



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

**FOR THE YEAR ENDED 31 MARCH 2006**

**(CIVIL)  
GOVERNMENT OF GUJARAT**



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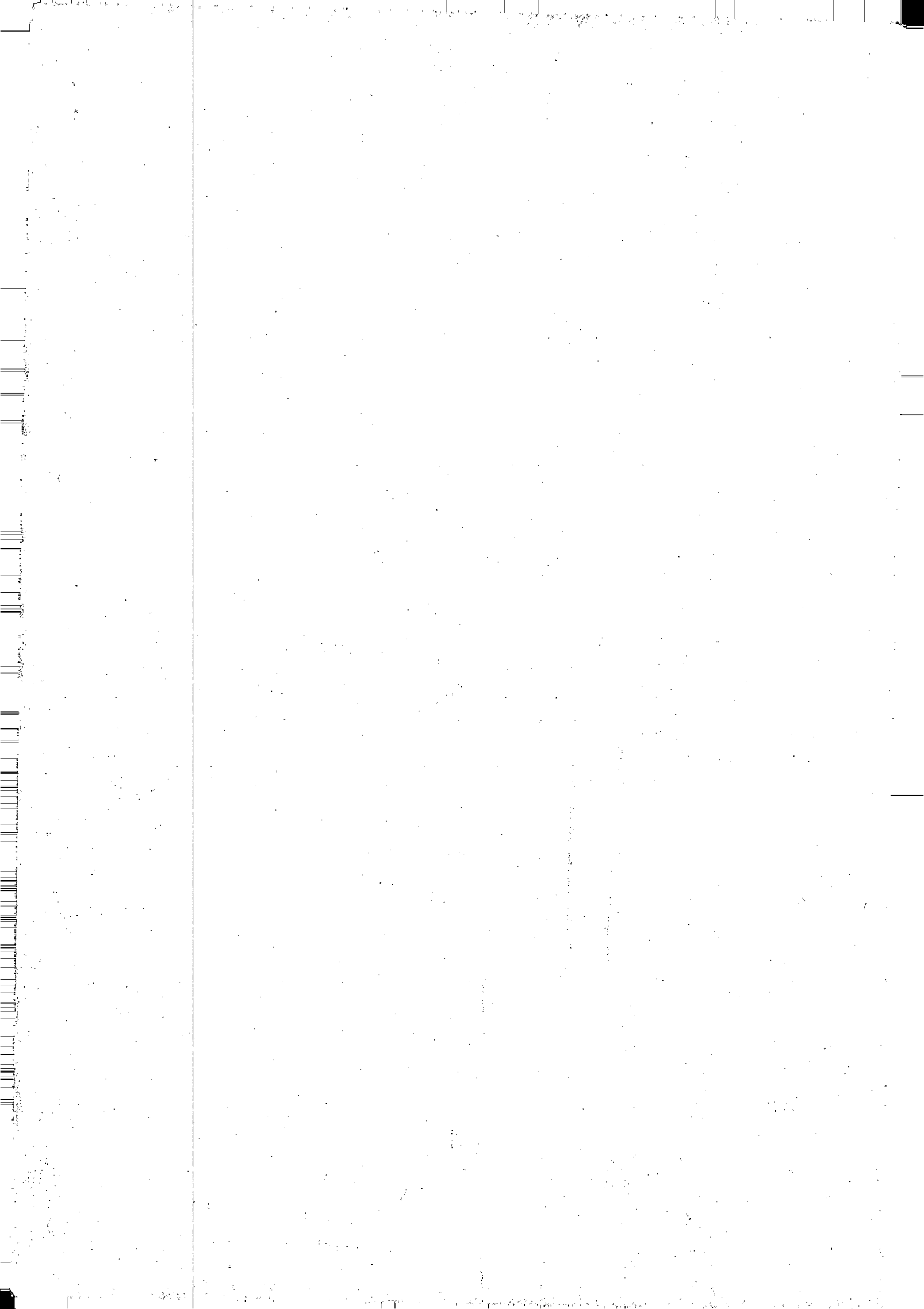
MV (₹ in cr.)

