted in excess drawal of US \$ 2976 which was recoverable from the concerned Minister/ officers. In 24 cases, no tour reports were submitted.

In contravention of Government instruction an officer was deputed abroad while on probation.

(Paragraph 3.8)

(iii) Proposals of revision of fee submitted by Gujarat Secondary Education Board was approved by Government after a delay of five years resulting in loss of Rs.5.03 crore.

(Paragraph 3.9)

(iv) Sanctioning loan to National Co-operative Tobacco Growers Federation Limited, Anand without adequate securities and ascertaining the status of the federation resulted in non-recovery of Government dues amounting to Rs.1.01 crore.

(Paragraph 3.10)

(v) Irregular disbursement of loan by the District Registrar, Co-operative Societies, Nadiad resulted in non-recovery of Government dues of Rs.22.55 lakh for two to seven years.

(Paragraph 3.11)

(vi) Injudicious purchase of unsuitable highspeed boats by Government resulted in unfruitful expenditure of Rs.55.01 lakh and nugatory expenditure of Rs.37.50 lakh.

(Paragraph 3.13)

(vii) Non-recovery/adjustment of capitation fees collected by private colleges by Director of Indian System of Medicine and Homeopathy resulted in blocking of Rs.47.45 lakh.

(Paragraph 3.14)

(viii) Executive Engineer, National Highway Division, Gandhidham irregularly executed work valued Rs.3.52 crore without preparation of plans and estimates resulting in avoidable payment of Rs.1.05 crore

(Paragraph 4.1)

(ix) Favourable treatment allowed to the contractor by Executive Engineer, Expressway Division, Ahmedabad resulted in irregular payment of Rs.1.78 crore.

(Paragraph 4.2)

(x) Executive Engineer, Expressway Division No.-III, Vadodara, failed to recover interest payment of Rs.98.73 lakh from the banks against belated payment of bank guarantee.

(Paragraph 4.3)

(xi) Executive Engineer, (R&B) Division, Bhavnagar failed to carry out proper survey and investigation and initiate action against contractor for terminating contract which resulted in unfruitful expenditure of Rs.65.98 lakh, non-recovery of Government dues of Rs.30.32 lakh and execution of excess quantities valued Rs.4.44 lakh.

(Paragraph 4.4)

(xii) Advance payment beyond the terms of contract agreement by Executive Engineer, Electrical Division, Gandhinagar resulted in unauthorised aid of Rs.27.34 lakh to the contractor and loss of interest of Rs.23.42 lakh.

(Paragraph 4.5)

(xiii) Relieving the contractors on the ground of sympathy without fulfilling contractual obligations by the Chief Minister on the recommendation of Minister, Roads and Buildings Department resulted in unauthorised aid of Rs.78.04 lakh to the contractors.

(Paragraphs 4.6 and 4.7)

(xiv) Rupees 70.52 lakh was drawn without immediate requirement and irregularly retained in deposit account for over seven years by the Executive Engineer, Irrigation Project Division, Bhavnagar.

(Paragraph 4.11)

(xv) Failure to execute final agreements with four private users of captive jetty and enforcing the provisions of conditional agreements by Gujarat Maritime Board resulted in unauthorised financial aid of Rs.138.14 crore, non-recovery of dues amounting to Rs.5.29 crore from these parties and loss of income of Rs.4.74 crore.

(Paragraph 6.4)

(xvi) Construction of excess built-up area for office building by Rajkot Urban Development Authority resulted in avoidable investment of Rs.1.53 crore for six years.

(Paragraph 6.5)

CHAPTER - I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

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

1.2 Financial position of the State

In the Government accounting system comprehensive accounting of the fixed assets like land and buildings etc., owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Exhibit I gives an abstract of such liabilities and the assets as on 31 March 1999, compared with the corresponding position on 31 March 1998. While the liabilities in this statement consist mainly of external and internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would be seen from Exhibit I that while the liabilities grew by 26.29 *per cent*, the assets grew by only 13.39 *per cent* during 1998-99, mainly as a result of a very high (179.15 *per cent*) growth in the deficit on the Government account. This shows an overall deterioration in the financial position of the Government.

EXHIBIT-I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
GUJARAT AS ON 31 MARCH 1999

(Rupees in crore)

As on 31.03.1998	Liabilities		As on 31.03.1999
2478.44	Internal Debt		3104.02
1954.44	Market Loans bearing interest	2538.85	
67.06	Market Loans not bearing interest	7.43	
146.74	Loans from LIC	193.71	
310.20	Loans from other Institutions	364.03	
Nil	Ways and Means Advances	Nil	
Nil	Overdrafts from Reserve Bank of India	Nil	
11580.64	Loans and Advances from Central Government		13975.64
442.35	Pre 1984-85 Loans	374.85	
7724.29	Non-Plan Loans	9665.35	
3298.92	Loans for State Plan Schemes	3816.21	
76.09	Loans for Central Plan Schemes	73.27	
38.70	Loans for Centrally Sponsored Plan Schemes	45.74	
00.29	Loans for Special Schemes	00.22	
141.82	Contingency Fund		178.80
1629.53	Small Savings, Provident Funds, etc.		2108.86
4292.14	Deposits		5357.57
12.06	Cash in Treasuries and Local Remittances		27.10 ♠
	Deposits with Reserve Bank		43.05 ♦
168.63	Reserve Funds		221.54
213.51	Suspense and Miscellaneous		893.11
32.34	Remittance Balances		97.44
20549.11			26007.13
As on 31.03.1998	Assets		As on 31.03.1999
13101.85	Gross Capital Outlay on Fixed Assets		15390.57
3600.34	Investments in shares of Companies, Corporations, etc.	3661.78	
9501.51	Other Capital Outlay	11728.79	
5107.48	Loans and Advances		5574.37
3281.25	Loans for Power Projects	3660.66	
1571.61	Other Development Loans	1608.04	
254.62	Loans to Government servants and Miscellaneous loans	305.67	
00.29	Advances		(-)00.49
741.73 ♣	Cash -		582.51
85.18	Deposit with Reserve Bank		
129.02	Departmental Cash Balances including Permanent Advances and investment of earmarked Funds	129.15	
527.53	Cash Balance Investments	453.36	
1597.76	Deficit on Government Accounts		4460.17
1017.75	(i) Revenue Deficit of the Current Year	2863.42	
151.35	(ii) Miscellaneous Government Account	0.02	
600.23	Add :	1597.76	
	Deficit on Government Account as on 31 March 1998		
(-)171.57	Other Adjustments	(-)1.03	
20549.11	Total		26007.13

♠ This reflects an adjusting entry on account of remittances between treasuries and currency chest remaining unadjusted on 31 March 1999.

♦ This reflects an adjusting entry on account of remittances between treasuries and currency chest remaining unadjusted on 31 March 1999.

♣ The cash balance as on 31.3.1998 differs from the figure appearing against that item in the Audit Report (Civil) 1997-98 as the minus balance in Cash in Treasuries and Local Remittances appearing on assets side have been treated as liabilities in this table.

EXHIBIT-II
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 1998-99

(Rupees in crore)

Receipts				Disbursements					
1997-98			1998-99	1997-98					1998-99
Section-A: Revenue						Non-Plan	Plan	Total	
11125.39	I Revenue receipts		12742.74		I Revenue expenditure-				
6591.06	Tax revenue	7615.78		3674.11	<u>General services</u>	4750.49	18.82	4769.31	4769.31
				4239.90	<u>Social Services-</u>				5436.67
2220.97	Non-tax revenue	2766.49		2289.64	Education, Sports, Art and Culture	2960.85	163.78	3124.63	
				625.64	Health and Family Welfare	692.04	148.55	840.59	
1574.49	State's share of Union Taxes	1641.60		396.74	Water Supply, sanitation Housing and Urban Development,	248.96	294.95	543.91	
				16.87	Information and Broadcasting	13.84	7.32	21.16	
233.66	Non-Plan grants	210.59		286.18	Welfare of Scheduled Castes, Scheduled tribes and Other Backward Classes	149.98	206.92	356.90	
				78.20	Labour and labour Welfare	75.47	21.72	97.19	
221.24	Grants for State Plan Scheme	271.43		532.84	Social Welfare and Nutrition	310.33	123.81	434.14	
				13.79	Others	18.15	--	18.15	
283.97	Grants for Central and Centrally sponsored Plan Schemes	236.85		4176.56	<u>Economic Services-</u>				5349.14
				457.20	Agriculture and Allied Activities	441.28	127.24	568.52	
				425.77	Rural Development	164.47	448.14	612.61	
				21.09	Special Areas Programmes	20.66	5.99	26.65	
				1148.04	Irrigation and Flood control	1383.75	136.82	1520.57	
				1367.51	Energy	1581.02	65.80	1646.82	
				134.12	Industry and Minerals	33.73	200.17	233.90	
				499.70	Transport	440.51	161.16	601.67	
				0.01	Communications	0.02	--	0.02	
				2.56	Science, Technology and Environment	0.26	2.84	3.10	
				120.56	General Economic Services	119.35	15.93	135.28	
				52.57	Grants-in-aid and Contributions	51.04	--	51.04	51.04
1017.75	II Revenue deficit carried over to Section B		2863.42		II Revenue Surplus carried over to Section B				Nil
12143.14			15606.16	12143.14	Total	13456.20	2149.96	15606.16	15606.16

Receipts				Disbursements					
1997-98		1998-99	1997-98					1998-99	
Section-B									
641.52	III Opening Cash balance including Permanent Advances and Cash Balance Investment	729.67 ♣	Nil		III Opening Overdraft from RBI				Nil
171.57	IV Miscellaneous Capital receipts	1.03	1859.20		IV Capital Outlay-				
			26.99		<u>General Services-</u>	3.02	25.70	28.72	28.72
			13.91		<u>Social Services-</u>				449.75
			14.11		Education, Sports, Art and Culture	1.60	14.92	16.52	
			130.42		Health and Family Welfare	--	36.58	36.58	
			47.47		Water Supply, Sanitation, Housing and Urban Development	1.78	311.06	312.84	
			0.50		Information and Broadcasting	2.43	70.06	72.49	
			7.28		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	0.06	0.06	
			0.82		Social Welfare and Nutrition	0.35	6.74	7.09	
			3.13		Others	0.01	0.79	0.80	
			159.14		<u>Economic Services-</u>	0.03	3.34	3.37	1810.26
			Nil		Agriculture and Allied Activities	8.62	178.69	187.31	
			1.20		Rural Development	--	--	Nil	
			1261.76		Special Areas Programmes	--	1.35	1.35	
			(-)27.23		Irrigation and Flood Control	--	1377.05	1377.05	
			51.55		Energy	--	(-)64.25	(-)64.25	
			154.70		Industry and Minerals	10.39	33.62	44.01	
			13.45		Transport	38.99	208.86	247.85	
			1614.57		General Economic Services	7.31	9.63	16.94	
					Total	74.53	2214.20	2288.73	2288.73 ♣

♣ The figure of opening cash balance appearing in the Exhibit - I has been adjusted to the extent of Rs.12.06 crore due to minus balance.

♣ Representation net expenditure after taking into account recoveries accounted for in reduction of expenditure.

Receipts			Disbursements		
1997-98			1998-99	1997-98	1998-99
129.32	V Recoveries of Loans and Advances-		266.59	426.84	733.48
5.34	From Power Projects	55.32		251.56	434.73
57.05	From Government Servants and Miscellaneous Loans	73.95		96.07	125.00
66.93	From others	137.32		79.21	173.75
Nil	VI Revenue surplus brought down		Nil	1017.75	2863.42
2528.92	VII Public debt receipts-		3648.21	445.85	627.63
507.52	Internal debt other than ways and means Advances and Overdraft	722.45		48.18	96.88
Nil	Ways and Means Advances	84.25		Nil	84.25
2021.40	Loans and Advances from Central Government	2841.51		397.67	446.50
100.00	VIII Appropriation to Contingency Fund		Nil	250	Nil
285.51	IX Amount transferred to Contingency Fund		58.18	158.18	21.20
16232.37	X Public Account receipts-		19343.93	15200.37	17000.79
452.36	Small Savings and Provident funds	766.74		257.84	287.41
265.51	Reserve funds	206.61		152.52	153.71
4477.13	Suspense and Miscellaneous	5261.72		4572.33	4582.12
2866.41	Remittance	3301.74		2770.40	3236.64
8170.96	Deposits and Advances	9807.12		7484.28	8740.91
	XI Closing Overdraft from Reserve Bank of India		Nil	729.67	512.36
				(-)12.06	(-)27.10*
				85.18	(-)43.05#
				129.02	129.15
				527.53	453.36
20089.21	Total		24047.61	20089.21	24047.61

* Minus balance is due to remittances between treasuries and currency chest remaining unadjusted on 31 March 1999.

Minus balance is under investigation.

EXHIBIT - III
SOURCES AND APPLICATION OF FUNDS

(Rupees in crore)

1997-98		Sources	1998-99
11125.39	1	Revenue receipts	12742.74
129.32	2	Recoveries of Loans and Advances	266.59
171.57	3	Miscellaneous Capital Receipts	1.03
2083.07	4	Increase in Public debt other than overdraft	3020.58
1032.00	5	Net receipts from Public account	2343.14
194.52		Increase in Small Savings	479.33
686.68		Increase in Deposits and Advances	1066.21
149.99		Increase in Reserve Funds	52.90
(-)95.20		Net effect of suspense and Miscellaneous transactions	679.60
96.01		Net effect of Remittance transactions	65.10
127.33	6	Net effect of Contingency Fund transactions	36.98
	7	Decrease in closing Cash balance	217.31
14668.68		Total	18628.37
		Application	
12143.14	1	Revenue expenditure	15606.16
426.84	2	Lending for development and other purposes	733.48
1859.20	3	Capital expenditure	2288.73
88.15	4	Increase in closing Cash balance	--
1.35	5	Net effect on account of Inter State Settlement	Nil
150.00	6	Appropriation to Contingency Fund	Nil
14668.68		Total	18628.37

Explanatory Notes for Exhibit I, II and III:

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

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

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

There was a difference of Rs.351.28 lakh (debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit

with Reserve Bank". A net difference of Rs.16.51 lakh (net debit) had been reconciled (May 1999).

EXHIBIT - IV
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
Part A. Receipts					
I. Revenue Receipts	7806	8544	9668	11125	12743
(a) Tax Revenue	4743(61)	5323(62)	6066(63)	6591(59)	7616(60)
Sales Tax	3186(67)	3593(67)	4026(66)	4403(67)	4796(63)
Taxes and duties on Electricity	791(17)	696(13)	901(15)	1024(15)	1447(19)
State Excise	21	21	24	24	27
Taxes on vehicles	208(4)	306(6)	334(5)	396(6)	460(6)
Stamps and Registration fees	271(6)	356(7)	399(7)	411(6)	507(7)
Land Revenue	61(1)	77(1)	77(1)	75(1)	72(1)
Taxes on goods and passengers	65(2)	107(2)	96(2)	38(1)	62(1)
Other Taxes	140	167	198	220	245
(b) Non Tax Revenue	1488(19)	1601(19)	1573(16)	2221(20)	2766(21)
(c) State's share in Union taxes	978(12)	1139(13)	1174(12)	1574(14)	1642(13)
(d) Grants in aid from GOI	596(8)	481(6)	855(9)	739(7)	719(6)
II. Capital Receipts	771	1516	1727	2597	3577
Market Borrowings	253	312	407	508	722
Loans and advances from GOI	969	1308	1437	2021	2842
Other Receipts (Public Account)	(-)451	(-)104	(-)117	68	13
Part B. Expenditure	8506	10027	11745	14002	17895
I. Revenue Expenditure	7544(89)	8766(87)	10260(87)	12143(87)	15606(87)
Plan	825(11)	1134(13)	1146(11)	1501(12)	2150(14)
Non Plan	6719(89)	7632(87)	9114(89)	10642(88)	13456(86)
General Services	2288(30)	2592(30)	3298(32)	3674(31)	4769(31)
Economic Services	2596(40)	3004(34)	3492(35)	4177(34)	5349(34)
Social Services	2926(35)	3129(36)	3422(33)	4240(35)	5437(35)
Interest Payments	1191	1328	1610	1884	2262
Arrears of Revenue (% Tax and non Tax Revenue receipt)	802(13)	831(12)	3299(43)	1832(21)	1686(16)
Loans and advances given	713	466	478	427	733
II. Capital Expenditure	962(11)	1261(13)	1485(13)	1859(13)	2289(13)
Plan	895(93)	1078(86)	1409(95)	1779(96)	2214(97)
Non Plan	67(7)	183(14)	76(5)	80(4)	75(3)
General Services	17(2)	20(2)	30(2)	27(1)	29(1)
Economic Services	739(77)	1137(90)	1304(88)	1614(87)	1810(79)
Social Services	206(21)	104(8)	151(10)	218(12)	450(20)

Part C. Deficits					
Revenue Deficit(-)/ surplus(+)	(+)262.17	(-)222.05	(-)591.41	(-)1017.75	(-)2863.42
Fiscal Deficit	1292	1745	2358	3003	5618
Budgetary Deficit(-)/ Surplus(+)	(-)90	(+)63	(+)5	(+)80	(-)143
Part D. Other data					
Ways and Means Advances (days)	10	Nil	Nil	Nil	6
Interest on WMA	0.01	Nil	Nil	Nil	0.06
GSDP	59027	66179	76565	86609	95803*
Outstanding Debt (year end)	12946	14855	17024	20139	24757
Outstanding guarantees (year end)	6501	6519	6962	6833	7669
Maximum Amount Guaranteed	7084	7084	7527	7395	8231
Number of incomplete projects	--	--	--	8	11
Capital blocked in incomplete projects	--	--	--	18.76	53.96▲

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

1.3 Sources and application of fund

1.3.1 Exhibit III gives the position of sources and application of funds during the current and the preceding year. The main sources of funds include the revenue receipts, recoveries of the loans and advances, public debt and net receipts in Public Account. These were applied mainly on revenue and capital expenditure and the lending for developmental purposes. It would be seen that the revenue receipts constitute the most significant source of fund for the State Government though its relative share declined from 75.84 *per cent* in 1997-98 to 68.41 *per cent* during 1998-99. The net receipts from the Public Account, also increased from 7.04 *per cent* in 1997-98 to 12.58 *per cent* in 1998-99. This was mainly due to increase in deposits and advances and suspense balances. The receipts from the public debt went up marginally from 14.20 *per cent* to 16.21 *per cent*.

1.3.2 The application of funds was mainly applied for revenue expenditure, with an increasing share in the total expenditure; from

* Source : GSDP at current prices upto 1997-98 has been received from the Government. Since the GSDP for 1998-99 is not available, average rate of growth of GSDP for the years 1994-98 was worked out and the resulted average rate of growth was applied to the figures of 1997-98 to arrive at the figures of 1998-99.

▲ This amount does not include investment of Rs.4852.42 crore in Narmada Project which is being constructed through Sardar Sarovar Narmada Nigam Limited, a State Government Public Sector Undertaking vide comments in Para 1.9.3.

82.78 per cent to 83.78 per cent. It remained significantly higher than the share of the revenue receipts (68.41 per cent) in the total receipts of the State Government. This led to the Revenue Deficit. A notable change during the year was that while the percentage of capital expenditure came down from 12.67 per cent to 12.29 per cent, lending for development purposes went up from 2.91 per cent to 3.94 per cent.

1.4 Financial operations of the State Government

1.4.1 Exhibit II gives the details of the receipts and disbursements made by the State Government. The Revenue expenditure (Rs.15606 crore) during the year exceeded the revenue receipts (Rs 12743 crore) resulting in a revenue deficit of Rs. 2863 crore. The Revenue receipts comprised tax revenue (Rs.7616 crore), non-tax revenue (Rs.2766 crore), State's share of Union taxes and duties (Rs.1642 crore) and grants-in-aid from the Central Government (Rs.719 crore). The main sources of tax revenue were sales tax (63 per cent), taxes and duties on electricity (19 per cent) and stamps and registration fees (7 per cent). Non-tax revenue came mainly from interest receipts (58 per cent) and receipts from non-ferrous mines and metallurgical industries (17 per cent).

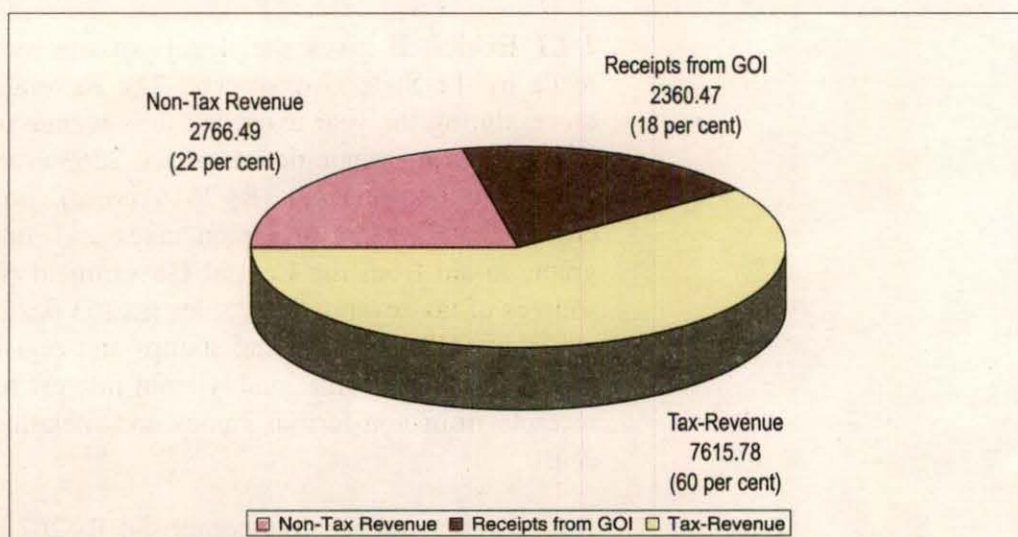
1.4.2 The capital receipts comprised Rs.267 crore from recoveries of loans and advances and Rs.3648 crore from public debt. Against this, the expenditure was Rs.2289 crore on capital outlay, Rs.733 crore on disbursement of loans and advances and Rs.628 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.19344 crore, against which the disbursements of Rs.17001 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was a decrease in the cash balance from Rs.729 crore at the beginning of the year to Rs.512 crore at the end of the year.

1.4.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibit II and the time series data for the five year's period from 1994-95 to 1998-99, presented in Exhibit IV.

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. The revenue receipts grew at an average annual rate of 13 per cent during 1994-95 to 1998-99.

Figure 1
Revenue Receipts 1998-99
(Rupees in crore)



1.5.2 Tax revenue :

These constitute the major share (60 per cent) of the revenue receipts. While their share in the revenue receipts marginally increased by one per cent, the rate of growth of tax revenue over previous year increased from nine per cent in 1997-98 to 16 per cent in 1998-99. Exhibit IV shows that the relative contribution of sales taxes has come down from 67 per cent in 1994-95 to 63 per cent in 1998-99, while that of taxes and duties on electricity has gone up from 15 per cent in 1997-98 to 19 per cent in 1998-99. Gujarat being industrialised state, there was scope of increase in Sale Tax collection relative to growth in GSDP. Failure to increase collection of Sales Tax (relative to growth in GSDP), led to increase in the financial burden of the state due to increased revenue expenditure without corresponding increase in revenue collection.

1.5.3 Non-tax revenue

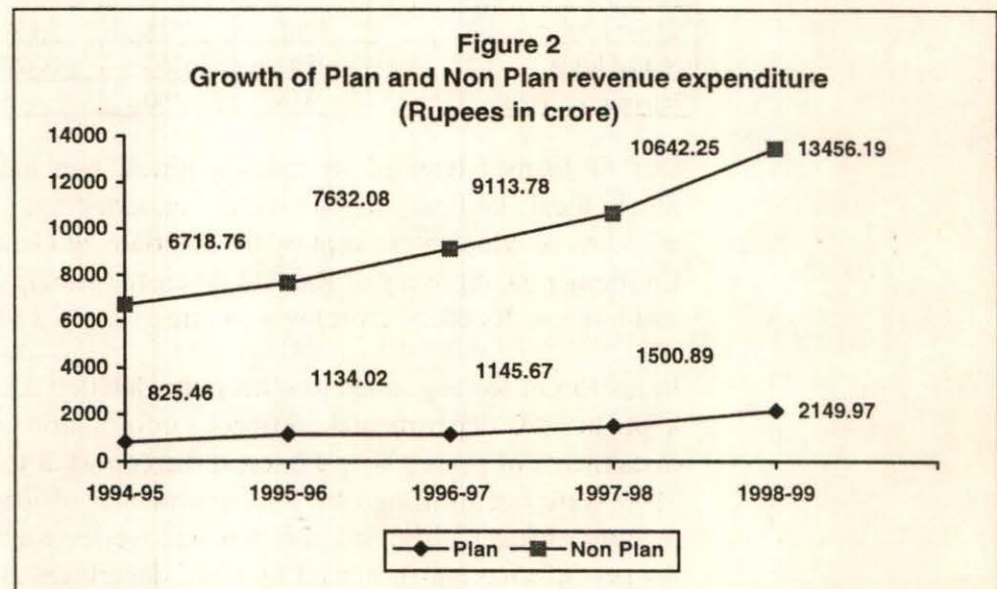
The non-tax revenue constituted 22 per cent of the revenue receipts of the Government compared to 16 per cent in 1996-97. The increase was attributable mainly to increase in interest receipts.

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

The State's share of Union taxes (excise duties and income and corporation taxes) increased by 4.24 per cent during the year, while the grants-in-aid from the Central Government was reduced by 2.71 per cent. However, as a percentage of revenue receipts they (both taken together) declined from 20 per cent in 1994-95 to 19 per cent during 1998-99; this was mainly due to a decline (from 8 per cent to 6 per cent) in the share of grants-in-aid which more than offset the increase in the State's share of Union taxes.

1.6 Revenue expenditure

1.6.1 The revenue expenditure accounted for most (87 per cent) of the expenditure of the State Government and increased by 29 per cent during 1998-99. The increase in Non-plan expenditure was significant.



1.6.2 Interest payments

Interest payments increased steadily by 90 per cent from Rs.1191♣ crore in 1994-95 to Rs.2262 crore in 1998-99. This is further discussed in the section on financial indicator. The increase was mainly attributable to increase payment of interest of 87 per cent on loans received from Central Government. It amounted to 18 per cent of Revenue receipts and 14 per cent of Revenue expenditure as against 15 per cent and 16 per cent respectively in 1994-95.

Loans and Advances by the State Government

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

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
Opening balance	3672	4265	4528	4810	5107
Amount advanced during the year	713	466	478	426	733
Amount repaid during the year	120	203	196	129	266
Closing balance	4265	4528	4810	5107	5574
Net addition	(+)593	(+)263	(+)282	(+)297	(+)467
Interest received	316	190	55	303	368

Out of loans advanced to municipalities, panchayatiraj institutions, other local bodies, public sector undertakings, etc. the detailed accounts of which were kept by the Accountant General (Accounts and Entitlements), recovery of Rs. 428.90 crore (principal : Rs.360.66 crore and interest: Rs.68.24 crore) was in arrears as on 31 March 1999.

In respect of loans granted to others, the detailed accounts of which are kept by 84 departmental officers, information regarding overdue instalments of principal and interest thereon as at the end of 31 March 1999 were not furnished by 76 departmental officers. Hence the total amount of loans disbursed and their recoveries were largely unknown. As per information furnished by eight departmental officers, Rs.83.25 crore (principal : Rs.41.39 crore and interest : Rs.41.86 crore) became overdue.

♣ Interest payments for respective years as per Exhibit IV.+

1.7 Capital expenditure

1.7.1 Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government i.e. public sector undertakings (PSUs), corporations, etc. and loans and advances. The progressive capital expenditure increased from Rs.7535.08 crore at the beginning of 1994-95 to Rs.15390.57 crore at the end of 1998-99, an increase of 104 per cent. Out of Rs. 15390.57 crore incurred towards capital expenditure till the end of 1998-99, Rs. 4852.42 crore was incurred towards Narmada Project which constitutes 31.45 per cent of the total capital expenditure.

1.8 Quality of Expenditure

1.8.1 Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and Non-plan and revenue and capital. While the Plan and Capital expenditure are usually associated with asset creation, the non-plan and revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, in general, the Plan and Capital expenditure can be viewed as contributing to the quality of expenditure.

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

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

Table A

(Rupees in crore)

Year	Plan Expenditure (per cent)		Non-Plan Expenditure (per cent)	
	Revenue	Capital	Revenue	Capital
1994-95	825(11)	895(93)	6719(89)	67(7)
1995-96	1134(13)	1078(86)	7632(87)	183(14)
1996-97	1146(11)	1409(95)	9114(89)	76(5)
1997-98	1501(12)	1779(96)	10642(88)	80(4)
1998-99	2150(14)	2214(97)	13456(86)	75(3)

Table B

	1994-95	1995-96	1996-97	1997-98	1998-99
1 Expenditure on General Services	(per cent)				
-Revenue	30	30	32	30	31
-Capital	2	2	2	1	1
	(Rupees in crore)				
2 Amount of wastages and diversion of funds detected during test audit	0.89	19.88	21.00	46.22	
3 Non-remunerative expenditure on incomplete projects	--	--	--	18.76	53.96
4 Unspent balances under deposits heads, booked as expenditure at the time of their transfer to the deposit head	655	724	848	1347	1644

It would be seen that the share of Plan expenditure on capital sides moved in a narrow range of 11 to 14 *per cent*. There was no appreciable increase in the expenditure on General Services during 1994-99.

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

1.9 Financial Management

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

1.9.1 Investments and returns

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

(Rupees in crore)

Serial Number	Sector	Number of concerns	Amount invested	
			As on 31-03-1999	During 1998-99
1	Statutory Corporations	6	423.94	4.08
2	Government Companies	41	3083.36	44.15
3	Joint Stock Companies and Partnerships	29	4.93	Nil
4	Co-operative Institutions and Local Bodies	2004	149.55	13.21
	Total	2080	3661.78	61.44

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

(Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of Return	Rate of interest on Government borrowing(%)
1994-95	3219.68	14.08	0.44	12.50 and 11.50
1995-96	3380.05	34.00	1.01	14.00
1996-97	3489.44	22.78	0.66	13.85 and 13.75
1997-98	3600.34	14.49	0.40	13.50
1998-99	3661.78	22.37	0.61	12.50 and 12.15

Thus, while the Government was raising high cost borrowings from the market, its investments in Government companies etc., fetched negligible returns. As per accounts finalised, losses accumulated till 31 March 1999 by 18 Government companies, two deemed Government companies and two Statutory Corporations were Rs. 1162.68 crore, Rs.8.66 crore and Rs.696.02 crore respectively.

1.9.2 Financial results of irrigation works

The financial results of one major and four medium irrigation projects (vide Statement Number 3 of the Finance Accounts) with a capital outlay of Rs.227.76 crore at the end of March 1999 showed that revenue realised from these projects during 1998-99 (Rs.43.32 crore) was 19.02 per cent of the capital outlay. After meeting the working and maintenance expenditure (Rs.24.01 crore) and interest charges (Rs.33.64 crore), the schemes suffered a net loss of Rs.14.33 crore. The loss was substantial (Rs.37.20 crore) in all the four medium irrigation projects.

1.9.3 Incomplete Projects

As of 31 March 1999 there were 11 incomplete projects (each costing more than Rs.1 crore) in which Rs.53.96 crore were blocked. The delay ranged between one month and 14 months. One of the 11 works "Und III Irrigation Scheme" was stopped since 1997. This showed that the Government was spreading its resources thinly, which failed to yield

any return. Besides, Government incurred expenditure of Rs.4852.42 crore as of March 1999 on Narmada Project which was still under construction.

1.9.4 Arrears of revenue

The arrears of revenue (as per information furnished by State Government) pending collection was Rs.1685 crore which was 16 per cent of the total tax collected during the year indicating poor tax compliance. Of the arrears of Rs.1685 crore as of March 1999, Rs.385.58 crore (23 per cent) were pending for more than five years, and pertained mainly to Sales Tax (Rs.268.85 crore) and Interest Receipts (Rs.77.28 crore). Reduction in arrears does not reflect true state of affairs as some of the departments which had arrears of revenue of Rs.127.93 crore ♦ as of March 1997 did not furnish the information.

1.9.5 Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.70 lakh. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/overdraft (OD) from the Bank. In addition, special ways and means advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poorly on the financial management in Government. During the year 1998-99, the Government had obtained Rs.84.25 crore by way of ways and means advance for six days and repaid the same within the year.

1.9.6 Deficit

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

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

♦ Irrigation (Rs.67.59 crore), Land Revenue (Rs.48.37 crore) and Police (Rs.11.97 crore).

(Rupees in crore)

CONSOLIDATED FUND				
Receipt	Amount		Disbursement	Amount
Revenue	12743	Revenue Deficit: 2863	Revenue	15606
Misc. capital receipt	1		Capital	2289
Recovery of loans & advances	266		Loans & advances disbursement	733
Sub Total	13010	Gross fiscal deficit : 5618	Sub Total	18628
Public debt	3648		Public debt repayment	628
Total	16658	A: Deficit in CF : 2598		19256
CONTINGENCY FUND				
Contingency Fund	58		Contingency Fund	21
Total		B: Surplus in Contingency Fund :37		
PUBLIC ACCOUNT				
PF etc.	766		PF etc.	287
Deposit & advances	9807		Deposit and advances	8741
Reserve funds	207		Reserve funds	154
Suspense & Misc.	5262		Suspense & Misc.	4582
Remittances	3302		Remittances	3237
Total Public Account	19344	C: Deficit in CF Financed by Public Account : 2343		17001
Decrease in cash balance (A-C+B = 218♥)				

The table shows that the Revenue Deficit of Rs.2863 crore was met by borrowings. The Fiscal Deficit of Rs.5618 crore was financed by net proceeds of the public debt (Rs.3020 crore) and partly by the surplus from Public Account. Exhibit IV shows that both the deficits (except 1994-95 where in there was revenue surplus) have shown an increasing trend over the last four years. During the year Revenue Deficit increased significantly by 181 per cent.

1.9.6.3 Application of the borrowed funds (Fiscal Deficit)

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

♥ Difference in Cash balance of Rs.1 crore is due to rounding off.

Ratio	1994-95	1995-96	1996-97	1997-98	1998-99
RD/FD	(-)0.20	0.13	0.25	0.34	0.51
CE/FD	0.74	0.72	0.63	0.56	0.41
Net Loans/FD	0.46	0.15	0.12	0.10	0.08
Total	1.00	1.00	1.00	1.00	1.00

It would be seen that while more and more of the borrowed funds have been applied year after year for meeting the revenue expenditure at the cost of CE and lending for development and other purposes. During 1998-99 there was a sharp decline in both these respects. Therefore, if the revenue expenditure is not controlled not only capital formation is bound to suffer but more and more borrowed funds would be applied for meeting non-productive expenditure, thereby worsening the fiscal situation of the State.

1.9.7 Guarantees given by the State Government

Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the statutory corporations, Government companies and co-operative institutions etc., and payment of interest and dividend by them. They constitute contingent liability of the State. Under Article 293 of the Constitution of India, the Gujarat State Guarantee Act, 1963 as amended by the Act of 1998 had been passed by the State Legislature laying down the limit up to Rs.11,000 crore within which the Government may give guarantees on the security of the Consolidated Fund of the State. Exhibit-IV lists the maximum amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1994-99. The outstanding guarantee increased by 18 per cent during 1994-95 to 1998-99.

As on 31-3-99, position of outstanding guarantee of Rs.7669 crore was as under :

	Name of Institution	Outstanding Guarantee Rs. in crore
(a)	Gujarat State Financial Corporation (Working capital and dividend thereon)	16.30
(b)	Loans, debentures, bonds, etc. raised by :	
(i)	State corporations and statutory bodies	4928.69
(ii)	Municipal corporations, Municipalities, Nagar Panchayats, etc.	496.51
(iii)	Co-operative Banks and Societies	889.90
(iv)	Joint Stock companies	1305.65
(v)	Miscellaneous	32.11
	Total	7669.16

While Rs.42.84 crore were received as guarantee fees during 1998-99, Rs.16.80 crore were paid by Government towards discharge of guarantee liabilities (Slum Clearance Board -Rs.12.86 crore, One Sugar Co-operative society Rs.2.25 crore, Four Textile Mills-Rs.1.67 crore

and twelve individuals Rs.0.02 crore) upto March 1999. No amount was recovered against the discharge during 1998-99.

1.10 Public debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five-year period, the total liabilities of the Government had grown by 91 per cent. This was on account of 129 per cent growth in internal debt, 79 per cent growth in loans and advances from Government of India and 104 per cent growth in other liabilities. During 1998-99, Government borrowed Rs.584.42 crore in the open market at interest rates of 12.50 and 12.15 per cent per annum.

(Rupees in crore)

Year	Internal debt	Loans and Advances from Central Government	Total Public debt	Other liabilities ♣	Total liabilities	Ratio of debt to GSDP
1994-95	1355.39	7827.76	9183.15	3763.74	12946.89	0.22
1995-96	1630.96	8854.03	10484.99	4370.87	14855.86	0.22
1996-97	2019.09	9956.92	11976.01	5048.64	17024.65	0.22
1997-98	2478.44	11580.64	14059.08	6080.04	20139.12	0.23
1998-99	3104.02	13975.64	17079.66	7677.70	24757.36	0.26

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

	1994-95	1995-96	1996-97	1997-98	1998-99
Internal Debt					
-Receipt	368	312	407	508	807
-Repayment (Principle + Interest)	285	180	242	320	511
-Net funds available (per cent)	83(23)	132(42)	165(41)	188(37)	296(37)
Loans and advances from Government of India					
-Receipt during the year	968	1308	1437	2021	2842
-Repayment (principal + interest)	1046	1182	1390	1642	1940
-Net funds available (per cent)	(-) 78	126(10)	47(3)	379(19)	902(32)
Other liabilities					
-Receipt during the year	5682	6839	7967	8748	10620
-Repayment (including interest)	5345	6513	7595	8073	9454
-Net funds available (per cent)	337 (6)	326(5)	372(5)	675(8)	1166(11)

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

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

1.11 Indicators of the Financial Performance

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

(i) Sustainability

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

(ii) Flexibility

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

(iii) Vulnerability

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

(iv) Transparency

There is also the issue of financial information provided by the Government. This consists of annual Financial Statement (Budget) and the Accounts. As regards the budget the important parameters are timely presentation indicating the efficiency of budgetary process and

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

the accuracy of the estimates. As regards, accounts, timeliness in submission, for which milestones exist and completeness of accounts would be the principal criteria.

1.11.2 Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility and Vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the Appendix. Exhibit V indicates the behaviour of these indices/ratios over the period from 1994-95 to 1998-99. The implications of these indices/ratios (Exhibit – V) for the State of the financial health of the State Government are discussed in the following paragraphs.

Exhibit - V
Financial indicators for Government of Gujarat

(1)	1994-95	1995-96	1996-97	1997-98	1998-99
(1)	(2)	(3)	(4)	(5)	(6)
Sustainability					
BCR (Rupees in crore)	518.15	561.91	22.00	(-)22.07	(-)1221.73
Primary Deficit (PD) (Rupees in crore)	102	417	748	1119	3356
Interest Ratio	0.05	0.06	0.09	0.07	0.06
Capital outlay/Capital receipts	1.25	0.83	0.86	0.72	0.64
Total Tax receipts/GSDP	0.10	0.10	0.09	0.09	0.10
State Tax Receipts/GSDP	0.08	0.08	0.08	0.08	0.08
Return on Investment ratio	.0044	0.0101	0.0065	0.0040	0.0061
Flexibility					
BCR (Rupees in crore)	518.15	561.91	22.00	(-)22.07	(-)1221.73
Capital repayments/Capital borrowings	0.23	0.20	0.19	0.18	0.15
State tax receipts/GSDP	0.08	0.08	0.08	0.08	0.08
Debt/GSDP	0.22	0.22	0.22	0.23	0.26
Vulnerability					
Revenue Deficit(RD) (Rupees in crore)	(+)262	(-)222	(-)591	(-)1018	(-)2863
Fiscal Deficit(FD) (Rupees in crore)	1292	1745	2358	3003	5618
Primary Deficit(PD) (Rupees in crore)	102	417	748	1119	3356
PD/FD	0.08	0.24	0.32	0.37	0.60
RD/FD	(X)	0.13	0.25	0.34	0.51
Outstanding Guarantees/revenue receipts	0.83	0.76	0.72	0.61	0.60
Assets/Liabilities	1.02	0.99	0.97	0.92	0.83

Note:

1 (X)Revenue surplus during 1994-95..

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

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

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

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts minus plan assistance grants minus non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure. The table shows that the State Government had positive

BCRs in three out of the five years, till 1996-97. In 1998-99, BCR became significantly negative highlighting the declining fiscal fortunes of the State.

(ii) Interest ratio

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In case of Gujarat the ratio has declined from 0.09 during 1996-97 to 0.06 in 1998-99 even though in absolute terms payment of interest increased by 90 per cent during 1994-99. The decline in ratio nevertheless was due to increase in revenue receipt during these years.

(iii) Capital outlay/capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long term in as much as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Gujarat, the ratio declined sharply from 1.25 in 1994-95 to 0.64 in 1998-99 indicating that large part of capital receipts are applied for activities other than capital expenditure including investment. Even the reduced CE failed to generate any revenue due to insignificant ROI and the blocked up funds in incomplete projects as discussed in para 1.9.3.

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

Tax receipts consist of state taxes and state's share of central taxes. The later can also be viewed as central taxes paid by people living in the state. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Time series analysis shows that in case of Gujarat this ratio has been constant at 0.10 up to 1995-96 and after that it declined by 1 percentage point for next two successive years with a huge implication of tax collection. The ratio of state tax receipts compared to GSDP remained constant at 0.08. Further there was huge arrears in taxes vide discussion in para 1.9.4. The stagnant ratio and the huge arrears in collection indicate poor tax compliance and suggests that the State Government has not paid sufficient attention to better tax compliance and instead relied on Public Account.

(v) Return on Investment (ROI)

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

(vi) Capital repayments Vs. Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In case of Gujarat Government this ratio considerably declined from 23 per cent in 1994-95 to 15 per cent in 1998-99 mainly due to availability of funds due to increased borrowings.

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

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Gujarat, this ratio remained steady (0.22) for three years up to 1996-97 and increased sharply to 0.26 in 1998-99 indicating a significant decline in the financial position of the State.

(viii) Revenue deficit/Fiscal deficit

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings etc.. Evidently, the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus the higher the ratio the worse off the state because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State. As against revenue surplus in 1994-95, the State slid into a position of revenue deficit in 1995-96. Since then the ratio increased from 0.13 in 1995-96 to 0.51 in 1998-99 showing an extremely unfavourable trend and position of fiscal stress.

(ix) Primary deficit Vs. Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. This means that the less the value of the ratio the less the availability of funds for capital investment. In case of Government of Gujarat, this ratio

increased from 0.08 in 1994-95 to 0.60 in 1998-99 indicating that over the years increasingly larger part of borrowings were not available for capital investment which was a strong indicator of unsustainable financial position.

(x) Guarantees Vs. Revenue Receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay viz., its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In case of Gujarat this ratio decreased to 0.60 in 1998-99 from 0.83 in 1994-95 even though in absolute term the amount of outstanding guarantees increased significantly over the years. The ratio declined nevertheless due to increase in revenue receipts relative to the increase in guarantees.

(xi) Assets Vs. Liabilities

This ratio indicates the solvency of the Government. A ratio of more than one would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than one would be a contra indicator. Due to huge increase in liabilities and slower ratio of asset formation relative to growth in liability this ratio declined from more than one in 1994-95 to 0.83 during 1998-99. This is an indication of significant decline in solvency of the State Government.

(xii) Budget

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

Preparation	Month of Submission	Month of Approval
Vote on account	March 1998	March 1998
Modified Budget	June 1998	July 1998
Supplementary	February 1999	March 1999

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

(xiii) Accounts

There was no delay in the submission of accounts by the treasuries/ departments during 1998-99.

1.11.4 Conclusion

The State had a relatively comfortable financial position in 1994-95 when it had a revenue surplus and comparatively low FD coupled with substantial positive BCR which was maintained till 1996-97. The position declined rapidly in the last two years mainly due to steep increase in revenue expenditure (caused *inter-alia* by implementation of Pay Commission award) and significant increase in capital expenditure (most of which went for Narmada Project in recent years). The hundred per cent increase in Revenue expenditure within one year indicated a situation of fiscal stress. The financial fortune of the state declined as they had undertaken an expansion in capital expenditure as well as revenue expenditure without increase in resources as seen from the stagnant State tax/GDP ratio and actual decline in the ratio of Sales tax to the total tax revenue of the State. Worse, large part of the capital borrowings was invested in project which is not generating return and is standstill adding to State's debt burden and consequent interest burden.

Appendix

Part A. Government Accounts

I. Structure

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

Part I: Consolidated Fund

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

Part II: Contingency Fund

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

Part III: Public Account

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

II. Form of Annual Accounts

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

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

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

CHAPTER - II
APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

SUMMARY OF APPROPRIATION ACCOUNTS 1998-99

Appropriation Accounts : 1998-99

Total No. of grants :102

Total provision and actual expenditure

Provision	Amount (Rupees in crore ^a)	Expenditure	Amount (Rupees in crore)
Original	17326.91		
Supplementary	2946.47		
Total gross provision	20273.38	Total gross expenditure	19745.14
<i>Deduct- Estimated recoveries in reduction of expenditure</i>	906.82	<i>Deduct-Actual recoveries in reduction of expenditure</i>	489.14
Total net provision	19366.55	Total net expenditure	19256.00

Voted and Charged provision and expenditure

	Provision (Rupees in crore)		Expenditure (Rupees in crore)	
	Voted	Charged	Voted	Charged
Revenue	13443.91	2288.25	13555.94	2312.22
Capital	3687.27	853.95	3246.05	630.93
Total Gross :	17131.18	3142.20	16801.99	2943.15
<i>Deduct- Recoveries in reduction of expenditure</i>	906.57	0.26	489.14	-
Total : Net	16224.61	3141.94	16312.85	2943.15

2.1 Introduction

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

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 1998-99 against 102 approved Grants/Appropriations was as given below :

	Original Grant/appropriation	Supplementary Grant/appropriation	Total	Actual Expenditure	Variation Savings (-)/ Excess (+)
(Rupees in crore)					
Revenue					
Voted	10873.49	2570.42	13443.91	*13555.94	(+)112.03
Charged	2231.22	57.03	2288.25	2312.22	(+)23.97
Capital					
Voted	2802.64	235.47	3038.11	*2512.57	(-)525.54
Charged	0.57	3.07	3.64	3.30	(-)0.34
Public Debt Charged	836.18	14.12	850.30	627.63	(-)222.67
Loans & Advances (Voted)	582.80	66.36	649.16	733.48	(+)84.32
Inter State Settlement	0.01	-	0.01	-	(-)0.01
Total					
Voted	14258.93	2872.25	17131.18	16801.99	(-)329.19
Charged	3067.98	74.22	3142.20	2943.15	(-)199.05
Grand Total	17326.91	2946.47	20273.38	19745.14	(-)528.24

* These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under revenue expenditure : Rs.262.00 crore and capital expenditure : Rs.227.14 crore.

The total Expenditure was understated at least to the extent of Rs.21.20 crore drawn from the Contingency Fund during 1998-99 which

remained unrecouped at the close of the year as discussed in paragraph 2.3.14.

Excess over provision relating to previous years requiring regularisation.

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs. 3782.54.crore for the years-1988-89,1989-90,1991-92 to 1997-98 was yet to be regularised.

Year	Number of grants/appropriations	Grant/Appropriation No(s)	Amount of excess (Rupes in crore)	Amount for which explanations not furnished to PAC
1988-89	43	<u>Revenue voted</u> 2,3,4,15,23,28,36,41,42,43,44,48,58, 67,69,71,74,79,81, 84,85,90,91,94,96 <u>Capital voted</u> 4,7,23,25,43,54,57,89,93 <u>Revenue Charged</u> 5,10,15,41,57,62,79,102 <u>Capital Charged</u> 87	75.12	NIL
1989-90	40	<u>Revenue Voted</u> 4,9,15,18,23,38,40,42,43,44,60,62, 69,76,77,78,79,81,82,83,84,86,88, 96,97,99, 101, 102 <u>Capital Voted</u> 10,63,90,91,93 <u>Revenue Charged</u> 2,16,32,59,86 <u>Capital Charged</u> 83	112.51	NIL
1991-92	52	<u>Revenue Voted</u> 1,4,8,9,18,26,30,39,41,43,44,45,47, 64,65,66,67,68,69,70,71,74,76,80, 82,85,87,88, 91,93,94,98 <u>Capital Voted</u> 4,6,23,41,46,47,50,65,81,82,84,89, 90 <u>Revenue Charged</u> 18,26,44,69,77,92 <u>Capital Charged</u> 20	387.89	NIL
1992-93	44	<u>Revenue Voted</u> 8,9,18,23,31,32,38,43,44,45,46,47, 49,50,57,65,66,71,72,74,76,80,82, 84,85,86,87,88,92,93 <u>Capital Voted</u> 4,5,24,42,52,71,81,82,84,90 <u>Revenue Charged</u> 32,61 <u>Capital Charged</u> 19,20	427.15	NIL

1993-94	32	<u>Revenue Voted</u> 4,6,9,13,18,31,39,43,44,45,65,66,71, 80,82,84,85,86,98 <u>Capital Voted</u> 47,52,65,66,81,82,97,100 <u>Revenue Charged</u> 32,44,61,66 <u>Capital Charged</u> 20	574.79	150.95
1994-95	43	<u>Revenue Voted</u> 4,6,10,21,26,30,39,43,45,46,49,50, 53,57,63,65,67,68,73,78,79,82,83, 84,86,87,95,98 <u>Capital Voted</u> 10,13,15,19,24,42,52,73,77,92 <u>Revenue Charged</u> 61,68,82,99 <u>Capital Charged</u> 94	372.75	348.71
1995-96	53	<u>Revenue Voted</u> 1,4,5,8,10,12,20,22,24,37,38,40,42, 43,44,47,48,49,55,56,59,60,61,64, 66,72,78,80,81,83,84,85,86,87,88, 89,90,91,101,102 <u>Capital Voted</u> 3,5,8,9,49,58,73,86,87 <u>Revenue Charged</u> 8,43,67,84	564.16	543.27
1996-97	44	<u>Revenue Voted</u> 4,5,8,10,14,17,25,29,38,42,43,44,46, 48,55,56,59,60,64,66,68,74,79,81, 83,84,85,86,87,89,90,94,95,100 <u>Capital Voted</u> 6,23,72,81,85,92,102 <u>Revenue Charged</u> 19,87,90	534.27	533.82
1997-98	41	<u>Revenue Voted</u> 4,5,7,8,10,15,17,22,24,25,29,34,37, 40,47,52,55,59,60,64,66,68,72,76, 82, 83,84,85,87,88,91,98 <u>Capital Voted</u> 9,23,66,85,86,91,102 <u>Revenue Charged</u> 28,69	733.90	733.90
Total			3782.54	

2.3 Results of Appropriation Audit

2.3.1 The overall saving of Rs.528.24 crore was the result of saving of Rs.1509.51 crore in 135 grants and appropriations offset by excess of Rs.981.27 crore in 23 cases of grants and appropriations.

2.3.2 Supplementary provision made during the year constituted 17 per cent of the original provision as against 16 per cent in the previous year.

2.3.3 Supplementary provision of Rs.156.31 crore made in 20 cases during the year proved unnecessary and/or could have been restricted to a token amount in view of aggregate saving of Rs.756.44 crore as detailed in Appendix I.

2.3.4 In 26 cases against additional requirement of Rs.1538.87 crore, supplementary grants and appropriations of Rs.1684.49 crore were obtained resulting in savings in each case exceeding Rs.10 lakh aggregating Rs.145.62 crore. Details of these cases are given in Appendix II.

2.3.5 The excess of Rs.951.96 crore under 20 grants and Rs.29.31 crore under 3 appropriations require regularisation under Article 205 of the Constitution. Details of these are given in Appendix III.

2.3.6 In 10 cases, supplementary provision of Rs.1008.23 crore proved insufficient by more than Rs.10 lakh each, leaving an aggregate uncovered excess expenditure of Rs.886.50 crore as per details given in Appendix IV.

2.3.7 In 26 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in Appendix V.

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

2.3.8 (b) Significant excess was persistent in 4 cases as detailed in Appendix - VIA.

Persistent excess requires investigation by the Government for remedial action.

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

2.3.10 *Excessive/unnecessary re-appropriation of funds*

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

2.3.11(a) New Service/New Instrument of Service

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

In five cases, expenditure totalling Rs.7.41 crore which should have been treated as 'New Service'/'New Instrument of Service' was met by reappropriation without obtaining the requisite approval of legislature. Details of these cases are given in Appendix IX.

2.3.11(b) Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was however, noticed that expenditure of Rs.83.66 crore was incurred in 19 cases as detailed in Appendix - X, without the provision having been made in the original estimates/supplementary demands and no reappropriation orders were issued.

2.3.12 Anticipated savings not surrendered

2.3.12 (a) According to rules framed by Government the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 1998-99 there were 19 grants/appropriations in which large savings had not been surrendered by the department. The amount involved was Rs.159.84 crore. In 16 cases, the amount of available savings of Rs.1 crore and above in each case not surrendered aggregated Rs.355.39 crore. Details are given in Appendices - XI and XIA respectively.

2.3.12 (b) Besides, in 17 cases, Rs.372.06 crore out of total surrender of Rs.1124.50 crore were surrendered on the last two days of March 1998 indicating inadequate financial control over expenditure. Details are given in Appendix - XII.

2.3.13 Surrender in excess of actual savings

In 21 cases, the amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the total amount of actual savings of Rs.396.86 crore, the amount surrendered was Rs.418.56 crore, resulting in excess surrender of Rs.21.70 crore. Details are given in Appendix - XIII.

The above instances of budgetary irregularities are reported from year to year in Chapter - II of the Audit Report. If the precautions envisaged

in para 103 of the Gujarat Budget Manual are taken by all the departments, these could be minimised to a great extent.

2.3.14 Advances from Contingency Fund

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

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

As on 1 April 1998, the balance in the fund was Rs.141.82 crore. During the year advances drawn but unrecouped totalled Rs.21.20 crore. The balance of Rs.58.18 crore on account of advances drawn during 1997-98, but not recouped till 31 March 1998 were recouped during 1998-99. Thus, the closing balance of the fund as on 31 March 1999, was Rs.178.80 crore.

The Budget Manual lays down that proposals for sanctioning Advances from the Contingency Fund may be made by the Administrative Departments of the State Government when they are in a position to justify the circumstances under which (a) provisions could not be made in the annual or supplementary budget, (b) the expenditure could not be foreseen, and (c) the expenditure could not be postponed till the necessary approval of the Legislature is obtained.

During the year 1998-99, 491 sanctions were issued for withdrawal of total amount of Rs.187.76 crore.

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

(a) Three sanctions amounting to Rs.0.17 crore were not operated upon and were subsequently cancelled.

(b) Two sanctions amounting to Rs.0.66 crore were subsequently reduced to Rs. 0.24 crore.

(c) The actual expenditure against 22 sanctions was less than 50 per cent of the amount sanctioned (Rs.40.47 crore).

(d) Three sanctions amounting to Rs.1.74 crore were subsequently increased to Rs.10.59 crore.

(e) One hundred thirty seven sanctions amounting to Rs.56.23 crore were neither operated nor cancelled.

(f) The actual expenditure of Rs.8.72 crore against 12 sanctions exceeded the amount of Rs.7.34 crore sanctioned by Rs.1.38 crore.

2.3.15 Irregular operation of Contingency Fund

It was noticed in audit that in four cases advances of Rs.25.54 crore were sanctioned (Rs.0.21 crore in March 1997 in one case and Rs.25.33 crore in March 1998 in three cases) in violation of the Contingency Fund Rules as discussed below:

(i) Rupees 0.21 crore were sanctioned by Government and drawn by Executive Engineer, Roads and Buildings Division (Kheda), Nadiad in March 1997 to meet the cost of acquiring land for construction of a Civil Court Building; though the Department was aware of the transaction since May 1996. Administrative approval for the building was given in November 1998 and land was not put to use as of March 1999.

(ii) Rupees five crore were sanctioned on 31 March 1998 and placed at the disposal of Executive Engineer, Irrigation Project Division, Junagadh for 'Ozat Weir Project' which was neither a new service nor an unforeseen work as provision of Rs.2.88 crore was already made in the budget during 1997-98. Out of Rs. five crore sanctioned, Rs.2.55 crore were paid on 3rd running account bill in March 1998 and Rs.0.40 crore and Rs.1.25 crore were paid as advance in March 1998 and February 1999 respectively to Mechanical Division for fabrication of godbole gates. The gates were not received as of November 1999.

(iii) Rupees 18.50 crore were sanctioned in March 1998 for five Irrigation Schemes other than 'Demi-III Irrigation Scheme'. However, Rs.2.03 crore were incorrectly drawn by Executive Engineer, Project Construction Division-III, Rajkot from Contingency Fund and spent on Demi-III Irrigation Scheme.

(iv) Rupees 1.83 crore were sanctioned by Government in March 1998 for construction of 12 godowns for storing foodgrains under PDS. The amount was drawn by Director of Food and paid to Gujarat State Civil Supplies Corporation Limited with instructions to credit the amount in the Personal Ledger Account (PLA). Drawal of Rs.1.83 crore from Contingency Fund was irregular as the amount was credited to PLA by the Corporation on 31 March 1998.

2.3.16 Trend of Recoveries and Credits

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross

expenditure and exclude all credits and recoveries which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

In 13 grants/appropriations the actual recoveries adjusted in reduction of expenditure (Rs.126.23 crore) exceeded the estimated recoveries (Rs.67.09 crore) by Rs.59.14 crore and in 83 grants/appropriations the actual recoveries (Rs.362.91 crore) were less than the estimated recoveries (Rs.839.74 crore) by Rs.476.83 crore. More details are given in Appendix - II of Appropriation Accounts.

2.3.17 Non-receipt of explanations for savings/excesses

For the year 1998-99 explanations for savings/excesses were either not received or where received were incomplete in respect of 367 heads of Accounts which form 59 *per cent* of the number of heads.

2.3.18 Unreconciled Expenditure

Financial rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General. In respect of 20 departments expenditure of Rs.558.26 crore pertaining to 1998-99 remained unreconciled despite repeated reminders.

CHAPTER III

CIVIL DEPARTMENTS

SECTION A-REVIEWS

EDUCATION DEPARTMENT

3.1 Nutritional Support to Primary Education

Highlights

The scheme for Nutritional Support to Primary Education (NSPE), a centrally sponsored scheme was launched on 15 August 1995 by Government of India (GOI) to give a boost for universalisation of primary education by increasing enrolment, retention and attendance and simultaneously impacting on nutrition of students in primary classes.

Audit Review of the implementation of the scheme revealed serious weaknesses :

Large number of students were deprived of the benefit of the scheme every year due to delayed start of Mid-Day Meal centres and this was not monitored.

Government of India orders were flouted by diverting foodgrains supplied for students of primary classes I to V to senior students and by not shifting the savings due to free supply of foodgrains to other programmes in Elementary Education. Utilisation of foodgrains was much less than the quantity lifted. The scheme was mismanaged and not monitored properly.

Due to allocation of foodgrains on the basis of enrolment figures, instead of actual off-take, Government of India allotted 16.96 lakh quintal of foodgrains valued Rs.145 crore during 1995-1999 in excess. Out of 9.95 lakh quintal of foodgrains lifted only 8.72 lakh (88 per cent) quintal were actually utilised during 1995-99. In the test-checked districts lifting was only 26 to 38 per cent of the allotted quantity. The Government and district authorities did not monitor the lifting of the foodgrains.

(Paragraph 3.1.5)

Foodgrains valued Rs.3.77 crore were diverted to children of senior classes (VI and VII) during 1998-99 without any express consent of Government of India.