4.1	-	13.52	3.1	80.49
4.2	-	57.70	3.2	56.57
4.3	-	47.89	3.3	36.34
4.4	-	9.40	3.4	2.76
4.5	-	25.91	5.1	96.99
				<u>273.15</u>
		<del>98.</del> 154.42	Ch. IV	154.42
				<u>427.57</u>

## PREFACE

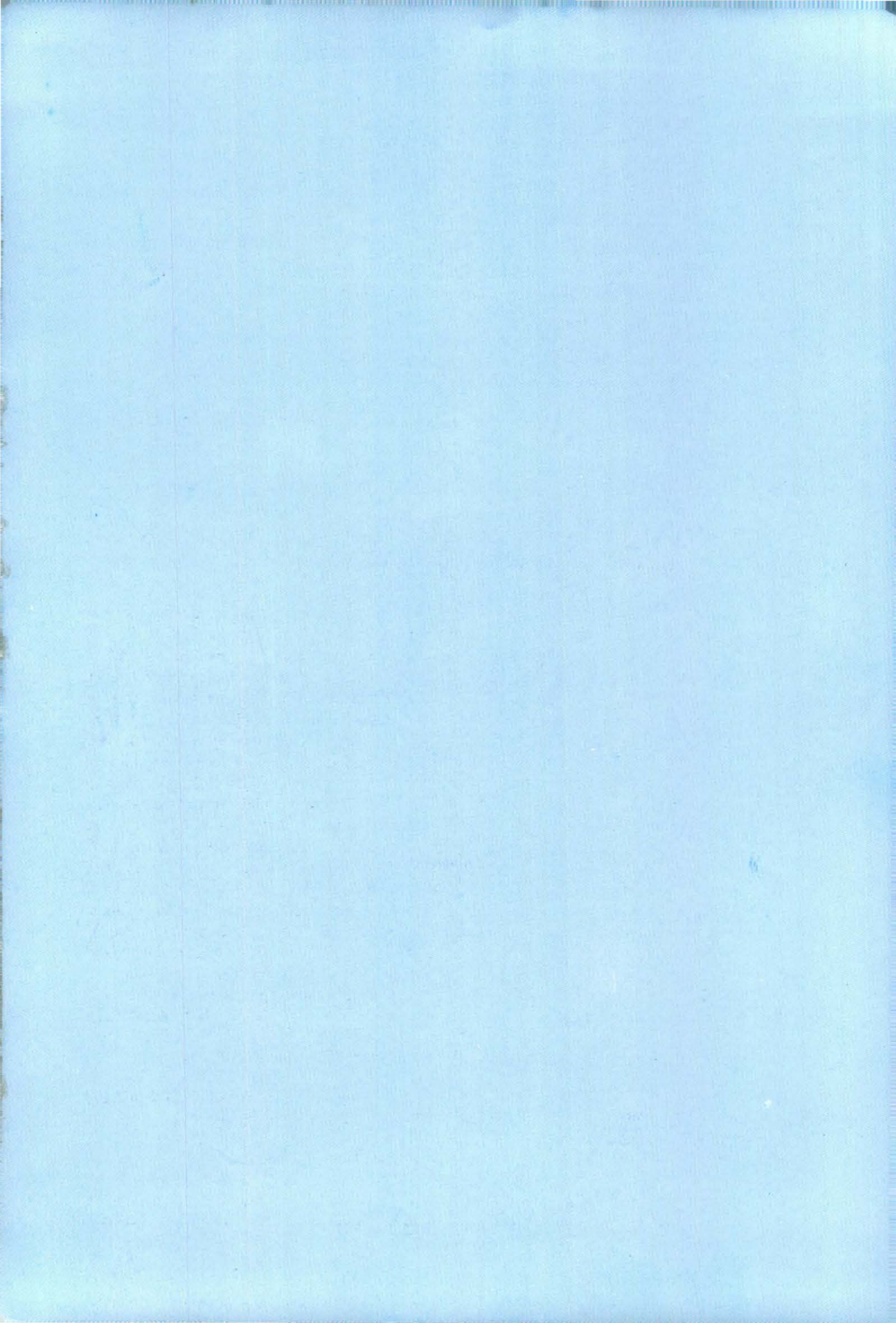
1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2006.
3. Chapter III deals with the findings of performance audit in various departments while Chapter IV deals with the findings of audit of transactions including Roads and Buildings, Water Resources Department, audit of Autonomous Bodies and departmentally run commercial undertakings. Chapter V deals with the comments on internal control mechanism existing in selected departments of the State.
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 2005-06 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 2005-06 have also been included wherever necessary.





# **OVERVIEW**







## OVERVIEW

This Report contains two chapters on observations of Audit on State's Finance and Appropriation Accounts for the year 2005-06 and three chapters containing five reviews and 26 paragraphs based on audit of certain selected programmes, activities and transactions of the Government.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples were drawn based on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for audit of programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and the recommendations made taking into consideration the views of the Government, wherever received.