(Paragraph 3.1.6)

Transportation charges amounting to Rs.63.73 lakh were claimed in excess by the State Government and reimbursed by Government of India during 1995-98.

(Paragraph 3.1.7)

Assistance amounting to Rs. 70.65 crore extended by Government of India for nutritional programme of primary classes was not shifted to other programmes in Elementary Education by the State Government as desired by the Government of India.

(Paragraph 3.1.8)

Mid-Day Meal centres were short inspected to the extent of 68 per cent and 77 per cent during 1995-99. This was not monitored by the Commissioner.

(Paragraph 3.1.9)

Though, sessions of primary schools started in June every year, Mid-Day Meal centres were started mostly in the month of August and November. As a result the scheme was not operated for ten months in an year as required. The Commissioner and District Collectors failed to ensure timely start of Mid-Day Meal centres which deprived of mid-day-meals to 12.30 lakh to 22.30 lakh students daily for one to three months during 1995-99.

(Paragraph 3.1.10)

State Level Committee did not meet even once since its formation in 1992. Village Level Committees met at a delay of 3 months to 3 years. Thus, the monitoring by these committees were virtually absent.

(Paragraph 3.1.11)

No computerised management information system for proper monitoring was developed though required.

(Paragraph 3.1.12)

Target for enrolment, attendance and drop out to be achieved as a result of the scheme was not fixed for the scheme. The impact of the scheme were not assessed.

(Paragraph 3.1.15)

Fog generating machines valued Rs. 28.07 lakh purchased for spraying insecticides at Mid-Day Meal kitchens and school premises were lying idle since March 1996 at taluka offices due to non-availability of operators. Thus, the scheme for improved hygiene in the kitchens were not ensured.

(Paragraph 3.1.16)

No independent monitoring and evaluation of the scheme was arranged by the State Government.

(Paragraph 3.1.17)

3.1.1 Introduction

The scheme provided for free meals having a calorific value equivalent to 100 grams of wheat/rice per day to school children in primary classes I to V in all Government /Local Body and Government aided schools for 10 academic months during a year.

In Gujarat, a Mid-Day Meal scheme covering students of primary schools, was in existence since 1984. This scheme was dovetailed with the national programme viz. from 1995-96. The scheme was introduced in a phased manner*, during 1995-96 to 1997-98.

3.1.2 Organisational Set up

The Commissioner, MDM Scheme and Ex-officio Additional Chief Secretary to the Government of Gujarat, (Commissioner) Education

* 1995-96-131 RPDS talukas, 1996-97 -7 LFL talukas and 1997-98-all the 184 talukas.

Department (Department) was responsible for the administration of the scheme at State level.

The movement of foodgrains from FCI godowns to places of requirement was managed by the Gujarat State Civil Supplies Corporation.

In the districts, the scheme was implemented by the District Collectors through Deputy Collector (MDM). He was assisted by a Deputy Primary Education Officer. In the towns and cities Municipal Commissioners implemented the scheme.

3.1.3 Audit Coverage

Implementation of the scheme during 1995 to 1999 was reviewed (November 1998 and June 1999) through test-check of records of the Commissioner, four selected district offices at Baroda, Kheda, Rajkot and Surat and Rajkot and Surat Municipal Corporations.

Important points noticed are mentioned in the succeeding paragraphs.

3.1.4 Funding of the scheme

The scheme provides 100 *per cent* central assistance to meet;

(i) the economic cost of foodgrains supplied free of cost by Food Corporation of India(FCI) to the Commissioner and

(ii) cost of transportation of foodgrains to schools from the nearest FCI godown/depot at prescribed rate. Expenditure on transportation was to be reimbursed at the rate of Rs.25 per quintal and from 1 June 1997 at the rate of Rs.50 per quintal.

Expenditure on kitchen-sheds and labour charges for serving cooked food was to be met from the Poverty Alleviation schemes (Jawahar Rojgar Yojna/ Nehru Rojgar Yojna) of the Central Government. Remaining cost of conversion of foodgrains into hot cooked meal would be met by the concerned State Government, Local Bodies and the Community.

In the State of Gujarat hot cooked meal was provided under the scheme.

3.1.5 Allocation, lifting and utilisation of foodgrains

Non observance of prescribed procedure of allocation resulted in short lifting of 16.96 lakh quintal foodgrains besides under utilisation of 1.23 lakh quintal

Allocation of foodgrains for the scheme made by GOI was based on off-take figures received from the Food Corporation of India (FCI) and district-wise utilisation certificate and enrolment data received from the State.

Year-wise allocation, lifting and utilisation of foodgrains during 1995-96 to 1998-99 revealed that while 23 to 63 per cent of the allocated foodgrains were lifted, only 56 to 73 per cent of the lifted foodgrains were utilised as under :

(In lakh quintal)

#

Year	Number of students enrolled (in lakh)	Requirement of food-grains of 100 grams per child per day	Quantity allotted	Food grains available at the commencement of the year	Quantity lifted from FCI	Percentage of Quantity lifted vis a vis allocation	Food grains utilised	Quantity short utilised (Progressive)	Percentage of short utilisation vis-a-vis lifting
1995-96	24.87	3.15	3.15	---	1.98	63	1.10	0.88	44
1996-97	27.04	4.21	4.21	0.88	2.27	54	1.78	1.37	43
1997-98	44.78	10.74	10.74	1.37	2.52	23	2.67	1.22	31
1998-99	44.08	8.81	8.81	1.22	3.18	36	3.17	1.23	27
Total		26.91	26.91	3.47	9.95		8.72		

(a) Test-check revealed that instead of working out requirement of foodgrains on the basis of off-take figures of foodgrains from FCI and utilisation certificate received from the State subject to maximum of 100 gram per enrolled student per school day, annual allocation was made by GOI multiplying enrolment figure, with 100 gram and school days which resulted in excess allocation of 16.96 lakh quintal of foodgrains valued Rs 145 crore during 1995-96 to 1998-99,

(b) Even though GOI allotted full quantity of foodgrains as per the requirement, only 37 per cent of total quantity allotted by GOI was lifted by GOG. Evidently, the Commissioner at the State level and the District Collectors at districts did not monitor the lifting of foodgrains.

(c) Further, even out of the inadequately lifted quantity of 9.95 lakh quintal during 1995-99, only 8.72 lakh quintal (88 per cent) were actually utilised during the period. The percentage of unutilised foodgrains during 1995-96 to 1998-99 vis-a-vis lifting ranged between 27 (1998-99) and 44 (1995-96).

Scrutiny of allocation, lifting and utilisation of foodgrains in four* test-checked districts revealed that percentage of lifting of foodgrains

Information was compiled from the records of Commissioner, MDM and GOI allotment orders.

* Baroda, Kheda, Rajkot and Surat

against allocation ranged between 26 and 38, whereas percentage of utilisation *vis-a-vis* lifting ranged between 55 and 250. Reasons for short lifting and under/ excess utilisation of foodgrains were neither available on record nor furnished to Audit. The unutilised foodgrains from MDM Centres were returned to taluka godowns every year involving unnecessary movement of foodgrains.

Further, figures of lifting and utilisation in respect of test-checked districts communicated to GOI by the Commissioner were less by 0.25 lakh quintal and 0.05 lakh quintal respectively for which no reasons were available on record.

3.1.6 Diversion of foodgrains to non-targetted students

Foodgrains valued Rs.3.77 crore diverted to non targetted students of classes VI and VII

The scheme provided free mid-day meals to the children in Primary Classes I to V of Government, Local Bodies and Government aided schools.

It was noticed that 0.27 lakh quintal of wheat and 0.16 lakh quintal of rice valued Rs.3.77 crore were diverted for providing mid-day meals to the students of standards VI and VII during August 1998 to March 1999 in contravention of the scheme guidelines.

The Commissioner stated (May 1999) that Primary Education in Gujarat included standard VI and VII also and these students could not be excluded from targetted group. He also stated that matter was discussed with the authorities of GOI and affirmative oral reply was received. However, the formal consent of GOI to this diversion was not furnished by him.

3.1.7 Excess claim and reimbursement of transportation charges

Claim of transportation charges in excess of actual expenditure resulted in excess reimbursement of Rs. 63.73 lakh

Transportation charges for movement of foodgrains from FCI godowns to schools were reimbursable at the rate of Rs.25 per quintal which was revised from 1 June 1997 to actual transportation cost subject to maximum of Rs.50 per quintal. In Gujarat, Gujarat State Civil Supplies Corporation (Corporation), was engaged for handling foodgrains.

Handling charges claimed[♦] by the Corporation included not only expenditure on transport and labour charges, but also additional claims such as octroi, market cess, transportation loss, godown loss, administrative expenses, commission to PDS shopkeepers etc. which would not form part of transportation charges. After excluding other charges, actual charges of transportation and labour admissible for 1995-96 to 1997-98 worked out to Rs.1.00 crore as against Rs.2.32 crore, claimed/reimbursed as shown below :

[♦] Per quintal at the rate of Rs.50.85 (Wheat) and Rs.76.85 (Rice) for 1995-96, Rs.62.55 (Wheat) and Rs.87.20 (Rice) for 1997-98 and Rs.105.20 (Wheat) and Rs.128.50 (Rice) from April 1998 and onwards.

Year	Foodgrains transported from FCI to schools (In lakh quintal)	Total amount claimed/reimbursed (Rupees in lakh)	Total amount admissible (Rupees in lakh) at the rate of Rs.10 per quintal.	Amount excess claimed/reimbursed (Rupees in lakh)
1995-96	1.98	49.42	19.77	29.65
1996-97	2.27	56.80	22.72	34.08
1997-98	2.52	126.14*	57.96	68.18
Total		232.36	100.45	131.91

Claims of full amount submitted by GOG without limiting it to the actual expenditure on transport and labour were reimbursed by GOI which resulted in excess reimbursement of Rs.63.73 lakh during 1995-96 to 1996-97.

The Commissioner stated (June 1999) that the matter would be discussed with the Corporation and excess amount would be returned to Central Government. Further developments were awaited (June 1999).

3.1.8 Benefit of GOI assistance not passed on to other existing programmes

Expenditure of Rs.70.65 crore reimbursed by Government of India to State Government was not shifted to elementary education

The scheme provided that Local Bodies/States already implementing MDM scheme were also eligible for Central Support in accordance with the guidelines of the scheme. It was, however desired by GOI that the States shift the expenditure reimbursed by GOI for the school nutrition programme to other programmes in elementary education.

In Gujarat MDM scheme was implemented since 1984. It was noticed that expenditure reimbursed by Government of India by way of providing 4.61 lakh quintal of wheat and 4.11 lakh quintal of rice valued Rs. 32.48 crore and Rs.37.11 crore respectively during 1995-96 to 1998-99 and transport charges of Rs.1.06 crore reimbursed for 1995-96 and 1996-97 were not shifted to other programmes in elementary education by the State Government.

Reasons for non-shifting of expenditure reimbursed by GOI and details as to how the savings which accrued under MDM scheme, due to free supply of foodgrains by GOI for children in primary classes I to V, utilised were neither available on record nor furnished to Audit.

* Reimbursement pending with GOI

3.1.9 Shortfall in inspection of MDM centres

Shortfall in inspection of centres ranged between 68 per cent and 77 per cent

For smooth and proper implementation of the scheme, regular inspection of the MDM centres by the officers of Collectorates and District Panchayats was envisaged by the State Government (April 1985) *.

Test-check of records of the Commissioner relating to inspection revealed the following :

Year	Number of Officers to whom inspection work given	Number of inspection to be conducted	Number of inspection actually conducted	Percentage of shortfall
1995-96	1037	121759	27919	77
1996-97	1244	124944	30644	76
1997-98	1124	85592	19235	77
1998-99 (Upto February 1999)	615	68452	21915	68

Shortfall in inspection ranged between 68 per cent and 77 per cent during 1995-96 to 1998-99. Information relating to cadre-wise shortfall in inspection was not analysed or monitored by the Commissioner. However, position of inspection in test-checked districts (Baroda, Kheda and Rajkot) was as shown in Appendix - XIV.

Average shortfall in inspection in test-checked districts by (i) Deputy Collector ranged between 12 per cent and 57 per cent (ii) Deputy District Primary Education Officer between 28 per cent and 100 per cent (iii) Mamlatdar between 47 per cent and 70 per cent (iv) Deputy Mamlatdar between 19 per cent and 67 per cent and (v) Primary Education Inspector between 87 per cent and 100 per cent. Shortfall in inspection was attributed to vacant post (Baroda-Deputy District Education Officer and Primary Education Inspector) and office work, election duties, examination etc. (Kheda-Primary Education Inspector and Rajkot-Deputy District Education Officer). The reasons were very general in nature except the reason of vacant posts. Thus, there was scope for better monitoring of the inspection of the MDM Centres.

3.1.10 Late start of the scheme

Centres were started 1 to 3 months late from the date of commencement of academic year

According to the guidelines, mid-day-meals were to be provided to eligible children of primary school on every school day. It was however noticed that centres were started late as shown below :

* Number of centres to be inspected monthly by (i) Deputy Collector-20, (ii) Deputy District Primary Education Officer-25, (iii) Mamlatdar-10 and (iv) Deputy Mamlatdar-20.

Year	Month during which scheme was to be started	Month in which started	Delayed of Start of Centres
1995-96	August	November	August to October
1996-97	June	August	June and July
1997-98	June	July	June
1998-99	June	August	June and July

Delayed start of MDM Centres deprived of mid day meals to 12.30 lakh to 22.30 lakh students daily for one to three months during 1995-99*.

While no reasons for delayed start of centres during 1995-98 were furnished, for 1998-99 the Commissioner stated that centres were started late due to non-supply of foodgrains by FCI. This was not tenable as 1.22 lakh quintal of foodgrains were available on 1 April 1998 with centres which were sufficient to cater the requirements for four months.

3.1.11 Formation of Committees

Irregular meetings of committees of State/Districts/village level

The scheme provided for formation of Village Education Committee, District Level Committee and State Level Committee with broad popular participation to create awareness of the programme, generate community support and universalise participation of all children in primary education.

Following points were noticed :

- (i) Though State level committee was constituted in October 1992, no meeting was held as of June 1999.
- (ii) Meetings were not held regularly every month by the District authorities though district committees were formed in all selected districts.
- (iii) In Surat, during 1995-96, 1996-97, 1997-98, out of total 1728, 1736 and 1736 centres, committees in 234, 166 and 496 centres respectively were not formed.

Similarly, in Rajkot during 1996-97 and 1997-98 out of 1085 and 1088 centres, committees in 9 and 228 centres respectively were not formed.

* 12.30 lakh students for three months in 1995-96, 12.72 lakh students for two months in 1996-97, 20.20 lakh students for one month in 1997-98 and 22.30 lakh students for two month in 1998-99.

(iv) Of 138 test-checked centres of selected talukas of Baroda, kheda, Rajkot and Surat districts, 13* centres were found irregular in convening monthly Village Level Committee meetings. Delay in convening meetings ranged between 3 months to nearly 3 years for which no reasons were furnished by Taluka Mamlatdars of test-checked talukas.

3.1.12 Computerised management

Computerised management information system for monitoring the scheme was not developed

A computerised management information system for proper monitoring of the scheme was to be developed by the State Government. No such system was, however, developed by the State Government (June 1999).

Reasons for non-implementation of computerised management information system, were not furnished by the Commissioner.

3.1.13 Disposal of gunny bags

Non disposal of gunny bags used for packing and transportation of foodgrains

The scheme provides for supply of foodgrains free of cost by GOI to State for providing mid-day meals to the primary school children. But the gunny bags in which foodgrains were packed and transported from FCI godowns to schools were neither returned to GOI nor bags sold out and amount credited to Central Government.

Scrutiny of records of the Commissioner revealed that 8.72 lakh quintal of foodgrains were utilised during 1995-96 to 1998-99. Considering one bag for one quintal of foodgrains, total empty bags required were 8.72 lakh, but no record was available to show number of bags auctioned, disposed of and amount realised and credited to GOI.

However, test-check of records of selected districts and corporations revealed that empty gunny bags were not disposed of in Rajkot and Baroda districts whereas in Municipal Corporations and Surat district amount realised was credited to State Government instead of Central Government during 1995-96 to 1998-99 as shown below :

* 1 Parthampura Primary School, Savli, 2 Ganeshpura Primary School Savli, 3 Chhota-udepur Taluka School-2, Chhota-udepur, 4 Kikavada Primary School No.-1, Chhota-udepur, 5 TejgarGroup School No.-2, Chhota-udepur, 6 Dhandhoda Primary School No.-26, Chhota-udepur, 7 Oliamba Primary School No.-1, Chhota-udepur, 8 Zoz Primary School No.-100, Chhota-udepur, 9 Mor Mukhyashala Olpad, Olpad, 10 Prathmikshala, Kavdi Centre 61, Olpad, 11 Olpad Branchshala, Olpad, 12 Bhagat faliya Primary School Centre No.-52, Olpad and 13 Primary School, Sosak Centre No.46, Olpad.

District	Number of Empty gunny bags (In lakh)	Number of bags disposed off	Amount realised and credited in State Account (Rupees in lakh)	Bags remained to be disposed off
Baroda (Savli Taluka)	0.47	--	--	0.47
Rajkot	0.37	--	--	0.37
Rajkot Muni. Corporation	0.05	0.02	0.13	0.03
Surat Muni. Corporation	0.19	0.19	1.16	--
Surat	1.22	0.18	1.48	1.04

Since foodgrains were provided free of cost, amount realised was to be credited to GOI. No reasons for non-disposal of bags/non-crediting of amount to GOI were furnished.

3.1.14 Non-supply of weights and measures

Weights and measures not supplied to MDM Centres

Mention was made in paragraph 4.1.9 (v) of the Report of Comptroller and Auditor General of India for the year 1986-87 about non supply of weights and measures to MDM centres. However, it was noticed in test checked districts that the MDM centres were not supplied weights and scales (*Tol map*) and the organisers used to take required stock by approximate measure through use of tin/vessel since the inception of the programme.

In the absence of weight and scale, food was prepared only on the basis of approximate weight, which resulted in non-ensuring the requirement of supplying meals of prescribed calorific value. Further, issues exhibited in stock registers represented only approximate quantity and not actual quantity. Reasons for non-supply of weights and measures were neither available on record nor furnished.

3.1.15 Enrolment, attendance and drop out not monitored

Milestone for achievement in implementation of the scheme was not fixed

The scheme was implemented in phased manner in the State. Target fixed and achievement made in respect of coverage of the programme was as under :

Year	Target Talukas	Achievement Talukas
1995-96	131	131
1996-97	138	138
1997-98	184	184
1998-99	184	184

Though number of talukas were covered as targetted the impact of the scheme on universalisation of primary education by increasing enrolment, retention and attendance could not be assessed in Audit as no target for enrolment, attendance and dropout were fixed under the scheme.

However, position of enrolment, attendance and utilisation of foodgrains during 1995-99 was as under :

Year	Numbers of enrolled (In lakh students)	Requirement of foodgrains (In lakh quintal)	Average daily attendance (In lakh students)	Percentage of	
				Attendance vis-à-vis enrollment	Utilisation of foodgrains vis-à-vis requirement
1995-96	24.87	3.15	18.27	73	28
1996-97	27.04	4.21	19.25	71	33
1997-98	44.78	10.74	27.53	61	11
1998-99	44.08	8.81	29.76	68	14

Source : Quarterly progress reports sent to Government of India by Commissioner, MDM.

Though, all the talukas were covered number of students enrolled reduced from 44.78 lakh (1997-98) to 44.08 lakh (1998-99). Average daily attendance *vis-à-vis* enrolment reduced from 73 per cent (1995-96) to 68 per cent (1998-99). Utilisation of foodgrains *vis-à-vis* requirement ranged between 11 per cent (1997-98) and 33 per cent (1996-97) and reduced from 28 per cent (1995-96) to 14 per cent (1998-99).

Reduction in enrolment, attendance and utilisation of foodgrains indicated that the scheme did not achieve desired objectives.

3.1.16 Idle Fog Generating Machines

Fog generating machines costing Rs.28.07 lakh were lying idle for more than two years

Government of Gujarat decided (March 1996) to procure fog generating machines for spraying insecticides, at MDM kitchen, stores and school premises to keep the area neat and clean and free from insects. Accordingly 184 machines valued of Rs.28.07 lakh were purchased from Techno Mark (India) Bombay during March 1996 with 12 months guarantee against any manufacturing defect and despatched to 184 talukas of the State during April 1996.

Test-check of records of Deputy Collectors (MDM) Baroda, Kheda, Rajkot and Surat districts revealed that the machines were not at all used and were lying idle in the offices of Mamlatdars. Thus, the scheme for providing improved hygiene in the kitchen could not be implemented.

The Deputy Collectors Baroda, Kheda, Rajkot and Surat stated (May 1999) that existing workers were not conversant with the working of machines and due to non-availability of skilled workers, machines could not be operated.

This was not tenable as training was imparted to the Deputy Mamlatdars by the supplier from 2 July 1996 to 26 July 1996 as per agreement.

No independent agencies were fixed for concurrent monitoring and evaluation

3.1.17 Evaluation

The scheme provided that Government would entrust concurrent monitoring and evaluation of the scheme to independent agencies and would also provide access to designated agencies for discharge of the monitoring and evaluation functions. However, no agency was fixed by the State Government for which no reasons were furnished though called for.

3.1.18 Suggestions

Based on audit observations the following suggestions are made for consideration of Government :

- (i) The Government should ensure operation of the scheme for the whole year as there was no shortage of foodgrains.
- (ii) For proper implementation of the scheme, inspection of MDM Centres at various levels need be strengthened. Meeting of committees at various levels need be convened regularly to improve the functioning of the scheme.
- (iii) Lifting of the allotted foodgrains and their full utilisation should be ensured by proper monitoring of the scheme.

3.1.19 The matter was reported to Government (June 1999); reply has not been received (November 1999).

3.2 Working of Technical Education Wing

Highlights

Technical Education Wing deals with technical education in the State through engineering colleges, polytechnics, pharmacy colleges and technical highschoools for quality improvement, capacity expansion and efficiency improvement of imparting technical education.

Audit scrutiny revealed significant weakness in budgetary and expenditure control system due to which budgetary provisions, particularly for Plan, were not fully utilised year after year. The Technical training institutes suffered from persistent shortage of teaching staff and had very high student teacher ratio. Inspection and evaluation system was very weak. The institutes functioned with deficient infrastructure without due attention of the Director.

There was savings of Rs.1.15 crore, Rs.1.01 crore and Rs.0.98 crore during 1995-96, 1996-97 and 1997-98 respectively.

(Paragraph 3.2.4.1(i))

Neither Budget/Revised Estimates received from subordinate Institutes nor calculation/working for consolidated Budget/Revised Estimate were available with the Director.

(Paragraph 3.2.4.1 (v))

New items were included in budget proposal without prior administrative approval in violation of provisions of Gujarat Budget Manual which resulted in surrender of 30 per cent plan grant during 1995-98.

(Paragraph 3.2.4.1.(vi))

As against stipulated date of 15 February, the Director surrendered grant to Education Department during 1995-97 after the middle of March.

(Paragraph 3.2.4.1(ix))

Shortage of teaching staff in Government Engineering Colleges and Polytechnics ranged between 27 per cent and 39 per cent and in Government Pharmacy College it was 62 per cent during 1995-98.

(Paragraph 3.2.5.1)

Two hundred eighty five class III employees, 12 teaching members of engineering Colleges and 105 Gazetted Officers of Polytechnic and Technical High Schools were not transferred from their respective stations for five to 36 years.

(Paragraph 3.2.5.2)

Large number of teacher appointed on ad hoc basis were continued indefinitely without Government sanction.

(Paragraph 3.2.5.3)

Forty per cent of the regular faculty members and teachers were not trained as required under AICTE norms.

(Paragraph 3.2.5.4)

Student-Teacher ratio ranged between 18:1 and 170:1, 19:1 and 85:1 and 17:1 and 70:1 during 1995-98 in 13, 14 and 14 departments respectively of seven Polytechnics as against maximum permissible ratio of 16:1.

(Paragraph 3.2.6.1)

Quarters constructed between 1987 and 1991 at a cost of Rs.58.01 lakh at Bhavnagar (Rs.46.71 lakh) and Porbandar (Rs.11.30 lakh) were lying vacant as the same were situated far away from cities.

(Paragraph 3.2.8.1)

Expenditure of Rs.37.46 lakh incurred on Hostel Building for B.K. Mody Government Pharmacy College, Rajkot remained unfruitful as the possession of the building was not taken by the Principal.

(Paragraph 3.2.8.2)

3.2.1 Introduction

Education Department (Department) comprises of four wings namely Primary, Secondary, Higher and Technical education.

Technical Education Wing (Wing) deals with technical education in the State through Engineering Colleges, Polytechnics, Pharmacy colleges and Technical High schools. The main objectives of the wing are;

- (i) quality improvement through modernisation, expanded and upgraded teacher's training, curriculum development, career development, industry institute interaction, learning resources development etc.,
- (ii) capacity expansion by encouraging self financing institutes and increasing intake capacity to optimise resources utilisation in the existing institutes,
- (iii) efficiency improvement by strengthening Directorate of Technical Education (DTE) and Technical Examination Board (TEB) and
- (iv) establish Gujarat State Council of Technical Education.

3.2.2 Organisational set up

Principal Secretary, Higher and Technical Education in Department is in overall charge of the wing and deals with the policy aspects of the department. Director of Technical Education (Director) is the Head of Department of field formations; he is assisted by six Joint Directors and one Deputy Director. There are 160 (Government (57), Grantee (47) and Self Financed (56)) Institutes* in the State. TEB functioning under the control of the Director is responsible for conducting examinations.

3.2.3 Audit Coverage

Working of some aspects of Technical Education Wing for 1995-96 to 1997-98 were reviewed in audit through test-check of records of the department, the Director and 15[▲] Institutes.

Important points noticed are discussed in succeeding paragraphs.

* 22 Engineering colleges, 6 Degree Pharmacy colleges, 30 Polytechnics, 7 Diploma Pharmacy Institutes and 95 Certificate Level Institutes.

▲ One Government & One Grantee Engineering colleges at Ahmedabad and Vallabh Vidyanagar respectively, Six Government Polytechnics (Ahmedabad-two, Bhavnagar-one, Rajkot-two and Surat-one), One Grantee Polytechnic at Vallabh Vidyanagar, one Government and one Grantee Pharmacy colleges at Ahmedabad and Rajkot respectively, one Government and one Grantee certificate level Institutes at Ahmedabad and Surat respectively, Technical Examination Board, Gandhinagar and Learning Resource Development Centre, Ahmedabad.

3.2.4 Financial Management and Control

3.2.4.1 Budgetary Control

Savings ranged between Rs.0.98 crore and Rs.1.15 crore

According to the provisions of Gujarat Budget Manual (Manual), submission of the budget estimates to the department is the responsibility of the controlling officers. The Secretary of the concerned department is to submit budget estimates to the Finance Department (FD). Director is the controlling Officer for the Technical Education Wing. There are 57 disbursing officers under the control of the Director.

(i) Details of Budget Provision vis-a-vis expenditure (for Revenue as well as Capital Section) during 1995-96 to 1997-98 were as under :

(Rupees in crore)

Year	Budget Provision	Expenditure	Excess	Saving
1995-96	64.18	63.04	0.01	1.15
1996-97	66.15	65.20	0.06	1.01
1997-98	70.48	69.56	0.06	0.98

Under Revenue Head, the details of expenditure on staff cost, Grants-in-Aid (GIA) and on contingencies during 1995-98 were as under :

(Rupees in crore)

Year	Total Revenue Expenditure	Staff cost		Grants-in-Aid		Contingencies	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1995-96	50.39	32.53	65	11.40	22	6.47	13
1996-97	56.26	35.20	62	11.71	21	9.35	17
1997-98	62.19	41.53	67	12.56	20	8.10	13

Table shows that staff cost constituted 62 to 67 per cent of the total expenditure of the Department.

(ii) Details of expenditure including capital expenditure under Plan and Non-Plan were as under :

(Rupees in crore)

Year	Plan	Percentage of Plan expenditure over total Expenditure	Non-Plan	Percentage of Non Plan expenditure over total expenditure	Total
1995-96	22.86	36	40.18	64	63.04
1996-97	23.69	36	41.51	64	65.20
1997-98	22.74	33	46.82	67	69.56

Expenditure on Non-Plan activities ranged between 64 per cent and 67 per cent

(iii) Revenue expenditure under Plan and Non-Plan was as below :

(Rupees in crore)

Year	Total expenditure (Revenue)	Plan expenditure Amount	Percentage to total expenditure	Non-Plan expenditure Amount	Percentage to total expenditure
1995-96	50.39	10.42	21	39.97	79
1996-97	56.26	15.11	27	41.15	73
1997-98	62.19	15.43	25	46.76	75

The table below indicates the expenditure *vis-a-vis* budget on the major plan schemes:

(Rupees in lakh)

Serial number.	Name of Scheme	Budget provision			Expenditure			Percentage of expenditure to Budget Provision		
		1995-96	1996-97	1997-98	1995-96	1996-97	1997-98	1995-96	1996-97	1997-98
1	TED 1, WBA, Strengthening of Administrative set up of Technical Education Department	73.00	126.97	76.48	42.64	60.63	50.68	58	48	66
2	TED 3, Development of Government Polytechnics and Girls Polytechnics	77.35	143.85	256.85	64.11	84.73	143.28	83	59	56
3	TED 3, WBA Development of Government Polytechnics and Girls Polytechnics	821.00	945.50	770.50	572.59	824.97	755.00	70	87	98
4	TED 5, Development of Government Engineering Colleges	207.90	530.40	295.50	135.59	255.01	270.02	65	48	91
5	796 TASP, TED 3, Development of Government Polytechnics and Girls Polytechnics	61.50	73.65	61.82	35.04	34.67	43.42	57	47	70

The table indicates that there was a shortfall in plan expenditure on the major schemes except in respect of World Bank Aided Schemes at number 3 and 4 above where the trend was better. As discussed in Para 3.2.4.1 (vi) 30 per cent of the plan grants were surrendered during 1995-1998.

(iv) Budget proposals sent late

According to the provision of the manual, Revised Estimates (RE) and Budget Estimates (BE) were to be submitted by the disbursing officers (i.e. Institutes) to the controlling officer (i.e. Director) by 1 December

and 15 September respectively, and by the controlling officer to the department by 10 December and 30 September respectively. Secretary of department was to send the same to FD by 20 December and 15 October respectively.

BE and RE for 1995-96, 1996-97 and 1997-98 were submitted late to the Department by 24, 16 and 30 days and one, 16 and 22 days respectively.

No records/register was maintained by the Director to monitor timely receipt of BE proposals from the concerned Institutes.

However, record of test-checked Institutes revealed delay in submission of BE for 1995-96, 1996-97 and 1997-98 was upto 51 days, upto 43 days and upto 22 days respectively. Similarly, delay in submission of RE during the period was upto 36 days, 57 days and 32 days respectively.

(v) Scrutiny of Budget proposals

Budget/Revised estimates of subordinate institutes and calculation/working for consolidated BE/RE were not available with the Director

Out of 58 Government Institutes under the control of the Director, BEs only for 11, 23 and 27 Institutes for 1995-96, 1996-97 and 1997-98 respectively and Revised Estimates (RE) for 1997-98 for 46 Institutes were available with the Director. However, BE/RE in respect of other institutes and calculation/working for consolidated BE/RE were not produced to Audit by the Director on the ground that these records were destroyed after reconciliation with Accountant General (Accounts and Entitlements), though the preservation period for BE/RE was prescribed, by the Government as 30 years, the records were destroyed by the Director in violation of prescribed provisions. As a result, scrutiny of BE/RE could not be done by Audit in respect of these Institutes.

(vi) Irregular inclusion of new items in Budget proposals

Budgetary systems were not followed

As per para 80 of the Gujarat Budget Manual Volume - I (Manual), all the proposals in respect of scheme, works etc. constituting new service are required to be administratively cleared before proposals for the same are forwarded by administrative departments to FD for being included in Budget. Deviation in this procedure is also permitted with certain conditions as an exception.

30 per cent of Plan grants were surrendered during 1995-1998

However, it was noticed that 36, 48 and 16 new items for Rs.8.15 crore, Rs.8.60 crore and Rs.7.00 crore were included in Budget proposals for the years 1995-96, 1996-97 and 1997-98 respectively without prior administrative approval in any case. Out of these, administrative approval was not given by the Government for 4, 4 and 3 items for Rs.0.15 crore, Rs.0.29 crore and Rs.0.70 crore respectively, whereas for remaining items, administrative approval was given

between September and March of the respective financial year. Thus, Budgetary systems were not followed which resulted in surrender of 30 per cent of plan grant during 1995-98.

(vii) Control of Expenditure

(a) Non-maintenance of Control Register for Plan Expenditure

Control Register to monitor grant-wise, sub-head-wise monthly/quarterly and year-wise expenditure was not maintained by the Director for annual plan outlay and expenditure against them. Reasons for the same were not furnished.

(b) Delay in submission of expenditure statements

(i) By the Director

As against due date for submission of monthly expenditure returns by the Director to the Department by 15th of next month, the returns were submitted late for 9,7 and 6 months for the period ranging upto 55,25 and 38 days during 1995-96, 1996-97 and 1997-98 respectively. Delays were attributed by the Director to late submission of returns by subordinate Institutes and late submission of information regarding Capital Expenditure by Roads and Buildings Department.

(ii) By the subordinate Institutes

As per provisions of the Manual, each disbursing officer should submit the expenditure statement in Form-9 to the Controlling Officer by 10 of succeeding month. However, 6* out of 11 selected institutes submitted the expenditure statements late. Number of returns delayed by the Institutes ranged upto 10,4 and 7 returns (out of 12 during an year) for the period ranging upto 16,34 and 87 days during 1995-96, 1996-97 and 1997-98 respectively. Three Institutes attributed the delay to shortage of staff and heavy work load whereas three institutes did not furnish any reasons for the delay.

(viii) Disbursement of GIA

Out of total expenditure Rs.168.84 crore of the department during 1995-98 Rs.35.67 crore were disbursed as GIA. However, control over disbursement of GIA to grantee Institutes was not satisfactory as the final assessments of grants of 21 Institutes out of 47 were in arrears for period ranging between one year and seven years.

* L.D. Engineering College, Ahmedabad, Sir Bhavsinhji Polytechnic, Bhavnagar. Technical Examination Board, Gandhinagar, B.K. Mody Pharmacy College, Rajkot, A.V. Parekh Technical Institute, Rajkot and S.&S.S. Gandhi Polytechnic, Surat.

(ix) Surrender of grant

The Director was required to surrender likely savings to the Department latest by 15 February every year. In disregard of this, the Director surrendered grant, after the middle of March during 1995-97. Reasons for belated surrender were not furnished.

Out of total saving of Rs.2.99 crore in 1995-96 and 1997-98 in 10 heads of accounts (Appendix - XV), Rs.0.73 crore were not surrendered.

Out of total grant for Rs.19.32 crore surrendered during 1995-98, Rs.18.21 crore was for Plan grant and in respect of three, 11 and 11 schemes, grant surrendered during 1995-96, 1996-97 and 1997-98 respectively was more than 50 per cent of Budget Provision.

3.2.4.2 Non refund of grant

**Rupees 10.04 lakh
were not refunded to
Government of India**

Government of India (GOI) sanctioned Rs. five lakh to B&B Polytechnic, Vallabh Vidya Nagar (V.V.Nagar) as seed money under Community Development Project. GOI issued instructions in February and July 1998 to all implementing agencies to refund the balance amount lying unspent with the Institutes as on 1 April 1998 alongwith interest accrued thereon.

It was noticed that on 1 April 1998, Rs.10.04 lakh (Principal Rs.4.80 lakh and Interest Rs.5.24 lakh) were lying unutilised in the account of B & B Polytechnic, V.V. Nagar which was not refunded to GOI as of May 1999. Principal stated that keeping in view the requirement, GOI was requested in November 1998 to extend the period of utilisation. However, it was noticed that though the request was turned down in December 1998, the amount was not refunded to GOI.

3.2.4.3 Non-issue of utilisation certificates

Gujarat Financial Rules provide for submission of utilisation certificate (UC) in support of proper utilisation of grant given by Government.

It was noticed that utilisation certificates for Rs.35.31[▲] lakh on account of grants received between March 1994 and March 1997 and between December 1985 and February 1989 from GOI were not furnished by L.D. Engineering College, Ahmedabad (Rs.28.20 lakh) and R. C. Technical Institute, Ahmedabad (Rs.7.11 lakh) respectively for grants released to them.

[▲] Development of Facilities in Food processing; March 1994 Rs.10.00 lakh, Computer aided machine design & power system. Analysis Laboratory; January 1995 Rs. 7.50 lakh, Product Development Design and Testing of Elastomers; December 1996 Rs.5.70 lakh and Computerised Control in process Industries and Bio Medical Electronics; March 1997 Rs. 5.00 lakh. (L.D. Engineering College) and for modernisation and removal of obsolance (R.C. Technical Institute)

Reasons for non-submission of utilisation certificates were neither available on record nor furnished to Audit.

3.2.4.4 Operation of Personal Ledger Account (PLA)

(i) Operation of PLA for non-specified purpose

Principal, L.D. Engineering College, Ahmedabad operated a PLA to deposit non government money. It was noticed that the principal drew from treasury Rs.17.63 lakh on 31 March 1997 on two Detailed Contingent bills (Rs.7.16 lakh) and one Abstract Contingent bill (Rs.10.47 lakh) and deposited in PLA on 7 April 1997, though PLA was not meant for the purpose. The amount was paid from PLA to concerned parties on 9 April 1997.

The Principal stated (April 1999) that the money was credited in PLA for safety of money. Reply was not tenable as the amount was deposited in PLA in violation of codal provisions.

(ii) Non-reconciliation of PLA balance

As per instructions issued by the State Government, balances of PLAs were to be reconciled with the books of treasuries quarterly and for a financial year before 30 June of the following year. It was, however, noticed that reconciliation of balances of PLA opened for General Provident Fund Accounts of employees of grantee institutes for 1995-98 was not carried out by the Director. Balance in PLAs ranged between Rs. 3.90 crore (March 1998) and Rs. 4.01 crore (March 1997). However, reconciliation for 1997-98 carried out at the instance of Audit showed difference of Rs.1.53 crore (balance in cash book was more than passbook balance) of which difference of Rs.0.92 lakh could not be set right during reconciliation.

3.2.5 Personnel Management

3.2.5.1 Sanctioned and existing strength of staff

No permanent records for staff was maintained by the Directorate. However, information compiled from monthly statements received from the Institutes revealed as under :

(i) The following were the shortage of staff in teaching cadre in Government institutes during 1995-98.

Types of Institutes	Extent of shortage (in percentage)
Engineering Colleges	27 to 30
Polytechnics	32 to 39
Pharmacy Colleges	62

Taking into account the *ad-hoc* appointments, these shortages ranged between seven *per cent* and 17 *per cent* (Engineering Colleges), 24 *per cent* and 33 *per cent* (Polytechnics) and 23 *per cent* (Pharmacy Colleges) during 1995-98 (Appendix - XVI).

In Grantee Institutes, the extent of shortage worked out to 21 *per cent* as on April 1998.

(ii) Position of Administrative staff as of April 1998 in Government Engineering Colleges, Pharmacy Colleges, Polytechnics, Directorate and in Grantee Institutes was as under :

Type of Institute/Office	Sanctioned posts	Filled in posts	Vacancy	
			No. of posts	Percentage
Government Engineering Colleges	108	85	23	21
Government Polytechnics	289	231	58	20
Government Pharmacy Colleges	8	7	1	13
Directorate	125	85	40	32
Grantee Institutes	477	390	87	18

3.2.5.2 Transfer Policy

(i) Transfer policy for non-gazetted employees provides that (a) if there is no other institute at the place of duty of the employee, table of the employee should be changed on completion of five years service and (b) if there is one or more other institutes at the place of duty, an employee should be transferred on completion of five years service, from one institute to another. The implementation of transfer policy upto level of Class II and III was to be monitored by the Joint Director nominated for the purpose.

Employees falling under category (a) were transferred as per policy. Employees of 42 institutes falling under category (b) above were not transferred from one institute to another at the same place, as reported by the Director. Information regarding total number of employees not transferred and period for which they were working in the same institute was not furnished to audit though called for.

However, in nine test-checked institutes, it was noticed that 285 employees were working in the same institute for period ranging between six years and 36 years.

(ii) According to the transfer policy, teaching staff of Engineering colleges should be transferred on completion of seven years service at one place. However, it was noticed that in four Engineering colleges, 12 employees were working at the same place (June 1998) for period ranging between seven years and 25 years.

(iii) According to the transfer policy, the Gazetted staff of Polytechnic Institutes and Technical High Schools should be transferred on completion of five years service at one place. It was however, noticed that 105 employees working in 22 institutes at one place (June 1998) for more than five years and 29 years were not transferred. Thus, Joint Director failed to monitor implementation of transfer policy of Class II and III officials.

3.2.5.3 Ad-hoc appointments

As per instructions issued by Government of Gujarat, in October 1993, *ad-hoc* appointments were banned. However, in exceptional circumstances, *ad-hoc* appointments only for one year were to be made.

It was noticed that in violation of the Government instructions, appointments on *ad-hoc* basis were continued for more than one year without granting any extension as mentioned below :

(i) 169 teachers appointed on *ad-hoc* basis during 1992-96 in Government Engineering Colleges were continued (May 1999).

(ii) Similarly 153 teachers appointed on *ad-hoc* basis during 1991-98 in Polytechnics were continued (May 1999).

(iii) In Government Pharmacy colleges, 10 teachers appointed on *ad-hoc* basis between December 1992 and April 1996 were continued (May 1999).

The Director stated that proposals for extension of service were submitted to Government during October 1996 to November 1998 but the permission was still awaited. However, fact remained that continuance of *ad-hoc* services without permission was in violation of Government instructions.

The foregoing situation calls for remedial action by the Government since *ad-hoc* appointments for long spells apart from other things, were not desirable either from the concerned employees' angle or students/work angle.

3.2.5.4 Training

It is provided in All India Council for Technical Education (AICTE) norms that staff of Engineering colleges, polytechnic Institutes and Pharmacy Institutes will be provided with opportunity for pedagogy and professional training to improve their qualifications.

However, out of 220 regular faculty member/teachers of Government Engineering Colleges in the States, 132 (60 *per cent*) were trained and 88 (40 *per cent*) were not trained. The Director stated that due to

economy of the State Government and Government restriction for specific number of faculty (i.e. 14) to be trained each year, large number of faculty members remained untrained.

It was further stated that there was no provision for training in GIA Engineering and Pharmacy Colleges and in Government Pharmacy Colleges.

3.2.5.5 Pending court cases

During 1987 to 1998, 193 cases relating to service matter filed by the employees (181) and academic matter (12) in Gujarat High Court against the State Government/Department were pending till the date of Audit (June 1999). There was no system of monitoring the Court Cases. The Director accepted that except to brief the Public Prosecutor as and when required, no monitoring was done at Directorate level.

3.2.6 Programme Management

3.2.6.1 Student-Teacher Ratio

Student-Teacher ratio was abnormally higher than maximum permissible in Polytechnics

AICTE has prescribed norms[#] for student-teacher ratio.

During test-check of records of selected institutes, it was noticed that the ratio was not maintained, as shown in Appendix - XVII.

(i) The student-teacher ratio was much above the prescribed maximum in 14 out of 28 departments of 7 polytechnics during 1995-98. In some cases these were as high as 170:1, 85:1 and 70:1 compared to 16:1 which was the highest prescribed norm.

(ii) In B & B Institute of Technology, V.V. Nagar, no teacher was available in some departments of Advance Diploma and Post Diploma Courses during 1995-96, 1996-97 and 1997-98 though 15, 26 and four students were studying in those departments during those years respectively. Evidently, Department failed to ensure the norm of teacher and provide adequate teaching infrastructure in the technical institutes.

3.2.6.2 Non-compliance of norms of AICTE

AICTE Western Regional Committee, Mumbai noticed that 32 Government Institutes, 11 Aided Institutes, 7 University Departments and 20 Self Financed institutes did not fulfil AICTE norms for (i) appointment of adequate faculty as per the qualifications and

[#] Engineering College desirable 10:1 maximum permissible 15:1, Pharmacy College desirable 10:1 maximum permissible 15:1 and Polytechnics desirable 11:1 maximum permissible 16:1.

experience prescribed by the AICTE and (ii) providing infrastructure facilities in conformity with AICTE norms and standards laid down from time to time. However, inspite of these deficiency extension of approval was recommended by the AICTE one self financed institute (Nyalchand Manilal Polytechnic, Kinnara-Ranpur) did not have land and building in the name of the Trust for conducting courses.

Existing infrastructure including temporary accommodation at three different places were not suitable for continuation of the conduct of the programme. As a result, the institute was not allowed to give any admission during Academic Year 1998-99. Another Self financed institute (U.V. Patel Engineering College, Mehsana) was also not allowed to give admission during Academic Year 1998-99.

Director stated that respective branches in his office watched compliance of AICTE norms by way of planning and making provisions for staff and building of Government Engineering Colleges and for staff of Grantee institute within limitation of funds. However, long procedure of planning, budgeting, getting administrative approvals and procurement of human and physical resources etc. lead to the delay in compliance of AICTE norms and standards.

It was further stated that no specific mechanism was set up for watching AICTE norms.

Thus, even while AICTE was granting recognition subject to fulfilment of requirements, Director failed to watch compliance thereof by the Institutes and consequently the Institutes were functioning with deficient infrastructure for long periods.

3.2.7 Store Management

3.2.7.1 Finalisation of Acceptance of Tenders

(a) Centralised purchase system of store materials/equipment etc. costing more than Rs.0.20 lakh per item was followed for which tenders were invited and accepted by the Director. The procedure followed for the purpose was on the line of procedure followed by Central Stores Purchase organisation (CSPO), details of which is shown in Appendix - XVIII.

It was noticed that there was rush in finalisation of tenders in the month of March and in last week of March every year during 1995-98 as shown below :

(Rupees in lakh)

Year	Tenders finalised during the year		Tenders finalised in the month of March		Percentage of tenders finalised in March		Tenders finalised in last week of March		Percentage of tenders finalised in last week of March	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1995-96	115	237.18	69	130.43	60	55	14	15.91	12	07
1996-97	161	379.73	74	202.28	46	53	13	36.97	08	10
1997-98	88	169.91	69	158.94	78	94	08	33.08	09	19

Tenders finalised in the month of March ranged between 46 per cent (1996-97) and 78 per cent (1997-98) and amount involved ranged between 53 per cent (1996-97) and 94 per cent (1997-98).

Tenders finalised in last week of March ranged between eight per cent (1996-97) and 12 per cent (1995-96) and amount ranged between seven per cent (1995-96) and 19 per cent (1997-98). The Director stated that sanction orders for purchase-grant were issued by the Government late i.e. in or after September every year, demand for purchases were received late from institutes and in number of cases specification for equipments were incomplete and procedure for invitation and finalisation of tenders required long time.

This was not tenable as the Government/Director could have streamlined the procedure to avoid such rush.

(b) Further, on test-check of records, it was noticed that out of 6 tenders test-checked, there was inordinate delay ranging between 3 and 7 months in consulting the Departmental Purchase Committee after opening the tenders in 5 cases.

3.2.7.2 Physical Verification of Stores

Irregularities/omissions/shortages/excess/lapses pointed out by the Director of Accounts and Treasuries (DAT) during physical verification of stores and stock of Government Polytechnics (GP) were as shown in Appendix - XIX.

It was noticed that no follow-up action were taken by the Director/concerned institute as of March 1999.

3.2.7.3 Irregular Purchase

(a) Purchases without requirement of institutes

It was noticed that in following cases, purchases were made by the Director and supplied to concerned institutes.

(Rupees in lakh)

Serial Number	Name of the Institutes	Month of purchase	No. of equipments	Amount	Remarks
1	LRDC, Ahmedabad	March 1999	2	3.10	Payment made from unutilised grant for the year 1997-98 revalidated in June 1998.
2	LD College, Ahmedabad	March 1999	8	16.59	Payment made from unutilised grant for the year 1997-98 revalidated in March 1999.
3	TEB, Gandhinagar	September 1996 and March 1997	4	9.03	Payment made from World Bank Aided Project

However, neither indents of institutes nor approval of Government was available on the record/produced to Audit. The Director also did not furnish any reasons for purchase of equipments without any indent from institutes or furnish information as to whether purchases were made after obtaining approval of Government.

(b) Purchase without approval of purchase committee

As per instructions issued by the Director in October 1986, approval of purchase committee under the Chairmanship of the Director was required to be obtained for purchases from Direct Central Assistance (DCA) if purchases were more than Rs. 2 lakh. However, it was noticed that LD Engineering college, Ahmedabad purchased equipments valued Rs.22.64 lakh* from DCA under different projects without obtaining approval of the purchase committee headed by the Director for which no reasons were furnished.

3.2.8 Estate Management

3.2.8.1 Quarters lying vacant

Quarters costing Rs.78.60 lakh were lying vacant

(i) Residential quarters of various types (33) constructed at a cost of Rs. 46.71 lakh between 1987 and 1991 at Bhavnagar for Shantilal Shah Engineering College were lying vacant (November 1999). Principal stated that due to Court case and as the quarters were situated far away from city and due to lack of primary facilities, nobody was willing to occupy the quarters. However, it was noticed that stay was given by Civil Court, Bhavnagar in favour of Class-IV employees against compulsory allotment of quarters and there was no stay for allotment of quarters of Class II and III employees.

However, the fact remained that the quarters remained vacant.

(ii) Four 'E' Type staff quarters constructed at a cost of Rs. 11.30 lakh for Government Polytechnic, Porbandar, possession of which was

* Furniture 1996-97 Rs.2.77 lakh, Upgradation of computer system 1996-97 Rs.4.96 lakh, 10 Computers with 486 monitor 1996-97 Rs.4.22 lakh, Hot feed extradan model No. Ex.25/HF 1996-97 Rs.3.78 lakh, Walk in cooler 1996-97 Rs.2.16 lakh and Computer controlled Distillation column controlled 1998-99 Rs.4.75 lakh.

taken by the Institute in June 1997, were lying vacant as the quarters were situated far away from city.

(iii) 155 quarters constructed at a cost of Rs.3.02 crore for 21 other institutes in the State were also lying vacant for period ranging between seven months and eight years which was attributed to absence of demand from staff, non-occupancy of bungalow by Principals, quarters requiring repairs etc.

Thus, Government funds of Rs.3.60 crore were blocked for one to 11 years.

Reasons for constructing quarters at far away from city and information as to whether survey was conducted before construction was not furnished by the Director, though called for.

3.2.8.2 Hostel Building lying vacant

There was unfruitful expenditure of Rs.37.46 lakh on construction of Hostel Building and Hostel Furniture

A hostel building was constructed by Roads and Buildings Department (R&B) at a cost of Rs. 35 lakh for B.K. Mody, Government Pharmacy college, Rajkot. R&B authorities intimated in September 1995 that the building was completed. However, it was noticed that the college did not take possession of the building as required facilities like sump for water, pump house, water connection from Municipal Corporation, arrangement for sewerage etc. were not created by R&B. Possession was not taken as of June 1999. Further, on the basis of intimation of likely completion of construction works from R&B, furniture valued Rs.2.46 lakh was purchased by the institute during 1996-98. Thus, expenditure of Rs. 37.46 lakh continued to be unfruitful beside depriving hostel facilities to needy students.

3.2.9 Inspection and Evaluation

Norms for inspection and evaluation prescribed in Gujarat Technical Education Manual, were as shown in Appendix - XX.

No record relating to year-wise inspections carried out by various designated officers, shortfall, if any, preparation and issue of joint inspection reports etc. was made available to Audit. However, information furnished by the Director revealed the following :

(i) It was reported by the Directorate that the Director undertook only occasional visits of Institutes. However, no records for the purpose was maintained .

(ii) Joint Director did not visit any Institute till August 1999 except during 1996-97, when he visited 11 Institutes.

(iii) Neither six member team for inspection of polytechnics nor the Panel for selection of member of the team was formed. It was stated that this could not be done due to non-availability of qualified staff.

(iv) No inspection was carried out by Deputy Director during 1995-98.

(v) Inspection by Accounts Officer was in arrears for one to two years (34 Institutes), two to three years (10 Institutes) and more than three years (44 Institutes).

(vi) System of preparation of joint inspection report was not followed.

Apparently Inspection and evaluation system was very weak and ineffective.

Internal Audit

The Director reported that there were 88 Institutes (50 Government Institutes and 38 Grantee Institutes) for which Internal Audit was conducted by the Directorate. Internal Audit of all the 88 Institutes was in arrears on account of insufficient staff. The arrears was for more than three years in respect of 44 Institutes (38 Government and six Grantee), for more than two years in respect of 10 Institute (five Government and five Non-Government) and for more than one year in respect of 34 Institutes (seven Government and 27 Non-Government).

3.2.10 Response to Audit-Settlement of outstanding Inspection Reports

(a) Inspection Reports

Review of outstanding inspection reports of the Technical Education wing revealed the following :

(i) Action was pending (April 1999) on 70 reports containing 208 paragraphs issued upto September 1998[⊗].

Delay in receipt of first replies to inspection reports ranged upto one year in respect of 10 inspection reports containing 26 paragraphs, two years in respect of six inspection reports containing 21 paragraphs, three years in respect of 10 inspection reports containing 39 paragraphs, four years in respect of one inspection report containing seven paragraphs, five years in respect of three inspection reports containing 12 paragraphs and six years in respect of two inspection reports containing nine paragraphs. No reply was received for two reports of October 1994 and August 1997 containing two and seven paragraphs respectively (March 1999).

[⊗] 1994-95 41 Reports 81 Paragraphs, 1995-96 10 Reports 43 Paragraphs, 1996-97 9 Reports 37 Paragraphs, 1997-98 7 Reports 31 Paragraphs and 1998-99 3 Reports 16 Paragraphs.

According to the directions issued (March 1992) by Government, Heads of departments were required to depute their officials regularly to the office of the Accountant General (Audit)-II for on the spot discussion/settlement of outstanding audit objections. However, no officials were deputed by the Director.

(b) Non-functioning of Audit Committees

The public Accounts Committee recommended (November 1977) constitution of Audit Committee in each department to discuss periodically audit objections in order to expedite settlement. After first meeting held in June 1993, no meeting was held till May 1999.

3.2.11 Suggestion

In view of the audit observations the following suggestions are made for consideration of Government :

Budgetary control need to be strengthened.

Student-teacher ratio should be brought within the permissible limit to improve the quality of teaching.

Pedagogy and professional training of the members of faculty and teacher should be provided as per AICTE norms.

Inspection of the Training institutes should be ensured to improve the quality of monitoring.

3.2.12 The matter was reported to Government (July 1999); reply has not been received (November 1999).

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.3 Public Distribution System

Highlights

Public Distribution System (PDS) is integral part of India's overall food policy and involves management and maintenance of supplies of key essential commodities such as wheat, rice, sugar, improved edible oils, kerosene and soft coke and their uninterrupted distribution at affordable prices to the public. The scheme was introduced in the State in 1962.

The main objectives of PDS were to (i) supply essential commodities to consumers at fair prices, (ii) remove/reduce imbalances between supply and demand of foodgrains, (iii) ensure social justice in distribution of basic necessity of life and (iv) stabilise prices of essential commodities even out fluctuation in prices and in the availability of mass consumption goods. Total area of Gujarat State is 1,96,024 Sq. kms. The projected population of Gujarat State based on 1991 census was 4.65 crore which included 30.60 lakh Scheduled Caste and 61.62 lakh Scheduled Tribes. There were 19 districts in the State upto October 1997 and 25 thereafter. Total number of blocks in the State were 184 which included 32 backward talukas/blocks and there were 11526 Gram Panchayats as of 31 March 1999. Gujarat is a food deficit State producing 42.43 lakh tonne as against demand of 67.02 lakh tonne, leaving a deficit of 24.59 lakh tonnes.

Out of total deficit of 24.59 lakh tonne, 8.01 lakh tonne (33 per cent) were supplied through Public Distribution System.

Excess subsidy of Rs.26.90 crore was availed under Revamped Public Distribution System, by excess lifting of quantity of foodgrains than projected demand. Belated revision of rates of commodities resulted in loss of Rs.24.21 crore to State Government. Extra burden of Rs.64.47 crore and Rs.0.19 crore were passed on to consumers under Public Distribution System and Revamped Public Distribution System respectively. Non-identification of BPL families resulted in bearing of additional subsidy of Rs.118.70 crore by the State. Payment of interest of Rs.0.70 crore to Gujarat State Civil Supplies Corporation was avoidable. 33030 tonne of foodgrains valued at Rs.21.22 crore were distributed on 4.06 lakh bogus cards. Shortfall of 151 fair price shops in rural areas of four selected districts, was noticed. By and large the scheme was mismanaged, deficient in monitoring mechanism and lack of effective inspection.

Some of the more important findings are enumerated below :

Short lifting of 6.38 lakh tonnes of wheat and 5.10 lakh tonnes of rice than allotted by Government of India during 1994-99 under Public Distribution System was noticed.

(Paragraph 3.3.5(i))

Excess lifting of quantity of foodgrains than projected demand resulted in availing of excess subsidy amounting to Rs.26.90 crore during 1992-97.

(Paragraph 3.3.5(ii)(b))

Additional subsidy amounting to Rs.118.70 crore was borne by Government of Gujarat on foodgrains issued under households covered under Below Poverty Line and subsidy on diverting foodgrains from Above Poverty Line to Below Poverty Line.

(Paragraph 3.3.5(iii))

Drawal of amount of Rs.1.83 crore from Contingency Fund was unjustified since it did not meet cannons for such withdrawals and resulted in blocking of funds.

(Paragraph 3.3.6(iii))

Revising the rates of commodities from later dates than the dates prescribed by Government of India resulted in loss of Rs.24.21 crore.

(Paragraph 3.3.7(i) and (ii))

Non-observance of instructions of Government of India in fixing price of foodgrains resulted in passing on extra burden of Rs.0.19 crore to consumers under Revamped Public Distribution System and Rs.64.47 crore to consumers under Public Distribution System.

(Paragraphs 3.3.8 and 3.3.9)

Transfer of closing stock of Public Distribution System/Revamped Public Distribution System to above poverty line under Targetted Public Distribution resulted in irregular claims of subsidy of Rs.0.67 crore.

(Paragraph 3.3.11)

Delay in crediting the amount to food credit availed by Gujarat State Civil Supplies Corporation resulted in avoidable payment of interest of Rs.70.26 lakh.

(Paragraph 3.3.12)

33030 tonnes of foodgrains valued Rs.21.22 crore were distributed on average through 4.06 lakh bogus ration cards upto March 1993.

(Paragraph 3.3.13)

Shortfall in number of meetings of District Civil Supplies Consumers Advisory Committees ranged between 31 per cent (Godhra) and 62 per cent (Surat).

(Paragraph 3.3.18)

Shortfall in inspection by Chief Supply Inspector ranged between 8 per cent and 12 per cent and by Supply Inspector between 17 per cent and 60 per cent.

(Paragraph 3.3.19)

No evaluation of the scheme was done by the State Government.

(Paragraph 3.3.21)

3.3.1 Introduction

Scheme of Revamped Public Distribution System (RPDS) was launched by Government of India (GOI) from January 1992 to improve availability of essential commodities of wheat and rice to the most vulnerable sections of the population living in the areas of relative economic disadvantage. Government of Gujarat launched the scheme

from July 1992 in 97 Blocks under various developmental schemes viz. Drought Prone Area Programme (DPAP-43 Blocks), Desert Development Programme (DDP-9 Blocks) and Integrated Tribal Development Project (ITDP-50 Blocks) including 5 overlapping Blocks of DPAP and ITDP covering 16¹ out of 19 districts of the State. Under the scheme, foodgrains (wheat and rice) were to be issued in identified areas at a price which was less by Rs.50 per quintal than the Central Issue Price (CIP) under the normal Public Distribution System (PDS) and foodgrains at the rate of five kg. per head subject to maximum of 20 kg. per family per month were admissible.

Targetted PDS (TPDS) was introduced from June, 1997 to streamline system by issuing special cards to families Below Poverty Line (BPL) in all the blocks and providing essential commodities at the rate of 10 kg. per month per family at specially subsidised prices. Under TPDS 33.75 lakh BPL families were covered. Population Above Poverty Line (APL) under PDS were to continue to receive normal entitlement at the full CIP.

Under PDS Central Government assumed responsibility for procurement and supply of essential commodities viz. wheat, rice, levy sugar, improved edible oils and kerosene to State Governments at fixed Central Issue Price which are determined by Central Government. Responsibility for distribution of these commodities to consumers was of State Governments.

3.3.2 Organisational set-up

Secretary, Food and Civil Supplies Department, (Department), Director of Food and the Director of Civil Supplies Department were responsible for planning, administration and monitoring of the scheme. At the District level, execution of the scheme was entrusted to District Collectors assisted by District Supply Officers (DSO) and Mamlatdars. Foodgrains were distributed to beneficiaries through Fair Price Shops (FPS).

Storage, transportation and supply of foodgrains lifted from Central godowns were managed by Gujarat State Civil Supplies Corporation (GSCSC), Gandhinagar.

3.3.3 Audit Coverage

Records relating to implementation of the scheme for 1992-97 were test-checked between September 1997 and May 1998 (PDS including RPDS) and January and May 1999 for (TPDS) in the offices of the Director of Food, Director of Civil Supplies, Department of Civil

¹ Ahmedabad, Amreli, Bhavnagar, Banaskantha, Bharuch, Dangs, Jamnagar, Kachchh, Mehsana, Panchmahals, Rajkot, Surendranagar, Sabarkantha, Surat, Vadodara and Valsad.

Supplies and Gujarat State Civil Supplies Corporation, Gandhinagar. Out of 19 Districts, 4* districts including two/three** talukas in each district were selected for test check.

The service of ORG-MARG Centre for Social Research, a division of ORG-MARG Research Limited was Commissioned by the Comptroller and Auditor General of India with a view to obtaining beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample, determined on the basis of socio-cultural characteristic and development status. Finding of the survey on matters discussed in the Report have been included in this review at appropriate places.

3.3.4 Source of Finance

The pattern of assistance from GOI was as under :

For PDS the GOI was reimbursing the differential between the issue price and the Economic Price to the FCI thereby allowing the State to have a subsidised food credit.

For RPDS this assistance comprised :

Component of the Scheme	Pattern of financial assistance
(1) Purchase of foodgrains	Subsidy of Rs.50 per quintal on central issue price at the time of purchase by State Government.
(2) Construction of godowns	50 per cent subsidy and 50 per cent interest bearing loan to State Government.
(3) Purchase of Vans	50 per cent subsidy and 50 per cent interest bearing loan to State Government.
(4) Intelligence, enforcement and manpower training	100 per cent grant to State Government.

For B.P.L. population under TPDS wheat and rice were supplied by GOI at specially subsidised prices i.e. less by Rs.200 per quintal for wheat and Rs.300 per quintal for rice (common and fine).

3.3.5 Programme Implementation

Allocation, Lifting and Distribution

(i) Public Distribution System

The following quantities[▲] of foodgrains were allotted, lifted and distributed to the beneficiaries under PDS during 1994-95 to 1998-99.

Short lifting of foodgrains worth 11.48 lakh tonnes

* Bharuch, Godhra, Mehsana and Surat,

** Ankleshwar, Bardoli, Hansot, Jambusar, Kalol, Kalol (N.G.), Mehsana, Shehra, Songadh and Visnagar.

▲ Some of information : GSCSC Ltd.

(In lakh tonnes)

Year	Allocation		Lifting		Distribution	
	Wheat	Rice	Wheat	Rice	Wheat	Rice
1994-95	3.01	2.13	1.58	0.66	1.79	0.74
1995-96	4.88	2.22	2.19	0.68	2.50	0.80
1996-97	3.76	1.77	3.63	1.01	4.72	1.16
1997-98	4.44	2.31	3.06	1.69	3.21	1.62
1998-99	3.54	2.16	2.79	1.45	2.99	1.49
Total	19.63	10.59	13.25	5.49	15.21	5.81

It was noticed that as against the quantity allotted by GOI there was short lifting of 6.38 lakh tonnes wheat and 5.10 lakh tonnes rice during 1994-95 to 1998-99 which worked out to 33 per cent (wheat) and 48 per cent (rice) of the total quantity allotted by GOI. Reasons for non lifting of allotted quantity were neither available on record nor furnished to audit. Further, the quantity distributed was more than the quantity lifted 2.28 lakh tonnes during all the five years ending March 1999. The department did not furnish any reply regarding this.

(ii) Revamped Public Distribution System

Unrealistic and over-projection of requirement of foodgrains resulted in availment of excess subsidy of Rs.26.90crore

After considering number of eligible families covered under RPDS and in consultation with District Collectors, monthly demands of foodgrains were prepared by the Director of Food, Gandhinagar. Quota upto maximum limit of 45250 tonnes of foodgrains was, however, allotted by GOI every month for distribution in RPDS areas. Year-wise allocation, lifting and distribution of foodgrains during 1992-93 to 1996-97 were as under:

Year	Number of house holds under RPDS (In lakh)	Requirement of food grains @ 20 Kg. per month per card (tonnes)	Requirement as per State Government's policy	Quantity allotted by Govt. of India (tonnes)	Quantity lifted from FCI	Quantity distributed (Tonnes)	Excess quantity lifted vis-a-vis norms (col.6-3) (tonnes)	Quantity shortlifted vis-a-vis allotment (col. 5-6) (tonnes)
1	2	3	4	5	6	7	8	9
(figures in lakh tonnes)								
1992-93	12.70	3.05	6.10	3.37	3.01	2.89	(-)0.04	0.36
1993-94	13.98	3.36	6.72	4.31	3.30	3.38	(-)0.06	1.01
1994-95	9.38	2.25	4.50	5.43	4.02	3.72	1.77	1.41
1995-96	8.34	2.00	4.00	5.33	3.69	4.02	1.69	1.64
1996-97	11.73	2.81	5.63	5.14	4.83	4.97	2.02	0.31
Total	56.13	13.47	26.95	23.58	18.85	18.98	5.38	4.73

It was noticed that :

(a) instead of working out requirement of foodgrains on the basis of 5 Kg. per person subject to maximum of 20 Kg. per card per month total number of cards were multiplied with 20 Kg. which resulted in projecting unrealistic requirement. Difference between projected

requirement and requirement as per norms of GOI could not be worked out as data relating to number of persons involved in each card was not made available to Audit,

(b) even with reference to projected requirement, actual quantity lifted from FCI was more by 5.38 lakh tonnes during 1994-95 to 1996-97 for which GOI paid avoidable subsidy of Rs.26.90 crore,

(c) as against the quantity allotted by GOI, there was short lifting of foodgrains to the extent of 20 per cent during 1992-93 to 1996-97. Reasons for non-lifting of allotted quantity and over projection of demand were neither available on record nor furnished to audit. It was also seen that in 1994-95 and 1995-96, GOI allotment was more than the requirement projected by the State and

(d) though, total quantity of 18.85 lakh tonnes was lifted during 1992-93 to 1996-97, actual distribution during the period was 18.98 lakh tonnes. Thus, there was excess distribution of 0.13 lakh tonnes of foodgrains. GSCSC did not explain as to how distribution in excess of lifting was made.

(iii) Targetted Public Distribution System

Subsidy borne by Government of Gujarat on foodgrain issued under BPL worked out to Rs.118.70 crore

(i) Under TPDS foodgrains at 10 kg. per month per family as specially subsidised price to BPL families was guaranteed by GOI. For this purpose CIP for wheat and rice was fixed by GOI at Rs.2.50 and 3.50 per kg. respectively. In addition incidental expenses upto 50 paise per kg. was to be added and wheat and rice were to be issued at Rs.3 and Rs.4 per kg. respectively. Government of Gujarat decided to fix issue price of wheat to BPL families at Rs.2 per kg. and rice at Rs.3 per kg.

(ii) Details of foodgrains allotted, lifted and distributed to BPL beneficiaries during 1997-99 was as under:

(Figures in lakh tonne)

Year	Popula- tion of BPL families (in crores)	No. of ration cards issued to BPL families (in lakh)	Require- ment of food- grains @ 10 kg. per card (in lakh tonne)	Wheat			Rice			Total		
				Allo- cation	Lift- ing	Distri- bution	Allo- cation	Lift- ing	Distri- bution	Allo- cation	Lift- ing	Distri- bution
1997-98 (6/97 to 3/98)	1.71	32.38	3.24	2.00	1.99	1.95	--	--	--	2.00	1.99	1.95
1998-99	1.76	33.75	4.05	1.30	1.30	1.29	1.12	1.08	0.95	2.42	2.38	2.24
Total			7.29	3.30	3.29	3.24	1.12	1.08	0.95	4.42	4.37	4.19

Subsidy at the rate of Re.1 per kg. on 4.19 tonnes of wheat and rice issued under BPL from June 1997 to March 1999 by Government of Gujarat was Rs.41.90 crore.

(iii) As per 'Expert Group on Estimation of proportion and Number of poor' constituted by the Planning Commission there were 19.95 lakh households under BPL in Gujarat. The State Government adopted a single criteria namely of income below Rs.11,000 per annum for categorisation of families as BPL. This was not in consonance with the criteria suggested by the Planning Commission which was a multiple factor criteria. Accordingly, 33.75 lakh ration cards were issued under BPL as per identification done by the State. Criteria for categorisation of families as BPL only as per income was without adequate basis and the number of BPL families were thus much higher than the estimation of GOI. As the GOI was committed to subsidise under BPL category only 19.95 lakh households, Government of Gujarat had to bear the burden of extra cost of Rs.3.20 per kg. on the distribution of wheat at BPL prices to the differential expenditure of Rs.76.80 crore from June 1997 to March 1999 on distribution of 2.40 lakh tonne of wheat on this account.

The total extra expenditure borne by Government of Gujarat worked out to Rs.118.70 crore on account of TPDS.

(iv) Difference in the quantity lifted from FCI and put in the godowns of GSCSC

On the basis of the figures furnished by FCI total quantity lifted by GSCSC in respect of rice worked out to 6.84 lakh tonnes during June 1992 to March 1997. However, GSCSC accounted for only 6.77 lakh tonnes of rice during the above period resulting in difference of 0.07 lakh tonnes. Permissible transit loss at the rate 0.20 per cent on the above quantity worked out to 0.01 lakh tonnes. Value of short receipt of 0.06 lakh tonnes of rice worked out to Rs.2.53 crore at the rate Rs.4.93 per Kg. of fine rice on an average price. Reasons for difference were neither available on record, nor furnished to audit.

3.3.6 Construction of godowns

Excess availment of subsidy of Rs. 9.44 lakh on construction of godowns

Excess availment of subsidy of Rs.9.44 lakh on construction of godowns

Details of central assistance received as loan/subsidy and expenditure incurred on construction of godowns during 1994-95 to 1997-98 were as under :

(Rupees in lakh)

Year	Number of godown	Loan	Subsidy	Total	Expenditure		Closing Balance	
					Loan	Subsidy	Loan	Subsidy
1994-95	4	20.62	20.62	41.24	47.55	31.53	(-)26.93	(-)10.91
1995-96	5	31.85	31.85	63.70	15.56	17.37	16.29	14.48
1996-97	8	53.74	53.74	107.48	119.33	51.79	(-)65.59	1.95
1997-98	12	91.65	91.65	183.30	44.12	44.12	47.53	47.53
TOTAL	29	197.86	197.86	395.72	226.56	144.81	(-)28.70	53.05

Excess expenditure was incurred from corporation's funds.

Construction of 17 godowns was completed and utilisation certificates furnished to GOI. However, in four cases though the cost of construction of godown was less than the amount of subsidy/loan paid by GOI, subsidy was apportioned 50 per cent of the original sanctioned amount instead of actual cost of construction which resulted in excess avaijment of subsidy of Rs.9.44 lakh*.

(ii) Utilisation of godowns

Godowns not utilised to the extent of full capacity

GSCSC availed loan/subsidy for construction of godowns from Government of India during 1994-97. Records relating to utilisation of godowns revealed that in the following four godowns utilisation was below the capacity of the godowns.

Name of godown	Capacity (in tonnes)	When construction completed	Average			
			1996		1997	
			Receipt	issue	Receipt	issue
Khambha	500	April 95	137	143	153	152
Dayapar	500	April 97	NIL		202	200
Sagbara	500	March 97	NIL		303	329
Radhanpur	500	August 96	291	286	335	336

Reasons for non-utilisation of godowns to the extent of full capacity, though, called for were not furnished by GSCSC.

* Khambha Rs.2.50 lakh; Nandod Rs.3.64 lakh; Wav Rs.1.96 lakh and Rajula Rs. 1.34 lakh

(iii) Central Assistance of Rs.1.83 crore for construction of godowns kept in PLA

Drawal of amount for construction of 12 godowns for Rs.1.83 crore on Contingency Fund and kept under PLA irregularly

Government of India sanctioned (March 1998) Central Assistance of Rs.1.83 crore, for construction of 12^{**} godowns in 12 selected areas.

Following points were noticed:

(i) Though, the proposal for construction of godowns was sent to Government of India in December 1997, no budget provision was made during 1997-98.

(ii) Amount was drawn on 31 March 1998 as advance from Contingency Fund and credited to PLA of GSCSC by the Director of Food as directed by the Government of Gujarat. Expenditure not being of unforeseen or urgent nature operation of Contingency Fund was irregular.

(iii) Rupees 0.92 crore were withdrawn from PLA in July 1998 by GSCSC for construction works. Balance amount was lying unutilised as of November 1999.

Thus, drawal of amount without actual requirement resulted in blocking of funds of Rs.1.83 crore beside irregular operation of Contingency Fund.

3.3.7 Delay in finalisation of revised rate

Belated revision of rates of commodities resulted in loss of Rs.2.79 crore

(i) GOI revised CIP of all varieties of rice and wheat from 11 January 1993[♦]. As per directives from GOI, new issue price was to be made effective from 11 January 1993. Difference between old and new CIP on the closing stock of foodgrain available with GSCSC on 10 January 1993 was to be credited to Food Corporation of India (FCI) within 45 days from the date of issue of order by GOI. Though GOI revised price from 11 January 1993, Government of Gujarat charged the revised rates from 3 February 1993. Delay in revision of price and selling the commodities at old price after 11 January 1993 by Government of Gujarat resulted in loss of Rs.2.79 crore on the quantities distributed at pre-revised rate between 11 January 1993 and 2 February 1993.

Reasons for making the revised rates effective from 3 February 1993 instead of 11 January 1993 though called for, were not furnished by the department.

**

Anjar, Babra, Chikhli, Dasada, Dharampur, Khedbrahma, Lilya, Limkheda, Mangrol, Schra, Vansada, Varahi

♦ Wheat from Rs.230 per qtl. to Rs.280 per qtl., Rice Common from Rs.327 per qtl. to Rs.387 per qtl., Rice Fine from Rs.387 per qtl. to Rs.447 per qtl. and Rice Super Fine from Rs.408 per qtl. to Rs. 468 per qtl.

(ii) Government of India revised CIP of wheat and rice under APL from 29 January 1999[▲]. As per directives from Government of India, new price was to be made effective from 29 January 1999. The difference between old and new CIP on the closing stock of food grain available with GSCSC on 28 January 1999 was to be credited to FCI within 45 days from the date of issue of order by GOI. Though GOI revised rates from 29 January 1999, Government of Gujarat charged the revised rates from 1 April 1999. Delay in revision of price and selling the commodities at old price after 29 January 1999 by Government of Gujarat resulted in loss of Rs.21.42 crore on the quantities of wheat and rice distributed at pre-revised rate between 29 January 1999 and 31 March 1999. Reasons for making the revised rates effective from 1 April 1999 instead of 29 January 1999 though called for, were not furnished by the department.

3.3.8 Fixation of higher selling price

Passing of additional burden of Rs.0.19 crore to the consumers of RPDS

GOI granted subsidy of Rs.50 per quintal for wheat and rice purchased for distribution in RPDS areas. Out of subsidy of Rs.50 per quintal incidental expenses, commission, transportation etc. were to be restricted to Rs.25 and balance amount of Rs.25 was to be passed on to RPDS consumers. However, it was noticed that selling price of various qualities of rice^{**} was fixed after addition of handling charges in excess of Rs.25 per quintal.

Between June 1992 and January 1993, 7.30 lakh quintals of rice of various qualities were distributed to RPDS consumers. Thus, additional burden of Rs.0.19 crore was passed on to RPDS consumers which defeated the very purpose of the scheme. Reasons for passing on additional burden to RPDS consumers in violation of scheme guidelines though called for, were not furnished. However, the verification of concerned file revealed that per Kg. price was rounded to next nearest 5 paise though not permissible.

3.3.9 Fixing of issue price of Wheat/Rice beyond approved rates

Passing of excess burden of Rs.64.47 crore to the consumers of PDS

RPDS scheme provided for uniform end retail price throughout the country. The difference between the issue price of rice and wheat fixed by GOI and the end retail price fixed by the State was not to exceed Rs.25 per quintal. Expenditure in excess of Rs.25 per quintal was to be borne by State Government.

While revising rates of wheat and rice by Civil Supply Department handling charges were fixed at Rs.46 per quintal from 1 February 1993

[▲] Wheat from Rs. 520 per quintal to Rs. 800 per quintal and Rice from Rs. 800 per quintal to Rs. 1000 per quintal.

^{**} Rice common Rs.355 instead of Rs.352 (+3), Rice fine Rs.415 instead of Rs.412 (+3) and Rice superfine Rs.435 instead of 433 (+2) per quintal

and Rs.60 per quintal from 1 February 1994 on wheat and at Rs.61 per quintal from 1 February 1993 and Rs.91 per quintal from 1 February 1994 on rice. Thus excess burden of Rs.64.47 crore was irregularly passed on to PDS consumers in the State for distribution of 8.17 lakh tonnes of wheat and 6.36 lakh tonnes of rice during February 1993 to May 1997 (till the date of closure of scheme).

3.3.10 Cost effectiveness of administering the scheme

Public Distribution System, *inter alia* aims at making available food articles and essential commodities at acceptable quality at affordable prices to the consumers.

A study of the administrative expenditure revealed that the cost of administering the scheme increased significantly as mentioned below

Year	Central Issue Price per quintal		Administrative cost per quintal	Percentage of administrative cost to CIP	
	Wheat (Rs.)	*Rice (Rs.)		Wheat	Rice
1992-93	280	424	28.23	10	7
1993-94	330	484	46.98	14	10
1994-95	402	601	53.79	13	9
1995-96	402	601	52.55	13	9
1996-97	402	601	44.58	11	7
1997-98	450	700	57.44	13	8
1998-99	450	700	73.10	16	10

*Average of common, fine and superfine rice.

3.3.11 Differential amount of closing stock of PDS/RPDS as on 31 May 1997

Transfer of closing stock of PDS/RPDS to TPDS without approval of Government of India resulted in irregular availment of subsidy of Rs.0.67 crore

TPDS was introduced from 1 June 1997 by GOI and all other schemes viz. PDS/RPDS were discontinued. Closing stock of PDS/RPDS was transferred to new scheme of Above Poverty Line (APL).

Differential amount of issue rates on closing stock of PDS/RPDS transferred to APL *vis-a-vis* issue rates of APL worked out to Rs.2.10 crore, of which Rs.0.41 crore were paid by GSCSC to FCI.

GOI has not issued any guidelines for transferring of closing stock of food grains at the time of switching over from one scheme to another. However, Government of Gujarat transferred the closing stock from PDS/RPDS to APL (TPDS) without approval of GOI.

Since Government of Gujarat availed the subsidy at the rate of Rs.50 per quintal on foodgrains supplied by GOI under RPDS, transfer of closing stock of RPDS to APL resulted in irregular availment of subsidy on 13306 tonnes of food grains amounting to Rs.66.53 lakh.

3.3.12 Collection and remittance of sale proceeds-operation of food credit

Delay in crediting the amount resulted in avoidable payment of interest of Rs.70.26 lakh by GSCSC

GSCSC availed Food credit sanctioned by Reserve Bank of India for purchase of foodgrains between 1992 and 1999. Amount of food credit sanctioned ranged between Rs.2 crore (1992-93) and Rs.50 crore (1996-97).

Terms and conditions envisaged that receipt through sales of commodities at various sale offices (godowns) were to be deposited in collection account opened with various local banks for final transfer to State Bank of India, Gandhinagar for adjustment against food credit availed by GSCSC. Records of utilisation of food credit from June 1992 to March 1999 revealed that amounts against food credit were transferred by SBI, Gandhinagar at a delay ranging between one day and 723 days which resulted in avoidable payment of interest of Rs.70.26 lakh by GSCSC between June 1992 and March 1999. Had GSCSC monitored the timely transfer of the amounts by SBI, they would have avoided this interest payment.

3.3.13 Issue of bogus cards

Foodgrains distributed on bogus cards worked out to 33030 tonne of wheat and rice valued at Rs.21.92 crore

Ration cards were issued by Taluka Mamlatdars/Zonal Offices on production of proof of residence of the applicant.

Total projected population of the State on the basis of 1991 census was 4.65 crore as of March 1997. However, ration cards issued by Government covered population of 5.04 crore which indicated excess ration card population of 39 lakh during 1992-97.

However, it was noticed that upto March 1993, 4.06 lakh cards covering population of 32.17 lakh were cancelled as they were found bogus. Bogus cards were detected by State machinery in all the 19 districts of the State. Bogus cards were large in number in Surat (0.70 lakh), Rajkot (0.41 lakh), Mehsana (0.33 lakh), Vadodara (0.33 lakh), Bhavnagar (0.23 lakh) and Junagadh (0.23 lakh).

On the basis of average lifting of foodgrains per card in each districts, probable lifting of foodgrains on 4.06 lakh bogus cards between July 1992 and March 1993 worked out to 23,006 tonnes wheat and 10,024 tonnes rice valued at Rs. 21.92 crore (Rs. 13.90 crore wheat and Rs. 8.02 crore rice). Test-check of records in five Talukas revealed that as and when Inspectors/Mamlatdar detected bogus cards, the cards were deleted from the records maintained by the Fair Price Shop owners. However, details of the bogus cards detected between 1993-97 were not available with concerned Mamlatdars. In the absence of which Audit could not verify the correctness of the report of the bogus cards submitted to higher authorities by Mamlatdars. Further, deletion of

entries of bogus card from the record of FPS owners could not be verified as registers were kept by FPS owners.

No follow-up action were taken by the State Government to find out as to how these cards were issued, basis on which these were found bogus, officers responsible for issue of such cards and remedial measures to rectify system defect if any.

Test-check of records of District Supply Officer, Rajkot for issue and cancellation of ration cards revealed the following :

(i) While issuing new ration cards in the cases of migrated persons only proof of residence at new place was verified and certificates of cancellation of name/ration cards at old station was not insisted upon though required. This might facilitate continuance of cards at both the places.

(ii) Only number of cards cancelled and population involved therein were mentioned in the reports sent to Director of Food. However, reasons for cancellation were not mentioned. Audit therefore, could not verify as to whether cards cancelled were under genuine ground(s) (i.e. migration, death etc.) or were bogus.

3.3.14 Quality of food grains

Foodgrains weighing 204 tonnes did not conform to the standards of PFA

Sub-standard and inferior quality of food grains were analysed in the laboratory of GSCSC. Quality of foodgrains which did not conform to the standards of Prevention of Food Adulteration Act (PFA) were declared unfit for human consumption and auctioned. Difference between the cost price and auctioned price was paid by the Insurance Company.

During 1994, 204 tonnes of common rice in Chikhli (178 tonnes) and Bhiloda (26 tonnes) were not according to PFA standard.

However, information relating to auction of material, amount realised, receipt of differential amount from Insurance Company and whether any part of such stock was issued/utilised for human consumption was not furnished by GSCSC, though called for.

As per findings of ORG-MARG survey eight *per cent* of urban and 12 *per cent* to 15 *per cent* of rural consumers opined that foodgrains supplied through PDS were not of acceptable quality.

3.3.15 Fair Price shops

According to the norms, for each 5000 urban and 3000 rural population, one fair price shop was required to be opened. Test-check of records of four districts for 1998-99 revealed as under :

Name of District	Year	Number of shops required to be opened		Number of shops actually opened		Shortfall/ excess	
		Urban	Rural	Urban	Rural	Urban	Rural
Surat	1998-99	550	700	550	649	--	(-)51
Mehsana	1998-99	116	509	136	456	(+)20	(-)53
Godhra	1998-99	42	466	81	432	(+)39	(-)34
Bharuch	1998-99	76	336	89	323	(+)13	(-)13

It was noticed that in Surat (51), Mehsana (53), Godhra (34) and Bharuch (13) FPS in rural areas were not opened whereas excess shops were opened in urban areas of Mehsana (20), Godhra (39) and Bharuch (13).

Shortfall in opening of fair price shops was attributed to malpractice, death of FPS owners, resignation and marginal difference of population etc. whereas no reason for excess FPS were furnished except DSO Mehsana who attributed excess FPS to opening of shops as per geographical condition of the areas.

ORG-MARG survey revealed that 12 *per cent* of the ration shops did not open throughout the year, seven *per cent* of the beneficiaries opined that weighing was not done correctly and 13 to 17 *per cent* of beneficiaries felt harassed as they had to visit FPS again and again due to non-availability of commodities and/or on stock reported by shop owners.

3.3.16 Irregular maintenance of permit stock register

Commodities under PDS were supplied to FPS by GSCSC on the basis of permits issued by Mamlatdars. Permit books were supplied by District Supply Officer of the district to Mamlatdars. It was noticed that:

- (i) In Mehsana District, stock register of permit books was maintained only from 1998. No stock register were available for earlier period.
- (ii) Similarly, it was also noticed that no stock register of permit books received from the District Supply Officers were maintained by Mamlatdars of Songadh and Bardoli (Surat), Mehsana, Kalol and Visnagar (Mehsana) and Kalol (Panchmahals).

Non-maintenance of stock register of permit books might lead to misuse of permit books, for lifting commodities from godowns by FPS. Reasons for non-maintenance of stock registers of permit books were not furnished to Audit.

3.3.17 Intelligence, Enforcement and Manpower Training for PDS/RPDS

Research studies and evaluation of training programme was not conducted

Grant of Rs.0.84 lakh was received from GOI during 1992-93 to 1998-99 for meeting expenditure on intelligence, enforcement and manpower training. Though, expenditure of Rs.0.68 lakh was incurred on training upto 1998-99, details of training programme conducted in supply-management, expenditure incurred thereon target and achievement etc. were not available with the department. Audit therefore, could not verify the genuineness of expenditure incurred by the Department. Though guidelines prescribed for research studies and evaluation of training programme conducted, no such study or evaluation was conducted by the State Government.

3.3.18 Civil Supply Consumer Protection Advisory Committee

Shortfall in number of meetings of District Civil Supplies Consumer Advisory Committees ranged between 31 and 62 per cent

In pursuance of the national policy to ensure active participation of the people in supervision of the PDS/RPDS, State Government constituted Civil Supply Consumer Protection Advisory Committee, at district, taluka and village level. Committee was to monitor the implementation of the scheme and remove the deficiencies in day-to-day functioning of the scheme. According to norms, District and Village Committees were to meet once in two months and Taluka Level Committee was to meet once in a month. However, between April 1992 and March 1999, number of meetings actually held in test checked districts were as under.

(i) District Committee

Name of district	Number of meetings required to be held	Number of meetings actually held	Shortfall (in per cent)
Surat	42	16	26 (62)
Mehsana	42	22	20 (48)
Godhra	42	29	13 (31)
Bharuch	42	23	19 (45)

(ii) Taluka and Village Committees

Districts	Number of meetings to be held.		Number of meetings actually held		Short fall (in per cent)	
	Taluka level	Village level	Taluka level	Village level	Taluka level	Village level
Surat	1092	546	208	185	884 (81)	361 (66)
Mehsana	900	25608	295	14589	605 (67)	11019 (43)
Godhra	864	30450	388	12673	476 (55)	17777 (58)
Bharuch	672	12781	266	3567	406 (60)	9214 (72)

Shortfall in number of meetings of District Level Committees ranged between 31 per cent (Godhra) and 62 per cent (Surat).

Shortfall in number of meetings ranged between 55 per cent and 81 per cent in Taluka level Committee and between 43 per cent and 72 per cent in Village level Committee.

ORG-MARG survey brought out that lot of consumers were not aware as to whom to complaint about their grievances.

3.3.19 Inspection of Fair Price Shops

Shortfall in inspection of FPS by CSI was between 8 and 12 per cent and by SI ranged between 17 per cent and 60 per cent

Inspection of FPS at various levels was prescribed to check proper account of stock, distribution of foodgrains, rate charged, elimination of bogus/duplicate cards etc.. According to norms prescribed by the State Government, each Supply Inspector (SI) and Chief Supply Inspector (CSI) of district was required to inspect monthly 10 and 6 FPS respectively. Test-check of records revealed the following shortfall in inspection during April 1992 to March 1999.

Name of District	Year	No. of posts		No. of visits to be carried out		No. of visits actually carried out		Shortfall/ Excess (percentage)	
		CSI	SI	CSI	SI	CSI	SI	CSI	SI
Surat	1992-95	NA.	--	--	--	--	--	--	--
	1996-98	-	30		10800	--	4277	--	(-)6523 (60)
Mehsana	1992-97	1	11	360	6600	485	5381	(+)125	(-)1219
	1997-99	1	7	144	1680 8280	176	1511 6892	(+)32	(-)169 1388 (17)
Godhra	1992-97	1	11	360	6600	345	6630		
	1997-98	1	10	72	1200	57	1396		
	1998-99	1	5	72	600	60	678		
				504	8400	462	8704	(-)42(8)	(+)304
Bharuch	1992-99	1	10	504	8400	447	5882	(-)57 (12)	(-)2518 (30)

Inspections were carried out in all the Talukas of the districts. Shortfall in inspection was 60 per cent, 30 per cent and 17 per cent in Surat, Bharuch and Mehsana respectively. As inspection by Chief Supply Inspectors and Supply Inspectors would help in reducing malpractices by FPS owners, failure in adequate inspection affected the extent of such check. Shortfall was attributed by the department to attending election, flood duty etc. This was not tenable as the department was required to make up the shortfall for maintaining the quality of service in the FPS.

3.3.20 Monitoring

No monitoring of the scheme was done

Periodical returns of the performance of the scheme were furnished to GOI by the State Government. No committee of Ministers for effective implementation of the scheme was constituted by the State

Government as required. Moreover, no study was conducted to implement the system more effectively.

3.3.21 Evaluation

No evaluation of the scheme was conducted

The performance of PDS/RPDS/TPDS was not evaluated by the State Government during 1992-99.

Reasons for non-evaluation of the scheme were neither available on record nor furnished to Audit.

3.3.22 Suggestions

Identification of BPL families beneficiaries should be done as per the criteria fixed by GOI. Detection and cancellation of bogus ration cards should be completed in a time bound manner. Monitoring of the scheme at various level viz. lifting, distribution, operation of FPS, etc. need to be significantly improved to ensure transparency and efficiency.

3.3.23 The matter was reported to Government in June 1998 and June 1999; reply has not been received (November 1999).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4 Integrated Child Development Services

Highlights

The Integrated Child Development Services (ICDS) scheme was started in 1975-76 as a centrally sponsored scheme mainly to improve nutritional and health status of children in the age group of 0-6 years, reduce incidence of mortality, malnutrition and school drop-outs and enhance the capability of the mother to look after normal health and nutritional needs of child through nutrition and health education.

Audit Review revealed that there were long delays in setting up of Projects and/or Anganwadis. Central fund was lying unutilised while utilisation of funds by the agencies were not monitored. Achievements under Supplementary Nutrition were inflated in the projects and funding programmes was significantly interrupted in several districts. Supervision by CDPOs and ACDPOs was inadequate and Anganwadis lacked in facilities of hand pumps, toilet blocks and toys for the children. Monitoring the programme was very poor.

Against Central assistance of Rs. 241.82 crore received, Rs.229.63 crore were released to various local bodies and Rs.12.19 crore were lying unutilised with the State Government during 1992-99. Joint Director maintained no records to verify expenditure incurred by the local bodies and released funds without considering unutilised balance lying with them.

(Paragraph 3.4.4(b)(ii))

State Government furnished no utilisation certificate to the Government of India and obtained no Utilisation Certificates from the implementing agencies (during 1992-99).

(Paragraph 3.4.4 (b) (ii))

As 16 sanctioned projects were not established 45.03 lakh population were not covered under the scheme.

(Paragraph 3.4.5)

Out of 35933 *anganwadis* sanctioned upto 1998-99, 6211 (17 per cent) were not set up. As a result 61.59 lakh population of the State in 17 districts were deprived of the benefit of the project.

(Paragraph 3.4.5 (b))

While reported achievement under supplementary nutrition ranged from 117 per cent to 84 per cent test-checked revealed achievement between 60 per cent and 65 per cent in the districts. Thus figures of achievement for the State were inflated and not reliable.

(Paragraph 3.4.7.1)

Calorific value and protein value of nutrition were significantly below the norm after January 1998. No therapeutic food was given to severely malnourished children and no weaning food was given to children as required.

(Paragraph 3.4.7.2)

Joint Director failed to ensure quality of oil supplied by GSCSC to *Anganwadis*. As a result rapeseed oil was supplied by GSCSC instead of cottonseed oil and Rs.91.08 lakh was overcharged to the Government.

(Paragraph 3.4.7.3)

Child Development Project Officer, Valsad purchased items valued Rs.27 lakh from private firms in violation of instructions issued by Programme Officer, Valsad.

(Paragraph 3.4.7.4)

As against prescribed 300 days, Supplementary Nutrition was not provided at all in 4 to 8 per cent *Anganwadis*. Feeding for more than 240 days could be arranged only for 60 to 76 per cent *Anganwadi* during 1992-99. Interruption in feeding increased significantly after 1995-96.

(Paragraph 3.4.7.5)

Administrative expenditure for the project was much above the norm and increased significantly after 1995-96.

(Paragraph 3.4.7.6)

No *Anganwadi* maintained list of children and pregnant women for immunisation. As a result figures of achievement of immunisation was not reliable.

(Paragraph 3.4.8)

No norms for home visit by *Anganwadi* Workers were prescribed by Government of Gujarat. Figures of home visits were doubtful in absence of registers to be maintained by the *Anganwadis*.

(Paragraph 3.4.9)

Figures of coverage of non-formal pre-school education in test-checked districts and those of the State as a whole had a huge discrepancy. Genuineness of these figures were doubtful.

(Paragraph 3.4.10)

Vacancies under various cadres of staff ranged between 16 *per cent* and 100 *per cent*. Five projects were functioning without CDPOs; percentage of untrained personnel ranged between five and 50 of the sanctioned staff which affected the functioning of *Anganwadis* and the immunisation and health check up programmes.

(Paragraph 3.4.11)

In seven projects no *anaganwadi* was provided with sanitary block and only 36 *per cent* of *anganwadis* had hand pumps. Of the functioning *Anganwadis* only 14 *per cent* were provided with hand pump.

(Paragraph 3.4.11.1)

In 3 districts/projects 5 vehicles meant for ICDS programmes were misused to the extent of 0.12 lakh kms.

(Paragraph 3.4.13)

Coordination Committees were not set-up in eight projects in four districts.

(Paragraph 3.4.14.1)

3.4.1 Introduction

ICDS scheme was started in 1975-76 as a centrally sponsored scheme mainly to improve nutritional and health status of children in the age group of 0-6 years, reduce incidence of mortality, malnutrition and school drop outs among children and enhance the capability of mother to look after the normal health and nutritional needs of child through nutrition and health education.

The programme provided for cent percent central assistance for inputs other than supplementary nutrition cost of which was borne by the State Government.

ICDS had six components viz. (i) Supplementary nutrition, (ii) Immunisation, (iii) Health check-up, (iv) Referral services, (v) Nutrition and Health Education and (vi) Non-formal pre-school Education.

Beneficiaries under the scheme were expectant and nursing mothers in the age group of 15 to 45 years and children up to the age of six years.

3.4.2 Organisational Set-up

Commissioner of Health, Medical Services and Medical Education (Health Section), (Commissioner) was in overall charge of the Programme and was assisted by Joint Director (ICDS) at the State Level. At the district level, ICDS was implemented through the Programme Officers (District Panchayats), Child Development Project Officer(s) (CDPOs) in charge of the projects and *Anganwadi* Centres.

3.4.3 Audit coverage

Review of implementation of the scheme from 1992-93 to 1998-99 was conducted through test-check of records of the department, the

Commissioner, Joint Director (ICDS) and five* Districts during September 1998 to May 1999.

3.4.4 Financial Analysis

(a) Budget provision and expenditure during 1992-99 were as shown in Appendix-XXI. Year-wise expenditure as against budget provision incurred was as under:

(Rupees in crore)

Year	Budget Provision			Actual Expenditure			(+) Excess (-) Savings
	Central	State	Total	Central	State	Total	
1992-93	16.96	13.04	30.00	16.96	12.54	29.50	(-) 0.50
1993-94	21.30	12.39	33.69	21.39	12.46	33.85	(+) 0.16
1994-95	25.24	16.73	41.97	25.18	16.32	41.50	(-) 0.47
1995-96	32.03	30.45	62.48	32.03	30.18	62.21	(-) 0.27
1996-97	40.01	28.01	68.02	39.81	27.81	67.62	(-) 0.40
1997-98	44.56	40.22	84.78	44.45	39.96	84.41	(-) 0.37
1998-99	49.82	37.09	86.91	49.81	37.09	86.90	(-) 0.01

Reasons for excess/savings were neither available on record with Commissioner nor furnished to Audit.

(b) Total amount of assistance released by GOI and actually received by the State Government during 1992-99 were Rs.220.48 crore and Rs.241.82 crore respectively as intimated by Joint Director (ICDS) (Appendix - XXII).

There was difference of Rs. 21.34 crore between the figures of grant released by GOI and actually received by the State Government. Joint Director stated that figures were taken from the orders under which grant was released by GOI. The difference needs reconciliation.

(ii) Out of Rs. 241.82 crore received from GOI, Rs. 229.63 crore released as grants to various local bodies were shown as expenditure incurred by the State Government. Thus, there was unutilised balance of Rs. 12.19 crore with the State Government as of March 1999. Reasons for this excess were neither available on record nor furnished to Audit.

Scrutiny revealed that the Joint Director maintained no records to verify actual expenditure incurred by the local bodies and released funds without considering unutilised balance lying with them.

* Ahmedabad, Bular, Panchmahals, Rajkot and Sabarkantha (SK).

The State Government neither furnished UCs to GOI during 1992-93 to 1998-99 though required nor monitored their receipt from the implementing agencies. Thus, actual utilisation of funds were not monitored by the State Government.

3.4.5 Physical Targets

Position of number of projects sanctioned, established and operational during 1992-93 to 1998-99 was as under :

Year	Number of ICDS Projects		
	Sanctioned	Established	Operational (Progressive)
Upto 1991-92	124	124	116
1992-93	13	--	116
1993-94	17	--	120
1994-95	9	13	126
1995-96	40	17	129
1996-97	--	9	147
1997-98	24	40	173
1998-99	--	--	187
TOTAL	227	203	

Out of 227 projects sanctioned by GOI upto March 1999 in 186 blocks, only 203 were established, of which 187 were operational in 175 blocks as of March 1999. According to policy of GOI, ICDS projects were to be operational within 17 months after their sanction. Scrutiny revealed that one project sanctioned in March 1995 and 15 sanctioned in March 1996 were not established by the State Government till the end of March 1999. As a result, targetted population of 45.03 lakh in five districts remained uncovered under the scheme. Reasons for shortfall in establishment of projects and non-functioning of 16 projects were not furnished to audit.

(b) *Anganwadi* is the focal point for delivery of package of services to children and expectant/nursing mothers right at their door step. One *Anganwadi* Worker was to be provided for 1000 population in rural and urban areas and 700 population in tribal areas.

As against 35933 *anganwadis* sanctioned upto 1998-99, only 29722 (83 per cent) were set up. Shortfall in setting-up of (6211) *anganwadis* in 124 projects in 17 out of 19 districts was attributed by the Joint Director, to (i) vacancy in the posts of Programme Officer, Child Development Project Officers and Supervisors, (ii) number of *anganwadis* sanctioned were more than the requirement, (iii) resignation of *Anganwadi* Workers, (iv) non-availability of building for *anganwadis*, (v) non-availability of literate candidates for the post of *Anganwadi* Workers and (vi) low rate of honorarium for *Anganwadi* Workers. However, no information was furnished as to how many

anganwadis could not be set up due to non-availability of buildings, literate candidate and low rate of honorarium.

Further, the contention of Joint Director was not tenable in view of following:

Vacancy in various posts ranged between 16 *per cent* and 100 *per cent* whereas shortfall in setting up of *anganwadis* ranged between 4 *per cent* and 25 *per cent*, during 1992-93 to 1998-99 (ii) there was no record to show as to how many *anganwadis* were sanctioned in excess of requirement and whether the facts of sanctioning excess *anganwadis* were intimated to GOI at any point of time, (iii) resignation of *Anganwadi* Workers can not explain shortfall in setting up of *anganwadis* as it was an event after setting-up of *anganwadis*.

3.4.6 Non-observance of prescribed norms

No *Anganwadi* was sanctioned in Wankaner town having population of 36603

As per GOI guidelines, *anganwadis* were to be opened in rural, tribal and urban slum areas. However, in disregard of these guidelines no *anganwadi* was sanctioned to Wankaner town (Rajkot District) having population of 36603 (1991 census).

3.4.7 Supplementary Nutrition

3.4.7.1 Possibility of inflated reporting of achievement

Supplementary nutrition should be provided to children below six years of age, to pregnant women and nursing mothers belonging to landless agricultural labourers, marginal farmers, scheduled caste and scheduled tribes and other poor sections of the community. Position of target and achievement in this regard during 1992-93 to 1998-99 was as under :

(Figures in lakh)

Year	Total number of beneficiaries mother and children		Percentage
	Target	Achievement	
1992-93	10.61	11.99	113
1993-94	10.61	12.47	117
1994-95	13.12	12.47	95
1995-96	15.06	12.75	85
1996-97	17.28	14.58	84
1997-98	17.28	15.60	90
1998-99	17.28	16.85	97

Eventhough the number of children covered under the scheme increased from 11.99 lakh in 1992-93 to 16.85 lakh in 1998-99, coverage of target declined during 1994-95 to 1998-99 by 16 *per cent*.

Position of target and achievement in five test-checked districts was as under :

(Figures in lakh)

Year	Number of beneficiaries identified	Number of beneficiaries covered	percentage
1992-93	5.86	3.53	60
1993-94	5.78	3.59	62
1994-95	6.93	3.62	61
1995-96	6.24	3.74	60
1996-97	6.84	4.27	62
1997-98	6.97	4.54	65
1998-99	6.93	4.40	64

Only 60 to 65 per cent of the beneficiaries were provided supplementary nutrition

It could be seen from the above tables that the percentage of achievement in test-checked districts were remained consistently low between 60 and 65 which was much less than the position for the State as a whole which ranged from 84 to 117. In view of these wide discrepancies, possibility of inflated reporting of achievement for the State could not be ruled out. Joint Director furnished no explanation as to how the State-wise position could be so much on the higher side than the district-wise position.

3.4.7.2 Non-observance of norms regarding supplementary nutrition

Prescribed norms of calories and protein were not maintained

As per ICDS Manual, supplementary nutrition would be given to needy children below six years of age and to nursing and expectant mothers from low income families, for 300 days in a year.

Test-check of records revealed that prescribed norms of calories and protein were not maintained and nutrition with lower calorific value and protein was supplied to children as under:

Type of beneficiary	As per norms		* Actually supplied upto 19 January 1998		* Actually supplied after 19 January 1998	
	Calories	Protein	Calories	Protein	Calories	Protein
Children Normal Gr.I,Gr.II	300	10 gm	324.3	7.61 gm	254	7.1 gm
Children Gr.III and Gr.IV	600	20 gm	648.6	15.22 gm	508	14.2 gm
Expectant/Lactating mothers	500	20 gm	--do--	--do--	--do--	--do--

Though the severely malnourished children were identified, therapeutic food was not given to them. Further, weaning food was to be supplied to the children in the age group of six months to one year but this was not done.

* Vide Commissioner of Health, Medical Services and Medical Education, Gandhinagar circular No. ICDS/kha.sa./Ration/Praman/Sudharo/N-5/97, dated 20-1-98

The Joint Director stated that the supply of food of lower nutrition was attributable to lower budget provision and the limit laid down by GOI per beneficiary.

3.4.7.3 Supply of sub-standard oil

Quality of oil supplied to *anganwadis* was not checked by the Joint Director. As a result rapeseed oil was supplied instead of cotton seed oil

The Gujarat State Civil Supplies Corporation (GSCSC) is the nodal agency to procure gram and oil. Wheat is procured from Food Corporation of India and distributed through GSCSC. Oil is procured by GSCSC from local manufactures on the basis of tenders.

After laboratory test conducted in August 1998 at the instance of CDPO, Gondal, 360 tins of edible oil supplied in July 1997 were found to be rapeseed oil instead of cotton seed oil. By the time laboratory test was carried out, 316 tins were consumed and only 44 tins were not lifted from GSCSC's godown. This was replaced by GSCSC in May 1999. Rapeseed oil has lower calorific value than cotton seed oil.

Following points were noticed :

(i) Oil was supplied to CDPO, Gondal by GSCSC from out of 72000 tins of edible oil procured by them between May and September 1997 at a cost of Rs.3.88 crore at the rate of Rs.539 per tin of cotton seed oil.

(ii) Joint Director failed to ensure that the supply was of cotton seed oil before making payment. Obligatory laboratory test were not conducted before or after despatch of oil, as noticed from the records of Programme Officers of District Panchayats, Banaskantha, Kheda, Bhavnagar, Jamnagar, Rajkot and Kachchh.

Joint Director stated (August 1999) that they did not exercise any checks regarding quality and brand of the oil supplied to the CDPOs as GSCSC was a Government of Gujarat undertaking.

Failure to ensure the nature and quality of oil supplied to *anganwadis* as per the prescribed procedure by the Joint Director resulted in supply of rapeseed oil instead of cotton seed oil by GSCSC.

The Commissioner approached GSCSC in October 1998, for refund of entire cost of 72,000 tins i.e. Rs.3.88 crore. GSCSC stated (November 1998) that since there was no complaint other than from CDPO, Gondal, the question of refund of the entire cost did not arise. Loss to Government due to difference in the rates of cotton seed oil and rapeseed oil for 72,000 tins worked-out to Rs.91.08 lakh. GSCSC and the supplier were responsible for supplying rapeseed oil instead of cotton seed oil and there for the loss was recoverable from GSCSC.

The matter calls for investigation by the Government.

3.4.7.4 Procurement of items from private agencies

Items valued Rs.27 lakh purchased disregarding instructions issued by Programme Officer

As per the circular issued by Programme Officer, Valsad in April 1989 items like spices, gul, salt, rai, gram etc. were to be purchased from SSI units listed therein after following the prescribed procedure.

It was noticed that CDPO, Valsad irregularly purchased items like gul, chilly powder, turmeric powder, salt, rai valued Rs.27 lakh during 1993-99 from private agencies without comparing the rates offered by SSI units.

CDPO, Valsad stated that SSI Units/Mahila Mandal Co-operative Societies were not manufacturing these items and also not supplying in time. However, no records were shown to prove the genuineness of this contention. Though tenders were floated, the SSI units (who also responded) were not given any price preference. Possibility of malpractice in these purchases need investigation.

3.4.7.5 Irregular supply of supplementary nutrition

Shortfall in supply of supplementary nutrition ranged between 60 days and 300 days

As per GOI's guidelines supplementary nutrition was to be provided for 300 days in a year to the targetted beneficiaries.

Scrutiny revealed failure in providing supplementary nutrition for the prescribed number of days in test-checked *anganwadis* as shown below:

Supplementary Nutrition provided by number of <i>anganwadis</i> between-days	Year Total number of <i>anganwadis</i>						
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
	2353	2401	2462	2722	3237	3395	3420
240-300 days	2188	2257	2093	1878	2072	2037	2599
percentage	93	94	85	69	64	60	76
180-240 days	90	84	261	434	453	501	499
percentage	4	3	11	16	14	15	15
1-180 days	43	42	79	290	490	564	168
percentage	2	2	3	11	15	17	5
No Supplementary Nutrition provided	20	15	19	105	217	282	143
Percentage	1	1	1	4	7	8	4

The above table shows that interruptions significantly increased during 1995-96 to 1998-99 when feeding for more than 240 days could be ensured for only 60 to 76 per cent *anganwadis*. Further, in four to eight per cent of *anganwadis* no feeding was given during these years.

It was noticed during test check that the interruption was high in the following districts/projects:

District/Project	Year	Interruption in number of days
Rajkot/Upleta	1996-97	188
Rajkot/Morvi	1997-98	180
Valsad/Pardi	1996-97	147
Godhra (PM)/Dahod	1998-99	186
Ahmedabad/Daskroi	1998-99	173

Maximum interruption (63 per cent) in provision of Supplementary Nutrition was noticed in Rajkot and Godhra districts.

The Joint Director attributed the shortfall in number of feeding days to want of stock of food items in *anganwadi* centres and late supply of stock by GSCSC. Evidently, the Joint Director failed to monitor uninterrupted supply of food items to *anganwadi* centres. Information regarding short supply by GSCSC *vis-a-vis* requirement was neither available on record nor furnished to Audit. Hence the statement of Joint Director was not verifiable.

3.4.7.6 High administrative expenditure vis-à-vis expenditure on supplementary nutrition

Administrative Expenditure was in excess of prescribed norms

For ICDS projects from 1982-83 onwards, ratio of administrative expenditure and supplementary nutrition cost prescribed in ICDS Manual was as shown below :

	Rural	Tribal	Urban
Administrative Expenditure	40	48	43
S.N. Expenses	60	52	57

However, the ratio of administrative expenses and supplementary nutrition was much higher even after 1995-96 when supply of free food by CARE was stopped and Government run the programme out of its own fund as shown below:

(Rupees in crore)

Year	Expenditure on Administration	Expenditure on Supplementary Nutrition	Ratio	
			Administrative Expenditure	Supplementary Nutrition
1992-93	22.18	7.32	75	25
1993-94	24.95	8.90	74	26
1994-95	29.90	11.60	72	28
1995-96	37.06	25.15	60	40
1996-97	43.56	24.06	64	36
1997-98	45.93	38.48	54	46
1998-99	50.71	36.19	58	42

The Joint Director (ICDS) stated that administrative expenditure has gone high due to revision of pay and allowances and price hike in petrol, oil and lubricant.

This was not tenable as the percentage of administrative expenditure decreased from 75 in 1992-93 to 58 in 1998-99, whereas the same for supplementary nutrition increased from 25 in 1992-93 to 42 in 1998-99. Thus, there was scope to reduce the administrative expenditure. Further, expenditure on supplementary nutrition was to be met by the State Government from its fund. However, it is evident from paragraph 3.4.4 that though Rs.177.93 crore were provided only Rs.151.70 crore were spent.

3.4.8 Immunisation-the figures of achievement doubtful

Target for immunisation were not fixed

Children below six years of age and pregnant women were to be provided immunisation against diseases like Diphtheria, Whooping Cough, Tetanus, Polio and Tuberculosis periodically in prescribed doses. During 1992-99 immunisation was done by the State Government under State immunisation programme as shown in Appendix - XXIII(A).

Figures of immunised children in districts more than those for the whole State

Position of immunisation in test-checked CDPOs during 1992-99 was as shown in Appendix - XXXII(B). These details revealed that achievement in respect of BCG and Measles for the districts test-checked were more than the figures of achievement for the State as a whole. Achievements under DPT, Polio and TT in test-checked projects were also disproportionately higher, than the achievement figure for the State as a whole. Thus, the figures for achievement in immunisation by ICDS projects were not free from doubt.

Anganwadi Workers were required to prepare list of all children below six years and pregnant women to be immunised. In none of the test-checked ICDS projects such lists were prepared by *Anganwadi* Workers. As a result the figure of achievement were not available. The

CDPOs failed to ensure this and the Joint Director neglected this aspect of the programme.

3.4.9 Nutrition and Health Education

(a) Figures of home visits are doubtful

In the absence of set norms, all the identified women were covered by home visit, was not known

Nutrition and Health Education were to be provided to all women in the age group of 15-45 years through the use of mass media and other forms of publicity, special campaigns, home visits by *Anganwadi* Workers, short courses, demonstrations of cooking/feeding and utilisation of programme of Ministries of Health and Family Welfare/Agriculture.

Position of women covered during home visits by *Anganwadi* Workers in 16 test-checked CDPOs was as under :

Year	Women Identified	(Numbers in lakh)
		No. of Home visits made by AWWs
1992-93	1.71	10.71
1993-94	1.75	10.52
1994-95	1.74	10.26
1995-96	2.15	11.23
1996-97	2.44	11.64
1997-98	2.81	12.00
1998-99	2.34	11.86

During test-check of records of CDPOs, Valsad and Killapardi, it was noticed that no register for home visits was maintained. In the absence of register, the figures of home visits were doubtful.

The Joint Director stated that there were no set norms for home visits by *Anganwadi* Workers. In the absence of the set norms, it is not known whether all the identified women were covered by home visit or not.

(b) No slide shows were held

Nutrition and Health Education activities were done by organising Mahila Mandal meetings, Food recipe competition, celebrations of nutrition week etc.

Scrutiny of records of CDPOs in test-checked Districts revealed that no slide show was held except CDPO Ahmedabad (Urban)-I during 1992-93 to 1998-99 though CDPOs were provided with slide projectors by UNICEF.

CDPOs stated that the slide projectors remained idle due to non-supply of slides by GOI/UNICEF and lack of operational knowledge in some

cases. This was not tenable as slides were not required to be supplied by UNICEF.

3.4.10 Non-formal pre-school education

Coverage of more number of beneficiaries in test-checked districts than the total number of beneficiaries in the State

Under this component, children of three to six years were provided with the benefit of non-formal pre-school education through *anganwadis* to develop desirable attitudes, values and behaviour patterns and aims at providing environmental stimulation.

Year-wise position of eligible, enrolled and children attended etc. is indicated in Appendix - XXIV and XXV. Analysis of these figures for the State as a whole, showed that shortfall in enrolment ranged between 28 per cent and 38 per cent, eight per cent and 21 per cent and two per cent and 10 per cent in Urban, Rural and Tribal areas respectively. Percentage of attendance *vis-a-vis* enrolled ranged between 83 and 95 (Urban), 55 and 73 (Rural) and 62 and 73 (Tribal). However, figures of eligible children and those actually enrolled for Tribal areas in test-checked districts were more than the figures for the State as a whole. Hence the genuineness of these figures is doubtful.

3.4.11 Shortage of staff and Trained Personnel

Vacancies in various cadres ranged between 16 per cent and 100 per cent

Analysis of the vacancy as on 31 March 1999 (Appendix - XXVI) showed that vacancies in various cadres of staff ranged between 16 per cent and 100 per cent. Percentage of vacancies in the posts of ACDPOs varied from 15 per cent in 1992-93 to 50 per cent in 1998-99. As regards supervisors the percentage of vacancy increased from 15 in 1992-93 to 35 in 1998-99. Percentage of vacancy in *Anganwadi* workers increased from eight per cent in 1992-93 to 16 per cent in 1998-99. As regards CDPOs, though the percentage of vacancy has been decreased from 57 in 1993-94 to 41 in 1998-99 as on March 1999, 84 projects were without CDPOs. The absence of CDPOs in large number of projects affected the functioning of the scheme as whole in those projects.

Four posts each of Nutritionist, pre-school Instructor, Social Welfare Teacher, Accountant and Health Instructor sanctioned were lying unfilled during the period 1992-93 to 1998-99. The vacancies in the posts of ACDPOs and supervisors affected the functioning of the projects and Supervision of *Anganwadis* respectively. Similarly, vacancies in *Anganwadi* Workers and medical personnel affected the operation of *Anganwadis* and immunisation and health check up programmes respectively.

As regards 16 projects test-checked, 5 projects including 4 projects of Rajkot districts were functioning without CDPOs. Again, one project of this District was manned by only a supervisor. The percentage of vacant posts of Supervisors, *Anganwadi* Workers and *Anganwadi*

Helpers in these projects were 36, 6 and 7 respectively. This shortage evidently affected the Supplementary Nutrition programme as maximum interruption in funding was noticed in Rajkot District.

Untrained staff

Large number of untrained staff are running the anganwadis

Out of 119 CDPOs, 113 ACDPOs and 1183 Supervisors available for implementation of the programme, percentage of untrained personnel worked out to 10, 11 and 5 respectively. In the case of *Anganwadi* Workers and *Anganwadi* Helpers the percentages are 19 and 50 respectively.

As regards *Anganwadi* Workers, the lack of training resulted in incorrect maintenance of records and reporting. Lack of training of CDPOs, ACDPO and Supervisors, affected proper implementation and reporting of the functioning of the scheme.

Information regarding age-wise break up of vacant posts, was neither available with the Joint Director nor furnished to Audit.

The Joint Director stated that all the posts except Gazetted Officers were to be filled up by the respective District Panchayats. Posts were lying vacant due to promotion, retirement etc. and posts other than gazetted not filled up by the concerned District Panchayats.

3.4.11.1 Hand pumps and sanitary blocks not provided in Anganwadis

Each *anganwadi* centre was to be provided with a hand pump and sanitary block. Test-check of seven projects in four districts revealed that no *Anganwadi* centre was provided with sanitary block. As regards, hand pump the position was as under:

Total number of <i>Anganwadis</i> in seven projects	1985
Hand pumps provided	721
Hand pumps in working condition	646

Thus, percentage of hand pump provided to *Anganwadis* worked out to 36.

In Modasa Project out of 213 *Anganwadis* only one was provided with a hand pump. In Kilaparadi Project out of 357 *Anganwadis* functioning, only 30 had hand pumps. In Dahod Project out of only 225 had hand pumps in working condition. Further, in seven test-checked CDPOs only Daskroi Project in Ahmedabad District out of 252 *Anganwadis*, 250 were provided with toys.

Joint Director stated that out of 29722 *Anganwadis* functioning 4140 were provided with hand pumps, of which only 3751 (91 per cent)

were working. As regards toys/pre-school materials, 8565 *Anganwadis* were provided with them. The Joint Director did not furnish any information on sanitary blocks provided in *Anganwadis*. Evidently, shortfall in supervision ranged between five *per cent* and 23 *per cent* contributed to the neglect in providing facilities of sanitary block, hand pump, toys etc; to *Anganwadis*.

3.4.12 Theft, misappropriation etc.

Misappropriation cases were not reported to Accountant General (Audit) as required

One case of misappropriation of wheat valued Rs.0.13 lakh in CDPO, Anjar, theft of material valued Rs.0.03 lakh in CDPO, Devgadhi Baria and theft of Rs.0.30 lakh (cash) in CDPO, Dahod were noticed during 1995-96, 1998-99 and 1996-97 respectively. However, these cases were not reported to Accountant General (Audit) as required under the Gujarat Financial Rules-1971.

The Joint Director stated that the concerned Panchayats were to report to the Accountant General. It was noticed that these cases were not reported to the Joint Director also by the concerned CDPOs for which no reasons were furnished by CDPOs.

3.4.13 Misuse of ICDS vehicles

ICDS vehicles were misused for 0.12 lakh km.

As per GOI's instructions of March 1991, ICDS vehicles should be utilised for implementation of ICDS programme only and cannot be diverted for any other purpose.

Test-check of records of Projects/Districts revealed that five ICDS vehicles out of nineteen were misused by Mamlatdar, Taluka Development Officer, Medical Officer, Education Inspector, Manager-Cricket Tournament to the extent of 0.12 lakh kms; in Bular (4740 kms), Godhra (6273 kms) and Rajkot(1070 kms) Districts.

The concerned CDPOs stated that the vehicles were given to above officers as per the orders of 'higher authorities'. This was not tenable as no 'higher authorities' were empowered to flout GOI instructions.

3.4.14 Monitoring

3.4.14.1 Co-ordination Committees

Co-ordination Committees were not set up and meetings were not held where committees were set up

A Co-ordination Committee each was to be set-up at Projects/Districts and State level to monitor ICDS programmes. Meeting of the Co-ordination Committee was required to be held monthly at project levels and quarterly at district levels.

Co-ordination Committees were not set-up in four out of five districts and eight out of 16 projects test-checked.

Monthly meetings at project level were not held as required in three out of eight projects, where Co-ordination Committees were formed.

3.4.14.2 Field Visits and Supervision

As per the norms laid down by GOI, CDPOs/ACDPOs were required to undertake field visits to *Anganwadis* atleast 18 days a month with 10 night halts outside the Head Quarters. A Supervisor was expected to visit each *Anganwadi* atleast once a month and laise with Lady Health Visitor for joint visit to *Anganwadi* once a week.

Shortfall in field visits by supervisors were increasing

As per the information furnished by the test-checked CDPOs there was shortfall in field visits and supervision by CDPOs to the extent of five *per cent* and 16 *per cent* and eight *per cent* in 1992-93, 1997-98 and 1998-99 respectively vide Appendix - XXVII. As regards Supervisors, there was shortfall in all the years and it ranged from 11 *per cent* in 1992-93 and 1993-94 to 23 *per cent* in 1997-98 and 1998-99.

CDPOs attributed reasons for shortfall in field visits and supervision to (i) attending meetings frequently by CDPOs, (ii) around 50 *per cent* of the posts of supervisor was vacant, (iii) training and leave of CDPOs and ACDPOs etc..

This was not tenable as attending meeting, training etc. were part of duties and shortfall in supervision was worked out with reference to men in position and not sanctioned strength.

3.4.15 Suggestions

Based on the audit observations the following suggestions are made for consideration of the Government :

- (i) Close monitoring of utilisation of funds released to the implementing agencies is to be ensured for effective functioning of the programme.
- (ii) Field survey, home visits, coverage of beneficiaries etc. of supervisory levels should be ensured for timely feed back about the lacunae in *anganwadis* and ensuring corrective measures.
- (iii) The maintenance of records in the projects and *anganwadis* are to be ensured for reliability of the data compiled by the Director.
- (iv) Functioning of the Committees at all levels should be activated for proper implementation of the programme.

3.4.16 The matter was reported to Government in July 1999; reply has not been received (November 1999).

HOME DEPARTMENT

3.5 Manpower Management in Police Department

Highlights

Police Department is responsible for efficient maintenance of law and order, investigation of criminal cases etc. In the absence of any clearly laid manpower policy, deployment of police personnel was inconsistent with trend and growth of crime in the districts. Transfer of police personnel was in violation of transfer policy. State Reserve Police Force constituted for deployment in exigencies was routinely deployed as parallel police force involving huge extra expenditure. Inspection by various officers was not conducted regularly. Though crime against women was increasing Mahila Police Stations were not made operational despite Government orders.

Some of the more important findings are enumerated below :

Expenditure on pay and allowances ranged between 68 per cent and 83 per cent of the total expenditure of the department. Expenditure on clothing, equipment and transport sharply came down during four years from 1995-96.

(Paragraph 3.5.4)

Manpower requirements and their deployment were not made as per approved policy or norms. Large number of temporary posts were created and continued for long period.

(Paragraph 3.5.5)

One hundred and six officers including 33 IPS officers were transferred before completion of three years in the same station in disregard of norms while 8 Police Sub Inspectors were not transferred from their existing stations even after 8 to 14 years.

(Paragraph 3.5.6)

Government instruction to form a committee to study the staff pattern of police department was not acted upon by Director General and Inspector General of Police.

(Paragraph 3.5.7)

Deployment of police personnel was inconsistent with incidence of crime and population ratio in the districts. Consequently districts with high crime rates remained comparatively underpoliced.

(Paragraph 3.5.9)

Eleven companies of two State Reserve Police Force Group were routinely deployed outside their Head Quarters without any emergency or grave law and order situation for most part of the year during 1998-99 without any justification. Rs. 2.69 crore was spent on their daily allowance and other expenditure.

(Paragraph 3.5.11)

Post of wireless personnel were created in State Reserve Police Force Groups without wireless station resulting in idle expenditure of Rs.76.99 lakh during 1997-99.

(Paragraph 3.5.12)

Inspection of field units by senior officials was not conducted to the extent of 25 per cent and 44 per cent during 1995-99 in test-checked units.

(Paragraph 3.5.13)

Recovery of deployment charges of Rs.2.06 crore were not pursued with four State Governments by the DG&IGP.

(Paragraph 3.5.14)

Between 83 per cent and 91 per cent of police personnel were deployed during holidays without justification resulting in irregular expenditure of Rs.72.51 crore on compensation during 1995-99.

(Paragraph 3.5.15)

Rupees 5.91 crore were not recovered from the Airport Authorities for providing Airport security between 1985 and 1999.

(Paragraph 3.5.17)

Central assistance of Rs.33.61 lakh under Modernisation of State Police Force were irregularly spent in violation of scheme guidelines.

(Paragraph 3.5.19)

Mahila Police Stations at Gondal, Anand and Bhavnagar were not made functional even after more than three years of Government order for the same though crime against women increased significantly during these years.

(Paragraph 3.5.20)

Private vehicles were routinely hired for long periods without permission of DG&IGP in disregard of Government orders.

(Paragraph 3.5.21(b))

A platoon of State Reserve Police Force was irregularly deployed at IPS mess.

Large number of police personnel were misused at residential bungalows of police officers.

(Paragraphs 3.5.23 and 3.5.24)

3.5.1 Introduction

Police department is responsible mainly for efficient maintenance of law and order, investigation of criminal cases, prevention and control of crime and for providing security to society from outlaws and maintenance of peace.

3.5.2 Organisational set up

Police force of the State of Gujarat was constituted under the Bombay Police Act, XXII of 1951, as adapted by the Gujarat Adaptation of Laws Order, 1960, amended from time to time. Control and administration of Police Force in the State is vested in the Director General and Inspector General of Police (DG&IGP) who is assisted by one or more Additional Director General of Police (ADGP) and Inspector General of Police (IGP). For the purpose of Police

Administration, the State is divided into seven [♦] Ranges and four [▲] Commissionerates.

At district level control and administration is vested with District Superintendent of Police (DSP).

3.5.3 Audit Coverage

Utilisation of manpower resources for the year 1995-96 to 1998-99 of the department was reviewed through test-check of records of Home Department (Department), offices of the DG&IGP, IGP and four ^{*} Commissionerate of Police (CP), four ^{*} DSP and four ^{**} State Reserve Police Force (SRPF) Groups in which 26273 police persons (40.64 per cent of total men-in-position) was working, between April - September 1998 and June - August 1999.

3.5.4 Budget provision and expenditure control

Expenditure on salaries ranged between 68 per cent and 83 per cent of the total expenditure

Details of expenditure on police per person during 1995-99 were as under :

Year	Expenditure on Police Department (Rupees in crore)	Projected total population (Rupees in crore)	Expenditure on police per person in the State (In Rupees)
1995-96	403.04	4.48	90
1996-97	425.24	4.56	93
1997-98	507.53	4.64	109
1998-99	629.54	4.71	134

The table would show that expenditure on police per person shot up by 56 per cent during the four years from 1995-96.

3.5.4.1 Expenditure on Manpower and other aspects

Details of expenditure on manpower and other aspects during 1995-99 were as under :

- ♦ 1 Ahmedabad, 2 Border, 3 Gandhinagar, 4 Junagadh, 5 Rajkot, 6 Surat and 7 Vadodara.
 ▲ 1 Ahmedabad, 2 Rajkot, 3 Surat and 4 Vadodara.
 * 1 Ahmedabad, 2 Rajkot, 3 Surat and 4 Vadodara.
 ** 1 Ahmedabad, 2 Gondal (Two Groups) and 3 Rajkot.

(Rupees in crore)

Year	Total expenditure of the department		Expenditure on				
	Budget Provision	Total expenditure	Salaries (per cent)	Clothing/equipment (per cent)	Transport (per cent)	Rationing (per cent)	Arms and ammunition (per cent)
1995-96	395.79	403.04	274.07(68)	9.25 (2)	18.46(5)	0.56(0.13)	2.01(0.49)
1996-97	414.75	425.24	353.03(83)	6.69(2)	3.93(1)	0.48(0.11)	2.19(0.51)
1997-98	502.72	507.53	343.87(68)	5.98(1)	17.09(3)	0.62(0.12)	2.43(0.47)
1998-99	642.58	629.24	490.97(78)	6.99(1)	10.29(2)	0.82(0.13)	2.35(0.37)

(Figures in bracket show percentage with respect to total expenditure of the department).

Thus, major portion (between 68 *per cent* and 83 *per cent*) of the expenditure of the Police Department was on salaries of the staff and remaining expenditure was on clothing, transport, arms and ammunition, rationing etc.

Expenditure of the department increased in 1998-99 by 56 *per cent* compared to 1995-96, while expenditure on salaries increased by 79 *per cent*. However, expenditure on clothing/equipment and transport sharply decreased by 24 *per cent* and 44 *per cent* respectively. Expenditure on arms and ammunition contributed less than 1 *per cent* of total expenditure and in terms of percentage came down by 12 basic points during the same period.

3.5.5 Manpower planning

Attempts to assess requirements and deployment of manpower not made since January 1960

Manpower planning includes *inter alia* job analysis, job description, manpower forecasting, assessment of training need, work measurement and optimum utilisation of manpower resources.

However, no attempt was made by DG&IGP to assess manpower requirements and deploy them as per approved policy based on norms. Scrutiny revealed that posts were created as and when required on temporary basis.

During 1995-99, 1061* posts were created in different categories and continued without periodical review.

DG&IGP stated that looking to law and order situation temporary posts were created and continued.

* 1995-96 200, 1996-97 391, 1997-98 228 and 1998-99 242.

3.5.6 Deviation from transfer policy

Non-implementation of transfer policy

Transfer policy framed by the State of Gujarat in June 1977 *inter alia* provided that :

(i) Ordinarily no individual shall be transferred from one station to another station unless he has been in the same place for about three years.

(ii) No person shall be allowed to remain in the same post or station (City/Town or Village) for more than five years except with the permission of Government in genuine exceptional cases and

(iii) Persons shall not be posted repeatedly in the same district or place without a reasonable lapse of time.

Test-check of transfers cases of Indian Police Service (IPS) Officers, Deputy Superintendent of Police(Dy. SP), Police Inspectors (PI) and Police Sub-Inspectors (PSI) in Department/DG&IGP Office during 1995-99 revealed deviation from the above policy as under:

(i) 106 Officers including 33 IPS Officers were transferred one to seven times before their completion of stay of three years in the same station during the period.

(ii) 8 PSIs were not transferred from the same station for eight years to 14 years. As no government orders permitting them to continue after five years were furnished to audit, it was not evident whether their case was reviewed in the light of existing orders.

(iii) 22 Police personnel were reposted to the same district/place within a period of one to twelve months. Thus their reposting at the same district/place was before reasonable lapse of time.

(iv) Eight PSIs expressed their willingness for transfer at their own cost to the places/stations of their choice. DG&IGP approved the proposal of their transfer at their own cost at the places of their choice. However, orders transferring them in public interest were issued involving payment of transfer grant etc.. The amounts paid to them as transfer grants etc. was recoverable from these officials.

Evidently, there was need for review of the implementation of Government policy of transfer to ensure efficiency and improved performance of the police force.

Government stated that transfer policy was deviated in public interest while DG&IGP replied that the transfers were made for maintenance of law and orders which was an administrative matter and audit should not interfere in such matter. The reply of DG&IGP was not tenable as

such matters had a bearing on the efficiency and economy of the administration and was therefore within the ambit of audit.

3.5.7 Staff pattern

Staff pattern for police force and ministerial staff formulated in January 1960 and November 1976 respectively were in force. No revision of staff pattern was made on the basis of growth in population and crime rates thereafter. As against population growth rate of 2 per cent during 1995-99, the growth rate of crime ranged between 5 per cent and 9 per cent except decrease of 4 per cent in 1996-97.

At the instance of Audit Government instructed (July 1998) DG&IGP to form a committee to study the staff pattern in force and to make revisions if necessary. This was not acted upon by the DG&IGP who stated in December 1998 that no purpose would be served in revising the yardsticks of 1960 as in almost all the 411 police stations there was shortage of police staff than the norms fixed and therefore for effective control of law and order staff may be sanctioned as per the existing yardsticks. However, no evidence was on record whether the staff position with reference to existing norms was reviewed and proposal for providing staff as per existing norms were pursued with the Government. On the other hand staff shortage with reference to existing norms was worked out only in December 1998 for the first time. In view of growth and *modus operandi* of crimes and improvement in crime detection technique etc. a review of the staff pattern was called for and therefore, the action of DG&IGP in not constituting the committee for such purpose was not justified. Due to lack of review, it was noticed that districts with high crime rates remained comparatively underpoliced as discussed in para 3.5.9(c).

3.5.8 Vacancy position

Details of sanctioned strength men-in-position etc. as on 31 March 1999 was as under :

Wing	Sanctioned strength	Men-in-position	Vacancy
Police force	66,505	61,545	4,960
Civilian staff	3,303	3,098	205
Total	69,808	64,643	5,165

Vacancy was attributed by DG&IGP to (i) economy policy and 20 per cent cut imposed in September 1998 by the Government and (ii) retirement. The contention is not tenable as the vacancy position in the Civilian staff was much less compared to those in the police force. This indicated that Government did not maintain the number of police force as per sanctioned strength.

**Irrational
deployment of police
personnel vis-a-vis
incidence of crime
and population ratio**

3.5.9 Incidence of crime

The set up of police force was to be regulated in accordance with crime/population ratio. District-wise analysis of the incidence of crimes with reference to the population and deployment of police personnel in police stations (excluding SRPF) were as shown in Appendix - XXVIII. District-wise break up of men in position was not furnished though called for. However, position of deployment of police personnel vis-à-vis trend of crime in test-checked district was as under :

(Position as on 31-03-1997)

Serial Number	Name of district	Men in position	Men in position (Unarmed)	Men in position (Armed)	Cognizable crimes during 1996-97	Police crime ratio		
						Unarmed	Armed	General
1	Ahmedabad Rural	1019	656	363	2482	1:3.78	1:6.84	1:2.44
2	Surat Rural	1105	583	522	1850	1:3.17	1:3.54	1:1.67
3	Vadodara Rural	1419	--	--	3318	--	--	1:2.34
4	Rajkot Rural	1280	845	435	3478	1:4.12	1:7.99	1:2.72
5	Surat City	3234	2460	774	4584	1:1.86	1:5.92	1:1.42
6	Vadodara City	2741	2151	590	4186	1:1.94	1:7.08	1:1.52

(a) Police crime ratio ranged between 1:1.86 and 1:3.78 (unarmed) and between 1:3.54 and 1:7.99 (armed) whereas the general police crime ratio ranged between 1:1.42 and 1:2.72.

(b) In Surat City, Vadodara City and Surat Rural, one police personnel handled 1.42, 1.52 and 1.67 crimes on an average respectively whereas in Vadodara Rural, Ahmedabad Rural and Rajkot Rural, one police personnel handled 2.34, 2.44 and 2.72 crime cases on an average respectively during 1996-97. In view of wide variation in number of crime cases handled by operational staff in districts there was scope of rationalisation in deployment of police personnel.

(c) Ahmedabad and Rajkot Rural were provided with fewer police personnel though the crime rate was high whereas deployment of police personnel in Vadodara and Surat Rural were more though the crime rate was less.

3.5.10 Human Resources Development Policy

Though police department was predominantly manpower oriented no human resources development policy was formulated by the Department. In the absence of such policy there was *ad hocism* and disparity in various aspects of manpower management like transfer etc..

3.5.11 Irregular deployment of SRPF Companies

SRPF companies of other groups deployed at places where independent groups existed

To provide the armed police force which may be required at any place in the State to deal with any disturbance or other emergencies, SRPF was constituted. There were 11* SRPF Groups having 11946 armed police in 69 companies in the State.

As per Rule 7(2) of Bombay State Reserve Police Force Rule 1959 "where in the opinion of any Deputy Inspector General of Police (DIGP) of any range, a grave and sudden emergency exists, he may utilise the services of any SRPF Group, whether such Group is located in his range or not and shall forthwith make a report thereof to IGP". Movement of SRPF companies was controlled and monitored by the State Police Control Room of DG&IGP.

It was, however, noticed that all companies of SRPF Groups except Head Quarter (HQ) companies were routinely deployed outside their HQ throughout the year eventhough there were no sudden emergency or grave law and order situations, which resulted in huge extra expenditure towards daily allowance and holiday encashment, on deployment of vehicles and raising of sheds. Test-check of SRPF Group II Ahmedabad and Group VIII Gondal revealed that six and five companies out of 6 companies in each Group respectively remained outside HQ for 67 per cent and 82 per cent respectively of total deployment during 1998-99 and Rs.2.69 crore was spent on their deployment.

Test-check of deployment of companies of SRPF Group VIII Gondal revealed that 49 per cent of the days during 1998-99, companies were deployed at various places outside its HQs[♦]. Thus, though the SRPF was constituted as a reserve force for use during exigencies only, their deployment round the year indicated that they became a parallel police force. Government should monitor the deployment of SRPF personnel to reduce the incidence of avoidable movement and consequent expenditure on TA, DA etc. of these personnel.

Actual amount of payment of TA, DA contingent expenditure etc. on deployment of above companies for the above days was not furnished though called for. However, expenditure incurred on TA, DA

*

one each at Ahmedabad, Godhra, Rajkot, Nadiad, Gandhinagar, Vav and Ukai and two each at Vadodara and Gondal (Rajkot District).

♦

Place of deployment	Number of companies	Total deployment days	Average days/company
Vadodara	3	57	19
Ahmedabd	4	513	128
Rajkot	3	33	11
Surat	2	42	21
Total		645	179

contingent expenditure etc. by Group VIII Gondal was Rs.1.98 crore during 1998-99.

3.5.12 Idle wireless personnel at SRPF Groups

Idle expenditure of Rs.76.99 lakh on staff positioned without infrastructure.

Test-check of records of SRPF Groups Vadodara (IX), Rajkot (XIII) and Gondal (III) revealed that though there was no wireless station at the Group Head Quarters large number of staff were continued in these stations during 1997-99.

Name of the Group	Year	Police Wireless Inspector	Police Wireless Sub-inspector	Radio Operator	Radio Technician	Head Constable	Police Constable
III	1997-98	--	5	1	--	1	1
	1998-99	--	4	3	--	1	1
IX	1997-98	1	4	4	1	1	1
	1998-99	1	5	4	1	1	1
XIII	1997-98	1	10	7	1	1	1
	1998-99	1	12	--	5	1	1

In the absence of wireless stations, the staff was deployed at the wireless stores and office work and sent on deputation occasionally to nearby police stations on demand.

Thus, positioning the staff without any work resulted in infructuous expenditure of Rs.76.99 lakh during 1997-99.

The necessity of continuation of these staff needs review.

3.5.13 Inspection

Shortfall in inspection between 25 per cent and 44 per cent

In terms of Rule 570 of GPM Vol. III, DG & IGP, CP and DSP should inspect their subordinate offices, police stations, outposts in their respective charges periodically and in any case once a year.

In five test-checked units shortfall in inspection ranged between 25 per cent and 44 per cent[⊗], DG&IGP, CP, Surat and DSPs, Ahmedabad, Surat and Rajkot attributed this to business for maintenance of law and order and administrative inconvenience. This was not tenable as maintenance of law and order was part of regular duty and 'administrative inconvenience' can not be a ground for avoiding the field inspections.

⊗

	1995	1996	1997	1998	1999
Number of inspection to be done	136	159	159	159	95
Actually done	91	106	119	105	53
Arrear	45	53	40	54	42
Percentage of shortfall	33	33	25	34	44

Major shortfall during 1995-99 was in DSP, Surat (54 per cent), DSP, Rajkot (31 per cent) and CP, Surat (21 per cent).

3.5.14 Deputation of SRPF Companies to other States

Non-reimbursement of deployment charges amounting to Rs.2.06 crore by four State Governments

As per the standing instructions of Government of India expenditure in respect of Armed Force Battalions deputed outside the State would be reimbursed by the borrowing Government.

It was, however, noticed that 42 SRPF Companies were sent on deputation to four States during January 1997 to April 1998 and Rs.2.06 crore were not reimbursed by the borrowing States. The matter was not efficiently pursued by the Department.

DG & IGP stated (June 1999) that the recovery was under process. Further developments were awaited (November 1999).

3.5.15 Unjustified expenditure on encashment of Sundays, second and fourth Saturdays and Public Holidays

Irregular payment of holiday encashment amounting to Rs.72.51 crore

As per instructions issued by the Government if police personnel upto the rank of Head Constables were called upon to perform duties in grave situations involving disturbance to public order or imminent threat to it or Very Important Person (VIP) *bandobast* during Sundays/Holidays, they were to be paid cash compensation equal to one day salary for each day of work.

Test-check of the record revealed that most of the constabulary staff below the rank of PSI (ranging between 83 per cent and 91 per cent of the men-in-position) was routinely deployed on Sundays, 2nd and 4th Saturdays and holidays during 1995-99. Reasons to call them on duties mentioned in the records were of routine nature such as beat duty, traffic duty, office work, postal work, court work, telephone duty which were neither grave situations, nor involved public disturbances etc.. Hence compensation amounting to Rs.72.51 crore paid during the period was unjustified. The system of authorisation of deployment of large number of staff on routine grounds need be monitored and reviewed by Government.

Name of State	Number of Companies	Period of deputation	(Rupees in lakh) Amount to be recovered
Punjab	5	19-1-1997 to 16-2-1997	69.68
Delhi	6	07-8-1997 to 19-8-1997	25.86
U.P.	6	01-4-1998 to 16-4-1998	33.10
Rajasthan	25	09-2-1998 to 18-2-1998	77.53
Total	42		206.17

Improper handling of disciplinary cases**3.5.16 Reinstatement of dismissed officials**

Test-check of records of IGP (Communication) Ahmedabad, DSP (Rural), Rajkot and CP, Rajkot revealed that out of 5 officials dismissed, 4 officials were reinstated at the instance of Courts and in one case Court ordered to pay monthly allowance and restart departmental enquiry from the stage at which it was declared illegal. Details of cases were as shown in Appendix - XXIX.

Non-adoption of proper procedure in dismissing Government servant resulted in adverse comment from the High Court/District Courts. In the case of CP, Rajkot, though the Court ordered in October 1982 to restart departmental proceedings from the stage it was declared illegal, fresh charge-sheet was issued to the official only after fourteen years in June 1996. Delay in issue of charge-sheet was attributed to delay in receipt of departmental inquiry papers from High Court. No concerted efforts were made by the CP, Rajkot to restart departmental proceedings.

(b) In following test-checked units 749 police personnel including Inspectors, Sub-Inspectors., Head Constables and Constables were suspended during 1995-99 of which 395 officials (53 per cent) were reinstated without any penalty which indicated that suspensions need to be resorted to with discretion.

Serial number	Name of Unit	Number of officials suspended	Number of officials reinstated without penalty	Number of officials reinstated with penalty	Pending
1	CP Vadodara	117	71	--	46
2	CP Rajkot	64	37	--	27
3	CP Surat	105	38	--	67
4	Armed Units & Training Ahmedabad	156	59	--	97
5	DSP (Rural) Vadodara	53	40	--	13
6	DSP (Rural) Rajkot	134	89	--	45
7	DSP (Rural) Surat	73	39	22	12
8	SRPF Gr.III Gondal	15	10	--	05
9	SRPF Gr.XIII Rajkot	32	12	--	20
	Total	749	395	22	332

3.5.17 Air Port security for Anti hijacking**Non-recovery of security charges amounting to Rs.5.91 crore**

Ten Air Ports are located in the State of Gujarat. For Air Port security and Anti hijacking 311 Police personnel of various cadres were sanctioned from time to time. Deployment was done by the CP and DSP depending upon the location of the Air Port. It was noticed that Rs.5.91 crore was due from the Air-Port Authority for the deployment made for the period between March 1985 and March 1999.

DG&IGP stated that for the recovery of the dues the matter was under correspondence. Scrutiny of the records of CP, Vadodara revealed that all the bills pertaining to April 1985 to March 1995 were returned by the Airport Authority Vadodara in July 1997 for revision. No revised bills were prepared by the CP, Vadodara even after lapse of two years.

3.5.18 Modernisation of communication branch of Police

Non-utilisation of funds for modernisation of communication branch

Funds provided and expenditure incurred for modernisation of communication branch during 1995-99 was as under:

(Rupees in lakh)

Year	Amount received	Expenditure incurred
1995-96	165	173.98
1996-97	165	Nil
1997-98	450	6.41
1998-99	785	9.76
Total	1565	190.15

No reasons for excess expenditure during 1995-96 and saving during 1996-97 were furnished.

Information relating to extent to which communication branch was modernised was not furnished. Audit therefore, could not verify whether Rs.1.74 crore reportedly spent during 1995-96 were for the intended purpose or not.

Saving during 1997-98 was attributed by IGP Communication to non-completion of purchase procedure by Central Stores Purchase Organisation.

Rupees 7.85 crore were provided by Government during 1998-99 to introduce Ultra High Frequency Radio Trunking System at Ahmedabad city and Gandhinagar, of which Rs.9.76 lakh only were spent towards annual rent of 300 pagers for Police force.

3.5.19 Central assistance for Modernisation of State Police Forces not made use of

Non-utilisation of Central Assistance under modernisation of State Police Force

For modernisation of State Police Forces Government of India (GOI) released funds (50 per cent as loan and 50 per cent as grant) under the Scheme of Modernisation of Police Forces. The State Government was to provide equivalent contribution for the purpose.

Table below shows funds provided, expenditure incurred and unspent balance under the scheme during 1995-98.

(Rupees in lakh)

Year	Budget provision for police/FSL/ACB	Amount sanctioned by State Government	Unspent amount of previous year revalidated by GOI	Amount released by GOI during the year	Total grant from GOI	Total expenditure incurred	GOI share 50%	State share 50%	Unspent amount of GOI
1995-96	320.00	316.74	31.91	190.18 (included 40 lakh revalidated)	222.09	258.54	129.27	129.27	92.82
1996-97	320.00	328.61	92.82	150.18	243.00	311.46	155.73	155.73	87.27
1997-98	420.00	335.65	87.27	150.18	237.45	294.86	147.43	147.43	90.02
Total	1060.00	981.00	212.00	490.54	702.54	864.86	432.43	432.43	270.11

Following points were noticed :

(a) As against the Central assistance of Rs.7.03 crore State Government released only Rs.4.91 crore as State share (50 per cent of total release Rs.9.81 crore) during 1995-96 to 1997-98.

(b) During 1996-97 Rs.33.61 lakh were spent by the DG&IGP for purchase of Bomb disposal equipments. The expenditure was required to be met by the State Government from its own resources and was not to be chargeable to Central assistance.

DG&IGP stated that the expenditure fall under the category of VIP security which was covered under the scheme. The reply was not tenable as the expenditure was to be met by the State Government from their own resources as required under GOI's order of June 1996.

3.5.20 Non-functioning of Mahila Police Station

Nugatory expenditure of Rs.19.14 lakh

For fearless and free registration of crime on complaints of women, proper investigation by women police and encouraging women's participation in public work, Government sanctioned in September 1996, five Mahila Police Stations which included one Mahila Police Station at Gondal in Rajkot Rural.

It was noticed in test-checked unit of DSP, Rajkot Rural that 17 women police personnel of different cadres and one male driver was appointed between February 1997 and December 1997 for Mahila Police Station at Gondal. Accommodation was allotted by the Asstt. Collector in June 1998 but the Mahila Police Station was not made functional at Gondal as of July 1999 though Rs.19.14 lakh was spent on pay and allowances and on purchase of furniture between February 1997 and July 1999.

DSP stated (August 1999) that the Mahila Police Station would be started after getting the possession of the building. This was not tenable as the Government building had already been allotted as early in June 1998 which was not occupied. It was not evident whether DG&IGP was reported about this delay in making the Mahila Police Station functional.

As per information furnished by DG&IGP Mahila Police Stations at Anand and Bhavnagar were also not functioning for want of accommodation and appointment of PI respectively. Thus, despite order of Government, the Mahila Police Station were not established though crime against women increased from 0.11 lakh in 1996-97 to 0.15 lakh in 1998-99.

3.5.21 Hiring of Vehicles

Uneconomical and irregular hiring of vehicles

As per instructions issued by DG&IGP in May 1995, except during communal riots, communal crises, election, natural calamities, prevention of terrorist activity and threats by terrorist, vehicles were to be hired only after prior approval of DG&IGP.

Circular *ibid* also stipulated that such of those police stations which require hiring of vehicles in large numbers should be identified and list of prospective agencies from whom vehicles should be hired in that area was to be prepared in consultation with Commissioner of Transport.

As per further instruction issued by the DG&IGP in May 1998, vehicles can be hired by the CP up to 10 days without prior permission of DG&IGP. For hiring of vehicles in excess of 10 days prior approval was necessary.

(a) Irregular hiring of vehicles

It was seen in audit that neither identification of police station was done nor list of prospective agencies in the concerned area was prepared.

Number of vehicles hired and expenditure incurred by CP, Ahmedabad, Surat and Vadodara during 1995-99 were as under :

(Rupees in lakh)

Year	CP, Ahmedabad		CP, Vadodara		CP, Surat	
	Vehicle	Expenditure	Vehicle	Expenditure	Vehicle	Expenditur
1995-96	2566	52.92	197	4.60	684	5.41
1996-97	1680	77.78	113	1.30	482	2.58
1997-98	1000	53.13	206	10.27	784	6.72
1998-99	1163	26.15	167	15.26	647	11.46
Total		209.98		31.43		26.17=267.58

It was noticed that no prior permission of DG&IGP was obtained for 1995-98 by any of the test-checked units. Thus, the expenditure of Rs.2.15 crore was irregular.

It was, however, noticed that 44 vehicles were hired in excess of 10 days by each CP, Surat and CP, Vadodara during 1998-99 for which no prior approval of DG&IGP was obtained. Expenditure incurred on hiring was Rs.0.96 lakh and Rs.9.53 lakh respectively which was irregular.

Commissioners of Police attributed hiring of vehicles to law and order situation (1995-98). This was not tenable as the reason was too general and not covered under circular of May 1995 issued by DG&IGP. For hiring of vehicles in excess of 10 days during 1998-99 CP, Vadodara stated that *post facto* sanction would be obtained where as no specific reply was furnished by CP, Surat.

In view of the widespread practice of hiring large number of vehicles, the matter should be reviewed by the Government to enforce compliance of its order.

(b) Non-utilisation of hired vehicles

Test-check of records of 516 vehicles hired by CP, Vadodara revealed that in 22 cases period of hiring ranged between 8 hours and 112 hours where as utilisation ranged between 0 km. and 101 kms. Three vehicles hired between January 1996 and May 1996 for 8 hours to 102 hours were not at all utilised. Hiring charges amounting to Rs.0.31 lakh were paid.

Utilisation of hired vehicles ranged between 0 km. and 101 kms. whereas payment of hire charges ranged between Rs.495 (for use of 87 kms) and Rs.4000 (for use of 55 kms.). Thus payment of hire charge, *vis-a-vis* utilisation was uneconomical.

No reasons were furnished by CP, Vadodara though called for.

3.5.22 Misuse of police staff for picket duty**Irregular deployment on picket duty**

In six test-checked units police constables were unjustifiably and irregularly deployed at the residential bungalows of Police Officers for "picket work" though there was no provision in GPM for such deployment. Number of constables deployed daily to the officers are indicated in the following table (1995-99).

Name of officer	Vadodara		Surat		Rajkot	
	City	Rural	City	Rural	City	Rural
Special Inspector General of Police	-	2-6	-	2	-	1-3
District Superintending of Police	-	3	-	2-5	-	3-4
Collector	-	2-4	-	2	-	2
Deputy Commissioner of Police	2-3	-	-	-	3	-
Commissioner of Police	3	-	-	-	3	-
Additional Commissioner of Police	2	-	-	-	-	-
Judge	-	1	1	-	1	-

Since the above deployment amounted to misuse of the services of the police staff, the matter need review by Government.

3.5.23 Striking force/guard in vehicle**Deployment of striking force in violation of GPM**

The officers were provided with gunmen in vehicle as mentioned below though such deployment was not permissible as per GPM. Further, no orders were issued by the Government in this regard authorising such deployment.

Name of officer	Surat		Vadodara	
	City	Rural	City	Rural
Special Inspector General of Police	-	2	-	2
Collector	-	2	-	2
Head Quarter Deputy Superintendent of Police	-	2-3	-	1
Deputy Superintendent of Police (Dabhoi)	-	-	-	2
District Superintendent of Police	-	2-4	-	2-3
Commissioner of Police	1-4	-	2	-
Additional Commissioner of Police	4	-	2-4	-
Deputy Commissioner of Police (3)	10	-	6-12	-
Assistant Commissioner of Police (5)	16-23	-	6-18	-
Detection Crime Branch (PI)	-	-	1	-
Sub Divisional Police Officer	-	2-3	-	-
Deputy Superintendent of Police, Surat Division	-	2	-	-
Deputy Superintendent of Police SC/ST	-	1	-	-

CP/DSP stated that the city was very sensitive and officers had to visit places of crime from time to time and to meet with any contingencies and for maintenance of law and order striking force was provided.

However, such deployment of gunmen was in violation of the GPM.

**Irregular deployment
of SRPF platoon at
IPS mess**

3.5.24 Irregular deployment of SRPF personnel at IPS mess

Test-check of records of DG&IGP, Ahmedabad revealed that a platoon (13-15 persons) from SRPF was deployed during 1995-99 at IPS mess, Ahmedabad, though there was neither any provision in GPM for such deployment nor order from Government was obtained for such deployment. Expenditure on pay and allowances of a platoon of average 14 personnel on the basis of minimum of pay scale of constable worked out to Rs.18.48 lakh during 1995-99.

DG&IGP stated (June 1999) that the mess was sanctioned by the Government like in Army, BSF etc.. Hence, platoon was kept for maintenance of law and order. This was not tenable as IPS mess was not a sensitive place where SRPF personnel were required to be deployed for maintenance of law and order.

3.5.25 Creation of Canteen at the premises of the Office of the ADGP (Armed Units and Training)

Though no constabulary staff existed at the office of ADGP (Armed Units and Training), Ahmedabad, a canteen was run from April 1995 and expenditure of Rs.5.39 lakh unjustifiably was incurred during 1995 to August 1999 on deployment of SRPF personnel and part time staff (worked out on the basis of minimum of time scale of the staff).

3.5.26 VIP Security Guards

No information relating to norms of deployment of police personnel on VIP security and actual deployment was furnished by DG&IGP. However, test-check of record of CP, Rajkot revealed that 15 police personnel were deployed on VIP security during 1998-99 but information relating to norms of deployment was not furnished.

3.5.27 The matter was reported to Government (November 1999); reply has not been received (November 1999).

LABOUR AND EMPLOYMENT DEPARTMENT

3.6 Craftsmen Training Scheme

Highlights

Industrial Training Institutes (ITIs) under Craftsmen Training Scheme (CTS) in the State of Gujarat were established from 1957 starting with three ITIs at Ahmedabad, Jamnagar and Gandhidham (Kachchh). At present there are 124 Government ITIs in the State. Each district has one or more ITIs imparting basic skill requirements under CTS.

Several areas of mismanagement and sub-optimal functioning of the scheme was noticed in Audit. Staff cost accounted for 73 per cent of the total expenditure under the scheme during 1993-94 and 1995-97. Absence of machineries/equipment and large vacancies in key posts affected the training. Intake capacities in various trades were not fully utilised. Trainees dropped out in large numbers. No inspection of Industrial Training Institute by the tripartite team carried out. Even after more than 40 years of launching the scheme, no comprehensive evaluation of the scheme was undertaken.

Some of the more important findings are enumerated below :

As against the budget provision of Rs.245 crore during 1992-99, Rs.253 crore was spent.

(Paragraph 3.6.4)

Upto 1996-97 for three years 73 per cent of the annual expenditure pertained to staff cost.

(Paragraph 3.6.5)

Machinery/equipment valued Rs.53.90 crore were wanting in 29 trades as of June 1998. Vacancy in key training posts in 124 Industrial Training Institutes as of April 1999 ranged between 20 per cent and 55 per cent. Vacancy in these cadres affected the quality of training in large number of Industrial Training Institutes.

(Paragraph 3.6.6)

Percentage of dropout of trainees ranged between 20 and 45 during 1992-99 in 124 Industrial Training Institutes. Commissioner conducted no survey for ascertaining the reasons of dropout which increased significantly in 1998-99.

(Paragraph 3.6.7)

Rupees 11.19 lakh towards training cost were not recovered from trainees who discontinued the courses.

(Paragraph 3.6.8(b))

In four test-checked Industrial Training Institutes skill upgradation of trainers was not ensured.

(Paragraph 3.6.8(c))

Out of 1.35 lakh trainees passed out during 1992-99, National Trade Certificates were issued to only 0.33 lakh trainees. The delay in issue of certificates was not monitored by the Commissioner.

(Paragraph 3.6.9)

Machinery/equipment valued Rs.58.36 lakh were procured without any indent. These were lying idle in the various institutes as the posts of trainers were vacant in these institutes.

(Paragraph 3.6.10(ii))

Sheds valued Rs.45.48 lakh constructed at industrial estates were lying idle at various institutes for periods ranging between one year to ten years.

(Paragraph 3.6.11)

Commissioner failed to monitor the intake of trainees and review the necessity of courses taken up in various institutes.

(Paragraph 3.6.12)

Rupees 24 lakh were spent on salaries of surplus staff in three Industrial Training Institutes.

(Paragraph 3.6.13(i))

Impact of the scheme were not assessed as record of feed back were not maintained or were incomplete. In 16 Industrial Training Institutes achievement in self employment ranged only between 18 per cent and 26 per cent of the successful trainees.

(Paragraph 3.6.14)

Industrial Training Institutes were not inspected after March 1993 by the tripartite team led by the Commissioner.

(Paragraph 3.6.15)

There was virtually no monitoring by the State Council for Vocational Training. The local advisory committee met infrequently and hence monitoring by them was also ineffective. Recommendations of the concurrent evaluation of 1990 were not implemented.

In view of the mismanagement and sub-optimal functioning of the scheme, there was urgent need for proper monitoring and follow-up action by the Commissioner.

(Paragraph 3.6.16)

3.6.1 Introduction

The Craftsman Training Scheme of the State Government aimed to (i) ensure a steady flow of skilled workers in different trades for industry (ii) raise the quality and quantity of industrial production by systematic training of workers and (iii) reduce unemployment among educated youth by equipping them for suitable industrial employment.

3.6.2 Organisational set up

The scheme was implemented by Labour and Employment Department (Department) in the State through ITIs which are supervised by four^{*} Regional Deputy Directors (Training) (RDD) under the overall control of Commissioner of Employment and Training, Gandhinagar (Commissioner). Secretary, Labour and Employment Department is responsible for policy decision and overall review of the scheme.

* Ahmedabad, Rajkot, Surat and Vadodara.

3.6.3 Audit Coverage

Implementation of the scheme during 1992-99 was reviewed between February and June 1999 through test-check of records of the Commissioner, RDD, Rajkot and sixteen* ITIs. As against total expenditure of Rs.253 crore, Rs.73 crore (29 per cent) was covered under test-check.

3.6.4 Financial Outlay and Expenditure

There was excess expenditure over budget provision by Rs.7.66 crore during 1992-99

As against the budget provision of Rs.245.12, crore expenditure on the scheme as reported by the Commissioner was Rs.252.78 crore as detailed below :

(Rupees in crore)

Year	Budget	Expenditure	Excess (+) Savings (-)
1992-93	22.23	29.29	(+) 7.06
1993-94	28.96	28.09	(-) 0.87
1994-95	29.66	29.04	(-) 0.62
1995-96	30.70	31.64	(+) 0.94
1996-97	35.62	34.31	(-) 1.31
1997-98	38.61	45.73	(+) 7.12
1998-99	59.34	54.68	(-) 4.66
Total	245.12	252.78	(+) 7.66

The Commissioner stated that excess expenditure was due to office expenditure, arrear bills of Revision of Pay 1996 etc. whereas savings were due to receipt of grant at the fag end of the year, purchase procedure, new items sanctioned late, vacant posts etc.

Test-check of record of selected ITIs revealed that there were discrepancies in expenditure figures by Rs.0.88 crore furnished by the Commissioner and that of test-checked ITIs for 1998-99 as shown in Appendix - XXX. Figures of expenditure of test-checked ITIs for earlier years were not made available by the Commissioner though called for and hence similar discrepancies, if any, were not noticed. The discrepancies were not reconciled by the Commissioner which indicated lack of adequate monitoring and control over the expenditure by the Commissioner.

3.6.5 Cost of staff

Details of cost of staff and other elements during 1993-94 and 1995-97 were as under :

* Bardoli, Gandhinagar, Gondal, Gorva, Kubernagar, Morvi, Nasvadi, Olpad, Padra, Rajkot, Sanand, Saraspur, Sarkhej, Surat, Tarsali and Valod.

(Rupees in crore)

Year	Cost on Establishment	Cost on other elements	Percentage of	
			Cost of Establishment	Other elements
1993-94	17.26	10.83	61	39
1995-96	25.28	6.36	80	20
1996-97	26.04	8.27	76	24
Total	68.58	25.46	73	27

Information for 1992-93, 1994-95, 1997-98 and 1998-99 was not furnished though called for.

Increase in cost of establishment during 1995-96 was attributed by the Commissioner to payment of arrears of dearness allowance and encashment of leave travel concession.

3.6.6 Shortage of Machineries/Equipment

(a) Availability of machines and equipment is essential for imparting practical training to trainees.

Scrutiny of records of the Commissioner revealed that as of June 1998, machines/equipment valued Rs.53.90 crore were not provided to Ahmedabad Region (29 trades Rs.14.38 crore), Vadodara Region (20 trades Rs.8.96 crore), Rajkot Region (23 trades Rs.17.87 crore) and Surat Region (23 trades Rs.12.69 crore).

Out of 29 trades, in 10* trades the deficiency was for more than Rs. one crore. In 10 out of 16 ITIs test-checked, deficiencies in machinery/equipment ranged between 46 per cent and 65 per cent and in the remaining ITIs it ranged between 16 per cent and 43 per cent vide Appendix - XXXI. The Commissioner did not furnish information regarding impact of deficiency on quality of training.

In four ITIs which were fully equipped, the pass percentage was 84 and 100. In 12 ITIs which remained deficient in machinery and equipment in the trade of Plastic Processing Operator (PPO) (39 per cent), Armechar Motor Rewinding (27 per cent), Draughtsman (Mechanical) (22 per cent), DPCS (33 per cent) and Welder (20 per cent), the percentage of successful trainees ranged between only 33 and 69.

(b) Staff Shortage

For the ITIs operating in the State, 5900 posts of different categories of staff including 3505 staff for training were sanctioned during 1998-99. Out of these, 863 posts (25 per cent) of Foreman Instructor (FI), Junior

* Data preparation and Computer Software (DPCS), Diesel mechanic, Electrician, Electronic mechanic, Fitter, Turner, Instrument mechanic, Machinist, Mechanic Motor Vehicle (MMV) and Wiremen.

Shortage and vacancies for key posts affected implementation of scheme.

Training Officer (JTO) and Craft Instructor (CI) were vacant as of April 1999 as shown below:

Serial number	Staff category	Number of sanctioned post	Men -in-position	Number of post vacant	Percentage of vacant post
1	Foreman Instructor	188	85	103	55
2	Jr. Training Officer	49	39	10	20
3	Craft Instructor	3268	2518	750	23
	Total	3505	2642	863	

Shortage in the cadre of FI , JTO and CI was 55 per cent , 20 per cent and 23 per cent respectively. This was attributed by the Commissioner to cut/ban imposed in filling up the posts due to economy measures. However, the Commissioner failed to furnish age-wise break up of vacancy position.

The position of vacancy of CI in test-checked institutes was as indicated in Appendix - XXXII.

3.6.7 Drop out of trainees

The percentage of dropout ranged between 20 per cent and 45 per cent during 1992-99

During 1992-93 to 1998-99 2.80 lakh trainees were enrolled by all ITIs in the State. Of these, 98 thousands of trainees (35 per cent) dropped out as detailed below :

Year	Total Expenditure(Rs. in crore)	Trainees admitted	Actual drops out (percentage)	Permissible drops out (percentage)	Excess drops out (percentage)	Cost per trainees on admitted capacity (Rs.)	Cost per trainees on actual trainees trained Rs.	Increase in training cost per trainee due to drop out (percentage)
1992-93	29.29	33786	15258(45)	6757(20)	8501(25)	8669	15808	7139(82)
1993-94	28.09	38273	13695(36)	7655(20)	6040(16)	7339	11428	4089(56)
1994-95	29.04	41453	15806(38)	8291(20)	7515(18)	7005	11322	4317(62)
1995-96	31.64	41753	15436(37)	8351(20)	7085(17)	7577	12022	4445(59)
1996-97	34.31	42618	12023(28)	8524(20)	3499(8)	8050	11214	3164(39)
1997-98	45.73	40025	8185(20)	8005(20)	180(0.44)	11425	14365	2940(26)
1998-99	54.68	42328	18139(43)	8466(20)	9673(23)	12918	22605	9687(75)
Total	252.78	280236	98542	56049	42493	--	--	--

Percentage of drop out ranged between 20 and 45 during the period under review. As a result cost per trainee increased between 26 per cent and 82 per cent. The Commissioner stated that as no survey was conducted, reasons for sudden increase in drop out in 1998-99 could not be identified.

In test-checked Institutes, percentage of drop out (above 20 per cent) in various trades ranged between 21 and 100 as shown in Appendix XXXIII.

Principals of these ITIs stated that drop out were due to (i) resignation given by trainees (ii) selection in diploma courses (iii) due to abscondism etc. However, impact of large number of vacancies in the posts of trainers (23 per cent), deficiency in machinery/equipment (35 per cent) and starting of trades without carrying out survey, on the drop out rate was not assessed.

3.6.8 Deficiencies in training and enforcement of conditions

(a) Periodical medical check up not conducted

Training cost of Rs.11.19 lakh was not recovered from the trainees who discontinued the course

The trainees were to be medically examined by a Medical Officer attached to the Institute soon after admission and also once a year thereafter. In ITIs Saraspur and Rajkot though 3287 and 5051 trainees were admitted during 1992-99 respectively, no periodical medical examination of trainees was done.

(b) Training cost from drop out students not recovered

Training Manual for ITIs and Centres prescribed an undertaking to be given by the trainees at the time of admission, agreeing to refund the training expenses in case they discontinued the training programme. This undertaking was not obtained from the trainees in five institutes viz. Kuberanagar, Morvi, Rajkot, Saraspur and Sarkhej. Though 6445 trainees discontinued during 1992-99 in 16 ITIs, training expenses amounting to Rs. 11.19 lakh were not recovered from them. Reasons for non-obtaining undertaking and non-recovery of amount were not furnished, though called for.

(c) Skill upgradation of trainers not ensured and monitored

Technical staff of ITIs in all engineering trades were required to be deputed to industries for industrial experience and/or refresher training for one month, not more than once in five years. It was, however, noticed that as of May 1999, the staff of the four Institutes viz. Gondal, Morvi, Rajkot and Saraspur was not sent either for industrial experience or for refresher training during the period under review for which no reasons were furnished by the Principals.

The Commissioner stated that as the staff was technically qualified and able to operate new machineries this aspect was not monitored by him. This was not tenable as this was an important aspect of the scheme and called for monitoring at the Government level.

3.6.9 Non-issue of large number of National Trade Certificates to successful trainees

Candidates who passed out the final examination held by ITIs were to be given National Trade Certificates (NTCs). Though in 1992-93 and 1998-99, 1.35 lakh trainees passed, only 0.33 lakh certificates (24 per cent) were issued.

Shortfall in issue of certificates was attributed by the Commissioner to non-providing of required number of blank certificates by the Directorate General of Employment and Training (DGET), New Delhi. However, information relating to number of blank certificates received from DGET *vis-a-vis* indents sent from time to time was not furnished. Evidently, the matter was not monitored effectively by the Commissioner.

3.6.10 Idle Machinery

Machinery/equipment valued Rs.84 lakh remained idle in various institutes during 1992-99

(i) Scrutiny revealed that machineries valued Rs.26 lakh were lying idle in the institutes due to various reasons (Appendix - XXXIV) for the period ranging between more than one year and more than nine years which deprived the students of the intended benefits of proper training in their trades.

(ii) Machineries for PPO trade in respect of nine^{*} ITIs costing Rs. 58.36 lakh were purchased in March 1997 without ensuring that post of CI/PPO was filled up. As these posts were vacant in seven ITIs, these machineries were not utilised. The Commissioner failed to monitor the proper utilisation of the machineries.

3.6.11 Idle sheds

Sheds valued Rs.45 lakh were lying unutilised at various industrial estates for one year to ten years

To impart training to the trainees, sheds were purchased under hire purchase scheme from Gujarat Industrial Development Corporation (GIDC) at various places by the department. It was noticed that sheds valuing Rs.45.48 lakh were lying idle as detailed below :

(i) *ITI Saraspur* : The sheds No. 360,361 and 362 at GIDC Vatva taken over by the institute in April 1989 costing Rs.11.78 lakh were not being used from September 1997 due to chemical factories situated around GIDC sheds, entire environment of the area was chemically polluted and adequate facilities of clean drinking water could not be provided to institute despite various efforts made by the institute. As such two trades of GIDC Vatva were shifted alongwith trainees, staff members and infrastructural facilities to ITI Saraspur in September 1997. However, sheds remained undisposed as of April 1999.

*

Amreli, Billimora, Dahod, Gondal, Junagadh, Modasa, Palanpur, Surat and Uttarsanda.

(ii) *ITI Bardoli* : GIDC sheds No. 49, 50 and 51 costing Rs.1.39 lakh were purchased on hire purchase scheme on 2 February 1985 and institute paid (March 1984) Rs. 0.90 lakh. As the balance amount was not paid the amount payable to GIDC worked out to Rs.2.36 lakh which included penal interest of Rs. 1.33 lakh, interest of Rs. 0.46 lakh, service charges Rs.0.07 lakh etc. The institute was shifted (November 1997) to own building and thereafter, these sheds were lying idle.

(iii) *ITI Ankleshwar* : GIDC sheds No. 4007 and 4008 costing Rs.14.25 lakh were not in use from March 1990 as sufficient space was available in the Institute's own building and therefore these sheds were unnecessary.

(iv) *RDD Rajkot* : During test-check of records at RDD Rajkot, it was noticed that six GIDC sheds were lying in non-use in four ITIs under Rajkot Region as sufficient space was available at Government building as detailed below :

(Rupees in lakh)

Name of ITI	No. of sheds in non-use	Date of purchase	Date from which in non-use	Cost
Rajkot	1	1982	01-03-1989	3.16
Surendranagar	1	29-09-1984	01-09-1990	3.52
Bhavnagar	2	12-09-1983	01-08-1997	5.49
Amreli	2	1982	1989	4.93
Total				17.10

Thus, non-disposal of sheds resulted in idle investment of Rs.45 lakh for period ranging between more than one year and more than ten years. The matter was taken up by the Commissioner with GIDC in July and October 1999 after pointing out by Audit in April 1999.

3.6.12 Poor response to certain trades

During 1992-99 welder and carpenter trades did not attract required number of trainees.

Proposals regarding trades to be taught at any training institute were to be initiated by the State Council for Vocational Training (SCVT) on the recommendation of the local committee consisting of the Principal, representatives of local industry and labour and the local Employment Officer. Scrutiny revealed that though certain trades had a very poor intake in some institutes and the training infrastructure was grossly underutilised, the need for continuing the training course was not reviewed. Details of such trades were as under :

(i) *ITI Gondal (Welder Trade)*

Percentage of admission of trainees were below 50 since 1994-95 onwards and it came down to a negligible 3.

Details of seating capacity and admission in respect of welder trade was as under :

Year	Seating capacity	Trainees admitted	Percentage
1992-93	36	47	--
1993-94	36	33	92
1994-95	36	13	36
1995-96	36	12	33
1996-97	36	12	33
1997-98	36	Nil	Nil
1998-99	36	01	03

Principal stated (March 1999) that due to upgradation in minimum entry qualification of the trade (August 1997) the percentage of trainees had gone drastically downward.

(ii) Laboratory Assistant Chemical Plant (LACP) Trade

In LACP as against 32 seating capacity only five trainees were admitted during 1998-99. While explaining the reasons for shortfall in the admission, Principal stated, (March 1999) that the trade was introduced only from last year as such it was not popular in the local area and no survey was conducted at institute level to identify the needs of LACP trade.

(iii) ITI Surat (Carpenter Trade)

The working position of carpenter trade was as under :

Year	Seating capacity	Trainees admitted	Percentage
1992-93	16	--	--
1993-94	16	09	56
1994-95	16	--	--
1995-96	16	11	69
1996-97	16	02	13
1997-98	16	03	19
1998-99	16	07	44

Percentage of admission of trainees was below 50 since 1996-97 and onwards. Principal stated (May 1999) that this trade was unpopular and trainees were not willing to join this trade. Even then its continuity was not reassessed by the department.

The Commissioner failed to monitor the intake of trainees and ensure that proper review of the necessity of these courses are undertaken.

3.6.13 Other topics of interest

(i) Surplus staff not re-deployed

Expenditure of Rs.24 lakh were incurred on account of salary of surplus staff

Test-check of records of selected institutes revealed that surplus technical staff of closed trades were not transferred by the Commissioner promptly as shown below and as a result, Rs.24 lakh was spent on their salaries without any technical work:

Name of ITI	Expenditure incurred (Rupees in lakh)	Period
Kubernagar	10.43	September 1994 to March 1997
Sarkhej	13.36	August 1996 to August 1998
Valod	0.62	August 1998 to March 1999
Total	24.41	

Principal of ITI, Sarkhej, stated that the services of surplus staff were utilised in Library/Stores/Other trades, whereas Principal of ITI, Valod stated that the surplus instructor was given charge of lectures of Social Studies.

(ii) Avoidable payment of Municipal taxes

Government had to pay Municipal Taxes of Rs.7.16 lakh due to faulty agreement for rental building

In the cases of hired building local/Municipal taxes were to be borne by the owner of the building. This condition was not incorporated in the agreement made by the Principal, ITI Siddhpur (20 November 1993) and Savarkundla (21 July 1992) instead the condition for payment of municipal taxes by the ITI was incorporated. As a result, avoidable payment of municipal taxes of Rs.7.16 lakh by ITIs Sidhpur (Rs.3.15 lakh) and Savarkundla (Rs.4.01 lakh) was made.

The Commissioner agreed (June 1999) to take action in the case of ITI Siddhpur, whereas in the case of Savarkundla, RDD, Rajkot stated (June 1999) that the payment of taxes were made as per agreement made with the approval of the Commissioner. The Commissioner furnished no reasons for this undue favour to the owner of the building.

(iii) Incorrect fixation of rent by Public Works Department (PWD)

Government had to pay extra rent of Rs.2.22 lakh due to incorrect fixation of rent by Public Works Department

The Principal, ITI Dhrol occupied the building on rental basis from October 1994. As per the license deed, rent was payable only for built up area which was 8558 sq. feet. No rent for open space of 39326 sq. feet was payable. However, monthly rent of Rs.15,580 fixed by PWD included open space also. Correct rent payable (excluding open space of 39326 sq. feet) worked out to Rs.11472 per month. Payment of rent at higher rate resulted in excess payment of Rs.2.22 lakh as of March 1999. The Commissioner agreed (June 1999) to take action in the matter. Further developments were awaited (June 1999).

(iv) Delay in disposal of condemned stores

Tools/equipment valued Rs.25 lakh were lying un disposed for want of condemnation orders from the Commissioner

During test-check of records of selected ITIs, it was noticed that unserviceable tools and equipment worth Rs.25 lakh were lying in the stores of respective institutes for want of condemnation orders from the Commissioner as detailed below:

Name of ITI	Rupees in lakh	Month/Year of purchase	Period from which lying
Tarsali	11.94	old machinery	period not available
Rajkot	6.25	1964 to 1970	Period not available
Gondal	1.29	1964 to 1969	1996-97
Surat	0.87	1960 to 1983	1995-96
Bardoli	0.76	March 1994	1994-95
Padra	3.74	July 1992	1992-93
Total	24.85		

3.6.14 Follow up Action

No proper attention was given for maintenance of record cards. Achievement of the scheme towards self employment ranged between 18 per cent and 26 per cent only

To ensure proper feed back the National Council for Vocational Training (NCVT) issued guidelines that each of ITIs should maintain a record card for every candidate with particulars of his address, jobs taken up and permanent employment or self employment to serve as feed back to assess the impact of the scheme. Test-check of 16 institutes revealed that such cards were either not maintained or were incomplete.

Details of employment/self employment secured by the passed out trainees revealed that only between 18 to 26 per cent trainees took up self employment in 16 ITIs as shown below:

Year	Total No. of passed out trainees	No. of trainees taken up job/ self employment	Percentage
1992-93	4261	1120	26
1993-94	4611	960	21
1994-95	4492	976	22
1995-96	4642	1034	22
1996-97	4793	1086	23
1997-98	5209	1041	20
1998-99	4574	831	18

Thus, achievement of the scheme towards employment ranged between only 18 per cent and 26 per cent which indicated that the ITIs were not very successful in providing job oriented training.

3.6.15 Inspections of ITIs by Tripartite Team were given up since 1993

There was shortfall in quarterly inspection of the institutes by Commissioner which ranged between 3 per cent (1997-98) and 46 per cent (1993-94)

ITIs were to be inspected by the tripartite team consisting of State Commissioner in charge of training, representative of industries running their own training schemes and representative of labour organisation once a year. However after March 1993, no ITIs were inspected in the State. As the Commissioner was not inspecting the ITIs, the Government evidently did not have direct knowledge of various problems which affected the functioning of the ITIs. Further, each institute was required to be inspected at least once a quarter by inspecting officer of the State Commissionerate of Training. The shortfall in conducting quarterly inspection of institutes ranged between 3 per cent in 1997-98 and 46 per cent in 1993-94 which was attributed by the Commissioner to work load and posts remaining vacant.

3.6.16 Ineffective monitoring and evaluation

Comprehensive evaluation of the scheme not conducted

(i) The SCVT was constituted in 1974 to advise the State Government in carrying out the training policy laid down by the NCVT and to Co-ordinate Vocational Training Programme throughout the State. However the State Council held only one meeting in June 1992 during 1992-99. Thus, the mechanism provided for monitoring and co-ordination was ineffective.

(ii) A local advisory committee consisting of a Principal of an Institute, two representatives of local Industries, one representative of labour and local Employment Officer was to be constituted and attached to each of ITIs to co-ordinate the training programme with the needs of the industries and employment potential in the area. Out of 124 institutes, 115 committees were formed. However noticed in test-checked institutes that only 75 meetings were held as against 218 and mostly no recommendations were made except on stipend. Thus, the monitoring by the local committee was ineffective.

(iii) As noticed during audit, there were various inefficiencies and sub-optimal functioning of the scheme in State. These matters require close monitoring for prompt corrective action. However, no monitoring was done at the Commissioner level in respect of this area.

(iv) A concurrent evaluation study on ITIs was carried out in May 1990 by the Directorate of Evaluation, Gandhinagar. The recommendations in the report included on encouragement of tribal youths, needs/discontinuance of trade in particular area, hostel facility, supply of raw materials, high drop out, adequate space for workshop and administrative block, speedy disposal of condemned machinery/stores, idle sheds, speedy issue of certificates etc. However, audit revealed

unabated continuation of these problems even in 1998-99. Evidently these recommendations were neglected by the department.

(v) Shortfall in general supervision by RDD, Rajkot of the functioning of ITIs in Rajkot region was 66 *Per cent* (1997) and 27 *Per cent* (1998) whereas prior to 1997, no supervision carried out due to vacant post of Deputy Inspector (Training). The RDD, Rajkot carried out the inspection of institutes in 1997-98 (88 *Per cent*) and 1998-99 (89 *Per cent*) whereas no record of inspections for the period prior to 1997-98 was maintained.

3.6.17 Suggestions

There is a strong need for regular ongoing monitoring of all key areas by the Government in view of the mismanagement and sub-optimal functioning of the scheme noticed in audit.

Trades should be introduced after carrying out survey and steps taken to reduce the problems of unpopular trades.

Vacancies in key posts in various trades need be looked into and if necessary suitable redeployment of under utilised staff be ensured. To discourage dropout, infrastructural facilities need be improved and adequate trained persons be made available.

Proper use of idle machineries/equipment/sheds may be ensured.

Monitoring mechanism may be strengthened and made effective.

3.6.18 The matter was reported to Government in July 1999; reply has not been furnished (November 1999).

SECTION B - PARAS

FINANCE DEPARTMENT

3.7 Personal Ledger Accounts

Mention was made in paragraph 3.2 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 (Civil)- Government of Gujarat about irregularities in operation of Personal Ledger Accounts (PLAs) as of March 1998. Points noticed during 1998-99 in respect of PLAs are mentioned in succeeding paragraphs.

As per records of Accountant General (Accounts and Entitlements) Gujarat, there were 1276 Personal Ledger Accounts (PLAs) in the State with balance of Rs. 1727.38 crore as of March 1999 (excluding 209 PLAs operated by District Development Officers of District Panchayats).

3.7.1 Personal Ledger Accounts continued indefinitely

No PLA was closed at the end of the Financial year

Of 42 PLAs (excluding PLAs operated by District Development Officers of District Panchayats) test-checked, no PLA was closed at the end of the year as required[▲] and were continued irregularly by Drawing and Disbursing Officers (DDOs) for several years. Grants released by Government to the Boards/Corporations/ Local bodies who operated the PLAs, were deposited in PLAs and were booked as final expenditure in the accounts of the State Government during the year.

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

Deposits and withdrawals in the last quarter and in the month of March were 40 per cent and 32 per cent and 83 per cent and 54 per cent respectively

Financial Rules provide that expenditure should be spread over uniformly during year and rush of expenditure in the last quarter and particularly in the month of March should be avoided. It was, however, noticed that in disregard of these rules large amount of Government funds were deposited and withdrawn from PLAs in the last quarter and especially in the month of March as shown below :

(i) As against total deposits of Rs. 2788.31 crore and withdrawal of Rs.2386.24 crore in 1276 PLAs in 19 treasuries excluding 209 PLAs operated by District Development Officers of District Panchayats during 1998-99 deposits and withdrawals during last quarter were

[▲] Under the provisions of Bombay Treasury Rules 560.

Rs.1104.66 crore (40 per cent) and Rs.772.21 crore (32 per cent) respectively.

(ii) Most of the deposits and withdrawals during last quarter, 83 per cent and 54 per cent respectively were made in the month of March.

Scrutiny of available sanctions issued by Central/State Governments revealed that funds amounting to Rs. 56.11 crore were released during last quarter and Rs.55.32 crore in the month of March by the State/Central Governments during the year for which no reasons were available on record.

3.7.3 Transfer of grants of State and Central Plan Schemes to PLA

Rupees 705.12 crore were transferred to PLAs during 1998-99

(i) From the grants received for Centrally Sponsored Schemes Rs.9.46 crore, were credited in PLA during 1998-99. Of these Rs.8.30[♦] crore (88 per cent) were credited in PLA during March 1999.

(ii) Similarly, from the grants received for State Schemes Rs.695.66 crore were credited in PLA during 1998-99. Of these Rs.178.33^{*} crore (26 per cent) were credited in PLA during March 1999.

Drawal of amount at the fag end of the year to avoid lapse of budget grant and to reflect the same as 'expenditure' inflated expenditure figures and exhibited incorrect picture of Government Accounts to that extent. Further, explanation for savings under the grant (but for drawal of amount) to Public Accounts Committee was also avoided which diluted Legislative control over the expenditure.

3.7.4 Blockage of Government funds in Personal Ledger Accounts

Funds withdrawn from Consolidated Fund of the State remained unutilised in PLAs

Funds received from Central and State Governments remained blocked up in Personal Ledger Accounts in following cases.

(a) During March 1996 to November 1998 Rs.18.13 crore were placed at the disposal of Gujarat Growth Centres Development Corporation Ltd., (GGCDC) by Industries and Mines Department, for setting up growth centres at Vagra, Palanpur and Gandhidham of which Rs.7.82 crore were utilised by GG CDC upto October 1997 and balance remained unutilised in PLA of GG CDC as of April 1999.

Reasons for non-utilisation of funds were attributed by the department to non-acquisition of land at Palanpur and Gandhidham. Thus, funds

♦ (1) National Watershed Project for rainfed Area Rs.8.24 crore, (2) Tribal sub-plan, Special Central Assistance for Cattle disease Rs.0.01 crore and (3) Tribal sub-plan, Special Central Assistance for artificial Insemination Centre/Semen Bank Rs.0.02 crore.

* (1) Financial Controller, Gujarat Water Supply Board, Gandhinagar Rs.37.98 crore, (2) Manager, Gujarat State Land Development Corporation, Gandhinagar Rs.13.98 crore, (3) Accounts Officer, Director of Social Defence, Ahmedabad Rs.5.18 crore and (4) District Education Officer, Surat Rs.0.60 crore.

were released without completion of preliminary requirements resulting in non-achievement of the object of construction of Growth centres and blocking up of funds for nearly two years.

(b) District Industries Centre (DIC), Surat withdrew funds from the treasury for making payments of subsidy etc. under various schemes. The funds withdrawn from treasury were deposited in PLA of General Manager, DIC, Surat in anticipation of sanctions of loans to beneficiaries by banks. However, loans were not sanctioned to large number of the beneficiaries recommended by DIC and as a result Rs.49.58 lakh to Rs.61.68 lakh remained unutilised during 1995-99*.

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

3.7.5 Irregular deposit in Personal Ledger Accounts

JRY funds of Rs.7.59 crore deposited to PLA in contravention of JRY provisions

Rupees 3.02 crore to Rs. 8.25 crore were kept in non-interest bearing PLA by the Director, District Rural Development Agency, Mehsana in contravention of the provisions contained in para 17.2 of JRY manual which resulted in loss of interest of Rs. 18.41 lakh from August 1995 to March 1996 besides blocking up of funds in PLA.

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

Difference of Rs.8.62 crore between the books of Accountant General (A&E) and DAT was not reconciled

(i) There was difference of Rs.8.62 crore between figures reflected in the accounts of AG (A&E) and that maintained by the Director of Accounts and Treasuries, (DAT) Gujarat as of March 1999. No record indicating treasury-wise/PLA-wise difference and action taken from time to time by each Treasury was maintained by DAT.

(ii) None of the DDOs whose records were test-checked carried out reconciliation of balances with Treasury during 1998-99 (March 1999). As a result there was difference between figures in pass books and cash books of PLA holders which ranged between Rs.1391 and Rs.2.25 crore as of March 1998. No instructions were issued by Finance Department/DAT to either DDOs or the Treasury Officers to ensure that the balances were reconciled.

3.7.7 Irregular deposit of surplus funds in PLA

Surplus fund of Rs.12.66 crore deposited in PLA

Government of Gujarat issued (July 1995) instructions that if a public sector undertaking had surplus funds other than those received from Government, it need not deposit such amount in PLA but should deposit as inter-corporate deposit in either of the Government owned

* 1995-96 Rs.49.58 lakh, 1996-97 Rs.61.22 lakh, 1997-98 Rs.51.19 lakh and 1998-99 Rs.61.68 lakh.

companies viz. Gujarat State Financial Services (GSFS)/Gujarat Industrial Investment Corporation (GIIC).

In disregard of the instructions Surat Urban Development Authority (SUDA), Surat deposited accumulated balance of Rs.12.66 crore as of 31 March 1996 in PLA instead of GSFS/GIIC. The rate of interest on deposit for minimum period of one year was 12.5 per cent as per various schemes introduced by GSFS.

The Chief Executive Authority, SUDA stated that the amount was kept in PLA for repayment of loan and interest accrued thereon. The reply was not tenable as Government deducted Rs. 2.60 crore of loan from grant of 1995-96 and no payment towards loan and interest was made from PLA as of March 1999.

Thus, irregular deposit in PLA resulted in loss of interest of Rs. 1.58 crore at the rate of 12.5 per cent per annum.

3.7.8 Operation of PLA for non-specified purpose

Rupees 8.60 crore were credited to PLAs not opened for the purpose and by persons other than PLA holder

(i) Superintendent and Civil Surgeon, General Hospital, Amreli and Chief District Medical Officer, Gandhinagar were authorised to operate PLA to deposit amount of donation received from public in donation box kept in the hospitals.

The Commissioner of Health and Medical Services sanctioned (August 1997) grant of Rs. 11.00 lakh to each officer for purchase of Hemodialysis Machine.

During test-check of records of hospitals, it was noticed that entire grant of Rs. 11.00 lakh was drawn from treasury on Abstract Contingency Bill on 31 March 1998 by each officer and transferred to PLA on 31 March 1998 though the PLA was not maintained for the purpose. No detailed contingent bills were submitted as of October 1999.

(ii) The General Manager, DIC, Gandhinagar was authorised to operate PLA to deposit amounts of loans and subsidies received from Government.

However, Commissioner of industries, Gandhinagar directly deposited grant of Rs. 4.98 crore sanctioned for Electronics and Quality Development Centre, Gandhinagar on 31 March 1999 in PLA of General Manager, DIC, Gandhinagar.

Further the Commissioner, Cottage and Rural Industries, Gandhinagar also directly deposited on 31 March 1999 Rs. 3.40 crore sanctioned for various schemes to avoid lapse of grants.

Thus, PLAs were operated for the purpose of mainly avoiding lapse of budget grant and were opened by persons other than PLA holders.

Above irregularities indicated that Finance Department, Government of Gujarat, Director of Accounts and Treasuries and Treasury Officers failed to ensure compliance of the provisions of Rules relating to operation of PLAs.

The matter was reported to Government in August 1999; reply has not been received (November 1999).

GENERAL ADMINISTRATION DEPARTMENT

3.8 Audit of expenditure on foreign travel

Mention was made in paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 (Civil) - Government of Gujarat regarding irregularities noticed in Audit of expenditure of foreign travel during 1997. Irregularities noticed during 1998 are discussed in succeeding paragraphs.

3.8.1 Non-fixation of nodal agency

No nodal agency was fixed to monitor the cases of foreign travel for the State as a whole. No consolidated record relating to cases of foreign travels was maintained by any of the administrative departments of the Government of Gujarat (GOG). Thus, no mechanism existed to monitor the cases of foreign travel for the individual departments or for the State as a whole. As such, Audit could not verify whether information relating to foreign travel furnished by 16 out of 23 departments, were complete and covered all the cases of foreign travel or not. Seven departments* did not furnish any information, in this regard as of November 1999.

3.8.2 Result of test-check

Details of travels performed by Ministers, Members of State Legislature (MLAs), officials etc. during 1998 were as shown in Appendix - XXXV. Important points noticed during the test-check are discussed in succeeding paragraphs.

* Agriculture and Co-operation Department, Education Department, Industries and Mines Department, Legal Department, Legislative and Parliamentary Affairs Department, Narmada, Water Resources and Water Supply Department and Tribal Development Department.

(a) Submission of proposals of foreign travel to Government of India (GOI)

Proposals for visit abroad were not submitted to MOF

As per guidelines issued by GOI, all proposals for official visit abroad were required to be sent to Ministry of Finance (MOF) invariably at least three weeks in advance. However, in 24* cases involving government officials, copies of proposals of foreign travel were neither available on record with concerned Administrative Department of GOI nor furnished to Audit, in the absence of which Audit could not verify whether the proposals were at all sent to MOF and if so whether sent in time. In one case of a minister (serial number 23 of Appendix - XXXV) no details were available with the State Government.

(b) Issue of sanctions by State Government without following GOI guidelines

State Government did not follow the guidelines while issuing sanctions

As per guidelines issued by GOI State Government was required to issue formal deputation orders endorsing copies thereof to all concerned Ministries of Central Government (MOF, Ministry of External Affairs, Ministry of Home Affairs and Central Administrative Ministries concerned) and Indian Missions in the places to be visited with reference to the clearance received from MOF.

Except in one case (serial number 23 of Appendix - XXXV), State Government did not issue formal deputation orders in 25 cases indicating reference of sanction of MOF. Copies were not endorsed to concerned Ministries of GOI in 14 cases (Serial number 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14 and 25 of Appendix - XXXV). In 4 cases (10, 21, 22 and 24 of Appendix - XXXV) copies of the sanction orders issued by the State Government were not furnished to Audit.

(c) No approval of MOF obtained

In 22 cases approval of MOF was not obtained

As per guidelines issued by GOI, prior approval of MOF for undertaking foreign travel was required to be obtained. Based on this approval, Department of Economic Affairs (DOEA - MOF) would issue orders, specifying therein number of persons, places to be visited and duration of visit at each place and would simultaneously endorse

* **Finance Department** - Shri. A.K. Sharma, Deputy Secretary & Director (BPE), **Health and Family Welfare Department** (1) Dr.(Mrs) Sushma M. Shah, Asso. Prof. Opst & Gyn., (2) Dr. D.M. Saxena, Additional Director, AIDs cell, (3) Dr. S.R. Nagar, Chief District Health Officer, (4) Dr. Bharat. C. Kazi, Asso. Prof. of Medicine, (5) Dr. S.L. Kanthariya, Asso. Prof. P & SM, (6) Dr. Pradip Kumar Gupta Asso. Prof. P & SM, (7) Shri. George Kurien M., Biologist, Class-II, (8) Dr. Harshidaben. Gamit, Medical Officer, **General Administration Department** Shri. I.C. Bhatt, Lokayukta, **Ports and Fisheries Department** (1) Shri. J.A. Lakhani, Superintending Engineer (M) GMB, (2) Shri. M.N. Mankad, Executive Engineer (M) GMB, (3) Shri. G.R. Jadeja Executive Engineer (Civil) GMB, (4) Shri. H.C. Solanki, A.O. GMB, (5) Shri. J.J. Parmar, Deputy Director of Fisheries, (6) Shri. K.R. Narayan, Deputy Director of Fisheries, **Roads and Buildings Department** (1) Late S.J. Korat, Ex-Minister, (2) Shri. H.P. Jamdar, Secretary, (3) Shri. S.S. Rathore, Spl. Secretary, (4) Shri. Rajesh Kishor, Addl. Chief Secretary, (5) Shri. L.N.S. Mukundan, Chief Secretary, (6) Shri. Atanu Chakraborty, Chief Executive Officer, **GIDBS, Home Department** (1) Shri. G.M. Thakore, Minister, (2) Shri. A.R. Bhatt, Deputy I.G. of Prisons.

copies of sanction orders to Reserve Bank of India (RBI) for release of foreign exchange towards personal incidentals and to MEA for issuing instructions to the Missions abroad for release of Daily Allowance (DA) and other allowances as per prescribed rates.

However, in 22 out of 24 cases (except serial number 23 and 25 of Appendix - XXXV) approval of MOF was not obtained. In one case (Sl. No. 10) though approval of MOF was stated to have been obtained no evidence in support of the statement was available on record. In the absence of such documents genuineness of undertaking tours, correctness of drawal of DA etc. could not be verified by Audit. In 12 of these cases, expenditure was borne by sponsor agencies and in remaining 10 cases, foreign exchange was obtained from private authorised agencies.

Sanction of Ministry of Home Affairs was not obtained in 12 cases

As per guidelines, MHA (Foreign Contribution Regulation Act (FCRA) Division) was required to issue formal order to prospective acceptors of hospitality with copy to State Government.

However, in 12 cases,* copies of such orders were not available. As such, clearance under FCRA was not free from doubt.

(d) Approval of Prime Minister not obtained for travel by Ministers

Approval of Prime Minister was not obtained for foreign travel of Ministers

As per guidelines issued by GOI, prior approval of Prime Minister for foreign travel of Ministers and MLAs was required to be obtained. The strong view taken by the Prime Minister for violation of prescribed procedure/guidelines and insistence on strict adherence thereof in future by all concerned was communicated to all Chief Secretaries of State/Union Territories by MOF in July 1996 and July 1997. In disregard of these instructions in two cases (serial number 15 and 21 of Appendix - XXXV-Late S.J. Korat and Shri G.M. Thakore) of travels by Ministers, approval of the Prime Minister was not obtained as of November 1999.

(e) Political clearance not obtained

Political clearance from MEA was not obtained in 15 cases

As per guidelines, before approving proposals, MOF was required to obtain political clearance from MEA. However, in 15 cases* of foreign

* Finance Department Shri. A.K. Sharma, Deputy Secretary & Director (BPE), Health and Family Welfare Department (1) Dr.(Mrs) Sushma M. Shah, Asso. Prof. Opst & Gyn.,(2) Dr. D.M. Saxena, Additional Director, AIDs cell, (3) Dr. S.R. Nagar, Chief District Health Officer, (4) Dr. Bharat. C. Kazi, Asso. Prof. of Medicine, (5) Dr. S.L. Kanthariya, Asso. Prof. P & SM, (6) Dr. Pradip Kumar Gupta, A.P. P & SM, (7) Shri. George Kurien M., Biologist, Class-II, (8) Dr. Harshidaben. Gamit, Medical Officer, Ports and Fisheries Department (1) Shri. J.A. Lakhani, Superintending Engineer (M) GMB, (2) Shri. M.N. Mankad, Executive Engineer, (M) GMB, (3) Shri. G.R. Jadeja, Executive Engineer, (Civil) GMB.

* Health and Family Welfare Department (1) Dr.(Mrs.) Sushma. M. Shah, (2) Dr. D.M. Saxena, (3) Dr. S.R. Nagar, (4) Dr. Bharat.C. Kazi, (5) Dr. S.L. Kanthariya, (6) Dr. PradipKumar Gupta, (7) Shri. George Kurien. M, (8) Dr. Harshidaben Gamit, Ports and Fisheries Department (1) Shri. J.A. Lakhani, (2) Shri. M.N. Mankad, (3) Shri. G.R. Jadeja, (4) Shri. H.C. Solanki, Home Department (1) Shri. G.M. Thakore, Minister, (2) Shri. A.R. Bhatt, Dy. I.G. of Prisons, Labour and Employment Department Shri. Ashokbhai Bhatt, Minister (To be obtained by Ministry of Labour).

travel, departments stated that no political clearance was required (12 cases), political clearance was not received (two cases) and the same was required to be obtained by Ministry of Labour, GOI (one case).

(f) Irregularities in obtaining Foreign Exchange

In 11 cases foreign exchange was obtained without the sanction of MOF

As per instructions issued by GOI in March 1995, all proposals for visits of members of State Government abroad in official capacity was to be sent by the State Government to Secretary to GOI, MOF, Department of Economic Affairs (DOEA) for approval and release of Foreign Exchange. Further, as per note below para 1 of Annexure to guidelines for release of exchange for travel abroad, prescribed by RBI under Exchange Control Manual, officers of State Government holding ex-officio status in Public Sector Undertakings (PSUs) funded by the State Government will also require approval of DOEA, MOF. In 11[#] cases approval of MOF for the foreign tour was not available. However, in these cases, foreign exchange was drawn from private authorised agencies (five cases) and State Bank of India (two cases). Basis on which foreign exchange drawn in absence of approval of MOF was not available on record. In remaining four cases information relating to source of drawal of foreign exchange was neither available on record nor furnished to Audit. In two^{##} cases where the approval of MOF was available, details of drawal of foreign exchange were not available. A total amount of US \$ 14584.25 was claimed/adjusted in these cases. Scrutiny of Travelling Allowance (TA) bills in four cases^{*} revealed that foreign exchange of US \$ 2075 was obtained through private dealers in three cases. In one case source of drawal of foreign exchange was not indicated. Sources of obtaining these foreign exchange calls for investigation.

(g) TA bills for foreign tours not furnished

TA bills were not furnished to Audit in five cases of foreign travel (Rs.7.25 lakh)

As per the provisions contained in Rule 599-A of Bombay Civil Service Rules, 1959 if TA claims are not preferred within one year from the date of completion of tour, the claim is treated as forfeited. However, in five cases expenditure of Rs.7.25[♦] lakh was incurred as

[#] **General Administration Department** Shri I.C. Bhatt, Lokayukta, **Ports and Fisheries Department**, (1) Shri H.C. Solanki, Accounts Officer (2) Shri J.J. Parmar, Deputy Director of Fisheries, **Roads and Buildings Department** (1) Late S.J. Korat, Ex. Minister (2) Shri H.P. Jamdar, Secretary (3) Shri S.S. Rathore, Special Secretary (4) Shri Rajesh Kishor, Additional Chief Secretary, (5) Shri L.N.S. Mukundan, Chief Secretary, (6) Shri Atanu Chaakraborty, Chief Executive Officer, **Home Department** (1) Shri G.M. Thakore, Minister (2) Shri A.R. Bhatt, Deputy Inspector General of Prisons.

^{##} Shri Ashok Bhatt, Minister, Shri K.R. Narayanan, Deputy Director of Fisheries.

^{*} Home Department- (1) Shri G.M. Thakore, Minister and (2) Shri A.R. Bhatt Deputy Inspector General of Prisons, Labour and Employment Department- Shri Ashok Bhatt Ports and Fisheries Department — Shri K.R. Narayanan Deputy Director of Fisheries.

[♦] Roads and Building Department (1) Late S.J. Korat, Ex. Minister (Rs.2.30 lakh), (2) Shri Rajesh Kishor Additional Chief Secretary (Rs.1.92 lakh), (3) Shri L.N.S. Mukundan Chief Secretary (Rs.1.43 lakh) and (4) Shri Atanu Chakraborty, Chief Executive Officer (Rs.1.03 lakh). Ports and Fisheries Department Shri J.J. Parmar Deputy Director of Fisheries (Rs.0.57 lakh).

intimated by concerned administrative departments but no information relating to drawal of advance and/or submission of TA bills was furnished in three cases (expenditure Rs.5.25[♥] lakh). In remaining two cases though the amount of advance was stated to have not been drawn, information relating to details of claims submitted was not furnished. The amount of foreign exchange involved in these five cases was US \$ 6650.

(h) Excess/irregular drawal of DA

Excess drawal of DA worked out to \$2976 in three cases

After approval of MOF, MEA was to issue instructions to the missions abroad for release of DA and other allowances as per rates prevalent in the country of visit. However, if DA etc. was required to be released in India, a certificate of entitlement was to be obtained from MEA and forwarded to MOF for release of foreign exchange. The procedure was also applicable even in the cases where the expenditure was borne by the State PSUs/Corporations. As per instructions issued in February 1993 and September 1995 by GOI even the officials of Boards/Corporations who were to go abroad in connection with government work were governed by the rates applicable to Government servants.

It was noticed that in three cases (serial number 10, 15 and 16 of Appendix - XXXV), DA was drawn by Minister and Government officers as per information furnished by the departments, without obtaining approval of MOF, approval of Prime Minister in the case of Minister. This resulted in excess drawal of US \$ 2976, *vis-a-vis* their entitlements which was recoverable from them as shown in below :

(Amount in US \$)

Serial number of Appendix-I	Name of Minister/ Official	Designation	DA drawn	DA admissible	Excess recoverable
10	Shri. I.C. Bhatt	Loka-Yukta	750.00	400.00	350
15	Late S.J. Korat	Ex-Minister	3451.00	1625.00	1826
16	Shri. H.P. Jamdar	Secretary	2425.00	1625.00	800
					2976

The exact amount of recovery in five cases could not be worked out as the amount of foreign exchange drawn was neither available on record nor furnished to Audit.

[♥] Roads and Building Department (1) Late S.J. Korat, Ex. Minister (Rs.2.30 lakh), (2) Shri Rajesh Kishor, Additional Chief Secretary (Rs.1.92 lakh) and (3) Shri Atanu Chakraborty, Chief Executive Officer (Rs.1.03 lakh).

(i) Tour reports not submitted

In 24 cases, copies of tour report was not sent to GOI

As per guidelines, tour report was required to be submitted within three weeks of completion of visit. However, in 24 cases (except serial number 25 of Appendix-XXXV) no tour reports were submitted to GOI.

It was further observed from the tour reports submitted to the State Government by a Minister and a Deputy Inspector General of Prisons that the Tanah Jail, Singapore was visited only on 16 November 1998 during tour period of 9 days (viz. 12 November to 20 November 1998). Tour reports did not reveal any justification for remaining period of stay and activities undertaken at Singapore. The matter calls for investigation as to how the Minister and the official could spend 9 days abroad for only 1 day's work, at Government expenses.

Moreover, prior approval of MOF, Prime Minister and clearance of MEA were not obtained. The TA bill of Rs.37604 submitted by the Minister was not supported by any document indicating approval of foreign travel by the competent authority and the same was countersigned by the controlling officer (Deputy/Under Secretary Home Department) on which basis payment for the bill was made by the Pay and Accounts Officer Gandhinagar.

(j) Availing of facilities through Missions abroad

Details of availing of facilities through Indian Mission abroad were not known to Government

In 13 cases* no information whether any facilities were availed of through Missions abroad was available on records nor furnished through TA bills. In the absence of such details, Audit could not verify the correctness of the rates of DA drawn.

(k) Foreign travel undertaken on private passport

Foreign travel undertaken on private passport in 17 cases

As per the provisions contained in the Passport Act, 1967, Rule 4, Schedule II, Part I (II) official passports are to be issued in favour of Government officials and non-officials when their passages

* General Administration Department Shri. I.C. Bhatt, Lokayukta, Ports and Fisheries Department (1) Shri. H.C. Solanki, A.O. GMB, (2) Shri. J.J. Parmar, Deputy Director of Fisheries, (3) Shri. K.R. Narayan, Deputy Director of Fisheries Roads and Buildings Department (1) Late S.J. Korat, Ex-Minister, (2) Shri. H.P. Jamdar, Secretary, (3) Shri. S.S. Rathore, Spl. Secretary, (4) Shri. Rajesh Kishor, Addl. Chief Secretary, (5) Shri. L.N.S. Mukundan, Chief Secretary, (6) Shri. Atanu Chakraborty, Chief Executive Officer, GIDBS, Home Department (1) Shri. G.M. Thakore, Minister, (2) Shri. A.R. Bhatt, Deputy I.G. of Prisons, Labour and Employment Department Shri. Ashok Bhatt, Minister.

were paid by the Government. However, it was observed that the journeys were performed on private passports in 17[▲] out of 25 cases. The reasons for non-obtaining of official passports were not available on records.

(1) Other points

Irregular foreign travel by official during probation period

(i) As per instructions issued by GOG in July 1988, official on probation can not be deputed abroad for training, scholarship and fellowship purposes. In contravention of these instructions, an Accounts Officer, Gujarat Maritime Board (GMB) was deputed abroad by GOG during probation period (viz. 14 October 1996 to 6 November 1998) for Port Management and operation course 1998 held at Singapore between 17 and 28 August 1998. Hence, the expenditure of Rs. 0.26 lakh incurred initially by National Institute of Port Management, Chennai and subsequently reimbursed by GMB was irregular. Further, it was not understood as to how an Accounts Officer on probation could be nominated for Port Management and Operation Course.

Details of Information in respect of FA/Joint Secretary were not furnished to Audit

(ii) On approval of Netherlands Government to finance participation of officers of GMB to 34th International Seminar on Port Management 1998 and workshop to be held at Netherlands between 12 and 26 May 1998, GMB submitted proposal to State Government for participation of four officers of GMB.

It was specifically mentioned in the proposal that participation was entirely at the cost of the Netherlands Government and GMB/State Government was not to incur any expenditure. State Government, however, approved the proposal with modification and included Financial Adviser (FA)/Joint Secretary to Government (Shri. M.J. Raval) in place of the officer of GMB. No reasons were recorded for substituting the officer of GMB by FA/Joint Secretary. Moreover, participation was offered by Netherlands Government to the officers of GMB. Detailed information relating to foreign travel including amount drawn, if any, by FA/Joint Secretary was not furnished to Audit. It was noticed that the very purpose of attending seminar/workshop by FA/Joint Secretary was defeated as while he was under training, order transferring him to another department was issued (20 June 1998) and after returning he joined his new assignment in Panchayat, Rural

▲ Health and Family Welfare Department (1) Dr. (Mrs.) Sushma M. Shah, Asso. Prof. Obst. & Gyn., (2) Dr. D.M. Saxena, Additional Director AIDs Cell, (3) Dr. S.R. Nagar, Chief District Health Officer, (4) Dr. Bharat C. Kazi, Asso. Prof. of Medicine, (5) Dr. S.L. Kanthariya, Asso. Prof. P&SM, (6) Dr. Pradip Kumar Gupta, Asso. Prof. P&SM, (7) Shri George Kurian M., Biologist Class II and (8) Dr. Harshidaben Gamit, Medical Officer, General Administration Department – Shri I.C. Bhatt, Lokayukta, Ports and Fisheries Departments (1) Shri J.A. Lakhani, Superintending Engineer (M), (2) Shri M.N. Mankad, Executive Engineer (M), (3) Shri G.R. Jadeja, Executive Engineer (Civil), (4) Shri S.C. Solanki, Accounts Officer and (5) Shri J.J. Parmar, Deputy Director of Fisheries, Roads and Buildings Department – Shri S.S. Rathore, Special Secretary, Home Department – (1) Shri G.M. Thakore, Minister and (2) Shri A.R. Bhatt, Deputy Inspector General of Prison.

Housing and Rural Development Department on 1 July 1998. Thus, the foreign tour at Government expense was not justified.

The matter was reported to Government in August 1999, reply has not been received (November 1999).

EDUCATION DEPARTMENT

3.9 Non-recovery of interest as well as penal interest from Gujarat Secondary Education Board

Belated approval of proposal of the Board resulted in loss of Rs.5.03 crore to Government

Gujarat Secondary Examination Board (Board) sent a proposal to Government of Gujarat for revision of examination fees in June 1987. However, during the pendency of the proposal Board demanded loan from the Government to meet expenditure connected with conducting public examination. Government paid loan aggregating to Rs.6.35 crore during 1987-92 at the rate of 12 *per cent* interest per annum to the Board. According to the terms and conditions of the loan, Board was required to repay the principal amount of loan in six months failing which penal interest at the rate of 2.5 *per cent* was leviable. Revision of fees was approved by Government only from October 1992.

As per Rule 74(iv) of Gujarat Financial Rules instalments paid before due dates shall be taken entirely to principal unless any interest for preceeding period is overdue.

It was noticed in audit (October 1997) that the Board repaid loan (Rs.4 crore 1993-94, Rs.0.75 crore 1995-96, Rs.1.60 crore 1996-97) which was adjusted towards principal amount instead of the overdue interest as required under the provisions of Gujarat Financial Rules. This resulted in accumulation of outstanding amount of interest and penal interest amounting to Rs.5.03 crore as of February 1999.

The Chairman of the Board stated (November 1998) that Government took five years in revising the rates of examination fees and due to strained financial position, interest and penal interest of Rs.5.03 crore remained outstanding for reasons beyond the control of the Board.

The Government in response to audit observations (July 1998) issued order in February 1999 writing off the outstanding amount of interest of Rs.5.03 crore as the Board was not in a position to make the payment.

Thus, delay in approval of proposal of revision of fee necessitated granting of loan to the Board. Had the decision been taken promptly in 1987 for revision of fees payment of loan to the Board would not have been necessary and loss of Rs.5.03 crore could have been avoided.

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.10 Non-recovery of loan and interest with penal and additional penal interest

Sanctioning of the loan without obtaining adequate securities and ascertaining status of Federation and non-enforcement of agreement entered into by the Federation resulted in non-recovery of Government dues of Rs.1.01 crore

For purchase and distribution of agricultural inputs for 'Kharif' season, Government of Gujarat sanctioned (August - September 1985) short term loan of Rs. 40 lakh to National Co-operative Tobacco Growers Federation Ltd., Anand (Federation) (A listed society registered under the Multi State Co-operative Societies Act, 1984) and paid in August 1985 (Rs.20 lakh) and October 1985 (Rs.20 lakh). The loan was repayable with interest (6.25 *per cent*) within six months in a single instalment from the date of drawal. Terms and conditions of loan *inter alia* provided that (i) loan was required to be utilised for the purpose for which it was granted and the Federation was required to pass on this loan to farmers in kind only, (ii) federation was required to execute agreement to the effect that it would be responsible to repay the amounts irrespective whether the loan granted to cultivators was recovered or not, (iii) in case of default in repayment penal interest at the rate of 2.5 *per cent* per annum was leviable and (iv) if any of the above terms and conditions was violated additional penal interest of 3 *per cent* should be charged.

Test-check of records of Secretary, Agriculture, Co-operation and Rural Development Department (Department) revealed (October 1997) the following :

(i) The Federation did not repay the loan and interest as of April 1999. Overdue amount of loan (Rs.40 lakh) and interest (Rs.45.72 lakh)

alongwith penal and additional penal interest (Rs.15.66 lakh) worked out to Rs.1.01 crore. No security was obtained before release of loan as contemplated in Rule 70(2) of Gujarat Financial Rules, 1971 for which no reasons were available on record.

(ii) Though the Federation failed to repay loan after completion of period of moratorium (February and April 1986) the matter was not effectively pursued with them by the Government and only four notices were issued between October 1986 and June 1987. Thereafter only in 1989 action to recover loan as arrears of land revenue was initiated.

(iii) Status of the Federation was not ascertained by Government before sanctioning the loan.

(iv) Amount of loan was utilised by the Federation towards dues payable to tobacco growers in contravention of terms and conditions of the loan.

(v) The matter was taken up with the Central Registrar only in July 1995 to obtain from him a certificate for enforcing recovery as arrears of land revenue. Reasons for belated approach were neither available on record nor furnished to Audit.

Mamlatdar, Anand reported (July 1992) that recovery as arrears of land revenue could not be enforced from the Federation as no assets was in the possession of the Federation. However, no follow-up action was taken to enforce recovery through legal means on the strength of the agreement executed by the Federation.

Thus, failure to obtain securities and ascertain status of the Federation before sanctioning the loan coupled with non-enforcement of agreement executed by the Federation resulted in non-recovery of Government dues amounting to Rs.1.01 crore.

Government stated (October 1998) that despite repeated requests to issue certificate of recovery as well as names and addresses of the then members of the said Federation, Central Registrar of Co-operative Societies, New Delhi had not yet issued the certificate. However, even after receipt of certificate it may not be enforceable as the Federation had no asset in its name. Payment of loan without obtaining security and failure in recovering the same by the concerned officer(s) required investigation by the Government.

3.11 Irregular disbursement and non-recovery of loan and interest

Irregular release of loan by the Registrar and failure to comply with Government rules resulted in non-recovery of dues for over seven years

National Co-operative Development Corporation (NCDC) sanctioned in July 1990 Rs.42 lakh to Government of Gujarat as loan for providing margin money assistance to the Gujarat State Corporative Tobacco Growers Federation (Federation) for marketing of Tobacco.

For implementation of the scheme, Government sanctioned (March 1991) Rs.37 lakh as loan and Rs.5 lakh as share capital to the Federation. The loan was repayable in 14 annual equal instalments commencing from the first anniversary from the date of drawal of the loan. Terms and conditions of loan *inter alia* provided that (i) loan was to be disbursed to the Federation only after the Managing Committee of the Federation passed a resolution indicating acceptance of terms and conditions and produced in writing an arrangement for such acceptance and also gave an undertaking to make necessary amendments in its bye-laws within one year from the date of disbursement of loan, (ii) Government was to have first charge on all the existing assets and also on the assets that may be created in future by the Federation till repayment of loan and all interest thereon including penal interest to the Government. The Federation was required to execute mortgage deed in favour of the Government, (iii) in case of breach of any of the conditions Government was to ask the Federation without any notice to repay all the outstanding loan and interest alongwith penal interest in one lump failing which amount was recoverable as arrears of land revenue. The loan was required to be utilised only for the purpose for which it was sanctioned.

Test-check of records of District Registrar, Co-operative Societies, Nadiad (Registrar) revealed (January 1998) the following irregularities:

(i) Loan of Rs.37 lakh was disbursed to the Federation by the Registrar in March 1991 by drawing advance from the Contingency Fund eventhough the Managing Committee of the Federation did not pass any resolution or made any agreement in writing for acceptance of the terms and conditions or executed mortgage deed. Reasons for disbursement of loan by drawing advance from Contingency Fund even though the NCDC released the loan in July 1990 was not furnished to Audit.

(ii) No security was obtained from the Federation before release of loan as required under the Gujarat Financial Rules.

(iii) Though Resolution for accepting terms and conditions of loan was passed by the Managing Committee of the Federation in June 1991, no written agreement was made by them with Government. Further no amendment to bye-law of the Federation was made (May 1999).

(iv) Federation re-paid six instalments amounting to Rs.15.86 lakh during 1992 to 1999 and did not pay over due instalments of Rs.2.64 lakh and interest of Rs.2.02 lakh as of May 1999.

(v) Rupees 20 lakh were misutilised by the Federation for purchase of fertilisers though the loan was sanctioned for a different purpose.

(vi) The loan was to be recovered in one lump if any of the conditions was violated. Though, the Federation failed to give an undertaking, make an agreement, execute mortgage deed, utilised loan for different purpose and defaulted in re-payment of instalments balance the Registrar failed to recover the amount of loan in one lump.

Thus, irregular release of loan, non-compliance of the codal provisions and failure to ensure compliance of the terms of the loan by the Registrar resulted in non-recovery of Government dues of Rs.22.55 lakh (Principal Rs.21.14 lakh; Interest Rs.1.06 lakh and penal interest Rs.0.35 lakh) for more than two years (from the date of default in payment of instalment) to seven years (from the date of violation of terms of loan).

The matter was reported to Government in March 1999; reply has not been received (November 1999).

3.12 Non-responsiveness to Audit findings and observations resulting in erosion of accountability.

Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot, these IRs re-issued to the Heads of offices inspected with a copy to the next higher authorities. The Financial Rules/orders of Government provide for prompt response by the executive to the IRs issued by AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during his inspection. The Head of offices and next higher authorities

are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to AG. Serious irregularities are also brought to the notice of the Head of the Department by AG. A half yearly report of pending IRs is sent to Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto December 1998 pertaining to 195 offices of Agriculture and Co-operation Department disclosed that 563 paragraphs relating to 224 IRs remained outstanding at the end of June 1999 of these, 6 IRs containing 8 paragraphs had not been replied to/settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs are detailed in the Appendix - XXXVI. Even the initial replies which were required to be received from the Heads of offices within six weeks from the date of issue were not received in respect of 173 offices for 173 IRs issued between 1991-92 and 1998-99.

As a result following serious irregularities commented upon in these IRs had not been settled as of June 1999.

Serial Number	Nature of irregularities	Number of Paragraphs	Amount (Rs. in lakhs)
1	Short recovery/outstanding dues, Development charges of T.P. schemes	2	0.10
2	Outstanding loans/subsidy interest	8	348.64
3	Idle/unserviceable articles/machinery/vehicles	72	64.40
4	Blocking of Government money	2	17.96
5	Unfruitful/avoidable/infructuous expenditure	9	16.42
6	Overpayment/Irregular payment	8	3.37
7	Outstanding recovery of loan share capital contribution	9	8401.06
8	Wanting utilisation certificates	28	46,932.68
9	Unspent balance/Blockage of Government money	145	3,19,847.82
10	Non-reconciliation	11	117.37
11	Outstanding Audit fees/Inquiry fees	76	13,932.34
12	Societies under liquidation	37	1,19,908.28
13	Miscellaneous	156	433.18
	TOTAL	563	5,10,023.62

A review of IRs which were pending due to non-receipt of replies, in respect of Agriculture and Co-operation Department revealed that the Head of the Offices, whose records were inspected by AG, and the Director of Agriculture/Director of Animal Husbandry/Director of Horticulture/Registrar of Co-operative societies failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in IRs of AG. The Secretary of the Agriculture and Co-operation Department, who was informed of the position through half yearly reports, also failed to ensure that the concerned officers of the Department take prompt and timely action.

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

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

The matter was reported to Government (November 1999); reply has not been received (November 1999).

HOME DEPARTMENT

3.13 Blocking of funds due to injudicious purchase of boats and nugatory expenditure

Injudicious purchase of Boats resulted in unfruitful expenditure of Rs.55.01 lakh and nugatory expenditure of Rs.37.50 lakh

To prevent transborder infiltration, terrorist infiltration from across the neighbouring country, check narcotics movement and provide security to Kandla Port and Fisherman around, District Superintendent of Police (DSP) Kachchh-Bhuj sent proposal to Director General and Inspector General of Police (DG & IGP) in November 1991, for allotment of four speed boats.

Keeping in view the sea condition of Kachchh area, specifications of boats were included in the tender enquiry after approval by the Government[▲].

▲

	Required specification	Specification shown in tender enquiry	Specification shown by the Supplier
Speed	20 to 30 knotical miles	25 knotical miles	Not mentioned
Length	6 to 7 metres	7 metres Appx.	7.39 Mts.
Depth	0.7 to 0.75	0.62 Mts.	0.77 Mts.
Breath	2.1 to 2.5 metres	2.20 Mts.	2.20 Mts.
Draft	0.8 to 0.85 Mts.	0.30 to 0.40	0.35 Mts.

Government awarded administrative approval for purchase of six fibre glass speed boats in August, 1993 and purchase order for six speed boats at Rs.8.77 lakh each plus 4 *per cent* sales tax was placed by DG & IGP in December 1993 with Alcock Ashdown & Company of Bhavnagar (Government of Gujarat Unit) (company) at a total cost of Rs.55.01 lakh.

Following points were noticed :

(i) As per the tender specification, the boat was to have speed of 25 knotal miles. Though, tenderer did not indicate speed of the boat in the tender, Additional Chief Secretary, Home Department heading the Secretaries Purchase Committee approved the purchase from the company as branded item to 'support public sector of the Government of Gujarat'. Special Inspector General of Police, Junagadh stated (May 1994) that the speed of the boat was only 15 knotal miles and hence they were not useful to the department. However, delivery of the boats was taken between January and March 1995 without assigning any reason.

(ii) Though, tenderer was required to confirm drawing and specification of boats before issue of final order, purchase was made without confirmation from the tenderer and issue of final order by the Department.

(iii) On inquiry from Kandla Port Trust (KPT) by DSP Bhuj, it was opined by KPT in March 1994, that due to lot of suspended silt/sand particles in water and premature wear and tear of jet system, it did not try the fibre glass boats in open water of gulf of Kachchh as such it was not able to give any opinion about suitability of the boats.

(iv) Four and two boats were allotted to DSP Kachchh and Jamnagar respectively in March 1995. One boat was transferred to Valsad in November 1996 by DSP Jamnagar.

(v) DSP Jamnagar and Valsad stated that the boats could not be used for patrolling in rough sea and remained unused as these did not have required speed. DSP Kachchh stated that the boats were useful for creek area only and not in open sea.

(vi) The concerned districts to which boats were allotted spent Rs.37.50 lakh on establishment, maintenance, repair etc., between February 1995 and March 1999.

Thus, injudicious purchase of unsuitable speed boats by the Secretaries Purchase Committee resulted in unfruitful expenditure of Rs.55.01 lakh besides nugatory expenditure of Rs.37.50 lakh on maintenance etc.

The matter was reported to Government (May 1999); reply has not been received (November 1999).

HEALTH AND FAMILY WELFARE DEPARTMENT**3.14 Irregular retention of capitation fees by colleges**

Capitation fees of Rs.47.45 lakh collected by private colleges were not deposited to Government account for 2 to 4 years. Director furnished incorrect information to audit

Following Supreme Court Judgement in case of J.P Unnikrishnan versus Government of Andhra Pradesh (February 1993) the apex court directed State Government to commence private professionalised educational institutes for different faculties, Government introduced (January 1994) new admission scheme for admission in private Ayurvedic and Homeopathic Medical Colleges receiving Government grants. According to new scheme, of the total admissions 50 per cent seats were to be considered as free seats and admissions were to be granted on payment of regular fees. Remaining 50 per cent seats were to be considered as higher payment seats and admissions were to be granted on payment of capitation fees as shown below :

Serial number	Name of degree/diploma courses	Annual Fee
1	Bachelor in Ayurvedic Medicine and Surgery (BAMS)	Rs. 50,000
2	Bachelor in Homeopathic Medicine and Surgery (BHMS)	Rs. 25,000
3	Diploma in Homeopathic Medicine and Surgery (DHMS)	Rs. 20,000

The scheme *inter alia*, provided for immediate crediting of capitation fees so collected by institutes to Government accounts.

Scrutiny of records of Director of Indian System of Medicine and Homeopathy (December 1997) revealed that capitation fees amounting to Rs.47.45 lakh recovered from students between 1994-95 and 1996-97 by three private colleges (Shri J.S. Ayurvedic College Nadiad : Rs.20.85 lakh, Smt. A.J. Savla Homeopathic College, Mehsana and Smt. C.D. Pachigar Homeopathic Medical College, Surat : Rs. 7.00 lakh and Rs.19.60 lakh respectively) were not credited to Government account as of November 1999. The scheme provides no provision to safeguard the interest of Government in the case of non-compliance of the provision of depositing the capitation fees by the private colleges.

Director Indian Medicine and Homeopathy System, Gandhinagar stated (May 1998) that payment of grant to these defaulting colleges was suspended from 1995-96 and Homeopathy College at Surat filed a suit in the High Court of Gujarat against State Government stopping of grants.

It was, however, seen that payment of grant of Rs.14.13 lakh (Homeopathy Medical College, Surat Rs.1.69 lakh during 1993 to 1995, Homeopathy Medical College, Mehsana Rs.9.02 lakh during 1993 to 1996 and Ayurvedic College, Nadiad Rs.3.42 lakh during 1994 to 1996) was made to these colleges by the department during 1993-94 to 1995-96 but the amount of capitation fees collected by these colleges was not adjusted. Thus, the Director failed to provide correct information to Audit.

Irregular retention of capitation fees by colleges and non-recovery/adjustment by the department resulted in blocking of Government dues of Rs.47.45 lakh for periods ranging between two to four years.

The matter was reported to Government in June 1998; reply has not been received (November 1999).

FORESTS AND ENVIRONMENT DEPARTMENT

3.15 Unfruitful expenditure due to delay in disposal of grass

Non-observance of time schedule for disposal of grass stored in ganji resulted in wasteful expenditure of Rs.12.03 lakh besides loss of revenue of Rs.20.29 lakh

Government of Gujarat issued instructions (December 1968 and reiterated April 1990) for collection, storage and disposal of grass by Forest Department. Accordingly, grass collected in a year and kept in *ganji** was to be disposed by auction after December of the relevant year but before onset of next monsoon.

It was noticed (April 1998) in audit of Deputy Conservator of Forests Gir (East) Division, Dhari that 15.21 lakh kg. grass collected during 1994-95 (10.86 lakh kg.) and 1995-96 (4.35 lakh kg.) at a cost of Rs.12.32 lakh was kept in *ganji* and was not disposed off by Deputy Conservator of Forest, Gir (East) Division, Dhari within the stipulated period as a result of which the grass was spoiled. The grass being inedible, as certified by the Veterinary Officer was auctioned (January 1998) in eight lots to one party and only Rs.0.29 lakh were realised.

Thus, failure to dispose off grass stored in *ganji* in time resulted in wasteful expenditure of Rs. 12.03 lakh (Rs.12.32 lakh less Rs.0.29

* Storage of grass in open land.

lakh) besides loss of revenue of Rs.20.29 lakh (at the rate of Rs.1.40 per kg. of grass fixed by Government).

Deputy Conservator of Forests attributed the delay in disposal of grass to non-receipt of instructions from Collector, Amreli. This was not tenable as the grass stored in *ganji* was required to be auctioned after December of the relevant year of storage in case no requirement was communicated by the Collector as per standing instructions. Further, Deputy Conservator of Forests intimated (September 1995) to the Collector that if no requirement was communicated by him the grass would be auctioned in December 1995. However he failed to auction the grass immediately after December 1995 for which no reason was on record. The matter calls for investigation.

The matter was reported to Government in May 1999; reply has not been received (November, 1999).

3.16 Irregular expenditure on afforestation work on existing forest land

Compensatory afforestation work carried out in existing forest land resulted in irregular expenditure of Rs.22.72 lakh

For compensatory afforestation Collector, Surendranagar allotted (September 1991 and May 1992) 92.67 hectares of land in Surendranagar District to Forest Department after inspection of the land by the officers of the Department. Damanganga Project Division No.1 paid Rs.40.12 lakh, as demanded by Forest Circle, Junagadh in July 1994 towards cost of compensatory afforestation.

Out of deposit of Rs.40.12 lakh received from Damanganga Division, Rs.22.72 lakh was spent by Deputy Conservator of Forests, (DCF) Surendranagar during 1995-97 on afforestation work in the existing forest land instead of land allotted by the Collector. This resulted in irregular expenditure of Rs.22.72 lakh.

DCF stated (July 1997) that afforestation work for compensatory afforestation was not done on the land allotted as the land was not suitable for afforestation work and some portion of the allotted land being *gauchar* land allotment was opposed by the villagers. This was not tenable in view of the fact that land for compensatory afforestation was allotted after inspection by the officers of the Forest Department. Further, to solve the problem of overlapping of the allotted land in *gauchar* land of the village, the Collector directed in May 1993 to all the concerned (including Forest Officer) to re-measure the land in question and to find out whether any overlapping was there. The land was re-measured by the team consisting of the officials of Forest

Department, Revenue Department and the village people during January 1995 and according to their report no *gaucher* land was included in the land allotted to Forest Department.

Expenditure of Rs.22.72 'lakh incurred from the deposit of compensatory afforestation for afforestation in existing forest land was thus, irregular.

The matter was reported to Government in May 1999; reply has not been received (November, 1999).

SOCIAL WELFARE AND TRIBAL DEVELOPMENT DEPARTMENT

3.17 Non-recovery of financial assistance from defaulting beneficiaries

Tardy action and payment of only subsidy component out of the financial assistance consisting of loan and subsidy resulted in non-recovery of Rs.18.70 lakh and irregular payment of Rs.2 lakh in a self employment scheme

In order to provide self employment to persons belonging to scheduled castes/scheduled tribes, the scheme of *Manav Garima Yojna* was launched by the State Government in November 1995. The scheme *inter alia* provided for the grant of financial assistance of Rs.2000 (subsidy Rs.1000 and loan Rs.1000) to each eligible beneficiary. Applications received in prescribed form were required to be verified by Social Welfare Inspector before recommending to Social Welfare Officer. Loan was repayable in 20 instalments of Rs.50 each after a moratorium period of two months. In the event of failure to repay three consecutive instalments of loan, entire amount of assistance was recoverable in one lump.

District Social Welfare Officer (DSWO), District Panchayat, Ahmedabad and District Backward Class Welfare Officer (DBCWO), Nadiad paid Rs.19 lakh (Rs.8.50 lakh loan Rs.10.50 lakh subsidy) to 1050 beneficiaries between February and March 1996.

It was seen in audit (November and July, 1997) that as against recovery of Rs.8.50 lakh due by January 1998, actual amount recovered towards loan by these two offices was Rs.0.30 lakh only from 232 beneficiaries. All the beneficiaries being defaulters, entire amount of loan and subsidy of Rs.18.70 lakh was recoverable from them as envisaged in the scheme.

It was further noticed that 200 applicants were paid only subsidy at the rate Rs.1000 without loan component by DSWO, Ahmedabad.

DSWO, Ahmedabad and DBCWO, Nadiad stated (May and July 1998) that notices were issued to the defaulters. DSWO, Ahmedabad also stated that since concerned beneficiaries applied only for payments of subsidy, subsidy was paid to them.

This was not tenable as though instalments of loan became repayable after May 1996 notices were issued only in June - December 1997 and April 1998 by DSWO and DBCWO. Further, payment of subsidy without loan component was in contravention of provisions of the scheme.

Thus, tardy action on the part of DSWO and DBCWO resulted in non-recovery of subsidy and loan of Rs.18.70 lakh.

The matter was reported to Government in March, 1998; reply has not been received (November 1999).

GENERAL

3.18 Misappropriation, losses, etc.

Finalisation of 191 cases of alleged misappropriation, losses, etc. reported to Audit upto March 1999 was pending at the end of September 1999 as shown below :

	Land Revenue		(Rupees in lakh) Other cases	
	Number of cases	Amount	Number of cases	Amount
(1) Cases reported upto the end of March 1998 and pending at the end of September 1998	49	5.79	140	158.13
(2) Cases reported during 1998-99	Nil	Nil	^R 10	69.49
(3) Cases closed during 1998-99	Nil	Nil	^C 8	1.79
(4) Cases outstanding at the end of September 1999	49	5.79	142	225.83

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

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Health and Family Welfare Department one case (Rs.0.57 lakh), Labour and Employment Department three cases (Rs.0.58 lakh), Education Department two cases (Rs.1.41 lakh), Panchayats and Rural Housing Department three cases (Rs.66.90 lakh), and Sports, Youth Services and Cultural Activities Department one case (Rs.0.03 lakh).

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Health and Family Welfare Department two cases (Rs.0.22 lakh), Labour and Employment Department one case (Rs.0.06 lakh), Home Department one case (Rs.0.42 lakh), Ports and Fisheries Department one case (Rs.0.60 lakh), Education Department one case (Rs.0.41 lakh), Forests and Environment Department one case (Rs.0.05 lakh) and Sports, Youth Services and Cultural Activities Department one case (Rs.0.03 lakh).

CHAPTER - IV
WORKS EXPENDITURE

ROADS AND BUILDINGS DEPARTMENT

4.1 Execution of work without preparing plans and estimates and payment for excess quantities

Execution of work valued Rs.3.52 crore without preparation of plans and estimates and additional payment of Rs.0.11 crore for excess quantities

Work of construction of approaches to new two lane bridge across Hadakiya creek at Surajbari on National Highway 8A-km. 278/06 to 283/06 was awarded to contractor 'A' at his tendered cost of Rs.7.69 crore (31.11 per cent below estimated cost of Rs.11.16 crore) in January 1998. According to general conditions of contract, payment for items in excess of 30 per cent of tendered quantity should be paid as per Schedule of Rate (SOR) of the year during which excess quantities were executed.

Test-check of records of Executive Engineer, National Highway Division, Gandhidham (April 1999) revealed the following :

(i) As per Government of India Guidelines on Fees for use of bridge (Toll Tax) of 1992, Toll Tax on permanent bridge costing Rs.25 lakh and above was to be levied. For levy of Toll Tax, provision for Tax Plaza should be made in plans and estimates of the work. Sanctioned plans and estimates of the above work did not provide for work of construction of Tax Plaza and its approaches. However, while the work was in progress, Executive Engineer got executed (from 25 June 1998) work of Tax Plaza and approach in km. 283/06 to 286/06, without preparing any plans and estimates through contractor 'A' treating the work as execution of quantities in excess of tendered quantities of approaches of "Surajbari bridge" between km. 278/06 to 283/06. Estimated cost of approaches in km 283/06 to 286/06 of the items worked out to Rs.3.52 crore.

(ii) Preparation of plans and estimates excluding provision of toe wall for second side of approach road though required, resulted in additional payment of Rs.0.08 crore.

(iii) Arithmetical errors in sanctioned plans and estimates resulted in payment of Rs.3 lakh for execution of excess quantities in the work to contractor 'A'.

Thus, failure to prepare proper plans and estimates and execution of the work as quantities in excess of tendered items resulted in irregular payment of Rs.3.52 crore besides additional payment of Rs.0.11 crore due to arithmetical errors and adoption of incorrect data in plans and estimates. The omission to include the item "provision of Tax Plaza" in the original estimates also led to an avoidable expenditure of Rs.1.05 crore to the Government.

Executive Engineer stated (April 1999) that the arithmetical error can only be treated as genuine mistake and attributable to human error. Provision for construction of Tax Plaza was not considered because at that time the location of the Tax Plaza was not finalised. The civil work of Tax Plaza could have been considered a separate work and accordingly separate estimates could have been sanctioned. But while the work of construction of approaches was in progress it was considered expedient to get the work executed through the existing agency.

This was not tenable as the guidelines issued by Government of India provided for collection of fees for bridges costing more than Rs.25 lakh. Therefore, the provision of tax plaza with the approaches should have been made in the original plans and estimates. Had the provision been made in the original estimates the value of work could have been worked out to Rs.2.47 crore*. Thus, execution of work separately as excess quantity in tendered items resulted in execution of additional 46 per cent of the work outside the scope of the tender and additional expenditure of Rs.1.05 crore (Rs.3.52 crore less Rs. 2.47 crore). Further the plans and estimates prepared by the Sub Divisional offices could have been checked and scrutinised by Executive Engineer/Superintending Engineer to avoid arithmetical errors. Moreover, as per codal provision, execution of excess quantities was permissible within the sanctioned plans and estimates whereas Executive Engineer executed the work valued Rs.3.52 crore for which no plans and estimates were sanctioned. The action of Executive Engineer was beyond his competence and requires investigation by the Government.

The matter was reported to Government in March 1998; reply has not been received (November 1999).

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Cost as per original estimates Rs.3.58 crore less 31.11 per cent below = Balance Rs.2.47 crore.

4.2 Irregular payment of price escalation

Payment of price escalation beyond the scope of contract by Executive Engineer resulted in injudicious payment of Rs.1.78 crore

Construction of road works including minor bridges, canal crossing, cross drainage works, toll plaza, junction and appurtenant between (i) km. 0/0 to 16/0 and (ii) km. 16/0 to 32/0 at Ahmedabad-Vadodara Expressway was awarded to contractor on two different agreements by Executive Engineer, Expressway Division, Ahmedabad in May 1987 at tendered cost of Rs.22.17 crore (estimated cost : Rs.19.33 crore). The work was scheduled to be completed by January 1992. Ministry of Surface Transport (MOST) agreed to extend time limit upto December 1994 on the request of the contractor on account of his joint venture works as per supplementary agreements entered into with resident partner of the contractor (April 1991), who was allowed to take over full obligation for execution of remaining work under the conditions of original contract, subject to additional conditions incorporated in supplementary agreements.

As per the supplementary agreements no price escalation for the extended period was payable to the contractor. However, the Division made payment of Rs.1.78 crore upto November 1994 to the contractor for price escalation for the works done during the extended period based on his claim on Harayana contract for whom he was working and where he was allowed escalation. Scrutiny revealed the following :

On the basis of letter (January 1993) received from the contractor for payment of price escalation for the extended period, the Executive Engineer (February 1993) sought the orders of the Superintending Engineer in the matter whether price escalation was payable to the contractors beyond January 1992 and upto 31 December 1994. The Superintending Engineer referred the matter to the Government of Gujarat (February 1993) stating that the application of the decision taken for Haryana contracts by MOST was required to be taken by 'higher authorities' and requested the Government to furnish clarification in the matter.

No clarification was issued by Government of Gujarat. In the meantime, on the basis of a reference made by Government of Gujarat in December 1992 seeking clarification from MOST for payment of price escalation and price variation on the items mentioned under sub clause 70(4) of the agreements, the MOST vide their letter of February 1993 informed Government of Gujarat that the MOST had allowed in the case of Haryana contracts of the same contractor payment of price escalation upto extended period as provided in their supplementary contracts. It further said that the same treatment would be applicable for Gujarat contracts also. MOST further directed Government of Gujarat to take decision as applicable in the cases.

Government of Gujarat forwarded copy of MOST letter (3 February 1993) to Superintending Engineer, Expressway Road Circle on 10 February 1993 for necessary action at his end but neither issued any specific orders for payment nor clarified the matter to Superintending Engineer as requested by him. Superintending Engineer in turn forwarded copy of the letter *ibid* to the Executive Engineer on 15 February 1993.

Further, it was found that joint venture broke up due to internal problems of the contractor and Government was not responsible for such internal matters. Contract condition 70(2)(I) and supplementary contract condition No.9 which forms part of the agreement stated that 'no adjustment of price beyond original completion of the work provided any extension was granted'. As no extension of time limit was granted beyond the original period i.e. 31 December 1992, favourable treatment allowed to the contractor during the extended period was not covered by any contract clause. This resulted in irregular payment of Rs.1.78 crore to the contractor.

The matter was reported to Government in May 1999; reply has not been received (November 1999).

4.3 Loss of interest due to delay in making payment under invoked Bank Guarantee

Delay in making payment of Bank Guarantees by two Banks resulted in loss of interest of Rs.98.73 lakh to Government

The work of constructing expressway between Ahmedabad-Vadodara (Km. 59.10 to 75 and 75 to 92.85) was awarded by the Executive Engineer, Expressway Division III, Vadodara to a contractor at his tendered cost of Rs.11.85 crore and Rs. 14.13 crore against estimated cost of Rs. 11.03 crore and Rs. 11.85 crore respectively under two agreements. The work orders were issued on 1 June 1987 and 1 May 1987 for completion by 29 February 1992 and 4 February 1992 respectively. The work was rescheduled to be completed in December 1994 in both the cases.

While entering into contract, bank guarantees of Rs.4.41 crore in the name of the Governor of Gujarat were furnished by the contractor which *inter alia* provided " We undertake to pay you upon your first written demand and without cavil or argument, any sum or sums within the limit of the guaranteed amount as aforesaid without your needing to prove or to show ground or reasons for your demand for the sum specified therein".

As the progress of the work was slow, the contractor was 'expelled' on 28 December 1994. Nine bank guarantees for Rs. 4.41 crore were presented for encashment to two nationalised banks situated at New Delhi on 30 December 1994. Despite above mentioned conditions, the payment was refused by the banks on the unjustified plea that some time was required by them for payment. The Superintending Engineer took up the matter with the Reserve Bank of India (January 1995) who directed the banks to make the payment without any delay. However, payment was not made by the banks. Meanwhile a stay order was brought by the contractor on 9 January 1995. After the judgement of the Honourable Court in favour of the Government, payment was made by one bank on 17 November 1995 and by the other bank on 8 April 1996. However, the payment of interest by the banks for belated encashment was not made. Because of unwarranted delay in payment by both the banks there was loss of interest to Government amounting to Rs. 98.73 lakh (computed at 18* *per cent*) for a period ranging from 323 days to 466 days. No action was initiated by the Executive Engineer to claim the interest for delayed encashment of bank guarantee, as per the clause of the guarantee.

The Executive Engineer stated (September 1996) that all advances outstanding on 30 April 1996 and interest upto 30 April 1996 were adjusted from the contractor as per tender conditions and, therefore, there was no loss of interest.

The reply of the Executive Engineer was not relevant as the issue with the contractor cannot be mixed up with the dues payable by the bank. Banks were liable to pay interest for delayed payment as per the terms of the guarantee, and the Executive Engineer was negligent in as much as he did not ask for interest for the delayed payment.

The matter was reported to Government in November 1997; reply has not been received (November 1999).

4.4 Non-completion of a bridge due to inaction in terminating the contract

Failure to carryout proper survey and investigation, draw proper design and drawing and inaction in terminating the contract resulted in unfruitful expenditure of Rs.65.98 lakh, non-recovery of Government dues of Rs.30.32 lakh and execution of excess quantities valued Rs.4.44 lakh

Part administrative approval and part technical sanction amounting to Rs.24.98 lakh were accorded by the Government in Roads and Buildings Department in March 1990 and June 1990 respectively for

* Interest worked out at the rate of borrowing by the State Government as realisation of the amount would have reduced borrowings by the State Government to that extent.

the work, "constructing a bridge across river Mithivirdi on Hathab-Lakhanka-Jaspara road". The work was awarded (October 1991) to contractor 'A' at his tendered cost of Rs.51.23 lakh (estimated cost : Rs.22.97 lakh) by the Executive Engineer, R&B Division, Bhavnagar for completion by 20 April 1993. Extension up to 15 June 1994 was asked for (March 1993) by the contractor 'A' on the ground of execution of excess quantity of work (providing and fixing in position High Yield Strength Dowel deformed bars for RCC bored piles), more water level in the river in 1992 and 1993 and continuous flow of excess water released in river from left bank canal of Shetrunji dam. Extension upto 20 January 1994 was granted (January 1994) by the Superintending Engineer, Rajkot R&B Circle No.II. The work was, however, in progress (September 1999).

It was seen (December 1996) in audit that :

(i) According to clause 2 of the agreement, the contractor 'A' was required to maintain the progress of work with pace of time throughout the stipulated period of the contract. However, till February 1993, 53 per cent work valuing Rs.27.25 lakh was completed though entire work was stipulated to be completed by 20 April 1993. Despite this, no action was initiated for recovery of liquidated damages and termination of contract by the Executive Engineer till December 1994 i.e. after 11 months of the expiry of extension period.

(ii) As per Government's instructions of July 1982, application for extension should be finalised within a period of two months. However, application for extension of time was delayed by more than 9 months at sub-division (113 days) and division level (180 days).

(iii) The work was taken up by Executive Engineer without carrying out survey and investigation and adopting proper design which necessitated excess execution of work valued Rs.4.44 lakh and grant of extension beyond the stipulated date of completion. The Design Circle at Gandhinagar and the Irrigation Division at Bhavnagar were approached belatedly in January 1994 to overcome these problems.

(iv) The work was abandoned by the contractor "A" in August 1993 after executing work valued at Rs.30.24 lakh.

(v) Though final measurement was decided to be taken on 16th August 1995, the same was recorded on 10 June 1997 and final bill for minus amount of Rs.6.62 lakh was adjusted under Miscellaneous Public Works Advance (MPWA) against the contractor.

(vi) Without terminating the contract, tenders for remaining work valuing Rs.20.99 lakh were invited in August 1997 at the risk and cost of contractor 'A'. Tenders submitted to Government in October 1997 were approved by the Government in April 1998 and the work was

awarded to another contractor 'B' in May 1998 at his tendered cost of Rs.44.18 lakh for completion by April 1999. However, work valuing Rs.35.74 lakh was completed till September 1999.

(vii) As per Government instructions of June and December 1980, prompt legal action for recovery of additional expenditure from the defaulting contractor should be taken immediately after fixing new contractor without waiting for completion of the abandoned work. However, no legal action was initiated (April 1999) against contractor 'A' though Rs.30.32 lakh were recoverable.

Thus, failure to carry out proper survey and investigation before taking up the work, non-preparation of proper design, inaction on the part of the division in terminating contract in time and non-completion of bridge for over a period of six years resulted in unfruitful expenditure of Rs.46.23 lakh besides non-recovery of Government dues amounting to Rs.30.32 lakh for more than one year and execution of excess quantities valued Rs.4.44 lakh.

The Executive Engineer stated (April 1999) that inviting the tenders for remaining work without terminating contract was in conformity with clause 3(c) of the agreement and unfruitful expenditure was a hypothetical calculation.

The contention of the Executive Engineer was not tenable as the contract should have been rescinded under clause 3(a) of the agreement first and action under clause 3(c) should have been taken thereafter. Further, EE should have taken action under clause 2 of agreement and should have recovered liquidated damages of Rs.2.30 lakh before making the payments of 10th and 11th RA bills in June 1993 and August 1993 (Rs.2.05 lakh and Rs.0.71 lakh respectively). Also Rs.0.05 lakh recovered from the 10th RA bill 'as time limit deposit' was refunded in February 1994 resulting in an undue benefit to the contractor. Thus due to various failures of the Executive Engineer as discussed in preceding paras, the bridge scheduled to be completed in April 1993 remained incomplete as of September 1999 resulting in blocking of Government funds of Rs.65.98 lakh.

The matter was reported to the Government in January 1998; reply has not been received (November 1999).

4.5 Unauthorised aid of Rs.50.76 lakh to the contractor

Unauthorised financial aid of Rs.27.34 lakh to the contractor for more than seven years and loss of interest of Rs.23.42 lakh

Tender for work of providing four lifts in Udyog Bhavan at Gandhinagar was accepted by Roads and Buildings Department, Government of Gujarat in March 1991 in respect of contractor "A" at his tendered cost of Rs. 47.71 lakh. As per agreement the contractor was to provide four lifts with speed of 2.5 Mtr/Second and capacity of 20 persons. The work order was issued by Executive Engineer, Sachivalaya Complex Electrical Division, Gandhinagar in June 1991 with stipulated date of completion by April 1992. Since the civil works, where the lifts were to be erected, were not completed, the contractor requested (June 1991) the Department to let him provide lifts where civil works were already over, in lieu of the contracted lifts so that he could start the work immediately and complete the work early. The request of the contractor was accepted by the Government (October 1991) and accordingly work was awarded to the contractor.

As per clause 20 (Terms of payment) of the contract, the contractor was entitled on the basis of certificate of the Engineer to the payments through Running Account (RA) Bills if the items executed were in measurable units and according to the specifications. It further provided that the contractor was entitled to 80 *per cent* payment of the value of plant and materials if at any time the contractor was prevented for any period of not less than 30 days either from delivering on the site any plant or material ready for delivery or from proceeding with the erection of any plant or materials which he had already delivered on the site.

It was noticed in audit (July 1995 and February 1997) that :

(i) Though 'Secured Advance' was not permissible as per the contract agreement and there was no breach of clause 20 of the agreement on the part of the Government, advance payment of Rs.27.34 lakh was made by Executive Engineer (EE) to contractor between January and May 1992 of which payment of Rs.10.22 lakh was made after the stipulated date of completion. The amount was not recovered (April 1999). EE did not record any reasons for giving the advance but in reply to audit query he said the advance was payable "as per general procedure of PWD". The contention of the EE was not tenable because the sanction and payment of secured advance was governed by the contractual clause of the agreement and not by general procedure of PWD.

(ii) Contractor erected two lifts in November 1993 which were not as per the specifications of approved tender. Reasons for acceptance of material not in conformity with the tender specifications were neither

available on record nor furnished to Audit though called for. Remaining two lifts brought to the site by the contractor were also not in conformity with the tender specifications and the contractor was not allowed to erect the same.

(iii) Both the lifts erected in November 1993 were not put to use as of April 1999 for want of no objection certificate from the Inspector of Lifts.

(iv) Rupees 27.34 lakh were paid between January and May 1992 to the contractor as advance.

Thus, advance payment of Rs.27.34 lakh to the contractor beyond the terms of the contract agreement was irregular and non-recovery thereof for more than seven years resulted in unauthorised aid to the contractor besides loss of interest of Rs.23.42 lakh upto April 1999.

The matter was reported to Government in January 1998; reply has not been received (November 1999).

4.6 Unauthorised aid of Rs.45.68 lakh to the contractor

Relieving the defaulting contractor without fulfilling contractual obligations resulted in unauthorised financial aid of Rs.45.68 lakh

The work, "Four lanning to Ahemedabad-Sabarmati-Kalol-Mehsana road between km.9.00 and 19.2 (W.B.M. stage)" was awarded (January 1996) by the Executive Engineer, Capital Project Division No. III, Gandhinagar to contractor 'A' at his tendered cost of Rs.54.13 lakh (17.55 *per cent* below the estimated cost :Rs.65.65 lakh) for completion by January 1997.

Progress of the work was slow from the beginning. Despite issuing five notices by the Division and Sub-Division between May 1996 and December 1996 there was no progress in the work. After executing the work valued Rs.20.62 lakh (38 *per cent* as against 75 *per cent* of the tendered cost required), the contractor abandoned the work in October 1996 on the ground of harassment by the Deputy Executive Engineer owing to communal approach, non-availability of road metal and price-rise in diesel, and requested for relief from the work. Meanwhile, the Executive Engineer asked the contractor in December 1996 and March 1997 to resume the work. Finally, SE while recommending the case (April 1997) to relieve the Contractor from the contractual liabilities after recovery of liquidated damages, added that allegation made by the contractor against the department were baseless and were made to avoid legal action against him. Accordingly, liquidated damages of Rs.6.57 lakh were levied in June 1997 by the Executive Engineer.

The contractor 'A' made a representation (June 1997) to the Chief Minister requesting for cancellation of penalty order and for refund of deposit alleging harassment by predecessor Government. The Minister (R&B) on the basis of contractor's representation proposed (October 1997) to relieve him on ground of "sympathy". This proposal was approved by the Chief Minister (November 1997). Security deposit (Rs.1.64 lakh), performance bond (Rs.3.28 lakh) and final bill (Rs.1.15 lakh) which were so held back were paid in December 1997.

Remaining work valuing Rs.33.51 lakh was awarded (March 1998) to contractor 'B' at his tendered cost of Rs.80.48 lakh for completion by December 1998, which was extended upto February 1999 and was completed at a cost of Rs.72.62 lakh.

Since the defaulting contractor was relieved on the ground of "sympathy", extra expenditure for completion of balance work was not recovered from him even though a relevant risk and cost clause was in the agreement. Executive Engineer stated (January 1998) that the contractor was relieved on the ground of "sympathy" by the Government and no further information was available with him.

Thus, the arbitrary action of Government to relieve the defaulting contractor "A" without his fulfilling the contractual obligation and without any penalty resulted in unauthorised aid to him of Rs.45.68 lakh (Rs.6.57 lakh liquidated damages and Rs.39.11 lakh risk and cost dues). Besides, the delay in completion of the work by 25 months, Government was put to additional cost of Rs.39.11 lakh because of the arbitrary and unjustified decision of the Government to favour the original contractor.

The matter was reported to Government in March 1998; the reply had not been received (November 1999).

4.7 Unauthorised aid of Rs.32.36 lakh to the contractor

Relieving the defaulting contractor without fulfilling contractual obligations resulted in unauthorised aid of Rs.32.36 lakh

Administrative approval (Rs.1.35 crore) and technical sanction (Rs.61.07 lakh) for construction of five new bungalows for Ministers at Gandhinagar were accorded by Roads and Buildings Department in September 1993 and January 1994 respectively. The work was awarded (March 1995) by the Executive Engineer, Capital Project Division No.II, Gandhinagar to contractor "A" at his tendered cost of Rs.54.93 lakh (estimated cost : Rs.57.09 lakh) for completion by March 1996. The contractor asked for extension upto March 1997 which was, however, rejected. Against the total cost of Rs.54.93 lakh work valuing

Rs.23.99 lakh was executed by the contractor "A" when he abandoned the work in October 1996. After issuing notices to him in June 1996, July 1996 and September 1996, the agreement was terminated in October 1996 and maximum liquidated damages amounting to Rs.5.71 lakh (10 per cent of the estimated cost of Rs.57.09 lakh) were levied. After adjustment of security deposit (Rs.2.53 lakh), the contractor was asked (October 1996) to pay remaining amount (Rs.3.18 lakh) within 15 days failing which recovery was to be effected by disposing of plants, equipment and materials lying on site and through legal means apart from keeping registration in abeyance for three years.

Contractor "A" in his representation of 2 November 1996 addressed to the Chief Minister complained about harassment by the officers in charge of the work at the instance of 'Predecessor Government' and said that extension of time though demanded was not granted. Contractor "A" requested to save him from indebtedness by granting extension in time limit.

Scrutiny of Government files (April 1999) revealed that Minister of Roads and Buildings proposed (March 1997) to relieve the contractor of the contractual liabilities on the ground of sympathy without discussing the merit of the case which was approved by the Chief Minister. Accordingly the Government decided (March 1997) to relieve the contractor "A" on the ground of sympathy. As ordered (March 1997) by the Government, the Executive Engineer paid (April 1997) amount of final bill and deposits and cancelled the order of recovery of liquidated damages amounting to Rs.5.71 lakh. The remaining work valued Rs. 30.94 lakh was awarded (December 1997) to contractor "B" at his tendered cost of Rs.59.57 lakh for completion by July 1998. Since the defaulting contractor was relieved on the ground of sympathy, extra expenditure of Rs.26.65 lakh for completion of balance work was not recovered from him.

The Executive Engineer stated that the contractor was relieved on the ground of sympathy by the Government and no further information was available with him.

Government in Roads and Buildings Department stated (October 1998) that decision of relieving the contractor on sympathy and humanitarian grounds was taken at 'highest level'. Action of the Government in relieving the defaulting contractor without fulfilling contractual obligations was totally arbitrary and unjustified and resulted in unauthorised aid of Rs.32.36 lakh (Rs.5.71 lakh liquidated damages and Rs.26.65 lakh risk and cost dues) to the contractor and additional cost to the Government of Rs.23.99 lakh.

4.8 Unauthorised utilisation of storage charges

Expenditure of Rs.31.90 lakh was irregularly incurred from the storage charges

According to Para 434 of Gujarat Public Works Manual, Volume - I "Storage Charges" levied on issue of stores and stock should cover the expenditure on overheads for their maintenance, such as workcharged establishment employed in holding the stock, maintenance of store godown etc. The excess storage charges recovered, if any, should be credited to the revenue account of the Government.

Executive Engineer, National Highway Division, Valsad spent Rs.4.68 lakh irregularly from "storage charges" for purchase of doors and windows, construction of laboratory building and carting charges of asphalt during 1996-97. Similarly Roads and Buildings Division (Kheda) Nadiad spent Rs.27.22 lakh irregularly from storage charges on original special repair and current repair works during 1996-97.

The matter was reported to Government in January and June 1998. Government stated (November 1998) in respect of Roads and Buildings Division (Kheda), Nadiad that expenditure of Rs.13.51 lakh was transferred to the correct head of account (July 1998) through book adjustment. Expenditure incurred by National Highway Division, Valsad was also transferred to the correct head of account through book adjustment in January and April 1998. This was not tenable as (i) expenditure on works was to be met from the grant provided in the budget for such works and not from the revenue receipts, (ii) adjustment in subsequent year between MH 5054 and 3054 for the transactions relating to earlier year was irregular and (iii) amount was retained under storage charges and not credited to Revenue Head as required.

4.9 Excess expenditure due to adoption of higher specification

Adoption of higher specification resulted in excess expenditure of Rs.23.02 lakh

The Government issued revised specifications (April 1991) for maintenance of surface of various categories of roads and increased the quantity of bitumen to be used in Lean Bituminous Macadam work from 2.5 per cent by weight of mix to 3 per cent by weight of mix. The thickness of premix seal coat was also raised from 0.12 cmt. per 10 sq.m to 0.18 cmt. per 10 sq.m. These changed specifications had been duly approved by the Secretary, Roads and Buildings (R&B) Department and the Minister R&B.

It was noticed in audit (March 1998) of Executive Engineer, Roads and Buildings Division (Kheda), Nadiad that in 10 Special Repair works, instead of providing 0.18 cmt. per 10 sq.m thickness, higher thickness of 0.24 cmt. per 10 sq.m in premix seal coat was provided which resulted in excess use of 4423.44 MT mix material valued at Rs.23.02 lakh.

The Executive Engineer stated (July 1998) that higher thickness was adopted taking into consideration the existing condition of Bituminous thickness surface and the intensity of traffic and estimates were sanctioned by higher authority Superintending Engineer (SE) after due verification and scrutiny. The reply was not tenable since the SE (so-called higher authority) could not supersede the specifications provided by the Department. There was nothing on record either in the estimates or in the sanctions issued to show that necessary financial implication or relaxation from Roads and Buildings Department was obtained. Clearly the SE and EE acted beyond their powers causing extra expenditure of Rs.23.02 lakh in the process.

The matter was reported to Government in July 1998; reply has not been received (November 1999).

4.10 Irregular execution of special repairs works

Deviation in the approved special repair works without prior approval of the Chief Engineer resulted in irregular expenditure of Rs.22.28 lakh

As per Government instruction (January 1985) sanction to the programme of special repairs (SR) to roads and bridges works is invariably to be obtained from the Chief Engineer(CE) prior to execution. For these works complete details such as condition of existing surface of the road, type of soil, distance to be covered, geographical condition, type of treatments to be applied etc. are to be given by the field officers. The job numbers are to be assigned to sanctioned work by Chief Engineer. No change can be made in sanctioned SR works at circle level. If any change is necessary in the sanctioned SR work, prior approval of CE is to be obtained.

(i) Job No. vide SR-95-96 (8) For carrying out special repairs to "Tithal-Valsad-Dharampur Huda road km. 47/0 to 50/0 and km. 53/0 to 58/0" by providing 37.50 mm LBM and 25 MM semi dense bituminous carpet (SDBC) for Rs. 32 lakh was allotted (August 1995) by Government. SDBC treatment (richer asphalt wearing coat treatment) was provided as the road was badly damaged due to heavy rain and heavy traffic. It was, however, noticed in audit that in order to cover more area of road (km. 66/0 to 70 km road) which was not part of original sanctioned job number and also to keep the expenditure

within the sanctioned amount, Executive Engineer, R&B Division, Navsari lowered the wearing coat asphalt treatment by providing 24 mm seal coat instead of 25 mm SDBC without the approval of competent authority resulting into an irregular expenditure of Rs.12.63 lakh. Further, no inspection of the work was carried out by the quality control division. Thus, execution of repairs with lower specification raised the doubt about suitability of the condition of the road to heavy traffic.

(ii) Work of special repairs to discarded length in km. 337/0 to 343/0 for giving 37.50 mm. L.B.M. and 25 mm. Built up Spray Grout type treatment was awarded at Rs. 23 lakh. But, in addition to the sanctioned treatment the Executive Engineer carried out 20 mm. Semi-dense Macadam Carpet treatment resulting in additional cost of Rs.9.65 lakh.

It was noticed in audit (September 1997) that for additions and alterations made in these two works of special repairs, approval of the Chief Engineer was not taken by Executive Engineer, Roads and Buildings Division, Navsari.

Deviation in the approved SR works resulted in irregular expenditure of Rs.22.28 lakh (Rs.12.63 lakh plus Rs.9.65 lakh). The Executive Engineer stated (September 1997) that additions/alterations were made as per requirement. The reply was not tenable as additions/alterations required prior approval of the Chief Engineer which was not obtained in the above cases.

The matter was reported to Government (March 1998); reply has not been received (November 1999).

NARMADA, WATER RESOURCES AND WATER SUPPLY DEPARTMENT

4.11 Drawal of money to avoid lapse of budget grant

Rs.70.52 lakh were drawn without immediate requirement to avoid lapse of budget grant

Part administrative approval and part overall technical sanction to the plans and estimates (Rs. 46.90 lakh) for shifting and rehabilitation of Ghogha- Samadi village coming under submergence of Malpara Irrigation Scheme were accorded by the Government in December

1984. Government instructed in March 1988 to place the amount at the disposal of Deputy Collector, Land Acquisition through demand draft. The Superintending Engineer , Bhavnagar Irrigation Project Circle, Bhavnagar directed the Executive Engineer (March 1988)to ensure that the land acquisition payment required to be made for the award was fully met with. An amount of Rs.70.52 lakh for making payments to the land owners and oustees of Malpara Irrigation Scheme although the award was not declared by then was credited by the Division under deposit head in May 1988 to facilitate payment in future as the expenditure was already booked against the grant for 1987-88.

Due to rethinking in Government regarding the Full Submergence Level of the Dam the Government took the view that land acquisition was not needed and therefore, Government directed Superintending Engineer with a copy to Executive Engineer (June 1993) to withdraw the land acquisition case fully and transfer the amount lying under 'Deposit Head' to relevant project head. However, Superintending Engineer/ Eexecutive Engineer did not take any action (April 1997) and transferred the amount to the project head only in January 1998 after more than four years at the instance of audit. However, while transferring Rs.70.52 lakh to project head it was accounted for as reduction of expenditure against the budget grant for 1997-98 and out of the resultant saving Executive Engineer irregularly utilised Rs.10 lakh on the scheme and Rs.60.52 lakh were irregularly diverted by Superintending Engineer to other schemes.

Government stated (March 1999) that the matter was under correspondence between the Division Office, Circle Office and Government.

The action of the EE in retaining the money in deposit for four years even after the June 1993 order, was not defensible. Worse the use of this amount unauthorisedly was more serious.

4.12 Excess use of cement valued Rs.11.36 lakh

Execution of work before receipt of test results from laboratory resulted in excess use of cement valued Rs.11.36 lakh

Work of construction of Waste weir and earthen dam and Panchpipalva Tidal Regulator across river Sangawadi near village Panchpipalwa was awarded to a contractor vide Agreement No. B2/1 of 1996-97. Work order was issued in October 1996 for completion by October 1998. The work was completed on 7 February 1998.

As per the general technical specification of the contract Cement Concrete work was to be carried out as per the mix-design finalised

after laboratory test for the concrete used in work, M-20 (200 Kg/CM²). Cement level (as per standard) for M-20 (Mix design) was 425 Kg. per Cum. and the acceptance criteria of concrete was based on laboratory test. Though work started in November 1996, the required material was sent for laboratory test to Gujarat Engineering Research Institute (GERI) Rajkot in January 1997 for deciding mix design. The report indicating cement level 360 Kg. for M-20 Mix design was received in March 1997.

Even before the receipt of Mix design from GERI, Executive Engineer, Salinity Control Division, Veraval got executed 8201 Cum. Cement concrete work using 425 Kg. cement. This resulted in excess use of 5,33,065 Kg. Cement valued Rs.11.36 lakh in 8201-Cum. Cement concrete work*

The Executive Engineer, Quality Control, Bhavnagar Unit observed in March 1997 that M-20 concrete for apron was done without approved Mix design from GERI.

Executive Engineer furnished no reasons for delayed sending of material to GERI though more than a month was required for carrying out various tests in laboratory. However, he justified the start of work on the ground of saving the foundation from the onset of monsoon. This was not tenable as monsoon was several months away. This had facilitated the use of higher mix and the consequent excess expenditure.

The matter was reported to Government in April 1999; reply has not been received (November 1999).

*

Before Mix design upto 19-3-97.	8201 X 425 Kg. Cum.	= 3485425 Kg.
As per Mix design use of Cement as per GERI report dtd. 17-3-97.	8201 X 360 Kg. Cum.	= 2952360 Kg.
		533065 Kg.

GENERAL**4.13 Non-responsiveness to Audit findings and observations resulting in erosion of accountability**

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

Inspection Reports issued upto December 1998 pertaining to 85 and 160 Roads and Buildings/Irrigation Divisions of Roads and Buildings/Narmada, Water Resources and Water Supply Department disclosed that 1298 and 2019 paragraphs relating to 488 and 823 IRs respectively remained outstanding at the end of June 1999. Of these, 79 and 223 IRs containing 125 and 501 paragraphs respectively had not been settled for more than 10 years as detailed in Appendix - XXXVIII (a). Year-wise position of the outstanding IRs and paragraphs are detailed in the Appendix - XXXVIII (b). Even the initial replies which were required to be received from the Heads of offices within six weeks from the date of issue were not received in respect of 14 Divisions of Roads and Buildings and 24 Divisions of Irrigation out of 576 and 1170 IRs issued between 1989-90 and December 1998 respectively. As a result serious irregularities commented upon in these IRs as detailed in Appendix - XXXIX.

A review of IRs which were pending due to non-receipt of replies, in respect of Roads and Buildings Department and Narmada, Water Resources and Water Supply Department revealed that the Head of the Offices/Department whose records were inspected by AG, and the Head of Department of Roads and Buildings Department and Narmada, Water Resources and Water Supply Department failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the

defects, omissions and irregularities pointed out in IRs of AG. The Secretary of the Roads and Buildings Department/Narmada, Water Resources and Water Supply Department, who was informed of the position through half yearly reports, also failed to ensure that the concerned officers of the Department take prompt and timely action.

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

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

The matter was reported to Government (November 1999); reply has not been received (November 1999).

CHAPTER - V

STORES AND STOCK

ROADS AND BUILDINGS DEPARTMENT

5.1 Misappropriation and loss of steel due to departmental lapses

Failure to properly carry out physical verification of stock resulted in loss of steel of Rs.20.81 lakh

Work of exchange of available stock of mild steel (1381.859 tonnes valued Rs.26.72 lakh) to tor steel on payment of Rs.25.46 lakh as job charges was awarded by Executive Engineer (EE), Capital Project Division – IV, Gandhinagar to two agencies in March and April 1991. The work was got completed in August 1991. Equivalent quantity of tor steel was shown as received in exchange between March 1991 and August 1991 and entered in the stock register of the Division. While issuing the steel for exchange the concerned Deputy Executive Engineer (DEE) brought to the notice of the EE in July 1991 that since the steel was very old, there was possibility of reduction in quantity due to erosion and sought guidance of the EE in the matter. However, neither detailed report of reduction in quantity was prepared by DEE nor any guidance was given by the EE.

As against balance of 147.686 tonnes of tor steel as of February 1991, 1402.452 tonnes and 1026.750 tonnes were received and issued respectively between April 1991 and February 1995. Out of the balance of 523.388 tonnes, 230 tonnes of tor steel was debited (March 1995) by Executive Engineer, Capital Project Division – IV, Gandhinagar to material at site account (MAS) of Nirman Bhavan without actually handing over the quantity from the balance in stores either to the concerned sub-division or transferring it to the site of the work.

Executive Engineer reported suspected (in June 1996) loss of 130 tonnes steel but actual weighment of steel in stock and MAS account was done only in August 1996 when shortage of 157.606 tonnes of steel (103.626 tonnes in stock and 53.980 tonnes in MAS account) valued Rs.20.81 lakh was noticed.

Following points were noticed (September 1997) :

(i) As against 2.450 tonnes and 6.340 tonnes steel issued during 1990 to the Executive Engineer, Medical (R&B) Division, Ahmedabad and

Deputy Executive Engineer, (R&B) sub-division, Bharuch respectively, 12.450 tonnes and 16.350 tonnes steel respectively were debited in the Ledger Account. Thus, 20 tonnes of Mild Steel was misappropriated by inflating the figures in Ledger Account.

(ii) 87.458 tonnes of tor steel was shown as received from two agencies in the store account between 28 April 1991 and 12 August 1991. However, the truck numbers through which steel was shown as received either arrived empty (4 trucks 40.294 tonnes) or returned without unloading (one truck-11.305 tonnes and 10 trucks over loaded 35.859 tonnes) as per the entries in the gate register. Thus, attempts were made to adjust the likely shortage of steel anticipated in July 1991.

(iii) No proper record of issue and receipt of mild and tor steel as per instructions issued by Roads and Buildings Department from time to time was maintained.

(iv) There was no evidence of verification of stock by stock verification party of Directorate of Accounts and Treasuries.

(v) As per provisions of the Gujarat Public Works Department Manual Volume - I physical verification of store is required to be conducted by Executive Engineer once in a year and by Deputy Executive Engineer twice in a year. Though loss was suspected in July 1991 and physical verification was done reportedly since then by EE for 7 times and DEE 10 times between October 1991 and April 1996 neither actual weighment of steel was done nor approximate weight by physical counting of bundles was worked out. They failed to notice any shortage.

Thus, due to absence of periodical physical verification of stock coupled with delay in initiating action by DEE/EE immediately on suspecting shortage and non/improper maintenance of record by Executive Engineer, Capital Project Division - IV, Gandhinagar resulted in misappropriation of steel valued at Rs.20.81 lakh.

The loss was not reported to Audit as required under Rule 20(1) of Gujarat Financial Rule 1971(December 1998).

The matter was reported to Government in March 1998, Government issued instructions to Superintending Engineer (May 1998) to call for the explanation from all the concerned officials. Further developments were awaited (November 1999).

CHAPTER - VI
FINANCIAL ASSISTANCE TO LOCAL BODIES
AND OTHERS

GENERAL

6.1 Grants and Loans

6.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of public utility services. The bodies/authorities by and large receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

6.1.2 During 1998-99, financial assistance of Rs.828.79 crore was paid to various autonomous bodies and others by 19 out of 23 departments from which information was received. Four[▲] departments did not furnish the required information inspite of repeated reminds and personal visits. The organisations to which assistance was paid, were as under :

Organisation	Amount of assistance (Rupees in crore)
District Panchayats	343.28
District Rural Development Agencies	NA*
Universities and other Educational Institutions	NA*
Municipal Corporations and Municipalities	152.89
Co-operative Societies	9.63
Statutory bodies, authorities and others	322.99
Total	828.79

6.1.3 Accounts of bodies or authorities which receive grants and/or loans of not less than Rs.25 lakh in a financial year from the Consolidated Fund and the amount of such grants and/or loans being

[▲] Agriculture and Co-operation, Education, Health and Family Welfare and Social Welfare Department.

* NA : Information not furnished by the concerned departments.

not less than 75 per cent of the total expenditure of those bodies or authorities are to be audited by the Comptroller and Auditor General of India.

In order to identify the institutions which attract audit by Comptroller and Auditor General, all Government departments were required to furnish to Audit every year detailed information regarding grants and/or loans given to various bodies and authorities and the expenditure incurred by the recipient bodies and authorities in preceeding financial year by July every year.

It was found during test-check of four department (Education, Panchayat and Rural Housing and Rural Development, Social Welfare and Labour and Employment) that no ledger account for the grants/loans given by them were maintained. They were also not monitoring the receipt of utilisation certification from the grantees. The years for which the information had not been furnished and the details of the defaulting departments were as shown in Appendix - XL.

The number of bodies/authorities, which received substantial grants and/or loans as intimated by the departments, but from which accounts had not been received by Audit were as under :

Serial number	Particulars	Numbers of bodies/authorities
1	Body or authority from which accounts had not been received but selected for audit based on the accounts submitted by it for a year later	8
2	Body or authority which had failed to submit accounts for a particular year but had not received grants since then or the amount of grant received by it after the year had been less than Rs.25 lakh	7
3	Body or authority which had been receiving grants of more than Rs.25 lakh continuously and failed to submit the accounts consistently	21
	Total	36

6.1.4 Statutory audit arrangements

The audit of District Panchayats, Universities and Municipalities are conducted by the Examiner, Local Fund Accounts. The audit of District Rural Development Agencies, Societies, other than Co-operative Societies, Trusts, Boards, etc. is conducted by Chartered Accountants. Audit of Co-operative Societies is conducted by the Registrar of Co-operative Societies. The accounts of Municipal Corporation are audited by the Chief Auditors appointed by the Corporations concerned. Out of 19 District Panchayats, statutory audit was in arrears for 1997-98 in respect of nine District Panchayats. Out of 86 Municipalities, 10 Universities and 183 Taluka Panchayats, audit of seven Municipalities was in arrears for 1995-96, audit of three

Universities and 18 Municipalities was in arrears for 1996-97 and audit of eight Universities, 73 Taluka Panchayats and 65 Municipalities was in arrears for 1997-98.

In terms of Government order of March 1965, Examiner, Local Fund Accounts was required to submit his Audit Report on the accounts of District Panchayats and Taluka Panchayats annually to the State Legislature. The last such Audit Report tabled in July 1999 was for the year 1993-94.

6.1.5 Where any grant or loan is sanctioned for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General of India has to scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfilment of the conditions, subject to which such grant or loan is sanctioned. In the absence of requisite information from the department, the needful could not be done.

6.1.6 The Comptroller and Auditor General of India also conducts audit of accounts of certain corporations/bodies/authorities when such audit is entrusted to him. The audit of 12 corporations/bodies/authorities had been entrusted to the Comptroller and Auditor General of India. Of these, the Reports on the accounts of Gujarat Housing Board, Gujarat Slum Clearance Board, Gujarat Rural Housing Board, Gujarat Municipal Finance Board and Gujarat Maritime Board were required to be submitted to the State Government for laying these Reports before the Legislature. Government prescribed a schedule in December 1985, according to which the organisations were required to submit the accounts to Audit within three months after closure of the financial year (i.e. by 30 June). The status of submission of accounts corporations/bodies/authorities as of July 1999 was as under :

Serial number	Name of body/authority	Year to which				Remarks
		Accounts were due	Accounts were submitted	Audit Report had been issued	Audit Report had been laid before legislature	
1	Gujarat Municipal Finance Board	1998-99	1997-98	1997-98	--	--
2	Gujarat Maritime Board	1998-99	1997-98	1997-98	1996-97	Final Audit Report yet to be submitted by Gujarat Maritime Board
3	Gujarat Housing Board	1998-99	1997-98	1997-98	--	--
4	Gujarat Slum Clearance Board	1998-99	1996-97	1996-97	--	--
5	Gujarat Rural Housing Board	1998-99	1997-98	1997-98	--	--

6.1.7 The audit of accounts of the bodies entrusted to the Comptroller and Auditor General of India is shown in Appendix - XLI.

6.1.8 The matter was reported to Government in November 1999; reply had not been received (November 1999).

SECTION A – REVIEWS

AGRICULTURE AND CO-OPERATION DEPARTMENT

6.2 Rural Employment Generation Programme

Highlights

For providing gainful work and employment opportunities to poor families wage employment programmes like Jawahar Rojgar Yojana (JRY), Employment Assurance Scheme (EAS) and Million Wells Scheme (MWS) were introduced by Government of India (GOI) from time to time. These objectives were to be achieved through transfer of “income generating assets” and increasing employment opportunities, in rural areas.

Programme was mismanaged. The GOI guidelines were flouted and large amount of fund spent on ineligible works and incomplete works which were abandoned Programme implementation hampered due to delayed release of funds, diversion of funds and deposit in PLAs, FD and also due to taking up works with larger material content. Numerous short coming in muster rolls raised doubt about genuineness of payment to the actual beneficiaries. Employment generation was low in several districts thus defeating the main purpose of the scheme. Reported figures of employment were inconsistent with the level of expenditure.

Some of the more important findings are enumerated below :

Funds were released late by District Rural Development Agencies to Village Panchayats during 1992-99 ranged between 19 days and 112 days.

Delay in release of matching share by the State Government ranged between 7 days and 117 days during 1994-96 and 1997-99.

(Paragraph 6.2.5)

In disregard of GOI guidelines Rupees 22.68 crore were parked in Personal Ledger Accounts for one to 59 months by District Rural Development Agencies Banaskantha, Kachchh, Rajkot and Valsad to the detriment of programme requirement.

(Paragraph 6.2.6)

Rupees 26.35 crore were parked in Fixed/Term deposits for periods ranging between 30 days and 366 days by District Rural Development Agency, Kachchh between April 1994 and February 1999.

(Paragraph 6.2.7(i))

Rupees 41.55 lakh from Jawahar Rojgar Yojana were advanced as loan during 1992-93 by District Rural Development Agency, Valsad in contravention of scheme guidelines.

(Paragraph 6.2.7(ii))

Rupees 8.84 crore earmarked for watershed development activities were utilised for other purposes by District Rural Development Agency, Kachchh.

(Paragraph 6.2.7(iii))

Rupees five crore were utilised by District Rural Development Agency, Kachchh during 1996-97 for scarcity works which were outside the scope of Employment Assurance Scheme.

(Paragraph 6.2.7(iv))

Rupees 87.00 lakh under Million Wells Scheme were irregularly diverted from one district to another in violation of provisions of the Manual.

(Paragraph 6.2.7(v))

Failure to follow prescribed procedure in drawal of funds from Bank Account by Taluka Development Officer, Mandvi (Kachchh)

District) facilitated misappropriation of Rs.27.40 lakh. No amount could be recovered so far.

(Paragraph 6.2.8)

Administrative Expenditure of Rs.36.39 lakh was incurred in excess of norms by District Rural Development Agencies, Rajkot, Banaskantha and Kachchh.

(Paragraph 6.2.9)

Register of employment was not maintained by Jamkandorna, Morbi, Pardi, Danta, Deesa, Mundra and Mandvi Talukas and family cards were not issued by Mundra and Mandvi Talukas. Disbursement of Rs.1.01 crore in these Talukas under Employment Assurance Scheme were doubtful.

In four districts, muster rolls for payment of Rs.63.33 crore did not contain details of family cards and hence identification of payees and verification of payments were not possible. Malpractise and fictitious payments, in these cases can not be ruled out.

(Paragraph 6.2.10)

District Rural Development Agencies of 3 districts did not spend Rs.5.03 crore during 1993-98 thus resulting in less generation of 8.98 lakh mandays.

Figures of generation of employment in the State and in test-checked districts were not commensurate with expenditure. These were overstated in many years.

(Paragraph 6.2.12)

Under Employment Assurance Scheme wages amounting to Rs.28.96 lakh were paid through middlemen in Banaskantha and Kachchh districts. Since no records of payments was available, actual disbursement was doubtful.

(Paragraph 6.2.14)

For Works valued Rs.3.09 crore executed under Jawahar Rojgar Yojana (Rs.1.38 crore) and Employment Assurance Scheme (Rs. 1.71 crore) in Rajkot, Valsad, Banaskantha and Kachchh during 1995-99 wage component was negligible.

(Paragraph 6.2.15)

Details of assets valued Rs.10.12 crore created under Jawahar Rojgar Yojana (Rs.9.61 crore) and Employment Assurance Scheme (Rs.0.51 crore) by District Rural Development Agencies Rajkot and Valsad was not recorded in the Asset Register. Hence verification of their creation and existence was not possible .The expenditure were therefore doubtful.

(Paragraph 6.2.16)

The programme funds were to be spent to create durable assets. District Rural Development Agencies Valsad, Banaskantha and Kachchh undertook repairs and maintenance works amounting to Rs.1.53 crore. As no assets were created this expenditure was doubtful.

(Paragraph 6.2.18)

As against weightage of 60 *per cent* and 17.50 *per cent* of works for minor irrigation and road works under Jawahar Rojgar Yojana, actual weightage ranged between one *per cent* and 7.67 *per cent* and 62.26 *per cent* and 91.78 *per cent* respectively in Valsad during 1992-99. As against prescribed weightages for water and Soil conservation works (40 *per cent*) and minor irrigation (20 *per cent*) negligible works were done for water and soil conservation (5 *per cent*).

(Paragraph 6.2.19)

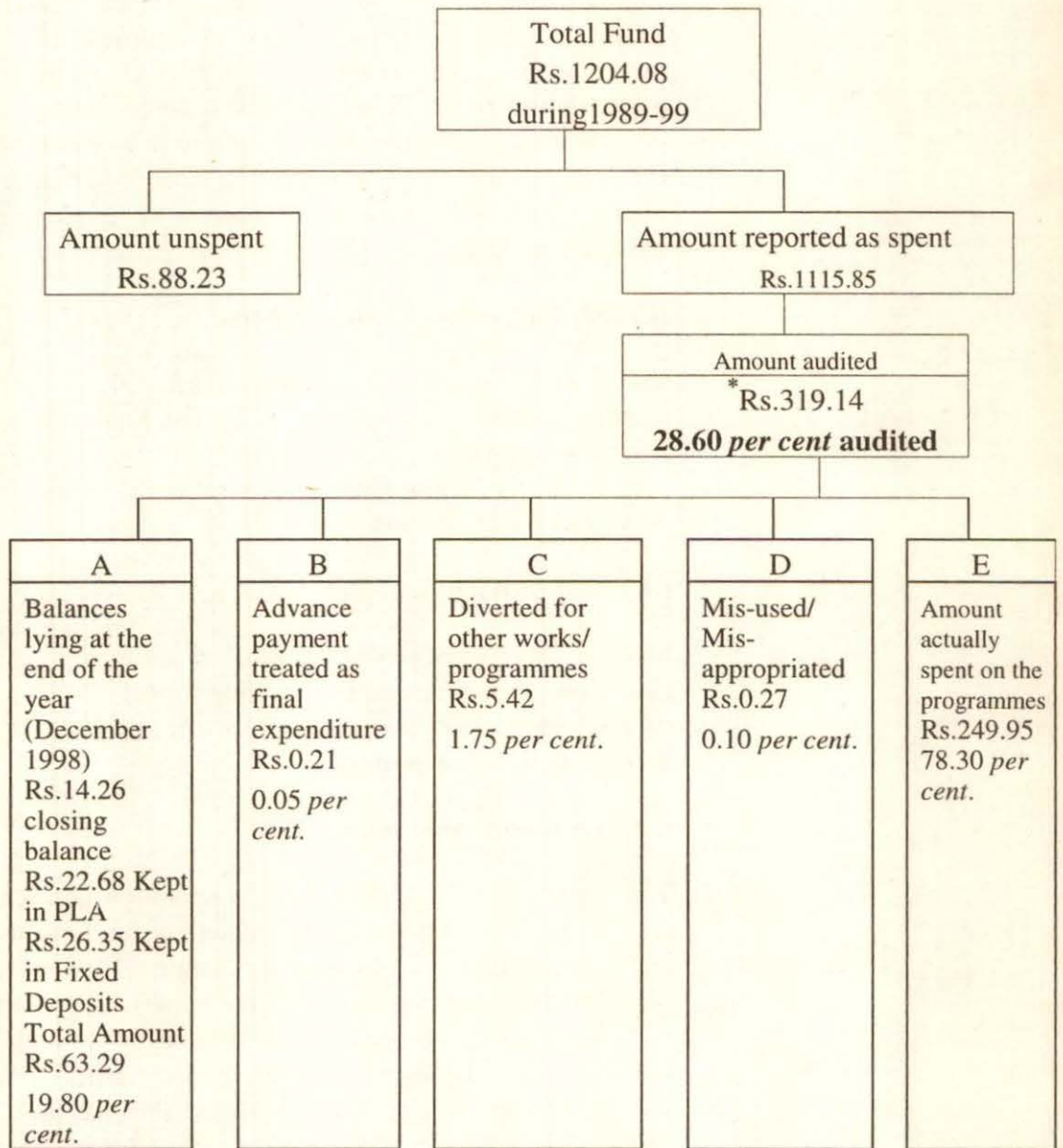
Incomplete works under Employment Assurance Scheme valued Rs.0.71 crore were lying abandoned for more than two years.

(Paragraph 6.2.21)

An analysis of the expenditure is shown in the following diagram.

Expenditure tree
Rural Employment Generation Programme

(Figures in crore)
(Period 1989-99)



* Available fund

6.2.1 Introduction

(i) Jawahar Rojgar Yojana

Jawahar Rojgar Yojana (JRY), a centrally sponsored programme (80:20) was launched in 1989, by GOI and introduced in the State of Gujarat from April 1989 with the primary objective of generating additional gainful employment for unemployed and under-employed in rural areas. The programme aims at providing employment opportunities to one member of each family living below poverty line in rural areas, preference being given to people belonging to Scheduled Castes/Scheduled Tribes (SC/ST). Thirty *per cent* of employment opportunities are reserved for women. The programme covered all Village Panchayats in 19 districts of the State.

(ii) Employment Assurance Scheme

Employment Assurance Scheme (EAS), also a centrally sponsored scheme (80:20), was introduced by the State during 1993 to provide gainful employment for hundred days in a year in the lean agricultural season, to maximum two adults, per family, in the age group of 18 to 60 years in manual work.

(iii) Million Wells Scheme

Million Wells Scheme (MWS) a centrally sponsored scheme (80:20) was implemented by the State from 1988-89 with the objectives of providing open irrigation wells free of cost, to small and poor marginal farmers including SC/ST.

6.2.2 Organisational set up

The department of Agriculture, Co-operation and Rural Development (Department) is responsible for planning, implementation, monitoring and evaluation of the programmes. These programmes are implemented in the State, under the supervision of the Commissioner of Rural Development (Commissioner) through District Rural Development Agencies (DRDAs) at district level and Village Panchayats at village level. Taluka Panchayats (Blocks) provide technical supervision and also disburse funds, received from DRDA, to Village Panchayats.

6.2.3 Audit coverage

Implementation of the scheme during the period 1992-99 was reviewed in audit by test-check of record of the Department, the Commissioner,

four* districts and 10** Blocks during December 1998 and May 1999. Important points noticed are mentioned in succeeding paragraphs.

The service of the ORG Centre for Social Research, a division of the ORG-MARG Research Limited was commissioned by the Comptroller and Auditor General of India with a view to gauge *inter alia* the beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample, determined on the basis of district development profile, socio-economic composition, incidence of poverty etc. Findings of the survey on matters discussed in the Report have been included in this review at appropriate places.

6.2.4 Financial outlay and expenditure

Details of budget provision and expenditure during 1992-99 as reported by the Commissioner were as under :

(Rupees in crore)

	Year	Total Budget	Funds released	Actual expenditure	Excess(+)/ Savings (-)
JRY	1992-99	530.15	654.44	577.71	(-)76.73
EAS	1993-99	50.27	290.18	265.35	(-)24.83
MWS	1992-99	8.08	120.16	118.05	(-)2.11
Total		588.50	1064.78	961.11	(-)103.67

Year wise details in respect of each scheme are given in Appendix - XLII.

Reasons for not spending Rs. 103.67 crore (9.74 percent) were neither available on record nor furnished to Audit by the Commissioner. Evidently the Commissioner failed to monitor the spending of programmes funds.

Test-check of records of selected districts revealed that there was difference in figures of expenditure between the records of Commissioner and the DRDAs under EAS (less Rs.2.96 crore) and JRY (excess Rs.7.77 crore) as shown in Appendix - XLIII. Reasons for difference in expenditure figures were neither analysed nor furnished to Audit. Thus, figures of expenditure communicated to GOI by the Commissioner were not free from doubt.

6.2.5 Delay in release of central share/State share

Scheme guidelines for JRY and EAS provided that funds received from GOI were to be distributed to Village Panchayats by DRDAs within one week (JRY/MWS) and within a fortnight (EAS) from the date of receipt of funds by concerned DRDAs.

Delay in release of Central Share of Rs.31.00 crore by three DRDAs

* Banaskantha, Kachchh-Bhuj, Rajkot and Valsad.

** Bhachau, Bhuj, Danta, Deesa, Dharampur, Jamkandorna, Mandvi, Morbi, Mundra and Pardi.

In test-checked districts, DRDAs delayed distribution of Rs. 31.00 crore under JRY, EAS and MWS during 1993-99 by 19 days to 112 days.* The implementation of the Schemes were affected due to such delayed release of funds. Similarly delay in release of matching share by the State Government ranged between 7 days and 117 days during 1994-96 and 1997-99 for which no reasons were furnished though called for.

Reasons for belated release of funds were neither available on record nor furnished by DRDAs. The Government did not adequately monitor the delays and took steps for avoiding such delays.

6.2.6 Diversion of funds

Four DRDAs diverted Rs.22.68 crore in Personal Ledger Accounts in contravention of provisions of Manual/Guidelines

(a) Funds relating to JRY and EAS were required to be kept in separate savings accounts with banks or Post offices. In disregard of this provision, State Government irregularly directed (March 1993) all DRDAs to retain funds received from Government of India (GOI) as well as State Government in Personal Ledger Account (PLA) of DRDAs with treasuries. Upto March 1996 no interest was payable on balances lying in PLA. From April 1996 interest as payable by banks on savings accounts was payable. The Commissioner instructed (January 1998) to all DRDAs to transfer their balances to bank account in phased manner. However, test-check of records of selected districts revealed that out of balance lying in PLA as of December 1997, Rs.22.68 crore were not transferred to bank account by four[▲] DRDAs.

Thus, programme funds received from GOI were used by the State Government to shore up its cash balances and in improving its ways and means position while the programme was deprived of interest income.

6.2.7 Misuse of programme funds

The following cases of misuse of the programme fund were noticed during test check:

Rupee 26.35 crore were invested in Fixed deposits by DRDA-Kachchh in violation of Manual/Guidelines

(i) During April 1994 to February 1999 DRDA Kachchh invested Rs.26.35 crore in Fixed Deposit (FD)/Term Deposit (TD) with nationalised banks and Sardar Sarovar Nigam Limited, Gandhinagar for the period ranging between 30 days and 366 days. Misuse of programme funds resulted in short achievement of targets as mentioned in para 6.2.12.

* Valsad : JRY Rs.9.11 crore 21 to 59 days; Banaskantha : JRY Rs.13.06 crore 19 to 109 days, EAS Rs.2.20 crore 40 to 61 days and MWS Rs.0.95 crore 22 to 44 days; Kachchh : JRY Rs.4.07 crore 41 to 112 days, EAS Rs.1.40 crore 88 days and MWS Rs.0.21 crore 64 days.

▲ Rajkot Rs.6.82 crore; Valsad Rs.5.41 crore; Banaskantha Rs.4.14 crore and Kachchh Rs.6.31 crore.

DRDA Valsad diverted Jawahar Rojgar Yojana fund of Rs.41.55 lakh to other programmes as loan

(ii) Rupees 41.55 lakh were advanced as loan to Integrated Rural Development Programme and other programmes (within District) from JRY during 1992-93* by Director, DRDA, Valsad.

Rupees 8.84 crore earmarked for watershed development activities were utilised for other purpose by DRDA, Kachchh

(iii) According to guidelines on watershed 50 per cent of EAS fund was to be marked/reserved for watershed development in the districts covered under Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP).

DRDA, Kachchh a district covered under DPAP and DDP received Rs.17.69 crore under EAS during 1993-98 of which Rs.8.84 crore were required to be utilised for watershed development activities. It was noticed that the entire fund of Rs.17.69 crore was used for activities other than watershed such as minor irrigation works, link roads, public community buildings etc.by DRDA in violation of guidelines. The gross flouting of Government instructions calls for investigation. It also shows that the Commissioner failed to ensure that the DRDAs utilise the programme funds as per GOI guidelines .

Director, DRDA, Kachchh stated that the fund was utilised in other activities under EAS which provided work to beneficiaries. This was not tenable as diversion of fund to other sectors was not authorised. The matter calls for investigation.

Rupees 5.00 crore under EAS utilised for scarcity works which was outside the scope of scheme

(iv) DRDA, Kachchh diverted EAS fund of Rs. five crore for scarcity works during 1996-97.

DRDA stated that the action was taken after approval by governing body (September 1996). This was not tenable as the governing body of DRDA was not empowered to relax provisions of the scheme.

MWS fund of Rs.87.00 lakh was diverted from one district to another against provisions of Manual

(v) Rupees 87 lakh were diverted by three DRDAs* under MWS from one district to another under the orders of the Commissioner (October 1997) in violation of the provisions of the Manual.

Reasons for diversion though called for were not furnished.

6.2.8 Misappropriation

Misappropriation of schematic fund of Rs.27.40 lakh in Kachchh District

Rupees 65.44 lakh pertaining to various schemes of Rural Developments were misappropriated through 120 cheques drawn from the Bank during September 1993 and December 1997 in the Office of the Taluka Development Officer, Mandvi (District Kachchh) of which

* Integrated Rural Development Programme Rs.13.38 lakh, Special Employment Programme Rs.11.44 lakh, PLA of Taluka Development Officer Rs.10.68 lakh, Roads and Buildings, Pardi Rs.1.70 lakh, Small and Marginal Farmers Rs.4.01 lakh and Mehkam Rs.0.34 lakh.

* Panchmahal Rs.40 lakh to Bhavnagar Rs.20 lakh and Kachchh Rs.20 lakh, Valsad Rs.37 lakh to Vadodara and Surat Rs.10 lakh to Surendranagar.

Rs.27.40 lakh pertained to JRY, EAS and MWS. The *modus operandi* was as under :

(i) Figures of amount in the cheques signed by the competent authority were inflated by M.S.Sathwara, Senior Clerk but amount shown in counter foils of cheques remained unchanged.

(ii) The cheques were drawn by Taluka Development Officer, Mandvi either for "self" or in the name of "M.S. Sathwara" senior clerk who was accused in the case.

To cover up the manipulation in amount of the cheques, balances furnished by the bank through statements and balances as well as debit entries shown in bank Pass Book were manipulated by Shri Sathwara. The case was detected by Director, DRDA, Kachchh in February 1998.

Following points were noticed :

(i) While writing the amount in the cheque, by Shri Sathwara some space was left blank where the amount was written in words. Since the space was not scored out by Drawing and Disbursing Officer (DDO) while signing the cheque, manipulation of figures were facilitated..

(ii) The cheques were drawn by the Taluka Development Officer, Mandvi in the name of Shri Sathwara, Senior Clerk or 'Self' instead of in favour of DDO.

(iii) The cheques exceeding Rs.500 were not marked as "Account Payee" by Shri Sathwara.

(iv) As a mark of precaution entry on cheque in red ink as "Below Rupees" was not made by Shri Sathwara.

(v) Entries in columns of counterfoils of cheques were neither made by Shri Sathwara before writing next cheques nor insisted by DDO before signing the cheque.

(vi) Monthly reconciliation with banks was not carried out by Shri Sathwara.

Thus, failure of Shri Sathwara and DDO to observe prescribed procedure facilitated misappropriation. An FIR was filed in February 1998 by Deputy Director (Accounts), DRDA , Kachchh. No amount has yet been recovered (October 1999).

6.2.9 Excessive administrative expenditure over norms

Excessive administrative expenditure over norms by Rs.36.39 lakh by three Districts

JRY provides for utilisation of maximum of two *per cent* of the funds for administrative expenditure in a year. In DRDA Rajkot, Banaskantha and Kachchh as against Rs.45.15 lakh (2 *per cent*) admissible as per norms, Rs.81.54 lakh (3.61 *per cent*) were spent on administrative expenditure. Thus, Rs.36.39 lakh were spent in excess of norms during 1992-97.

DRDAs attributed excess expenditure to increase in pay and Daily Allowance of staff. This was not tenable as such expenditure was to be met from the State budget. Due to large administrative expenditure programme spending was affected. Government needs to take necessary action to contain the administrative expenses within the laid down norms.

6.2.10 Identification and registration of persons seeking employment and Issue of Family cards

Non-maintenance of registration records and non-issue of family cards

EAS provided that needy persons/groups seeking employment would apply in writing to the local panchayats in the prescribed form. Panchayat should maintain a register containing required details and send a report to Block Development Officer who in turn consolidate details and report to Development Commissioner the number of people registered by 31 January 1994.

In four test-checked districts, it was however, observed that such registers were not maintained in Jamkandorna and Morbi Talukas (Rajkot District), Pardi Taluka (Valsad District), Danta and Deesa Talukas (Banaskantha District) and Mundra and Mandvi Talukas (Kachchh District). Also in the Talukas where the registers were maintained there was no record to show whether the registers were prepared after following prescribed procedure. The correctness of the registers and data sent to higher authorities was therefore doubtful. Rupees 1.01 crore were spent during 1993-99 under the scheme in Rajkot, Valsad, Banaskantha and Kachchh districts during 1993-99 and the correctness and genuineness of these payments could not be verified due to absence of registers/required details in the Registers. According to the scheme, adults registered for work under EAS were to be issued family cards in the prescribed form by Taluka Panchayats. Maximum two adults per family were to be provided employment. It was however, noticed that family cards were not issued by the concerned Taluka Development Officers in Mundra and Mandvi Talukas of Kachchh District.

Muster rolls were to be maintained to mark attendance and for calculating wages for disbursement. For identification of the labour, the family card number was to be noted on the muster rolls against the name of each labour who were engaged on work. It was noticed that

family card number were not noted in the muster rolls by the implementing offices of the four test checked districts for payment of Rs. 63.33 crore during 1993-99. As a result, it was doubtful whether the benefit of employment actually reached the targeted group. No reasons were furnished for failure in maintenance of muster rolls though called for. Evidently the Department was not ensuring whether the payments actually reached targeted beneficiaries. Further, scope of malpractice and fictitious payments in absence of required details of payees, can not also be ruled out.

ORG-MARG survey revealed that one third of JRY and more than half of EAS beneficiaries (mainly Scheduled Caste Category beneficiaries) had not signed or put thumb impression on the muster rolls at the time of receiving payments. Muster Rolls were not properly maintained. Local labours were not utilised as more than one fourth of the beneficiaries reportedly travelled far off places to work under JRY. Nearly 79 per cent of EAS beneficiaries reportedly were not issued family cards but none of the beneficiaries out of remaining could produce the family cards reported to have been issued to them.

6.2.11 Fixation of agricultural seasons and works carried out during non-lean season

Works costing Rs.1.78 crore executed during agricultural season against the provisions of guidelines

EAS provides that works under the scheme should be taken up during lean agricultural season only.

It was observed that during 1995-98 in 4 districts 99 works costing Rs. 1.78 crore out of Rs.28.39 crore utilised, were carried out by Executive Engineers of Panchayat Roads and Buildings and Irrigation Divisions of Rajkot, Valsad, Banaskantha and Kachchh Districts during non-lean season.

DRDAs stated that the works were executed to bring them to safe stage. This was not tenable as guidelines envisaged that the works should be undertaken only during lean season. Further scrutiny of records relating to 26 works valued Rs. 14.73 lakh taken up by DRDA Rajkot revealed that 24 works commenced in agricultural season only.

ORG-MARG survey also pointed out that better part of skilled or semi-skilled activities under EAS were not carried out during lean season.

6.2.12 Generation of Employment

(a) JRY and EAS are wage employment programmes primary objectives of which is to generate employment opportunities for rural poor. These programmes are implemented at district level through DRDAs who distributes the funds on the basis of approved shelf of project included in the Annual Action Plan.

DRDA, Kachchh, Banaskantha and Rajkot did not distribute EAS funds of Rs.4.16 crore, Rs. 0.56 crore and Rs. 0.31 crore respectively received during 1993-94 (Rajkot and Banaskantha) and 1993-98 (Kachchh) resulting in less generation of employment by 8.98 lakh mandays* during the period.

DRDAs stated that the infrastructure was not ready. However, there was no evidence on record as to show whether the facts were intimated to the Commissioner/GOI and steps taken to ensure that the schemes were prepared timely for implementation.

(b) The crux of EAS was to provide employment to needy persons for 100 days during lean agricultural season.

Actual number of days for which employment was provided in these 4 districts was as under :

(Number of days)

Year	Districts			
	Rajkot	Valsad	Banaskantha	Kachchh
1993-94	NIL	69	NIL	37
1994-95	16	103	51	37
1995-96	18	70	44	40
1996-97	152	91	73	46
1997-98	22	52	44	60
1998-99	10	67	11	64
Average	36	75	37	47

Reasons for shortfall in providing employment were neither available on record nor furnished to Audit. However the shortfall was due to diversion of funds in PLA as commented in para 6.2.6(a).

(c) Generation of Employment under JRY during 1992-98 was as under :

*	Banaskantha	Rajkot	Kachchh
Fund released	Rs. 56.25 lakhs	Rs. 31.25 lakh	Rs. 416.26 lakh
60 per cent of above (Labour Component)	Rs. 33.75 lakh	Rs. 18.75 lakh	Rs. 249.76 lakh
Divided by daily wage rate	Rs. 33.60	Rs. 33.60	Rs. 33.60
Mandays	1.00.446	54.315	7.43.325 = 898083

(In lakh mandays)

Year	State as whole		Actual expenditure incurred (Rupees in crore)	Mandays that could have been generated with 60 per cent of the total expenditure
	Target	Achievement		
1992-93	236.73	235.03	83.28	148.71
1993-94	211.40	212.21	105.86	189.03
1994-95	177.45	195.68	106.86	190.82
1995-96	197.40	183.36	115.79	206.77
1996-97	109.14	105.20	63.63	113.62
1997-98	69.02	82.81	70.49	125.87
Total	1001.14	1014.29	545.91	974.82

The above table showed that achievements during 1993-95 were more than the targets which were not feasible as the expenditure during the period was not commensurate with such achievements. Thus, figures of achievements during 1992-95 were doubtful. Also under achievements during 1995-98 in spite of adequate expenditure indicated mismanagement in implementation of scheme. Reasons for over/under achievements were not furnished.

Similarly generation of employment in test-checked districts under JRY during 1995-98 were not commensurate with expenditure as shown below :

(In lakh mandays)

Year	District	Targets	Achievements	Percentage	Expenditure incurred (Rupees in crore)	Mandays that can be generated with reference to the expenditure incurred
1995-96	Rajkot	3.70	4.10	111	1.93	3.45
1994-95	Banaskantha	8.70	15.81	182	9.00	16.08
1994-95	Kachchh	5.15	15.20	295	7.47	13.33

Reasons for such variations were not furnished.

(d) Generation of employment under EAS during 1993-98 was as under :

(In lakh mandays)

Year	State as whole		Actual expenditure incurred (Rupees in crore)	Mandays that could have been generated with 60 per cent of the total expenditure
	Target	Achievement		
1993-94	10.83	6.52	1.45	2.59
1994-95	79.91	35.26	18.10	33.32
1995-96	155.58	96.26	59.93	107.02
1996-97	129.65	122.58	75.81	135.37
1997-98	97.35	90.85	71.11	126.98
Total	473.32	351.47	226.40	405.28

It could be seen from the above table that achievements shown during 1993-95 were over reported *vis-a-vis* expenditure while after 1995 the achievements were less compared to expenditure. Under achievements during 1995-98 *vis-a-vis* expenditure, indicated mismanagement in implementation of scheme. Reasons for over/under achievements were not furnished.

Similarly generation of employment in test-checked districts under EAS during 1993-98 were not commensurate with expenditure as shown below :

(In lakh mandays)

Year	District	Targets	Achievements	Actual Expenditure (Rupees in crore)	Mandays that can be generated with reference to the expenditure incurred
1993-94	Valsad	1.79	4.40	0.93	1.66
1994-95	Valsad	7.14	4.09	3.61	6.45
	Kachchh	4.46	0.71	0.65	1.16
1995-96	Valsad	15.18	12.33	9.06	16.18
	Banaskantha	6.25	4.52	2.15	3.84
	Kachchh	11.16	5.95	4.41	7.87
1996-97	Rajkot	Nil	4.95	2.03	3.63
	Kachchh	11.35	16.87	10.96	19.57
1997-98	Rajkot	5.80	1.25	3.70	6.61
	Valsad	10.04	5.77	4.74	8.46
	Banaskantha	7.81	8.87	3.86	6.89

Reasons for such variations were neither available on record nor furnished.

ORG-MARG survey also pointed out that as against lean period of three months on average a beneficiary gets to work for 19 days in a year under JRY.

6.2.13 Delay in payment of wages

Delay in payment of wages amounting to Rs.16.21 lakh delayed ranged between 16 days and 28 days

According to EAS, payment of wages to labours, was to be made at the site of work every week.

It was noticed that during 1995-97 payment of wages amounting to Rs. 16.21 lakh was delayed by Executive Engineer, Irrigation Division (Panchayat), Bhuj for periods ranging between 16 days and 28 days for which reasons were not furnished to Audit.

6.2.14 Payment of wages through middleman

Wages amounting to Rs.28.96 lakh paid through middleman

Under EAS all works were to be executed departmentally through the respective implementing agencies and in no case contractors/middlemen were to be engaged in execution of works.

During 1995-97 DRDAs, Banaskantha and Kachchh paid wages amounting to Rs. 28.96 lakh through gangmen/jamadars in violation of provisions of guidelines.

No acknowledgements in support of payment made to individual labour were obtained from the gangman/jamadars. In the absence of receipts/ acknowledgements, it was doubtful whether any payment of wages actually made.

Director of DRDAs stated that they were executing the works after forming gangs of labours. The payment were made to the gang leader instead of making payment to individual labour. This was not tenable as according to scheme payment was to be made to labourers directly without involving any agency. Though payment was made through the middlemen administrative expenses were unreasonably high by Rs.3.32 lakh in DRDA, Banaskantha during 1995-96 and Rs.19.16 lakh in DRDA, Kachchh during 1995-96. Government needs to take steps to ensure that payments were made to the targeted beneficiaries by the department.

6.2.15 Works executed/undertaken

According to JRY and EAS only labour intensive works not bearing more than 40 *per cent* of material components were to be taken up.

DRDAs, Rajkot, Valsad and Banaskantha executed 69* works (35.56 percent of total works executed by them) under EAS valued Rs. 1.71 crore and 45** works under JRY (47.87 percent of total works executed by them) valued Rs. 1.38 crore during 1995-99 through Executive Engineers of Panchayat Irrigation Division and Roads and Buildings Divisions of Rajkot, Valsad and Palanpur wherein expenditure under material component was Rs.0.78 crore (JRY) and 1.00 crore (EAS) which constituted 57 *per cent* (JRY) and 58 *per cent* (EAS) of the total cost of the works. This resulted in excess use of material component to the extent of Rs.0.23 crore (JRY) and Rs.0.31 crore (EAS) over the prescribed norms and consequential less generation of employment by 1.61 lakh mandays.

Reasons for non-maintenance of wage material ratio were neither available on record nor furnished to Audit.

ORG-MARG survey concluded that wage to material ratio for EAS was 48:52 and JRY 40:60 as against the stipulated 60:40 primarily due to creation of capital intensive assets like construction activities or link roads.

* Banaskantha 13 works-56 *per cent*, Rajkot 17 works-51 *per cent* and Valsad 39 works-60 *per cent*.

** Valsad 45 works-57 *per cent*.

6.2.16 Doubtful creation of assets

Non-preparation of inventory of assets in respect of assets created worth Rs.9.61 crore (JRY) and 0.51 crore (EAS) by two DRDAs

JRY and EAS envisage that assets created under the schemes were to be handed over to the concerned regular departments of State Government/ Panchayat Raj Institutions and should be maintained by them. The record of assets were to be maintained in the prescribed Asset Registers.

Scrutiny revealed that in Jamkandorna and Morbi Talukas of Rajkot District, Pardi and Dharampur Talukas of Valsad District, Danta and Deesa Talukas of Banaskantha District and Mundra and Mandvi Talukas of Kachchh District Rs. 9.61 crore (JRY) and Rs. 0.51 Crore (EAS) 1992-99 reportedly spent for creation of assets. But these institutions did not maintain Asset Registers. In the absence of these registers it was doubtful whether the assets were actually created and existed. It also could not be ascertained whether the assets so created were actually handed over to Panchayati Raj institutes for maintenance. The matter calls for investigation.

6.2.17 Execution/Taking over unapproved works

Execution of 183 unapproved works amounting to Rs.1.79 crore under JRY and EAS

According to Manual of JRY and guidelines of EAS only new works/original works were to be undertaken. Maintenance of assets so created, damaged by way of flood etc. fall within the category of the assets to be maintained by the State and Panchayat level departments.

(a) In four test-checked districts 183 works valued Rs. 1.79 crore were executed out of JRY/EAS funds in violation of provisions of scheme as shown below :

(Rupees in crore)				
Name of District	JRY/EAS	Nature of works	No. of works	Amount
Rajkot	EAS	Flood Repair Damage	18	0.06
Valsad	EAS	FDR	51	0.50
	JRY	FDR	28	0.49
Banaskantha Palanpur	EAS	FDR	9	0.11
	EAS	Drought Works Relief	31	0.42
Kachchh-Bhuj	EAS	FDR	46	0.21
		TOTAL	183	1.79

DRDAs stated that Flood Damage Repair (FDR) works were taken up as per the instructions of the Commissioner. This was not tenable as the Commissioner had no power to issue order in violation of GOI guidelines.

6.2.18 Doubtful expenditure on ineligible works.

Repair works costing Rs.1.03 crore under EAS and 0.50 crore under JRY were undertaken against the provisions of Manual/Guidelines

DRDA Valsad, Banaskantha and Kachchh executed 82[⊗] works valued Rs.1.53 crore which were not eligible for execution under these schemes. These were mostly improvement and repair works. As the scheme funds were to be spent on creation of assets of durable nature, there was no scope of taking up improvement and repair works by these schemes. Possibility of fictitious and doubtful expenditure in such cases can not be ruled out as no assets were created and recorded in the Asset Registers. Reasons for taking up unapproved works were not furnished to Audit.

6.2.19 GOI instructions routinely flouted

Huge expenditure incurred on one Sector. Overlooking other Sectors under JRY and EAS in three test-checked districts

Under JRY and EAS, funds provided were to be utilised for various sectors/components according to prescribed percentage.

During 1992-99 funds of JRY and EAS were utilised mainly on Road works overlooking other sectors as shown in Appendix - XLIV.

While 17.50 per cent of total works were to be road works, under JRY actual percentage of works ranged between 62.26 and 91.78. Minor irrigation was to be done for 60 per cent while actually, it was done for negligible one per cent and 7.67 per cent. Evidently, the Commissioner exercised no supervision and control over how the DRDAs were spending the funds.

Further the DRDAs routinely flouted scheme guidelines.

As against prescribed weightages under EAS for water and soil conservation (40 per cent) minor irrigation (20 per cent) road work (20 per cent) and Primary school (20 per cent) negligible works were done for water and soil conservation (5 per cent). This calls for investigation by Government. No reasons were furnished by the Directors of DRDAs concerned for deviation from prescribed norms. The gross flouting of instructions calls for investigation and suitable steps for its prevention.

[⊗] Valsad-JRY-Construction of Panchayat Ghars, and Improvement and Repair works 38 works Rs.0.50 crore EAS-Improvement works 24 works Rs.0.31 crore, Banaskantha-EAS-Improvement and Repair works 9 works Rs.0.22 crore and Kachchh-EAS-Improvement and strengthening works 11 works Rs.0.49 crore.

6.2.20 Execution of works through Non-Governmental Organisation

Non-Governmental Organisations were not involved by Kachchh District for watershed works though provided in guidelines

Non-Governmental Organisations (NGO) with good track record were also to be involved in implementation of EAS wherever they were working well and implementing other rural development projects.

DRDA, Kachchh allotted no works to NGOs during 1993-99.

Director, DRDA stated that works under Desert Development Programmes only were entrusted to NGO. No reasons as to why the works under EAS were not entrusted to NGO were furnished though called for.

6.2.21 Abandoned works

Under EAS works costing 0.71 crore lying abandoned since last three years in Kachchh District

Executive Engineer, Panchayat Irrigation Division, Bhuj executed 79 works like construction of check dams, bandhara, storage tank etc. under EAS valued Rs.0.71 crore during 1995-96 and 1996-97. These works were lying abandoned for periods ranging between two to three years.

Executive Engineer and Director, DRDA, Kachchh-Bhuj stated that funds though demanded were not allocated by the Director/Commissioner.

This was not tenable as Rs.5.00 crore were diverted by the Director DRDA to other schemes in 1996-97 as mentioned in paragraph 5(iii)(a) and Rs.4.10 crore were lying unutilised under EAS with DRDA at the end of 1995-96. Executive Engineer, Irrigation Division (Panchayat), Bhuj was also having balance of Rs. 0.22 crore and Rs.0.19 crore at the close of 1995-96 and 1996-97 respectively. The large number of incomplete works thus indicate failure in monitoring which resulted in wasteful expenditure. The matter calls for investigation.

6.2.22 Monitoring and Inspection

For effective implementation and monitoring of these schemes, the State Government was required to constitute State Level Co-ordination Committee (SLCC) and District and Block Level Co-ordination Committee (DLCC and BLCC). SLCC was responsible for overall supervision, guidance and monitoring of the schemes.

No periodicity for holding the meeting was prescribed. However SLCC held only ten meetings during 1992-99.

JRY, EAS and MWS provide for regular inspections of the schemes works by Directors, Deputy Directors, Assistant Project Officers and all heads of implementing offices. A schedule of minimum number of field visits for each supervisory level functionary from the State Level to the block levels was required to be drawn by the SLCC and got

approved by SLCC. However, no information regard to such schedule of inspection was furnished to Audit.

Details regarding periodical inspection required to be conducted by various officials as per SLCC, though called for from the department, was also not furnished (June 1999). However other lapses in monitoring by various levels commented in para 6.2.19 and 6.2.21.

6.2.23 Advance payment treated as final expenditure

Advance payment of Rs.21.12 lakh was treated as final expenditure by DRDA, Kachchh

DRDA, Kachchh made advance payment of Rs.21.12 lakh (September 1997) to Gujarat State Civil Supplies Corporation, Gandhinagar for procurement of foodgrain coupons under JRY which was debited as final expenditure. While accepting the irregularity DRDA stated that the amount of advance was debited under the head of account "Food Coupons" at that time. Since the coupons system was abolished (September 1998) the amount could not be adjusted. The matter was taken up with the corporation to get the refund after reconciliation. Further developments were awaited (April 1999).

6.2.24 Evaluation

JRY and EAS provides for periodical evaluation studies on implementation of these programmes by Government of India as well as State Government.

Information as to whether evaluation studies were conducted was not furnished by the Department.

6.2.25 The matter was reported to Government (June 1999); reply has not been received (November 1999).

SECTION B – PARAS**PANCHAYATS, RURAL HOUSING AND RURAL DEVELOPMENT DEPARTMENT****6.3 Non-responsiveness to Audit findings and observations resulting in erosion of accountability**

Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rates and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot these IRs reissued to the Head of Offices inspected with a copy to the next higher authorities. The Financial Rules/orders of Government (March 1992) provide for prompt response by the executive to IRs issued by the A.G. to ensure rectificatory action in compliance of the prescribed rules and procedure and accountability for the deficiencies, lapse, etc. noticed during his inspection. The Head of offices and next higher authorities are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to AG. Serious irregularities are also brought to the notice of the Head of the Department by Accountant General. A half yearly report of pending IRs is sent to Secretary of the Department to facilitate monitoring of the audit observation in the pending IRs.

Inspection Reports issued up to December 1998 pertaining to Panchayats, Rural Housing and Rural Development Department disclosed that 316 paragraphs (171 paragraphs of District Panchayat (DP), Surat and 145 paragraphs of District Rural Development Agency (DRDA)) relating to 77 Inspection Reports (DP 68 IRs and DRDA 9) remained outstanding at the end of June 1999 of these 10 IRs (6 IRs of DP, Surat and 4 IRs of DRDA, Godhra) containing 68 paragraphs (14 paras of DP, Surat and 54 paragraphs of DRDA, Godhra) had not been replied to/settled for more than 10 years. Year-wise position of outstanding IRs and paragraphs are detailed in Appendix - XLV. Even the initial replies, which were required to be received from the head of office within 6 weeks from the date of issue were not received in respect of 10 offices for 10 IRs issued between 1996-97 and 1997-98. As a result serious Irregularities commented upon in these IRs as detailed in Appendix – XLVI (a) and XLVI (b) had not been settled as of March 1999.

A review of IRs which were pending due to non-receipt of replies, in respect of Panchayats and Rural Housing Department and Agriculture, Co-operation and Rural Development Department revealed that the Heads of the offices, whose records were inspected by AG, and

Development Commissioner & Commissioner of Rural Development failed to discharge due responsibility as they did not send any reply to a large number of IRs/paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in IRs of AG. The Secretary of Panchayats and Rural Housing Department and Agriculture and Co-operation Department who was informed of the position through half yearly reports, also failed to ensure that the concerned officers of the Department take prompt and timely action.

The above also indicated lack of proper action against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the Government though these were pointed out in audit.

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

The matter was reported to Government (November 1999); reply has not been received (November 1999).

PORTS AND FISHERIES DEPARTMENT

GUJARAT MARITIME BOARD

6.4 Failure to execute agreement by Gujarat Maritime Board resulted in unauthorised aid to private parties and non-recovery of dues

Allowing private parties to build and operate jetties without final agreement resulted in undue financial aid of Rs.138.14 crore to these parties

To attract private enterprises/ investors in development of ports and infrastructure for ports, Government of Gujarat granted permission between 1987 and 1992 to four parties[▲] to construct private captive jetties at their own cost.

[▲] (1) M/S Larson and Toubro Ltd. December 1987, (2) Reliance Petrochemicals Ltd. May 1989, (3) ESSAR Steel, July 1989 and (4) M/S Gujarat Ambuja Cement Ltd. November 1992.

Terms and conditions of agreements for construction of captive jetty by private parties *inter alia* included (i) payment of wharfage and all other port charges as may be applicable from time to time, (ii) an undertaking to abide by all rules/regulations/present and future policies of Gujarat Maritime Board (GMB) and the State Government and acceptance of any other terms and conditions as may be prescribed for construction of private jetties by the Government/GMB subsequently shall be given and (iii) an agreement as may be acceptable by law shall be executed for all terms and conditions for construction of captive jetty.

The jetties were constructed and made operative between August 1988 and July 1994.

Test-check of records of Port Officer, Magdala Port, Surat (April 1997) revealed the following :

(i) Undertakings as required to be obtained from the concerned parties were not available with the Port officer, Magdala Port.

(ii) No agreement was executed with the concerned parties though jetties were completed and made operational between August 1988 and July 1994.

(iii) Draft agreements proposed by GMB (February 1992) which *inter alia* included payment of scrutiny fee to GMB at the rate of two and a half *per cent* of the cost of work at the time of agreement and grant of concession in payment of landing/shipping fees (jetty rebate) till the aggregate of the said rebate equalled the amount of the cost of construction of jetty, were executed by the parties between November 1994 and February 1996 'under protest' and they reserved their right to approach appropriate forum for fairness and justice.

(iv) On being approached by the parties, Government revised certain conditions including reduction in rates of scrutiny fee and directed GMB to execute revised agreements by 20 September 1998. However, the same were not executed as of April 1999. Reasons for non-execution of agreement were neither available on record nor furnished to Audit. Failure to execute the agreement in time, resulted in failure in safeguarding the interest of the Government as discussed below:

(a) Though, as per the agreements executed 'under protest' by the parties rebate was allowed provided no other dues were outstanding, rebate of Rs.132.85 crore was allowed by GMB during 1989-99 to these parties* even though scrutiny fee of Rs.5.29 crore due from them was not recovered by GMB (October 1999) on the pretext of

* (1) M/s. Essar Steel Limited, Hazira,	Rs.93.90 crore
(2) M/s. Gujarat Ambuja Cement Unit, Magdala Port,	Rs.01.93 crore
(3) M/s. Larson and Tourbo Limited, Hazira,	Rs.00.43 crore
(4) M/s. Reliance Industries Limited, Hazira,	<u>Rs.36.59 crore</u>
Total	<u>Rs.132.85 crore</u>

agreements being executed 'under protest'. Thus, partial implementation of 'under protest' agreement by GMB (i.e. allowing rebate but not recovering scrutiny fee) resulted in unauthorised financial aid of Rs.138.14 crore to the parties.

(b) Non-execution of agreements prior to commencement of construction of jetties compelled the Government to reduce the rates of scrutiny fee on the basis of protest of the parties which resulted in loss of Rs.4.74 crore to GMB.

Thus, failure to execute agreements by GMB before commencement of construction of jetties and also even long after jetties became operational and failure in compliance of the provision of conditional agreement resulted in unauthorised financial aid of Rs. 138.14 crore to the four parties, non-recovery of dues amounting to Rs.5.29 crore for more than two to four years and loss of Rs.4.74 crore to GMB. In absence of any final agreements even after more than six to 11 years from the date of granting permission for construction of captive jetties, possibility of non-recovery of dues and further irregular granting of rebate cannot be ruled out.

The matter was reported to Government in March 1999; reply has not been received (November 1999).

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

RAJKOT URBAN DEVELOPMENT AUTHORITY

6.5 Injudicious investment of funds due to construction of office building in excess of requirement

Construction of excess built-up area by RUDA resulted in avoidable investment of Rs.1.53 crore for 6 years besides, unauthorised sale of property valued at Rs.0.95 crore and idle investment of Rs.0.39 crore in occupation of excess area

Rajkot Urban Development Authority (RUDA) was allotted 1672 square metres of land by Government during 1987-88 to construct office building. Accordingly, RUDA built a seven storied office building with built up area of 54461 sq. ft. (March 1993) at a cost of Rs.2.05 crore.

Following points were noticed (September, 1997) :

(i) As against requirement of 13750 sq. ft. (as per norms), of RUDA, built up area of the building was 54461 sq. ft. which was nearly 4 times in excess of the requirement.

(ii) RUDA actually occupied as of July 1993, 21226 sq. ft. area i.e. 39 per cent in excess of their actual requirement.

(iii) RUDA sold 24777 sq. ft. area to Cotton Corporation of India and Gujarat Water Supply and Sewerage Board for Rs.0.95 crore without approval of the Government and in violation of terms and conditions of allotment of land.

(iv) 8458 sq. ft. (6th floor) remained unoccupied as of April 1999.

Thus, construction of office building in excess of requirement resulted in injudicious investment of Rs.1.53 crore besides unauthorised sale of property valued Rs.0.95 crore and idle investment of Rs.0.32 crore.

RUDA stated (April 1999) that the building at higher size was constructed in order to utilise full Floor Space Index (FSI) and taking into account future expansion, RUDA had occupied excess area as against present requirement. This was not tenable as decision for 396 per cent excess construction at an investment of Rs.1.53 crore only to avail FSI and occupation in excess of requirement by 39 per cent at an investment of Rs.0.28 crore for future expansion were not judicious.

The matter was reported to Government in August 1998; reply has not been received (November 1999).

Sue

(S.K.ROY)

Accountant General (Audit)-II, Gujarat

Rajkot

The 24 MAR 2000

Countersigned

V. K. Shunglu

(V.K.SHUNGLU)

Comptroller and Auditor General of India

New Delhi

The 24 MAR 2000

APPENDICES

RECORDED

APPENDIX - I

Statement showing cases where supplementary provision proved unnecessary and/or could have been restricted to a token amount
(Reference : Paragraph 2.3.3. Page33)

(Rupees in crore)

Serial number	Grant number	Department	Original Grant	Supplementary Grant	Expenditure	Saving
1	2	3	4	5	6	7
		Revenue Section				
		(a) Grants				
1	3	Agriculture and Co-operation	61.51	0.29	44.54	17.26
2	15	Finance	62.32	1.14	60.17	3.29
3	25	Forests and Environment	94.63	2.38	91.60	5.41
4	29	General Administration	3.37	0.14	3.14	0.37
5	35	Gujarat Legislature Secretariat	6.66	0.20	6.33	0.53
6	38	Health and Family Welfare	684.19	47.41	663.86	67.74
7	39	Health and Family Welfare	132.66	7.17	122.87	16.96
8	49	Industries and Mines	199.41	1.19	186.37	14.23
9	72	Panchayats, Rural Housing and Rural Development	32.21	0.77	29.06	3.92
10	74	Ports and Fisheries	23.11	0.68	22.64	1.15
11	93	Social Welfare and Tribal Development	233.53	1.19	196.59	38.13
		Total	1533.60	62.56	1427.17	168.99
		(b) Appropriations				
1	42	Home	2.08	0.11	1.65	0.54
2	60	Legal	14.75	1.33	12.29	3.79
		Total	16.83	1.44	13.94	4.33
		Capital Section				
1	5	Agriculture and Co-operation	37.85	2.67	27.74	12.78
2	23	Food, Civil Supplies and Consumer Affairs	1.10	0.02	1.08	0.04
3	49	Industries and Mines	35.19	0.25	34.28	1.16
4	58	Labour and Employment	2.60	0.10	2.57	0.13
5	61	Legal	3.46	0.15	3.30	0.31
6	65	Narmada, Water Resources and Water Supply	1320.00	75.00	1048.95	346.05
		Total	1400.20	78.19	1117.92	360.47
		(B) Appropriation				
1	19	Finance	836.13	14.12	627.60	222.65
		Total	836.13	14.12	627.60	222.65
		Grand Total	3786.76	156.31	3186.63	756.44

APPENDIX - II

Statement showing cases where supplementary provision was made in excess of actual requirement

(Reference : Paragraph 2.3.4 Page 33)

(Rupees in crore)

Serial number	Grant number	Department	Original Provision	Expenditure	Additional requirement	Supplementary provision
1	2	3	4	5	6	7
		Revenue Section				
		(a) Grants				
1	2	Agriculture and Co-operation	196.23	214.07	17.84	28.78
2	4	Agriculture and Co-operation	58.39	62.21	3.82	4.62
3	5	Agriculture and Co-operation	34.87	34.96	0.09	1.27
4	12	Energy and Petro-chemicals	631.40	1584.10	952.70	964.79
5	14	Finance	5.94	6.13	0.19	0.45
6	17	Finance	605.84	965.75	359.91	414.68
7	30	General Administration	9.32	13.66	4.34	4.98
8	32	General Administration	20.07	25.72	5.65	6.47
9	42	Home	628.71	636.17	7.46	36.70
10	48	Industries and Mines	40.46	42.05	1.59	2.84
11	53	Information, Broadcasting and Tourism	20.14	20.59	0.45	0.79
12	54	Information, Broadcasting and Tourism	8.93	9.04	0.11	0.22
13	55	Information, Broadcasting and Tourism	4.97	5.24	0.27	0.52
14	69	Panchayats, Rural Housing and Rural Development	2.82	3.10	0.28	0.49
15	70	Panchayats, Rural Housing and Rural Development	123.49	219.05	95.56	98.40
16	78	Revenue	64.20	65.51	1.31	4.18
17	90	Social Welfare and Tribal Development	151.05	177.39	26.34	28.74
18	91	Social Welfare and Tribal Development	39.97	40.99	1.02	2.16
19	97	Urban Development and Urban Housing	163.36	172.53	9.17	11.94
20	98	Urban Development and Urban Housing	42.53	51.43	8.90	20.90
		Total	2852.69	4349.69	1497.00	1633.92
		(b) Appropriations				
1	28	General Administration	1.85	2.20	0.35	0.55
2	68	Narmad, Water Resources and Water Supply	1.24	5.82	4.58	4.74
3	88	Roads and Buildings	0.34	1.56	1.22	1.52
		Total	3.43	9.58	6.15	6.81
		Capital Section				
1	9	Education	31.23	43.97	12.74	17.74
2	46	Home	35.79	35.86	0.07	0.91
3	86	Roads and Buildings	173.41	196.32	22.91	25.11
		Total	240.43	276.15	35.72	43.76
		Grand Total	3096.55	4635.42	1538.87	1684.49

APPENDIX - III
Statement showing the excess over Grant/Appropriation requiring regularisation

(Reference : Paragraph 2.3.5 Page33)

Serial number	Grant number	Name of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
1	2	3	4	5	6
		Revenue Section			
		(a) Grants			
1	7	Education Department	26731000	28113000	1382000
2	8	Education	31843047000	32565344941	722297941
3	10	Energy and Petro-chemicals Department	11250000	11264645	14645
4	24	Forests and Environment Department	15185000	15459966	274966
5	44	Transport	737422000	794318894	56896894
6	47	Industries and Mines Department	24800000	25225734	425734
7	66	Irrigation and Soil Conservation	7561699000	14716309801	7154610801
8	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department	398811000	507600247	108789247
9	80	Dang District	166215000	170684340	4469340
10	82	Other Expenditure pertaining to Revenue Department	5495000	7748924	2253924
11	83	Roads and Buildings Department	44000000	44923218	923218
12	84	Non-Residential Buildings	1790751000	1836058460	45307460
13	86	Roads and Bridges	4905143000	5358059444	452916444
14	88	Other Expenditure pertaining to Roads and Buildings Department	104650000	111130895	6480895
		Total	47635199000	56192242509	8557043509
		(b) Appropriations			
1	19	Repayment of Debt pertaining to Finance Department and its Servicing	20170219000	20462877727	292658727
2	35	State Legislature	478000	491484	13484
3	84	Non-Residential Buildings	775000	1194725	419725
		Total	2017142000	20464563936	293091936
		Capital Section			
1	12	Energy Projects	4057100000	4347300000	290200000
2	25	Forests	1127325000	1138242921	10917921
3	51	Other Expenditure pertaining to Industries and Mines Department	40860000	41496298	636298
4	55	Other Expenditure pertaining to Information, Broadcasting and Tourism Department	1730000	1952626	222626
5	66	Irrigation and Soil Conservation	4277371000	4293429620	16058620
6	74	Fisheries	125439000	769933860	644494860
		Total	9629825000	10592355325	962530325
		Grand Total	67806671000	76656806445	9812665770

APPENDIX - IV

Statement showing cases where supplementary provision was inadequate

(Reference : Paragraph 2.3.6 Page 33)

(Rupees in crore)

Serial number	Grant number	Department	Original provision	Supplementary provision	Total Grant/Appropriation	Expenditure	Excess
1	2	3	4	5	6	7	8
		Revenue Section					
		(a) Grants					
1	8	Education	2463.30	721.00	3184.30	3256.53	72.23
2	44	Home	67.27	6.47	73.74	79.43	5.69
3	66	Narmada, Water Resources and Water Supply	728.06	28.11	756.17	1471.63	715.46
4	73	Panchayats, Rural Housing and Rural Development	23.51	16.37	39.88	50.76	10.88
5	80	Revenue	16.46	0.16	16.62	17.07	0.45
6	84	Roads and Buildings	177.47	1.61	179.08	183.61	4.53
7	86	Roads and Buildings	420.38	70.13	490.51	535.80	45.29
		Total	3896.45	843.85	4740.30	5594.83	854.53
		(b) Appropriation					
1	19	Finance	1977.66	39.36	2017.02	2046.29	29.27
		Total	1977.66	39.36	2017.02	2046.29	29.27
		Capital Section					
1	25	Forests and Environment	111.02	1.71	112.73	113.82	1.09
2	66	Narmada, Water Resources and Water Supply	304.42	123.31	427.73	429.34	1.61
		Total	415.44	125.02	540.46	543.16	2.70
		Grand Total	6289.55	1008.23	7297.78	8184.28	886.50

APPENDIX - V

Statement showing cases where expenditure fell short by Rs.1 crore and also by 10 per cent of the provision

(Reference : Paragraph 2.3.7 Page33)

(Rupees in crore)

Serial number	Grant number	Department Name of Grant/ Appropriation	Amount of saving (percentage of total saving)	Reasons for saving
1	2	3	4	5
		Revenue Section		
		(a) Grants		
		Agriculture and co-operation		
1	3	Minor Irrigation Soil Conservation and Area Development	17.26(28)	Saving of Rs.4.49 crore was anticipated due mainly to non-release of Grant by Government of India and previous year's saving. Reasons for the balance saving had not been intimated (October 1999)
		Finance		
2	16	Treasury and Accounts Administration	4.91(12)	Saving was anticipated due mainly to non-delivery of computers, Hardware and Software and non-finalisation of purchase procedure.
3	18	Other expenditure pertaining to Finance Department	201.16(84)	Saving was due mainly to meeting the expenditure on account of payment of arrears arising from implementation of recommendations of new pay commission being met from sanctioned grants under respective major heads.
		Food and Civil Supplies		
4	21	Civil Supplies	15.68(17)	Saving was anticipated due mainly to less expenditure than anticipated and Government's decision to curtail the expenditure under plan scheme.
		Forests and Environment		
5	26	Environment	1.10(17)	Saving was due mainly due to non-delivery of requisite appliances for the laboratory.
		General Administration		
6	31	Public Service Commission	1.12(71)	Saving was due mainly to non-conduct of examinations by the Commission.
		Health and Family Welfare		
7	39	Family Welfare	16.96(12)	Saving was due mainly to non-sanction of the project by the Government of India.

8	40	Other Expenditure pertaining to Health and Family Welfare Department	16.86(23)	Saving was due mainly to supply of food commodities by Government Corporation from advance paid in previous year and non sanction of new items and balance with the District Panchayats.
		Home		
9	43	Jails	2.41(10)	Saving was due mainly to less receipt of orders from manufacturer of various products.
10	46	Other Expenditure pertaining to Home Department	8.99(15)	Reasons for saving had not been intimated (October 1999)
		Labour and Employment		
11	57	Labour and Employment	13.11(13)	Saving was due mainly to economy measures, less purchase of machinery and equipments, non receipt of administrative approval and non-implementation of scheme under the new policy.
		Panchayats, Rural Housing and Rural Development		
12	71	Rural Housing and Rural Development	32.98(13)	Saving was due mainly to non-release of grant by Government of India and non-receipt of viable proposals from District Rural Development Agencies.
13	72	Compensations and Assignments	3.92(12)	Saving was anticipated due mainly to less demand from District Panchayats.
		Revenue		
14	79	Relief on Account of Natural Calamities	45.97(14)	Saving was due mainly to non-existence of scarcity, less expenditure than anticipated and non-receipt of any demand from Government Department.
		Social Welfare and Tribal Development		
15	93	Special Component Plan for Scheduled Castes	38.13(16)	Saving was due mainly to reduction of allocation by the Government of India and less demand from District Offices.
		Urban Development and Urban Husing Department		
16	98	Compensations, Assignments and Tax Collection Charges	12.00(19)	Reasons for the saving had not been intimated (October 1999).
		Sports, Youth and Cultural Activities		
17	101	Youth Services and Cultural Activities	3.87(14)	Reasons for the saving had not been intimated (October 1999).
		(b) Appropriation		
		Legal		
1	60	Administration of Justice	3.79(24)	Saving was due mainly to non-completion of computerisation projects.

		Capital Section		
		Agriculture and Co-operation		
1	3	Minor Irrigation, Soil Conservation and Area Development	2.00(53)	Reasons for the saving had not been intimated (October 1999)
2	5	Cooperation	12.78(32)	Saving of 2.34 crore was due mainly to transfer of provision to another Demand and non-sanction of proposal for co-generation project by the Government of India and the reasons for the balance saving have not been intimated (October 1999).
		Education		
3	9	Other Expenditure pertaining to Education Department	5.00(10)	Saving was due mainly to less receipt of applications from employees for purchase of foodgrains.
		Narmada, Water Resources and Water Supply		
4	65	Narmada Development Scheme	346.05(25)	Reasons for anticipated saving had not been intimated (October 1999)
5	67	Water Supply	143.22(36)	Reasons for the saving had not been intimated (October 1999)
6	68	Other Expenditure pertaining to Narmada Water Resources & Water Supply Department	6.18(22)	Saving was due mainly to non-furnishing of required documents by the Government Servants for Loans for House Buildings.
		Urban Development and Urban Housing		
7	97	Urban Development	1.23(55)	Saving of Rs.0.46 crore was due mainly to deduction of interest directly by Government of India from the sanctioned loan and non-release of share by Government of India. Reasons for the balance saving had not been intimated (October 1999)
		Capital Section		
		Appropriation		
1	19	Repayment of debt pertaining to Finance Department and its servicing	222.65(26)	Reasons for saving had not been intimated (October 1999)

APPENDIX - VI

Statement of various grants/appropriations where there was persistent saving in excess of Rs.10 lakh each and 20 per cent or more of the provision.

(Reference : Paragraph 2.3.8(a) Page 33)

(Rupees in crore)

Serial number	Name of Department Number and Name of Grant/Appropriation	Amount of Saving		
		1996-97	1997-98	1998-99
1	2	3	4	5
	Revenue Section			
	Agriculture and Co-operation			
1	3 Minor Irrigation Soil Conservation and Area Development	12.10	46.35	17.26
	Finance			
2	18 Other expenditure pertaining to Finance Department	594.20	745.62	201.16
	Health and Family Welfare			
3	40 Other expenditure pertaining to Health and Family Welfare Department	16.27	20.36	16.86
	Capital Section			
	Narmada Water Resources and Water Supply			
4	65 Narmada Development Scheme	411.19	326.95	346.05
5	68 Other Expenditure pertaining to Narmada, Water Resources and Water Supply Department	1.25	0.25	6.18
	(b) Appropriation			
	Finance			
6	19 Repayment of debt pertaining to Finance Department and its servicing	303.82	305.43	222.65

APPENDIX - VI-A

Statement showing cases of significant persistent excess over Grant

(Reference : Paragraph 2.3.8(b) Page33)

(Rupees in crore)

Serial number	Number and Name of Grant	Amount of excess (Percentage of provision)		
		1996-97	1997-98	1998-99
	Revenue Section			
1	66- Irrigation and Soil Conservation	353.53(59)	391.93(54)	715.46(95)
2	84- Non-Residential Buildings	13.20(11)	25.60(18)	4.53(3)
3	86- Roads and Bridges	49.86(16)	132.66(41)	45.29(9)
4	88- Other Expenditure pertaining to Roads and Buildings Department	0.63(7)	1.82(16)	0.65(6)

APPENDIX - VII

Statement of various grants/appropriations where expenditure exceeded approved provision by Rs.25 lakh or more and also by more than 10 per cent of total provision.

(Reference : Paragraph 2.3.9 Page 33)

(Rupees in crore)

Serial number	Grant number	Name of the grant/ appropriation	Amount of excess	Reasons for excess
		Revenue Section		
1	66	Irrigation and Soil Conservation	715.46	Reasons for the excess had not been intimated (October 1999)
2	73	Other expenditure pertaining to Panchayats, Rural Housing and Rural Development	10.88	Reasons for the excess had not been intimated (October 1999)
		Capital Section		
3	74	Fisheries	64.45	Reasons for the excess had not been intimated (October 1999)

APPENDIX - VIII
Statement showing instances of injudicious re-appropriation
(Reference : Paragraph 2.3.10 Page 33)

(Rupees in crore)

Serial number	Grant number	Head of amount	Provision (Original plus supplementary)	Re-appropriation	Final Grant/ Appropriation	Actual expenditure	Excess (+) Saving (-)
1	2	3	4	5	6	7	8
1	8	2202-01 (106) (2) Additional teachers for enrolling additional pupils for primary school (plan)	8.96	(+) 0.98	9.94	9.81	(-) 0.13
2	8	2202-02 (001) (1) Secondary School Certificate Examination Board (Plan)	0.20	(-) 0.20	--	0.75	(+) 0.75
3	8	2202-02 (109) (1) EON-19 Government Secondary Schools	24.05	(-) 0.21	23.84	24.44	(+) 0.60
4	8	2202-02 (109) (2) EDN-30 Government Higher Secondary Schools	11.34	(+) 1.16	12.50	11.71	(-) 0.79
5	8	2236-02 (102) (1) Mid-day-Meal Scheme for children in public primary schools (plan)	63.00	(-) 9.75	53.35	53.81	(+) 0.56
6	19	2049-01 (101) (66) 9.3/4% Gujarat State Development Loan, 1998	6.09	(-) 3.04	3.05	7.56	(+) 4.52
7	38	2210-01 (001) (2) Directorate of Medical Education and Research (plan)	4.09	(-) 3.28	0.81	2.89	(+) 2.08
8	66	4702 (101) (02) Minor Irrigation (plan)	103.37	(-) 19.13	84.24	88.17	(+) 3.93
9	66	4701-03 (565) (43) Canals and Branches (plan)	0.75	(-) 0.58	0.17	0.27	(+) 0.10
10	79	2245-80 (800) (2) Expenditure against the funds received from National Fund for Calamity Relief	15.00	(+) 8.10	23.10	11.90	(-) 11.20
11	79	2245-02 (800) (2) Repairs/Restoration to other public properties	17.00	(+) 17.69	34.69	33.30	(-) 1.39
12	93	2702-02 (800) (1) Special Component Plan for Scheduled Castes (plan)	3.50	(+) 0.85	4.35	2.65	(-) 1.70
13	94	2236-02 (796) (2) NTR-Introduction of Integrated Child Development Services Scheme (plan)	14.00	(-) 4.45	9.55	10.15	(+) 0.60
14	94	3456 (796) (1) PDS Supply of Iodised Salt (plan)	5.15	(-) 4.42	0.73	1.72	(+) 0.99
15	98	2202 (800) (91) Assistance to Local Bodies for Primary Education	60.90	(+) 1.10	62.00	50.20	(-) 11.80

APPENDIX - IX

Statement showing expenditure on "New Service/New Instrument of Service"

(Reference : Paragraph 2.3.11(a) Page 34)

(Rupees in crore)

Serial number	Grant number	Department	Major head and sub-head	Amount of expenditure
		Capital Section		
1	66	Narmada, Water Resources and Water Supply	4701 (03) (652) (41) Dam and Appurtenant works (plan)	6.80
2	66	Narmada, Water Resources and Water Supply	4701 (03) (545) (43) Canals and Branches (plan)	0.23
3	66	Narmada, Water Resources and Water Supply	4701 (03) (547) (43) Canals and Branches (plan)	0.13
4	66	Narmada, Water Resources and Water Supply	4701 (03) (540) (43) Canals and Branches (plan)	0.14
5	66	Narmada, Water Resources and Water Supply	4701 (03) (546) (43) Canals and Branches (plan)	0.11
		Total		7.41

APPENDIX - X
Statement of cases where expenditure was incurred without any
provision of funds

(Reference : Paragraph 2.3.11(b) Page34)

(Rupees in crore)

Serial number	Grant number	Department	Major head and Sub-head	Amount of expenditure
		Revenue Section		
1	66	Narmada, Water Resources and Water Supply	2702 01 (103) (11) Other Minor Irrigation works (plan)	0.32
2	86	Roads and Buildings	3054 80 (001) (1) Direction (plan)	0.50
3	86	Roads and Buildings	3054 80 (001) (2) Administration (plan)	0.21
4	86	Roads and Buildings	3054 04 (337) Roads and Bridges	0.15
		Total		1.18
		Capital Section		
1	65	Narmada, Water Resources and Water Supply	4701 80 (a) (052) (6) Narmada Project Unit-I Dam and Appurtenant	8.93
2	65	Narmada, Water Resources and Water Supply	4801-01 (052) (7) Generating Plant and Machinery (plan)	0.54
3	66	Narmada, Water Resources and Water Supply	4701-03 (523) (41) Dam and Appurtenant works (plan)	2.51
4	66	Narmada, Water Resources and Water Supply	4701-03 (519) (43) Canals and Branches (plan)	0.16
5	66	Narmada, Water Resources and Water Supply	4701 03 (548) (43) Canals and Branches (plan)	0.11
6	66	Narmada, Water Resources and Water Supply	4701 01 (541) (41) Dam and Appurtenant works (plan)	0.11
7	66	Narmada, Water Resources and Water Supply	4701 01 (508) (45) Reservoir (plan)	0.07
8	66	Narmada, Water Resources and Water Supply	4701 03 (524) (80) Other Expenditure (plan)	0.07
9	66	Narmada, Water Resources and Water Supply	4701 03 (519) (41) Dam and Appurtenant Work (plan)	0.06
10	66	Narmada, Water Resources and Water Supply	4701 03 (504) (80) Other Expenditure (plan)	0.06
11	66	Narmada, Water Resources and Water Supply	4701 03 (549) (43) Canals and Branches (plan)	0.06
12	66	Narmada, Water Resources and Water Supply	4701 03 (528) (41) Dam and Appurtenant works (plan)	0.05
13	74	Ports and Fisheries	7051 01 (800) (1) Loans to Pipavav Port Ship Breaking Project IDP 115 (plan)	49.28
14	74	Ports and Fisheries	7051 01 (800) (2) Loans to Gujarat Pipavav Port Trust IDP 115 (plan)	20.12
15	93	Social Welfare and Tribal Development	4225 03 (277) (1) BCK-19 Special Component Plan for Scheduled Castes Construction of Government Hostel for Boys and Girls	0.35
		Total		82.48
		Grand Total		83.66

APPENDIX - XI

Statement showing cases where amount of saving not surrendered
(Reference : Paragraph 2.3.12(a)Page 34)

(Rupees in crore)

Serial number	Grant/Appropriation number	Department	Amount of saving not surrendered
		Revenue Section	
		(a) Grants	
1	13	Energy and Petrochemicals	0.03
2	30	General Administration	0.64
3	64	Narmada, Water Resources and Water Supply	0.02
4	67	Narmada, Water Resources and Water Supply	1.99
5	69	Panchayats, Rural Housing and Rural Development	0.21
6	98	Urban Development and Urban Housing	12.00
		Total	14.89
		(b) Appropriations	
1	2	Agriculture and Co-operation	0.06
2	38	Health and Family Welfare	0.01
3	46	Home	0.02
4	66	Narmada, Water Resources and Water Supply	0.01
5	68	Narmada, Water Resources and Water Supply	0.16
6	86	Roads and Buildings	0.18
7	88	Roads and Buildings	0.30
		Total	0.74
		Capital Section	
		(a) Grants	
1	34	General Administration	0.08
2	40	Health and Family Welfare	0.53
3	67	Narmada, Water Resources and Water Supply	143.22
4	102	Sports, Youth and Cultural Activities	0.02
		Total	143.85
		(b) Appropriations	
1	66	Narmada Water Resources and Water Supply	0.35
2	86	Roads and Buildings	0.01
		Total	0.36
		Grant Total	159.84

APPENDIX - XI-A

Statement showing cases of saving of Rs.1 crore or more not surrendered

(Reference : Paragraph 2.3.12(a) Page 34)

(Rupees in crore)

Serial number	Grant/Appropriation number	Department	Amount of saving	Amount Surrendered	Amount not surrendered
		Revenue Sections			
		(a) Grants			
1	2	Agriculture and Co-operation	10.94	7.98	2.96
2	12	Energy and Petrochemicals	12.09	10.00	2.09
3	17	Finance	54.77	0.22	54.55
4	25	Forests and Environment	5.41	1.53	3.88
5	38	Health and Family Welfare	67.74	40.82	26.92
6	42	Home	29.25	18.76	10.49
7	48	Industries and Mines	1.25	0.19	1.06
8	60	Legal	7.31	6.01	1.30
9	78	Revenue	2.87	1.64	1.23
10	79	Revenue	45.97	32.73	13.24
11	93	Social Welfare and Tribal Development	38.13	34.73	3.40
12	94	Social Welfare and Tribal Development	64.08	54.79	9.29
13	101	Sports, Youth and Cultural Activities	3.87	2.59	1.28
		Total	343.68	211.99	131.69
		Capital Section			
		(a) Grants			
1	5	Agriculture and Co-operation	12.78	11.63	1.15
2	49	Industries and Mines	1.16	0.16	1.00
		Total	13.94	11.79	2.15
		(b) Appropriation			
1	19	Finance	222.65	1.10	221.55
		Total	222.65	1.10	221.55
		Grant Total	580.27	224.88	355.39

APPENDIX - XII

Cases of surrender of funds on 30 and 31 March 1999

(Reference : Paragraph 2.3.12(b) Page 34)

(Rupees in crore)

Serial number	Department	Name of Grant	Amount of Surrender
	Revenue Section		
	(a) Grants		
1	Agriculture and Co-operation	Agriculture	0.24
2	Agriculture and Co-operation	Animal Husbandary and Dairy Development	0.37
3	Food, Civil Supplies and Consumer Affairs	Food, Civil Supplies and Consumer Affairs	0.27
4	General Administration	Council of Members	0.31
5	General Administration	General Administration	0.33
6	Legal	Legal	0.01
7	Panchayats, Rural Housing and Rural Development	Community Development	0.03
8	Revenue	District Administrative	1.36
9	Roads & Buildings	Residential Building	0.02
10	Roads & Buildings	Gujarat Capital Construction Scheme	0.47
11	Social Welfare and Tribal Development	Tribal Areas Sub-plan	5.08
	Total		8.49
	(b) Appropriation		
1	Legal	Administration of Justice	0.11
	Total		0.11
	Capital Section		
1	Legal	Other Expenditure pertaining to Legal Department	0.07
2	Narmada, Water Resources and Water Supply	Narmada Development Scheme	360.43
3	Narmada, Water Resources and Water Supply	Irrigation and Soil Conservation	0.47
4	Social Welfare and Tribal Development	Special Component plan for Scheduled Castes	0.91
5	Social Welfare and Tribal Development	Tribal Areas Sub-plan	1.58
	Total		363.46
	Grand Total		372.06

APPENDIX - XIII

Statement showing surrender in excess of actual saving in grants/appropriation

(Reference : Paragraph 2.3.13 Page 34)

(Rupees in crore)

Serial number	Grant number	Department	Amount of saving	Surrender of saving	Excess
		Revenue Section			
		(a) Grants			
1	3	Agriculture and Co-operation	17.26	17.29	0.03
2	4	Agriculture and Co-operation	0.80	1.21	0.41
3	9	Education	0.04	0.05	0.01
4	21	Food and Civil Supplies	15.68	15.79	0.11
5	22	Food and Civil Supplies	0.08	0.14	0.06
6	34	General Administration	1.47	1.54	0.07
7	37	Health and Family Welfare	0.46	0.68	0.22
8	43	Home	2.41	2.66	0.25
9	53	Information, Broadcasting and Tourism	0.34	0.51	0.17
10	62	Legislative and Parliamentary Affairs	0.26	0.30	0.04
11	76	Revenue	0.07	0.09	0.02
12	81	Revenue	0.01	0.10	0.09
13	85	Roads and Buildings	2.56	6.93	4.37
14	87	Roads and Buildings	0.35	0.47	0.12
15	89	Social Welfare and Tribal Development	0.21	0.23	0.02
16	91	Social Welfare and Tribal Development	1.14	1.21	0.07
		Total	43.14	49.20	6.06
		Capital Section			
		(a) Grants			
1	9	Education	5.00	5.51	0.51
2	65	Narmada, Water Resources and Water Supply	346.05	360.43	14.38
3	84	Roads & Buildings	1.84	2.39	0.55
4	93	Social Welfare and Tribal Development	0.82	1.00	0.18
		Total	353.71	369.33	15.62
		(b) Appropriation			
1	81	Revenue	0.01	0.03	0.02
		Total	0.01	0.03	0.02
		Grand Total	396.86	418.56	21.70

APPENDIX -XIV
Statement showing details of shortfall in inspection
(Reference : Paragraph-3.1.9 Page 46)

Cadre of officers to whom Inspection work was assigned	Inspections to be conducted				Inspections conducted				Shortfall in inspections				Average percentage of short-fall of Inspections
	1995-96	1996-97	1997-98	1998-99	1995-96	1996-97	1997-98	1998-99	1995-96	1996-97	1997-98	1998-99	
Dy. Collector													
Kheda	--	140	140	140	--	60	90	29	--	80	50	111	57
Rajkot	140	140	140	140	86	53	59	88	54	87	81	52	49
Vadodara	140	140	140	140	125	100	130	144	15	40	10	--	12
Total	280	420	420	420	211	213	279	261	69	207	141	163	
Dy. Dist. Primary Education Officer													
Kheda	--	140	140	140	--	--	--	--	--	140	140	140	100
Rajkot	140	140	140	140	--	--	--	--	140	140	140	140	100
Vadodara	140	140	140	140	170	100	165	145	--	40	--	--	28
Total	280	420	420	420	170	100	165	145	140	320	280	280	
Mamlatdar													
Kheda	--	700	700	700	--	718	404	329	--	--	296	371	47
Rajkot	910	910	910	910	396	286	216	202	514	624	694	708	70
Vadodara	910	910	910	910	220	345	250	462	690	565	660	448	65
Total	1820	2520	2520	2520	616	1349	870	993	1204	1189	1650	1527	
Dy. Mamlatdar													
Kheda	--	1400	1400	1400	--	1385	766	700	--	15	634	700	32
Rajkot	1820	1820	1820	1820	758	796	392	483	1062	1024	1428	1337	67
Vadodara	1820	1820	1820	1820	1401	1518	1321	1627	419	302	499	193	19
Total	3640	5040	5040	5040	2159	3699	2479	2810	1481	1341	2561	2230	
Primary Education Inspector													
Kheda	--	1400	1400	1400	--	--	--	57	--	1400	1400	1343	87
Rajkot	1820	1820	1820	1820	179	153	41	71	1641	1667	1779	1749	94
Vadodara	1820	1820	1820	1820	--	--	--	--	1820	1820	1820	1820	100
Total	3640	5040	5040	5040	179	153	41	128	3461	4887	4999	4912	

APPENDIX - XV

Statement showing huge saving in the grant (under Revenue Account, Grant No. 8)

(Reference : Paragraph 3.2.4.1(ix) Page 59)

(Rupees in lakh)

Serial number	Year	Major Head/ Minor Head/Sub Head	Provision	Total Provision	Expenditure	Savings	Percentage of saving to supplementary provision including minus re-appropriation
1	2	3	4	5	6	7	8
1	1995-96	2203-Technical Education (TE) (01) TED.2, Tech. High School (Skill formation), Non plan/voted	O.199.95 S. 46.70 R. (-)10.00	236.65	225.81	10.84	45
2	1995-96	2203-TE (02) TED.2, Tech. High Schools. (vocationalisation), Non-plan/voted	O. 386.79 S. 85.60 R. (-)12.00	460.39	451.28	9.11	25
3	1995-96	2203-TE-01(2) TED.1, Strengthening of Administration of TEB, Non-plan/voted	O. 0.80 S. 11.60 R. 2.40	94.00	92.49	1.51	13
4	1995-96	2203-TE-105 Polytechnics, TED.14, Development of Govt. Pharmacy Institutes, Non-plan/voted	O. 36.00 S. 11.00 R. --	47.00	45.74	1.26	11
5	1995-96	2203-TE-(112) Engineering College, (1) TED.5, Development of Government Colleges, Non-plan/voted	O. 580.00 S. 98.40 R. --	678.40	656.72	21.68	22
6	1995-96	2203-TE, (105) Polytechnics, TED 4, GIA to Private Polytechnics, Non plan/Voted	O. 170.00 S. 40.00 R.(-) 9.00	201.00	200.99	0.01	23

Report No.3 of 2000 (Civil)

7	1995-96	2203-TE, (112) Engineering Technical College, Non Plan/Voted	O. 1032.70 S. 198.40 R. (-) 5.40	1225.70	1203.04	22.66	14
8	1997-98	2203-TE, (02) TED 2, Technical High Schools, (Vocationalisation), Non - Plan/Voted	O. 464.20 S. 85.80 R. (-) 50.00	500.00	498.94	1.06	60
9	1997-98	2203-TE, (105) Polytechnic, (I) TED 3, Development of Government Polytechnic and Girls Polytechnic, Non - Plan/Voted	O. 1499.50 S. 199.38 R. (-) 100.00	1598.88	1595.04	3.84	52
10	1997-98	2203-TE, (112) Engineering Technical College, (I) TED 5 Development of Government Engineering College, Non-Plan/Voted	O. 700.00 S. 144.93 R. (-) 40.00	804.73	803.93	0.80	28
Total				5846.75		72.77	

APPENDIX - XVI

Statement showing sanctioned strength and men in position

(Reference : Paragraph 3.2.5.1 Page 61)

Serial number	Discipline	As on 1 April	Sanctioned Strength	Men in position	Shortage	Percentage of shortage	Staff working on <i>ad hoc</i> appointment	Shortage of staff after considering <i>ad hoc</i>	percentage of shortage in col.9 with reference to sanctioned strength
1	2	3	4	5	6	7	8	9	10
1	Engineering College	1995	457	332	125	27	49	76	17
		1996	476	349	127	27	96	31	7
		1997	513	366	147	29	112	35	7
		1998	554	389	165	30	169	--	--
2	Polytechnic	1995	1150	738	412	36	35	377	33
		1996	1150	786	364	32	70	294	26
		1997	1150	786	364	32	90	274	24
		1998	1223	741	482	39	153	29	27
3	Pharmacy College	1995	26	10	16	62	10	6	23
		1996	26	10	16	62	10	6	23
		1997	26	10	16	62	10	6	23
		1998	26	10	16	62	10	6	23

APPENDIX - XVII

Statement showing student -teacher ratio

(Reference : Paragraph 3.2.6.1 Page 63)

Serial Number	Year	Total Number of Institutes test-checked	Total No. of Departments	Student Teacher Ratio more than desirable		Student Teacher ratio above maximum permissible	
				Number of Department	Ratio ranged between	Number of Departments	Ratio ranged between
1	Engineering colleges						
	1995-96	2	3	Nil	--	1	16 : 1
	1996-97	2	3	Nil	--	1	17 : 1
	1997-98	2	3	Nil	Nil	3	16 : 1 to 22 : 1
2	Pharmacy colleges						
	1995-96	2	2	--	--	2	16 : 1
	1996-97	2	2	--	--	2	18 : 1
	1997-98	2	2	--	--	2	19 : 1
3	Polytechnic						
	1995-96	7	28	3	9 : 1 and 10:1	13	18 : 1 and 170 : 1
	1996-97	7	28	1	9 : 1	14	19 : 1 and 85 : 1
	1997-98	7	26	3	9 : 1	14	17 : 1 and 70 : 1

APPENDIX - XVIII

**Statement showing details of procedure followed by the Director
for purchase above Rs.0.20 lakh**

(Reference : Paragraph 3.2.7.1 Page 64)

- (i) The purchase is made after inviting tenders publicly.
- (ii) The purchase upto Rs.10 lakh is effected after approval of Departmental purchase committee headed by the Director and consisting of 4 other members i.e. one Joint Director, Principal of L.D. Engineering College, representative of Central Stores Purchase Organisation (CSPO) and Financial Advisor (Education Department).
- (iii) The purchase above Rs.10 lakh and upto Rs.25 lakh is effected after getting approval of State level purchase committee headed by Secretary Science and Technology and consisting of 3 other members i.e. Director, Secretary, Industries, Mines and Power Department and Secretary CSPO.

APPENDIX – XIX

**Statement showing result of physical verification by Director of
Accounts and Treasuries**

(Reference : Paragraph 3.2.7.2 Page 65)

(i) In G.P., Valsad 10 equipments valued Rs. 42.18 lakh purchased between May 1993 and November 1997 were lying idle for want of electricity supply and foundation. Most of the equipments were not even installed. Three equipments valued Rs. 0.40 lakh and 13 equipments valued Rs. 2.27 lakh were lying idle for long period at VTTI, Ahmedabad and Sir BP Institute, Bhavnagar respectively.

(ii) stores valued Rs. 1.47 lakh in five institutes (G.P., Valsad Rs. 0.27 lakh, VTTI, Ahmedabad Rs.0.16 lakh, G.P., Dahod Rs.0.06 lakh, G.P., Ahmedabad Rs.0.29 lakh and Sir. B.P. Institute, Bhavnagar Rs. 0.59 lakh) was found excess and stores valued Rs. 0.70 lakh in three institutes (G.P., Valsad Rs.0.05 lakh, G.P., Ahmedabad Rs.0.41 lakh, Sir. B.P. Institute, Bhavnagar Rs.0.24 lakh) was found short *vis-a-vis* store account.

(iii) stores valued Rs.1.15 lakh in two institutes (G.P., Ahmedabad Rs.1.04 lakh and Sir. B.P. Institute, Bhavnagar Rs.0.11 lakh) was not found noted in Dead Stock Registers.

(iv) separate Dead Stock Register was not maintained for electrical items in two institutes (VTTI, Ahmedabad and Sir. B.P. Institute, Bhavnagar) and department-wise separate dead stock registers were not maintained in G.P., Valsad.

(v) inventory registers were not maintained by two institutes (VTTI Ahmedabad & Sir B.P., Bhavnagar)

(vi) dead stock/furniture valued Rs. 0.60 lakh were purchased between March 1997 and March 1998 by the VTTI, Ahmedabad in violation of delegation of financial powers.

(vii) no action was taken to repair/condemn stores/equipment valued Rs. 6.50 lakh in four institutes (G.P., Valsad Rs. 4.53 lakh, VTTI, Ahmedabad Rs. 0.21 lakh, and Sir. B.P. Institute, Bhavnagar Rs. 0.54 lakh)

APPENDIX - XX

**Statement showing norms prescribed for Inspection and
Evaluation in Gujarat Technical Education Manual**

(Reference : Paragraph 3.2.9 Page 67)

(i) Deputy Director was required to visit institutes at least once in a year and report on their functioning and progress in administrative and academic matter.

(ii) Accounts officer was required to visit institutes at least once in a year and report on the state of affairs of the institutes relevant to administrative functions.

Deputy Director was required to co-ordinate observations and findings as contained in these two reports and prepare a single report on all administrative matters and present the same to the Director for study and necessary follow up action.

(iii) Two seniormost officers of the Directorate, Director and Joint Director were required to visit institutes as often as they could and oversee their functioning.

(iv) Academic evaluation of polytechnics was required to be carried out by an evaluation team of 6 members consisting of senior officials of the Directorate and TEB educational expert, educational administrator and executive representing industry under the Chairmanship of prominent administrator-cum educator. Except for the Chairman and the two officials of the Directorate and the Board, the other three members would be nominated from amongst persons listed in the panels to be prepared by the Directorate and TEB.

APPENDIX - XXI

Statement showing the budget provision, expenditure etc.

(Reference : Paragraph 3.4.4.(a) Page 92)

(Rupees in crore)

YEAR	BUDGET PROVISION							EXPENDITURE							DIFF- ERENCE
	STATE			CENTRAL			GRAN D TOTAL	STATE			CENTRAL			GRAND TOTAL	
	PLAN	NON- PLAN	TOTAL	PLAN	NON- PLAN	TOTAL		PLAN	NON- PLAN	TOTAL	PLAN	NON- PLAN	TOTAL		
1992-93	7.65	5.39	13.04	0.00	16.96	16.96	30.00	7.32	5.22	12.54	0.00	16.96	16.96	29.50	0.50
1993-94	8.87	3.52	12.39	0.00	21.30	21.30	33.69	8.90	3.56	12.46	0.00	21.39	21.39	33.85	0.16
1994-95	12.00	4.73	16.73	0.00	25.24	25.24	41.97	11.60	4.72	16.32	0.00	25.18	25.18	41.50	0.47
1995-96	25.38	5.07	30.45	0.00	32.03	32.03	62.48	25.15	5.03	30.18	0.00	32.03	32.03	62.21	0.27
1996-97	24.25	3.76	28.01	0.00	40.01	40.01	68.02	24.06	3.75	27.81	0.00	39.81	39.81	67.62	0.40
1997-98	38.73	1.49	40.22	0.00	44.56	44.56	84.78	38.48	1.48	39.96	0.00	44.45	44.45	84.41	0.37
1998-99	36.19	0.90	37.09	0.00	49.82	49.82	86.91	36.19	0.90	37.09	0.00	49.81	49.81	86.90	0.01

APPENDIX - XXII

Statement showing release of central assistance by Government of India
(Reference : Paragraph 3.4.4(b) Page 92)

(Rupees in crore)

Year	Grant released by GOI			Grant actually received by State Government			Difference		
	ICDS	Training	Total	ICDS	Training	Total	ICDS	Training	Total
1992-93	14.97	0.37	15.34	14.97	0.37	15.34	---	-	--
1993-94	22.70	0.45	23.15	22.06	0.45	22.51	(-) 0.64	-	(-) 0.64
1994-95	19.87	0.38	20.25	19.87	0.38	20.25	---	-	--
1995-96	14.86	0.51	15.37	23.23	0.51	23.74	(+) 8.37	-	(+) 8.37
1996-97	43.55	0.36	43.91	57.42	0.36	57.78	(+) 13.87	-	(+) 13.87
1997-98	53.12	0.10	53.22	52.86	0.10	52.96	(-) 0.26	-	(-) 0.26
1998-99	46.77	2.47	49.24	46.77	2.47	49.24	---	-	--

APPENDIX - XXIII
Statement showing details of immunisation
(Reference : Paragraph 3.4.8 Page 99)

(A) For the State

Year	BCG		DPT		Polio		Measles		TT	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1992-93		19770		62517		62239		20325		38071
1993-94		19703		61783		61925		19894		62429
1994-95		18544		60075		61001		17502		32963
1995-96		19980		63450		71248		17471		33239
1996-97		23812		73590		74724		21338		37669
1997-98		29868		86371		88128		24554		45790
1998-99		35998		106519		177116		30920		42013

(B) For test-checked CDPOs

Year	BCG			DPT			Polio			Measles			TT		
	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
1992-93	70536	23707	34	72758	37313	51	72758	40172	55	70328	18785	27	38155	22819	60
1993-94	69069	27312	40	72837	39341	54	72837	39506	54	69427	20428	29	65765	21755	33
1994-95	65053	23693	36	68815	38258	56	68815	37881	55	64822	20533	32	34039	24528	72
1995-96	75628	30101	40	79520	44413	56	79510	48128	61	75153	26710	36	38755	32339	83
1996-97	64329	32397	50	66916	52382	78	69090	59621	86	63785	27738	43	37848	33734	89
1997-98	68745	36089	52	70096	57910	83	69796	58511	84	67814	29820	44	38928	34335	88
1998-99	57545	35505	62	61908	63857	103	61908	68871	111	56949	30565	54	34396	33961	99

APPENDIX - XXIV

**Statement showing details of pre-school education-State as
whole**

(Reference : Paragraph 3.4.10 at Page 101)

Sr No.	Particulars	1992-93			1993-94			1994-95			1995-96		
		Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal
1	No. of children eligible for enrolment	64719	561973	310310	54161	612173	302709	65250	621189	310692	65554	629646	305224
2	No. of children Actually enrolled	44259	501243	297066	39149	560924	291365	44976	527937	303030	43311	530478	292500
3	No of Children who attended the class	39341	367060	204591	32495	313245	1,90215	38770	297632	190389	35883	292839	182329
	Percentage of Sr. No.2 to Sr. No.1	68	89	96	72	92	96	69	85	97	67	84	96
	Percentage of Sr. No.3 to Sr. No.2	89	73	69	83	56	65	86	56	63	83	55	62
	Percentage of Drop Out												
	Between eligible and enrolled	32	11	04	28	08	04	31	15	02	33	16	04
	Enrolled and attended	11	27	31	17	44	35	14	44	37	17	45	38

Sr No.	Particulars	1996-97			1997-98			1998-99			Total		
		Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal
1	No. of children eligible for enrolment	66172	766315	295550	73743	840039	303687	75241	912076	316663	464840	4943411	2144916
2	No. of children Actually enrolled	43796	643722	271828	49961	660788	2748911	46333	763166	297765	311785	4188258	2028445
3	No of Children who attended the class	36719	393234	197942	42776	380781	172133	44208	419770	196373	270192	2083780	1369972
	Percentage of Sr. No.2 to Sr. No.1	66	84	92	68	79	90	62	84	94	67	85	95
	Percentage of Sr. No.3 to Sr. No.2	84	61	73	86	58	63	95	55	66	87	50	68
	Percentage of Drop Out												
	Between eligible and enrolled	34	16	08	32	21	10	38	16	06	33	15	05
	Enrolled and attended	16	39	27	14	42	37	05	45	34	13	50	32

APPENDIX - XXV
Statement showing details of pre-school education-CDPOs

(Reference: Paragraph 3.4.10 at Page 101)

Sr. No.	Particulars	1992-93			1993-94			1994-95			1995-96		
		Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal
1	No. of children eligible for enrolment	16019	48259	342086	15598	47786	341804	15532	50977	339555	15071	79210	363795
2	No. of children Actually enrolled	9808	40502	337987	9773	45336	336915	8924	39722	338555	8872	69104	347911
3	No of Children who attended the class	7885	29091	166226	7919	28945	169777	8167	27791	258998	7527	46961	171001
	Percentage of Sr. No.2 to Sr. No.1	61	84	99	63	93	99	57	78	100	59	87	96
	Percentage of Sr. No.3 to Sr. No.2	80	72	49	81	64	50	92	70	77	85	68	49
	Percentage of Drop Out												
	Between eligible and enrolled	39	16	1	37	7	1	43	22	0	41	13	4
	Enrolled and attended	20	28	51	19	36	50	8	30	24	15	32	51

test-checked

Sr. No.	Particulars	1996-97			1997-98			1998-99			Total		
		Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal	Urban	Rural	Tribal
1	No. of children eligible for enrolment	14941	102550	364778	16584	117925	368565	16651	111190	381394	110396	557917	2501977
2	No. of children Actually enrolled	8115	89493	354260	9793	107506	355923	9598	98154	324644	64883	489817	2396195
3	No of Children who attended the class	7432	65998	186974	8225	75097	2031915	7943	70613	217088	55078	344496	1373975
	Percentage of Sr. No.2 to Sr. No.1	54	87	97	59	91	97	58	88	85	59	88	96
	Percentage of Sr. No.3 to Sr. No.2	92	74	53	84	70	57	83	72	67	85	70	57
	Percentage of Drop Out												
	Between eligible and enrolled	46	13	3	41	9	3	43	12	15	41	12	4
	Enrolled and attended	8	26	47	16	30	43	17	28	33	15	30	43

APPENDIX - XXVI

Statement showing position of vacancy as on 31-3-1999

(Reference : Paragraph 3.4.11 Page 101)

Serial number	Name of the Post	Sanctioned Strength	Vacant Posts	Percentage
1	CDPO	203	84	41
2	ACDPO	227	114	50
3	Supervisors	1826	643	35
4	Anganwadi workers	35933	5665	16
5	Anganwadi Helpers	35933	8146	23
6	Ministerial Staff	789	255	32
7	Drivers	257	84	33
8	Peons	354	132	37
9	Nutritionalist	4	4	100
10	Pre school Instructor	4	4	100
11	Health Instructor	4	4	100
12	Social Welfare Teachers	4	4	100
13	Accountant	4	4	100

Medical Personnel

1	Medical Officer	21	13	62
2	Lady Health Visitor	35	16	46
3	Nurse	127	50	39

Untrained Personnel

		Men In Position	Untrained	Percentage
1	CDPO	119	12	10
2	ACDPO	113	12	11
3	Supervisor	1183	54	5
4	Anganwadi Worker	30268	5792	19
5	Anganwadi Helper	27787	13948	50

APPENDIX - XXVII
Statement showing details of field visits
(Reference : Paragraph 3.4.14.2 Page 105)

Year		CDPO	ACDPO	SUP
1992-93	Visits due	2160	2808	25511
	Visits done	2051	2009	22651
	Shortfall	(-109)	(+101)	(-)2860
	Percentage	(-)5	(+4)	(-)11
1993-94	Visits due	2376	2808	26940
	Visits done	2572	2766	24067
	Shortfall	(+)196	(+)42	(-)2873
	Percentage	(+)8	(+1)	(-)11
1994-95	Visits due	2376	2408	27038
	Visits done	2800	3171	23177
	Shortfall	(+)446	(+)763	(-)3861
	Percentage	(+)19	(+32)	(-)14
1995-96	Visits due	30243	3024	31822
	Visits done	3580	3509	25801
	Shortfall	(+)456	(+)485	(-)6021
	Percentage	(+)15	(+16)	(-)18
1996-97	Visits due	3240	3024	35696
	Visits done	3268	3823	28414
	Shortfall	(+)28	(+)799	(-)7282
	Percentage	(+1)	(+26)	(-)20
1997-98	Visits due	3456	2808	37053
	Visits done	2907	3383	28326
	Shortfall	(-)549	(+)575	(-)8627
	Percentage	(-)16	(+20)	(-)23
1998-99	Visits due	3346	2846	36655
	Visits done	3078	4228	28284
	Shortfall	(-)268	(+)1402	(-)8371
	Percentage	(-)8.00	(+50)	(-)23

APPENDIX – XXVIII

Statement showing district-wise analysis of the incidence of crimes with reference to population and deployment of police personnel in police stations

(Reference : Paragraph 3.5.9 Page 112)

Serial number	Police Districts	Estimated population in 1996 based on census 1991 (in lakh)	Number of police stations as on 31-12-96	Average number of crimes registered during 1992-96	Sanctioned strength of police personnel in police station	Admissible Police personnel as per norms fixed in 1960 based on crimes and population	Short-fall	Number of police personnel per lakh population	Crime per lakh population	Police crime ratio
1	2	3	4	5	6	7	8	9	10	11
1	Surendranagar	13.78	17	2272	1244	2810	1566	90	165	1:1.83
2	Rajkot Rural	28.66	22	3418	1369	5827	4458	48	119	1:2.50
3	Jamnagar	15.64	16	2768	1614	3401	1787	103	177	1:1.71
4	Amreli	14.28	17	1493	1181	3150	1969	83	105	1:1.26
5	Bhavnagar	26.13	23	2941	1961	5574	3613	75	113	1:1.50
6	Junagadh	13.64	23	3175	1715	2922	1207	126	233	1:1.85
7	Banaskantha	24.65	22	3151	1803	5395	3592	73	128	1:1.75
8	Kachchh-Bhuj	14.39	23	1977	1976	3641	1665	137	137	1:1
9	Gandhinagar	4.66	8	1643	1068	1707	639	229	353	1:1.54
10	Mehsana	16.75	12	4161	1704	4031	2327	102	248	1:2.44
11	Kheda (South) Anand	19.61	18	3768	1461	4733	3272	74	192	1:2.58
12	Kheda (North)	19.61	18	2843	1556	4614	3058	79	145	1:1.83
13	Sabarkantha	20.07	19	2636	1367	4584	3217	68	131	1:1.93
14	Ahmedabad Rural	54.74	17	2823	1121	8237	7116	20	52	1:2.52
15	Surat Rural	47.58	15	1663	1140	8329	7189	24	35	1:1.46
16	Vadodara Rural	35.22	18	3410	1703	7117	5414	48	97	1:2
17	Bharuch	17.63	18	3616	1901	4434	2533	108	205	1:1.90
18	Panchmahals (Godhra)	33.70	11	4265	1770	6111	4332	53	127	1:2.40
19	Valsad	24.78	9	2794	1818	5118	3300	73	113	1:1.54
20	Dangs-Ahwa	1.64	2	107	329	548	219	200	65	1:0.33
21	Ahmedabad city	33.68	31	11885	9612	9183	(+) 429	285	353	1:1.24
22	Rajkot city	6.98	6	2787	1461	1994	533	209	399	1:1.91
23	Surat city	17.17	15	4585	3442	5552	2110	200	267	1:1.33
24	Vadodara city	12.10	13	4019	2645	3922	1277	218	332	1:1.52
25	Porbandar	13.64	7	895	920	3033	2113	67	66	1:0.97
26	Patan	16.75	11	2073	903	3478	2575	54	124	1:2.30
	Total	547.48	411	81168	48793	119445	70652	2846	148	

APPENDIX - XXIX

Statement showing reinstatement of dismissed officials at the
instance
of court

(Reference : Paragraph 3.5.16 Page 116)

Office to which official(s) belong	Number of dismissed officials reinstated	Date of dismissed	Date of reinstate	Reasons for reinstate (by Court)
IGP (Comm.) Ahmedabad	1	01-04-1986	21-03-1991	No enquiry was conducted prior to dismissal.
DSP (R) Rajkot	3	23-01-1981	02-01-1997	1. Dismissal after the trial Court acquitted the official in criminal case was illegal.
		12-03-1984	26-09-1997	2. Dismissal against the proposal to withdraw case by the enquiry committee. Wrong action by DG & IGP.
		17-09-1987	24-04-1997	3. Double penalty for one crime and withdrawal of suspension and dismissed for the case for which suspended.
CP Rajkot	1	30-01-1974		Due to illegal procedure of dismissal. The Court ordered to pay his salary and restart enquiry from the stage the procedure declared illegal.

APPENDIX - XXX
Statement showing difference in expenditure figures

(Reference : Paragraph 3.6.4 Page 126)

Serial number	Name of ITI	Expenditure figures as per record of Commissioner	Figures furnished by ITI	Difference
		(Rupees in crore)		
1	Gandhinagar	2.14	1.38	(-)0.76
2	Tarsali	2.29	1.55	(-)0.74
3	Gorva	0.61	0.70	(+)0.09
4	Rajkot	1.89	1.66	(-)0.23
5	Gondal	1.17	1.17	--
6	Morvi	0.18	0.16	(-)0.02
7	Kuber nagar	3.54	3.54	--
8	Sarkhej	1.33	1.16	(-)0.17
9	Saraspur	1.08	1.96	(+)0.88
10	Sanand	0.23	0.24	(+)0.01
11	Surat	2.68	2.67	(-)0.01
12	Olpad	0.22	0.23	(+)0.01
13	Valod	0.11	0.10	(-)0.01
14	Bardoli	0.12	0.12	--
15	Nasvadi	0.12	0.12	--
16	Padra	0.26	0.23	(-)0.03
	Total	17.97	16.99	0.88

APPENDIX - XXXI

Statement showing position of machinery and equipment in ITIs

(Reference : Paragraph 3.6.6 (a) Page 127)

Name of ITI (with number of trades)	Number of trades in which deficiencies existed	Machinery and equipments				
		Required as per norms	Available	Deficiencies		
		(Number)	(Number)	(Number)	(Percentage)	Value (Rupees in lakh)
Gandhinagar(23)	21	652	338	314	48	Not furnished
Tarsali (26)	26	567	478	89	16	21.70
Gorva (12)	11	3550	2283	1267	36	56.75
Rajkot (19)	17	1195	648	547	46	95.00
Gondal (20)	20	876	431	445	51	164.54
Morvi (5)	5	165	57	108	65	10.30
Kubernagar (32)	31	11964	8984	2980	25	192.04
Sarkhej (18)	17	2002	1133	869	43	Not furnished
Saraspur (16)	13	690	371	319	46	72.17
Sanand (6)	6	2379	1142	1237	52	28.37
Surat (21)	18	1094	546	548	50	66.56
Olpad (7)	6	128	48	80	62	28.30
Valod (4)	4	61	29	32	52	3.95
Bardoli (7)	7	813	609	204	25	2.18
Nasvadi (5)	4	197	155	42	21	5.44
Padra (8)	8	343	177	166	48	Not furnished
Total		26676	17429	9247	35	747.30

APPENDIX - XXXII
Statement showing position of vacancy of Craft instructor and
Forman instructor in ITIs

(Reference : Paragraph 3.6.6 (b) Page 128)

Name of ITI	Trade	No. of trainees	No. of CI required	Actual No. of CI	Practical training imparted		Comments
					Yes	No	
1 Gorva	M.M.V						
1995		24	2	Nil	Yes	--	Practical training was given at other ITI (i.e. at Tarsali instead of Gorva) and for theoretical training additional duties were given to other Supervisor/Instructor.
1997		23	2	Nil	Yes	--	
1998		17	2	Nil	Yes	--	
2 Valod	M&W						
1996	GM	24	1	Nil	--	--	No practical and theoretical training in the trade was imparted. However, percentage of successful trainees ranged between 61 (1997-98) and 100 (1996-97 and 1998-99) which were not free from doubt.
1997		24	1	Nil	--	--	
1998		23	1	Nil	--	--	
3 Bardoli	DPCS						
1998	(COPA)	18	1	Nil	--	No	Principal stated that training suffered due to vacant post.
4 Sarkhej	PPO	36	2	Nil	Partially	--	Local arrangements were made but no effective training was imparted to the trainees. Thus, trades were introduced without creating proper infrastructure.
1998	LACP	37	2	Nil	Partially	--	
	MMCP	38	2	Nil	Partially	--	
5 Gondal							
1997	PPO	6	1	Nil	--	No	Training suffered due to vacant posts.
1998	PPO	6	1	Nil	--	No	
1998	AOCP	30	1	Nil	--	No	
1998	TWAR	20	1	Nil	--	No	

As regards JTO, no such post was sanctioned at ITI under CTS. The position of FI was as under :

Name of I.T.I.	No. of post sanctioned	Men Position in	Vacancy in number with percentage	Remarks
Kubernagar	6	2	4 (67)	Since 1998-99 onwards due to transfer/retirement
Tarsali	8	2	6(75)	Since 1997-98 onwards due to transfer
Surat	7	2	5(71)	Since 1998-99 onwards due to retirement
	21	6	15 (71)	

APPENDIX -XXXIII

Statement showing percentage of drop out
(Reference : Paragraph 3.6.7 Page 129)

Name of trade	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
	(Percentage of drops out)						
Fitter	28	29	40	40	37	44	--
Instrument Mechanic	21	34	43	50	32	35	--
Mechanic (Motor Vehicle)	35	36	39	40	54	42	29
Mechanic (Diesel)	22	25	23	29	40	40	47
Mechanic Tractor	41	36	44	38	60	-	--
Refrigeration and Air Conditioner	34	31	-	35	47	-	--
Surveyor	52	44	69	45	100	-	--
Turnor	33	37	32	30	24	50	--
Wireman	33	31	36	35	24	34	37
Plastic Processing Operator	-	24	-	34	30	100	--
Draughtsmen (Civil)	54	45	36	32	24	47	42
Draughtsmen (Mechanic)	32	35	25	24	32	34	--
DPCS	--	32	30	35	26	30	--
Radio & T.V.	44	32	40	37	30	29	42
Welder	47	36	37	38	42	35	27

APPENDIX - XXXIV

Statement showing Machinery lying idle
(Reference : Paragraph 3.6.10(i) Page 130)

Name of ITI/Trade	Month of Purchase	Cost of Machinery Rs.	Reasons for non-use/idle with period from
Surat/Letter Press Machine Grinder	Not furnished	1,50,000	Due to closure of trade (in August 1994)
Surat/Hand composition	Not furnished	2,50,000	Due to closure of trade (in August 1996)
Surat/DPCS	April 1998	1,73,400	Colour Laser Printer, out of syllabus (April 1998)
Surat/PPO	February 1997 & April 1998	8,25,744 (6 items)	Flooring level disturbed
Surat/Air Conditioner Plant	March 1990	1,29,650	For want of demonstration and some defects (September 1990)
Junagadh, Rajkot, Tarsali, Gorva, RDD Rajkot & RDD Surat/DPCS	March 1997 & April 1997	422000 (@ 52750 x 8 Nos.)	Pentium Computers for want of repairs (From April 1998)
Sanand	March 1993 to October 1993	2,58,650 (3 machines)	Two machines lying idle between 1993 and 1995 and one machine between 1995 and 1998 due to procedure delay in shifting to other ITIs
Kubernagar/MMV (Six vehicles)	Not available	2,30,244	For want of spare parts (December 1998, March 1995, June 1994, January 1990 and December 1994)
Sarkhej (IM)	March 1993	1,47,134	Non-use since March 1993 due to old syllabus
Total		25,86,822	

APPENDIX-XXXV

Statement showing the details of foreign travel performed by Ministers, MLAs,
Officers etc. during the year 1998.

(Reference : Paragraph 3.8.2 (a),(b),(c),(d),(h) and (i) Page141-146)

(Rupees in lakh)

Serial number	Name Designation	Port folio held/ Department	Place(s) visited Period of visit	Purpose of visit	Expenditure
1	Shri. A.K. Sharma Deputy Secretary and Director (BPE)	Finance Department, Gandhinagar	Washington DC, USA 7 December to 18 December 1998	Work-shop under SSTA	Borne by Asian Development Bank (ADB)
2	Dr. (Mrs.) Sushma. M. Shah Associate Professor obst. & Gyn.	Government Medical College, Vadodara	Boston, USA 6 April to 3 July 1998	Fellowship in Gynaecology	Borne by World Health Organisation (WHO)
3	Dr. D.M. Saxena Additional Director	State AIDs control society, Gandhinagar	Geneva, Switzerland 28 June to 3 July 1998	Participate in 12th World AIDs conference	Borne by British High Commission.
4	Dr. S.R. Nagar Chief District Health Officer	District Panchayat, Jamnagar	Indonesia 1 September to 10 October 1998	Regional training course on reproductive health	Borne by WHO
5	Dr. Bharat C. Kazi Associate Professor of Medicine	B.J. Medical College, Ahmedabad	Bangkok, Thailand 14 December to 18 December 1998	Inter country workshop on case management	Borne by WHO
6	Dr. S.L. Kanthariya Associate Professor	P & SM Department Government Medical college, Surat	London School of Hygiene, UK One year from 28 September 1998	MSC Public Health	Borne by British High Commission under Malaria Containment & Research Project, Surat.
7	Dr. Pradipkumar Gupta Associate Professor	P & SM Department Government Medical college, Surat	London UK Six weeks from 28 September 1998	MSC first term of Public Health	Borne by British High Commission under Malaria Containment & Research Project, Surat.
8	Shri. George Kurien. M. Biologist, Class-II	Commissioner of Health, Medical services and Medical Education, Gandhinagar	Nutiled Institute of Health, London, UK 23 September to 11 December 1998	Health services management	Borne by British High Commission under Malaria Containment & Research Project, Surat.
9	Dr. Harshidaben Gamit, Medical Officer	Community Health Centre, Songadh, Surat	UK 23 September to 11 December 1998	Health services management	Borne by British High Commission under Malaria Containment & Research Project, Surat.

Serial number	Name Designation	Port folio held/ Department	Place(s) visited Period of visit	Purpose of visit	Expenditure
10	Shri. I.C. Bhatt Lokayukta	Lokayukta Office, GAD, Gandhinagar	Seattle Washington, USA 18 October to 21 October 1998	Attend 1998 IACOL World Conference	2.53
11 ✓	Shri. J.A. Lakhani Superintending Engineer (M)	Dredging Cell Circle, Jamnagar	Netherlands, Belgium, France & UK 12 May to 26 June 1998	To participate in 34th International seminar on port management	Borne by Netherlands Government
12 ✓	Shri. M.N. Mankad Executive Engineer (M)	Circle Office, Ahmedabad	Netherlands, Belgium, France & UK 12 May to 26 June 1998	To participate in 34th International seminar on port management	Borne by Netherlands Government
13 ✓	Shri. G.R. Jadeja Executive Engineer (Civil)	Gandhinagar Complex Division GMB, Ahmedabad	Netherlands, Belgium, France & UK 12 May to 26 June 1998	To participate in 34th International seminar on port management	Borne by Netherlands Government
14 ✓	Shri. H.C. Solanki Accounts Officer	Gujarat Maritime Board (GMB), Ahmedabad	Singapore 17 August to 28 August 1998	Port management and operation training	0.26
15	Late S.J. Korat Ex. Minister	Road & Building Department, Gandhinagar	Washington & UK 18 May to 3 June 1998	Negotiation with World Bank/NRI for Gujarat State High way project	2.30
16	Shri. H.P. Jamdar Secretary	Roads & Buildings Department, Gandhinagar	Washington & UK 18 May to 3 June 1998	Negotiation with World Bank/NRI for Gujarat State High way project	2.77
17	Shri. S.S. Rathore Special Secretary	Roads & Buildings Department, Gandhinagar	Washington & UK 18 May to 3 June 1998	Negotiation with World Bank/NRI for Gujarat State High way project	2.30
18	Shri. Rajesh Kishor Additional Chief Secretary	Finance Department, Gandhinagar	Washington & UK 18 May to 3 June 1998	Negotiation with World Bank/NRI for Gujarat State High way project	1.92

Serial number	Name Designation	Port folio held/ Department	Place(s) visited Period of visit	Purpose of visit	Expenditure
19	Shri. L.N.S. Mukundan Chief Secretary	Chief Secretary Government of Gujarat, Gandhinagar	Paris 2 November to 4 November 1998	World Bank conference for private investment in infrastructure in India	1.43
20	Shri. Atanu Chakraborty Chief Executive Officer	Gujarat Infra Development Board Society (GIDBS), Gandhinagar	Paris 2 November to 4 November 1998	World Bank conference for private investment in infrastructure in India	1.03
21	Shri. G.M. Thakore Hon. Minister	Home(Jail) Department, Gandhinagar	Singapore 12 November to 20 November 1998	Study of Singapore jails	0.38
22	Shri. A.R. Bhatt Deputy Inspector General of Prisons	Inspector General of Prisons, Ahmedabad	Singapore 12 November to 20 November 1998	Study of Singapore jails	0.38
23	Shri. Ashok Bhatt Hon. Minister	Labour and Employment Department, Gandhinagar	Geneva, Switzerland & France 9 June to 18 June 1998	Attending the International Labour Conference	1.07
24 ✓	Shri. J.J. Parmar Deputy Director of Fisheries	Commissioner of Fisheries, Gandhinagar	Karachi, Pakistan 8 November to 22 November 1998	Repatriation of Fishermen and boats	0.57
25 ✓	Shri. K.R. Narayanan Deputy Director of Fisheries	Commissioner of Fisheries, Gandhinagar	UK 13 February to 19 February 1999	To study about the marine fisheries resource building through sea ranching	0.51

APPENDIX – XXXVI
Statement showing year-wise position of outstanding
Inspection Reports and Paragraphs
(Reference : Paragraph 3.12 Page 153)

Year	Inspection Reports	Paragraphs
Upto 1994-95	58	114*
1995-96	20	63
1996-97	50	96
1997-98	61	185
1998-99	35	105
Total	224	563

* Of the six Inspection Reports and eight paragraphs have not been replied to/settled for more than 10 years.

APPENDIX -XXXVII

Year-wise cases of Misappropriation, losses, etc. (Reported up to 31 March 1999 and outstanding at the end of 30 September 1999)

(Reference : Paragraph 3.18 Page 160)

(Rupees in lakh)

Serial number	Name of Department	upto 1990-91		1991-92		1992-93		1993-94		1994-95	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Food and Civil Supplies	2	0.64	--	--	--	--	--	--	--	--
2	Agriculture, Co-operation and Rural Development	2	2.67	--	--	1	29.00	1	3.89	1	0.29
3	Fisheries (Ports and Fisheries)	--	--	--	--	--	--	--	--	--	--
4	Forest and Environment	5	3.34	--	--	--	--	2	0.11	1	0.98
5	Home	2	0.33	6	8.46	--	--	2	0.51	--	--
6	Labour and Employment	--	--	--	--	--	--	--	--	--	--
7	Home (Transport)	1	2.56	--	--	--	--	--	--	--	--
8	Finance	3	5.62	--	--	--	--	--	--	--	--
9	Gujarat Legislature Secretariat	1	0.41	--	--	--	--	--	--	--	--
10	Health and Family Welfare	14	15.39	2	3.36	--	--	1	0.13	--	--
11	Roads and Buildings	4	4.94	1	1.11	--	--	--	--	1	0.20
12	Narmada and Water Resources (WR)	27	13.01	2	0.61	2	0.89	1	0.77	--	--
13	Industries and Mines	--	--	--	--	--	--	--	--	--	--
14	Narmada and Water Resources (Narmada)	2	1.37	--	--	--	--	--	--	--	--
15	Legal	1	0.16	1	0.86	--	--	--	--	--	--
16	Education	--	--	--	--	--	--	1	1.13	--	--
17	Panchayat and Rural Housing	--	--	--	--	--	--	--	--	1	0.08
18	Revenue	15	2.69	--	--	1	3.44	1	5.86	--	--
19	Information and Publicity	--	--	--	--	--	--	--	--	--	--
20	Land Revenue	42	5.16	--	--	--	--	--	--	--	--
	Total	121	58.29	12	14.40	4	33.33	9	12.40	4	1.55

(The figures have been

(Rupees in lakh)

Serial number	Name of Department	1995-96		1996-97		1997-98		1998-99		Total	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Food and Civil Supplies	--	--	--	--	--	--	--	--	2	0.64
2	Agriculture, Co-operation and Rural Development	--	--	1	1.41	3	16.13	--	--	9	53.39
3	Fisheries (Ports and Fisheries)	--	--	1	0.01	--	--	--	--	1	0.01
4	Forest and Environment	--	--	--	--	--	--	--	--	8	4.43
5	Home	--	--	1	3.88	5	2.35	--	--	16	15.53
6	Labour and Employment	--	--	--	--	--	--	3	0.58	3	0.58
7	Home (Transport)	--	--	--	--	--	--	--	--	1	2.56
8	Finance	--	--	--	--	--	--	--	--	3	5.62
9	Gujarat Legislature Secretariat	--	--	--	--	--	--	--	--	1	0.41
10	Health and Family Welfare	--	--	2	1.29	--	--	1	0.57	20	20.74
11	Roads and Buildings	1	1.43	--	--	--	--	--	--	7	7.68
12	Narmada and Water Resources (WR)	--	--	--	--	--	--	--	--	32	15.28
13	Industries and Mines	--	--	1	0.07	1	0.68	--	--	2	0.75
14	Narmada and Water Resources (Narmada)	--	--	--	--	--	--	--	--	2	1.37
15	Legal	--	--	--	--	3	3.34	--	--	5	4.36
16	Education	--	--	2	8.65	1	1.90	1	1.00	5	12.68
17	Panchayat and Rural Housing	--	--	3	0.25	--	--	3	66.90	7	67.23
18	Revenue	--	--	--	--	--	--	--	--	17	11.99
19	Information and Publicity	--	--	--	--	1	0.58	--	--	1	0.58
20	Land Revenue	4	0.24	1	0.06	2	0.33	--	--	49	5.79
	Total	5	1.67	12	15.62	16	25.31	8	69.05	191	231.62

rounded in thousand)

APPENDIX - XXXVIII (a)

Details regarding year-wise Inspection Reports/Paras outstanding for more than 10 years

(Reference : Paragraph 4.13 Page 117)

Year	Roads and Buildings Department		Narmada Water Resources and Water Supply Department		Total	
	Inspection Reports	Paras	Inspection Reports	Paras	Inspection Reports	Paras
1978-79	1	1	--	--	1	1
1980-81	3	3	1	1	4	4
1981-82	3	3	4	5	7	8
1982-83	4	4	7	8	11	12
1983-84	3	4	11	17	14	21
1984-85	8	13	30	67	38	80
1985-86	11	18	28	50	39	68
1986-87	16	28	54	135	70	163
1987-88	18	28	41	112	59	140
1988-89	12	23	47	106	59	129
Total	79	125	223	501	302	626

APPENDIX - XXXVIII (b)

Statement showing year-wise details of Inspection Reports paragraphs issued upto 31-12-1998 and outstanding as on 30-06-1999 in respect of Roads and Buildings Department and Irrigation Department of Government of Gujarat

(Reference : Paragraph 4.13 Page 177)

Year	Roads and Buildings Department		Irrigation Department		Total	
	Inspection Reports	Para-graphs	Inspection Reports	Para-graphs	Inspection Reports	Para-graphs
Upto 1993-94	263	586	547	1328	810	1914
1994-95	48	141	45	117	93	258
1995-96	53	145	48	112	101	257
1996-97	63	184	66	155	129	339
1997-98	38	144	62	160	100	304
1998-99	23	98	55	147	78	245
Total	488	1298	823	2019	1311	3317

APPENDIX - XXXIX

Statement showing the Unsettled Serious Irregularities as of May 1999

(Reference : Paragraph 4.13 Page 177)

(Rupees in lakh)

Serial number	Nature of Irregularities	Roads and Buildings Department		Narmada Water Resources and Water Supply Department	
		Number of Paras	Amount	Number of Paras	Amount
1	Unauthorised financial aid to the contractor/supplier	35	1795.93	23	225.07
2	Outstanding recoveries from contractor/suppliers	43	797.41	44	415.60
3	Extra expenditure due to delay in acceptance of tender/unworkable rate	20	278.07	11	81.79
4	Extra expenditure due to delay in completion/abandonment of work	6	218.51	6	113.25
5	Avoidable extra expenditure	19	174.17	37	351.14
6	Extra expenditure	8	89.21	34	892.30
7	Irregular expenditure/payment	26	577.26	36	1646.75
8	Unfruitful expenditure	14	514.47	19	4163.66
9	Infructuous expenditure	1	8.65	7	200.77
10	Blocking up of fund	4	148.44	29	782.76
11	Unadjusted advances/MPW advance	--	--	2	50.69
12	Expenditure incurred in excess of deposit work/deposit transaction	1	2.61	--	--
13	Irregular allotment of Job Number	2	2151.41	--	--
14	Unutilised stores/spares parts/machineries lying idle etc.	10	158.32	14	225.38
15	Excess expenditure than letter of credit/budget grants allotment	4	201.33	--	--
16	Outstanding amount in CSS accounts	1	20.23	--	--
17	Irregular purchases	4	296.96	9	48.34
18	Loss to Government	12	195.89	14	175.75
19	Misappropriation	1	2.50	--	--
20	Diversion of fund	--	--	4	676.19
21	Other Miscellaneous	22	1942.58	26	1919.61

APPENDIX - XL
**Statement showing the details of the departments which had
not furnished the information**

(Reference : Paragraph 6.1.3 Page 182)

Serial number	Name of department	Year for which information had not been furnished to Audit
1	Agriculture, Co-operation and Rural Development	1995-96 1996-97 1997-98 1998-99
2	Education	1995-96 1996-97 1997-98 1998-99
3	Finance	1995-96 1996-97 1997-98 1998-99
4	Food and Civil supplies	1995-96 1996-97 1997-98 1998-99
5	General Administration	1997-98 1998-99
6	Health and Family Welfare	1995-96 1996-97 1997-98 1998-99
7	Industries and Mines	1995-96 1996-97 1997-98 1998-99
8	Information, Broadcasting and Tourism	1995-96 1996-97 1997-98 1998-99
9	Labour and Employment	1995-96 1996-97 1997-98 1998-99
10	Legal	1995-96 1996-97 1997-98 1998-99
11	Narmada and Water Resources	1995-96 1996-97 1997-98 1998-99
12	Roads and Buildings	1995-96 1996-97 1997-98 1998-99
13	Social Welfare	1995-96 1996-97 1997-98 1998-99

14	Urban Development and Urban Housing	1995-96 1996-97 1997-98 1998-99
15	Youth Services and Cultural Activities	1997-98 1998-99
16	Forest and Environment	1998-99
17	Home	1997-98 1998-99
18	Panchayats and Rural Housing	1997-98 1998-99
19	Revenue	1998-99

APPENDIX - XLI

Statement showing the details of bodies whose accounts have been entrusted to the Comptroller and Auditor General of India

(Reference : Paragraph 6.1.7 Page 184)

Serial number	Name of body	Period of entrustment of audit	Date of entrustment
1	Gujarat Maritime Board, Ahmedabad	Upto 2001-02	12 January 1999
2	Gujarat Municipal Finance Board, Ahmedabad	Upto 1998-99	06 October 1998
3	Gujarat Housing Board, Ahmedabad	Upto 2002-03	18 February 1998
4	Gujarat Rural Housing Board, Gandhinagar	Upto 2002-03	16 April 1998
5	Gujarat Slum Clearance Board, Ahmedabad	Upto 2002-03	02 May 1998

APPENDIX - XLII

Statement showing year-wise budget provision and expenditure during 1992-99

(Reference : Paragraph - 6.2.4 Page 191)

JRY

(Rupees in crore)

Year	Budget provision	Amount released to DRDAs	Amount utilised by implementing agencies	Excess (+) Savings (-) With reference to releases
1992-93	89.00	73.44	83.28	(+) 9.84
1993-94	89.00	141.65	105.86	(-) 35.79
1994-95	119.56	128.61	106.86	(-) 21.75
1995-96	160.46	143.38	115.79	(-) 27.59
1996-97	38.89	60.07	63.63	(+) 3.56
1997-98	14.62	72.83	70.49	(-) 2.34
1998-99*	18.62	34.46	31.80	(-) 2.66
Total	530.15	654.44	577.71	(-) 76.73

EAS

(Rupees in crore)

Year	Budget provision	Amount released to DRDAs	Amount utilised by implementing agencies	Excess (+) Savings (-) With reference to releases
1993-94	--	6.06	1.45	(-) 4.61
1994-95	--	44.75	18.10	(-) 26.65
1995-96	--	87.12	59.93	(-) 27.19
1996-97	--	72.61	75.81	(+) 3.20
1997-98	24.52	54.52	71.11	(+) 16.59
1998-99**	25.75	25.12	38.95	(+) 13.83
Total	50.27	290.18	265.35	(-) 24.83

Note :: No separate budget provision upto 1996-97.

MWS

(Rupees in crore)

Year	Budget provision	Amount released to DRDAs	Amount utilised by implementing agencies	Excess (+) Savings (-) With reference to releases
1992-93	--	18.31	18.56	(+) 0.25
1993-94	--	25.00	20.20	(-) 4.80
1994-95	--	28.39	28.07	(-) 0.32
1995-96	--	15.94	17.95	(+) 2.01
1996-97	--	14.43	11.83	(-) 2.60
1997-98	3.23	12.16	15.12	(+) 2.96
1998-99***	4.85	5.93	6.32	(+) 0.39
Total	8.08	120.16	118.05	(-) 2.11

Note : No separate budget provision upto 1996-97.

* Figures upto December 1998.

** Figures upto December 1998.

*** Figures upto December 1998.

APPENDIX - XLIII

Statement showing the difference in figures of expenditure between the records of Commissioner and the DRDAs under EAS (less Rs.2.96 crore) and JRY (excess Rs.7.77 crore)

(Reference : Paragraph 6.2.4 Page 191)

(Figure in crore)

Year	Rajkot		Banaskantha		Valsad		Kachchh	
	Commissioner	District	Commissioner	District	Commissioner	District	Commissioner	District
1992-93								
EAS	--		--		--		--	
JRY	1.82	1.77	10.10	10.10	9.34	9.26	5.16	3.69
1993-94								
EAS	Nil	Nil	Nil	Nil	0.97	0.93	0.04	0.03
JRY	1.77	1.94	13.65	13.71	12.71	10.76	7.44	5.91
1994-95								
EAS	0.23	0.34	0.21	0.30	2.09	3.61	0.45	0.65
JRY	1.91	1.30	9.01	9.00	13.28	15.21	9.01	7.47
1995-96								
EAS	1.03	0.96	2.30	2.15	8.40	9.06	3.96	4.41
JRY	2.77	1.93	7.06	6.88	15.43	16.67	5.14	4.37
1996-97								
EAS	2.64	2.03	5.31	6.36	8.24	7.60	10.36	10.96
JRY	1.16	0.84	3.25	3.27	6.96	6.66	2.83	2.08
1997-98								
EAS	3.97	3.70	4.19	3.86	4.65	4.73	1.32	1.65
JRY	1.69	1.29	3.20	3.09	8.16	8.14	1.95	1.68
Total EAS	7.87	7.02	12.01	12.67	24.35	25.93	16.13	17.70
JRY	11.12	9.08	46.27	46.05	65.88	66.70	31.53	25.20

	Commissioner	District	Difference
EAS	60.36 crore	63.32 crore	2.96 crore Excess by District
JRY	154.80 crore	147.03 crore	7.77 crore Excess shown by Commissioner

APPENDIX - XLIV

Statement showing shortcomings in execution of various works
(Reference : Paragraph 6.2.19 Page 202)

JRY : (Valsad District)

Serial Number	Sector	Required weightage in allocation of fund	Actual weightage in expenditure (In Percentage)						
			1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
1	Minor Irrigation and Water and Soil Conservation etc.	60.00	3.16	1.33	7.67	6.71	3.40	0.98	1.90
2	Road works	17.50	91.78	84.39	64.51	83.08	73.08	71.84	62.26
3	Individual beneficiaries scheme	22.50	5.06	14.28	27.82	10.21	23.52	27.18	35.84

EAS

Serial Number	Sector	Required weightage in allocation of funds	Actual weightage in expenditure (In Percentage)						
			1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	
1	Water and Soil Conservation works including afforestation								
	Valsad	40	2.42	6.60	1.64	1.72	19.08	44.92	
	Banaskantha	40	Nil	14.57	31.02	57.29	73.79	NA	
	Kachchh	40	Nil	Nil	4.77	11.10	Nil	Nil	
2	Minor Irrigation								
	Valsad	20	23.01	26.13	22.85	18.01	25.42	10.76	
	Banaskantha	20	Nil	Nil	31.95	17.57	12.05	NA	
	Kachchh	20	Nil	17.38	30.23	44.82	38.02	42.19	
3	Road works								
	Valsad	20	74.57	63.47	70.70	71.23	54.19	42.15	
	Banaskantha	20	Nil	85.42	35.23	19.72	9.48	NA	
	Kachchh	20	Nil	13.04	54.08	40.87	27.86	30.95	
4	Primary School and Anganwadi								
	Valsad	20	Nil	3.80	4.90	4.49	1.31	2.17	
	Banaskantha	20	Nil	Nil	1.80	5.42	4.68	NA	
	Kachchh	20	Nil	69.58	10.92	3.21	34.12	26.86	

APPENDIX - XLV

Statement showing year-wise position of outstanding Inspection Reports and Paragraphs

(Reference : Paragraph 6.3 Page 205)

Year	District Panchayat, Surat		District Rural Development Agencies, Godhara		Total	
	Inspection Reports	Paragraphs	Inspection Reports	Paragraphs	Inspection Reports	Paragraphs
Upto 1994-95	40	81	6	85	46*	166*
1995-96	8	26	1	11	9	37
1996-97	9	22	--	--	9	22
1997-98	11	42	1	31	12	73
1998-99	--	--	1	18	1	18
Total	68	171	9	145	77	316

* Of these six Inspection Reports and 14 paragraphs of District Panchayat, Surat and four Inspection Reports and 54 paragraphs of District Rural Development Agency, Godhara respectively have not been replied to/settled for more than 10 years.

APPENDIX – XLVI (a)

**Statement showing the details of the Irregularities
commented upon in the outstanding Inspection Reports of
District Panchayat, Surat
(Reference : Paragraph 6.3 Page 205)**

Serial number	Category of objection	Paragraphs	Amount involving
1	Overpayments, non-recovery of rents and advances/miscellaneous recoveries	14	11.53
2	Incomplete/abandoned works	13	88.01
3	Excess/irregular expenditure for want of sanctions	14	1053.74
4	Non-utilisation of grants	23	2739.65
5	Wasteful, infructuous/unfruitful expenditure	12	65.45
6	Non-crediting of Government income into Government account	13	179.05
7	Non-reconciliation with treasury banks	05	2373.40
8	Lapse deposits not credited into Government accounts	06	15.34
9	Non-receipts of contribution from Municipalities	04	60.54
10	Non-disposal of unserviceable articles of stores	08	5.35
11	Drawal of funds in advance of requirement/blocking of funds	01	21.91
12	Diversion of funds	02	20.18
13	Misappropriation of stores/cash/fraud	03	1.64
14	Irregular purchases	02	158.07
15	Non-obtaining of utilisation certificates	02	158.07
16	Miscellaneous irregularities	00	211.43

APPENDIX – XLVI (b)

**Statement showing the details of the Irregularities commented upon
in the outstanding Inspection Reports of District Development
Agency Godhra**

(Reference : Paragraph 6.3 Page 205)

Serial number	Category of objection	Paragraphs	Amount involving
1	Overpayments, non-recovery of rents and advances/miscellaneous recoveries	16	969.36
2	Incomplete/abandoned works	08	471.90
3	Excess/irregular expenditure for want of sanctions	07	51.07
4	Non-utilisation of grants	09	1999.98
5	Wasteful, infructuous/unfruitful expenditure	11	31.63
6	Non-crediting of Government income into Government account	03	0.56
7	Non-reconciliation with treasury banks	03	1.28
8	Drawal of funds in advance of requirement/blocking of funds	05	21.33
9	Diversion of funds	07	75.40
10	Misappropriation of stores/cash/fraud	03	28.40
11	Irregular purchases	05	2.66
12	Issue of Utilisation Certificates before incurring expenditure	01	224.33
13	Idle machinery/equipment	02	1.59
14	Irregular excess payment of subsidy	15	10.55
15	Non-achievement of target in construction of Class-Room under operation black board scheme	01	32.80
16	Works executed through gangmen	01	60.37
17	Works executed through contractor instead of providing gainful employment in un-employed departmentally/Government Agency	04	11.77
18	Un-authorized financial aid to contractor/Agency	03	5.68
19	Avoidable expenditure on Member of Parliament grant	02	18.25
20	Loss/theft/embezzlements/defalcation	01	1.00
21	Non-obtaining of utilisation certificate	02	378.33
22	Infrastructure non-achievement of target in imparting Training/securing job	40	17.20
23	Miscellaneous Irregularities	40	17.20

APPENDIX XLVII

GLOSSARY OF ABBREVIATIONS

ACDPO	Assistant Child Development Project Officer
ADGP	Additional Director General and Inspector General of Police
AG	Accountant General
AG(A&E)	Accountant General (Accounts and Entitlements)
AICTE	All India Council for Technical Education
AOCP	Attendent Operator Chemical Plant
AUDA	Ahmedabad Urban Development Authority
AW	Anganwadi
AWW	Anganwadi Worker
BCG	Bacittus - Calmatte - Guerin (anti - tuberculosis vaccine)
BE	Budget Estimates
BLCC	Block Level Co-ordination Committee
CDPO	Child Development Project Officer
CE	Chief Engineer
CF	Contingency Fund
CI	Craft Inspector
CIP	Central Issue Price
CM	Cubic metre
COPA	Computer Operator Programming Assistant
CP	Commissioner of Police
CSI	Chief Supply Inspector
CSPO	Central Stores Purchase Organisation
CTS	Craftsman Training Scheme
DA	Daily Allowance
DBCWO	District Backward Class Welfare Officer
DCA	Direct Central Assistance
DCB	Detection Crime Branch
DCF	Deputy Conservator of Forests
DDOs	Drawing and Disbursing officers
DDP	Desert Development Programme
DEE	Deputy Executive Engineer
DG&IGP	Director General and Inspector General of Police
DGET	Directorate General of Employment and Training, New Delhi
DIC	District Industries Centre

DIGP	Deputy Inspector General of Police
DLCC	District Level Co-ordination Committee
DOEA	Department of Economic Affairs
DP	District Panchayat
DPAP	Drought Prone Area Programme
DPCS	Data Preparation and Computer Software
DPT	Diphtheria, Pertussis, Tetanus
DRDA	District Rural Development Agency
DSO	District Supply Officer
DSP	District Superintendent of Police
DSWO	District Social Welfare Officer
DTE	Directorate of Technical Education
DySP	Deputy Superintendent of Police
EAS	Employment Assurance Scheme
ECM	Exchange Control Manual
EE	Executive Engineer
FA	Financial Advisor
FCI	Food Corporation of India
FCRA	Foreign Contribution Regulation Act.
FD	Finance Department
FD/TD	Fixed Deposits/Term Deposits
FDR	Flood Damage Repair
FI	Foreman Instructor
FPS	Fair Price Shops
FSI	Floor Space Index
FSL	Full Submergence Level
GERI	Gujarat Research Engineering Institute
GGCDC	Gujarat Growth Centres Development Corporation Limited
GIA	Grants-in-aid
GIDC	Gujarat Industrial Development Corporation
GIIC	Gujarat Industrial Investment Corporation
GMB	Gujarat Maritime Board
GOG	Government of Gujarat
GOI	Government of India
GP	Government Polytechnics
GPM	Gujarat Police Manual
GSCSC	Gujarat State Civil Supplies Corporation
GSFS	Gujarat State Financial Services

HQ	Head Quarter
ICDS	Integrated Child Development Services
IGP	Inspector General of Police
IPS	Indian Police Service
Irs	Inspection Reports
ITDP	Integrated Tribal Development Programme
It is	Industrial Training Institutes
JRY	Jawahar Rozgar Yojna
JTO	Junior Training Officer
KG	Kilo Gramme
Km	Kilo metre
KPT	Kandla Port Trust
LACP	Laboratory Assistant Chemical Plant
LBM	Lean Bituminous Macadam
M&WGM	Men and Women Garment Making
Manual	Gujarat Budget Manual Volume - I
MAS	Material at Site
MDM	Mid Day Meal
MEA	Ministry of External Affairs
MHA	Ministry of Home Affairs
MLAs	Members of Legislative Assembly
MMCP	Maintenance Mechanic Chemical Plant
MMV	Mechanic Motor Vehicle
MOF	Ministry of Finance
MOST	Ministry of Surface Transport
MT	Matric Tonne
MWS	Million Wells Scheme
NCDC	National Co-operative Development Corporation
NCVT	National Council for Vocational Training
NGO	Non-Governmental Organisation
NSPE	Nutritional Support to Primary Education
NTC	National Trade Certificate
PDS	Public Distribution System
PWD	Public Works Department
PI	Police Inspector
PLAs	Personal Ledger Accounts
PPO	Plastic Processing Operator
PSI	Police Sub Inspector

PSUs	Public Sector Undertakings
R&B	Roads and Buildings Department
RA	Running Account
RBI	Reserve Bank of India
RCC	Reinforced Cement Concrete
RDD	Regional Deputy Director (Training)
RE	Revised Estimates
RPDS	Revamped Public Distribution System
RUDA	Rajkot Urban Development Authority
SC/ST	Scheduled Caste/Scheduled Tribes
SCVT	State Council for Vocational Training
SDPO	Sub Divisional Police Officer
SE	Superintending Engineer
SI	Supply Inspector
SLCC	State Level Co-ordination Committee
Sq.m	Square metre
SR	Special Repairs
SRPF	State Reserve Police Force
SSI	Small Scale Industries
SUDA	Surat Urban Development Authority
TA	Travelling Allowances
TEB	Technical Examination Board
TPDS	Targetted Public Distribution System
TWAR	Two Wheeler Auto Repairer
UC	Utilisation Certificate
UNICEF	United Nations Children's Emergency Fund
WBM	Water Bound Macadam

Introduction	1
Chapter I	10
Chapter II	20
Chapter III	30
Chapter IV	40
Chapter V	50
Chapter VI	60
Chapter VII	70
Chapter VIII	80
Chapter IX	90
Chapter X	100
Chapter XI	110
Chapter XII	120
Chapter XIII	130
Chapter XIV	140
Chapter XV	150
Chapter XVI	160
Chapter XVII	170
Chapter XVIII	180
Chapter XIX	190
Chapter XX	200
Chapter XXI	210
Chapter XXII	220
Chapter XXIII	230
Chapter XXIV	240
Chapter XXV	250
Chapter XXVI	260
Chapter XXVII	270
Chapter XXVIII	280
Chapter XXIX	290
Chapter XXX	300
Chapter XXXI	310
Chapter XXXII	320
Chapter XXXIII	330
Chapter XXXIV	340
Chapter XXXV	350
Chapter XXXVI	360
Chapter XXXVII	370
Chapter XXXVIII	380
Chapter XXXIX	390
Chapter XL	400
Chapter XLI	410
Chapter XLII	420
Chapter XLIII	430
Chapter XLIV	440
Chapter XLV	450
Chapter XLVI	460
Chapter XLVII	470
Chapter XLVIII	480
Chapter XLIX	490
Chapter L	500

ERRATA

Report of the Comptroller and Auditor General of India for the year ended March 1999 No.3 (Civil)-Government of Gujarat

Page No.	Reference to Line/Column	For	Read
XVI	27 th line	Eduction	Education
12	4 th line	increase	increased
47	Col. No. 4, 1 st line	Delayed of Start of Centres	Delayed start of centres
50	17 th line	valued of	valued
74	Footnote	Some of	Source of
116	11 th line	forteen	fourteen
123	19 th line	enumarated	enumerated
181	20 th line	reminds	reminders
195	32 nd line	genuiness	genuineness
205	9 th line	rates	rules
206	19 th line	time found	time bound
223	Col. No. 3, 1 st line	Head of amount	Head of account
258	Note below table	Of the six Inspection Reports	Of these, six Inspection Reports
272	Appendix XLVI(a)	Amount	Amount
273	Appendix XLVI(b)	involving	(Rupees in lakh)

TABLE I

Summary of the results of the investigation into the causes of the accident on the night of the 10th of October 1954.

No.	Description of the accident	Date	Time	Place	Remarks
1	Accident on the night of the 10th of October 1954	10/10/54	21.30	London	See report
2	Accident on the night of the 11th of October 1954	11/10/54	22.15	London	See report
3	Accident on the night of the 12th of October 1954	12/10/54	22.45	London	See report
4	Accident on the night of the 13th of October 1954	13/10/54	23.00	London	See report
5	Accident on the night of the 14th of October 1954	14/10/54	23.15	London	See report
6	Accident on the night of the 15th of October 1954	15/10/54	23.30	London	See report
7	Accident on the night of the 16th of October 1954	16/10/54	23.45	London	See report
8	Accident on the night of the 17th of October 1954	17/10/54	24.00	London	See report
9	Accident on the night of the 18th of October 1954	18/10/54	24.15	London	See report
10	Accident on the night of the 19th of October 1954	19/10/54	24.30	London	See report
11	Accident on the night of the 20th of October 1954	20/10/54	24.45	London	See report
12	Accident on the night of the 21st of October 1954	21/10/54	25.00	London	See report
13	Accident on the night of the 22nd of October 1954	22/10/54	25.15	London	See report
14	Accident on the night of the 23rd of October 1954	23/10/54	25.30	London	See report
15	Accident on the night of the 24th of October 1954	24/10/54	25.45	London	See report
16	Accident on the night of the 25th of October 1954	25/10/54	26.00	London	See report
17	Accident on the night of the 26th of October 1954	26/10/54	26.15	London	See report
18	Accident on the night of the 27th of October 1954	27/10/54	26.30	London	See report
19	Accident on the night of the 28th of October 1954	28/10/54	26.45	London	See report
20	Accident on the night of the 29th of October 1954	29/10/54	27.00	London	See report
21	Accident on the night of the 30th of October 1954	30/10/54	27.15	London	See report
22	Accident on the night of the 31st of October 1954	31/10/54	27.30	London	See report