A summary of financial position of the State Government and the audit findings is given below:

### **1. Financial position of the State Government**

The finances of the State indicate improved trend in deficit indicators during the year 2005-06. The Revenue deficit decreased from Rs.4,037 crore in 2004-05 to Rs.398 crore in 2005-06, the fiscal deficit also decreased from Rs.8,691 crore in 2004-05 to Rs.6,268 crore in 2005-06. The revenue receipts of the State increased from Rs.15,739 crore in 2000-01 to Rs.25,067 crore in 2005-06. The own tax revenue of the State increased from Rs.9,047 crore in 2000-01 to Rs.15,698 crore in 2005-06. The State Government, in its Medium Term Fiscal Policy Statement, estimated own tax revenue of Rs.18,533.40 crore for the year 2005-06, however, it stood at Rs.15,698 crore. The total expenditure of the State increased from Rs.25,953 crore in 2000-01 to Rs.33,127 crore in 2005-06. Share of General Services considered as non-developmental, in total expenditure, increased from 23.83 *per cent* in 2000-01 to 34.34 *per cent* in 2005-06, whereas share of Economic Services declined from 38.67 *per cent* in 2000-01 to 32.74 *per cent* in 2005-06. Interest payment and pensions together consumed 29 *per cent* in 2000-01 to 33 *per cent* in 2005-06 of total revenue receipts of the State. State Government has been paying subsidies to various, Corporations, etc. Payment of subsidies increased from Rs.2,021.26 crore in 2000-01 to Rs.2,760.91 crore during 2005-06. Power sector continues to be highly subsidized and subsidy of Rs.2,053 crore was paid during 2005-06, which constitutes 74 *per cent* of the total subsidy paid during the year. Out of outstanding guarantees of Rs.13,430 crore in 2005-06, almost 78 *per cent* were towards Sardar Sarovar Narmada Nigam Limited and Gujarat Electricity Board. The overall fiscal liabilities of the State increased from Rs.40,007 crore in 2000-01 to Rs.81,367 crore in 2005-06.

*(Paragraphs 1.1 to 1.11)*



## **2. Allocative Priorities and Appropriation**

Against total budget provision of Rs.39,883.09 crore, actual expenditure was Rs.35,150.33 crore. Overall saving of Rs.4,732.76 crore was the net result of excesses of Rs.2,159.83 crore in 44 cases of grants and appropriations and savings of Rs.6,892.59 crore in 132 cases of grants and appropriations. The excess expenditure of Rs.2,159.83 crore required regularization by the Legislature under Article 205 of the Constitution of India. In 25 cases, supplementary provisions of Rs.565.97 crore proved unnecessary and in 19 cases supplementary provisions proved excess resulting in aggregate saving of Rs.458.00 crore. In 26 cases, supplementary provisions proved insufficient, leaving uncovered excess of Rs.2,138.34 crore. In 136 cases, Rs.6,916.18 crore was surrendered in March 2006, indicating inadequate financial control over expenditure.

*(Paragraphs to 2.1 to 2.7)*

## **3. Sarva Shiksha Abhiyan**

As against the approved outlay of Rs.653.81 crore, Rs.452.50 crore were released by the Government of India/State Government and expenditure was only Rs.408.19 crore, leaving unutilised balance of Rs.44.31 crore as of March 2005. State Project Director diverted Rs.22.88 crore from Sarva Shiksha Abhiyan funds to other schemes/projects in contravention of financial rules. There were 289 and 1,958 schools having zero and one teacher respectively as of March 2005 against minimum of two teachers. No in-service training was imparted by the District Institute of Education and Training during 2001-04. No Education Guarantee Scheme Centre was opened in the State. Out of 36.62 lakh dropouts, 1.50 lakh only were admitted in 7,275 alternative schooling.

*(Paragraph 3.1)*

## **4. Food Security, Subsidy and Management of Foodgrains**

Against 21.20 lakh BPL families identified, 35.34 lakh ration cards were issued. Government of Gujarat did not supply foodgrains to the beneficiaries at the scales prescribed by the Government of India. Fair-price shops were not following the instructions of the Government. Coupons under Sampurna Gramin Rojgar Yojana were issued without following the procedure. Government of India and Government of Gujarat suffered loss of Rs.26.85 crore and Rs.21.20 crore respectively due to diversion of foodgrains. There was no control mechanism to monitor effective implementation of the scheme.

*(Paragraph 3.2)*

## **5. Allotment of land for non-Governmental activities**

Government had not formulated any policy for allotment of land. Government guidelines did not provide for any ceiling for allotment of land except for higher education and Government employees' housing categories. Government allotted 0.24 lakh square metre land costing Rs.2.80 crore incorrectly at concessional rate. Government land situated within 10 km radius of Municipal Corporations was allotted without resorting to auction. Despite breach of several conditions, land with market value of Rs.28.85 crore was allotted to Puri Foundation, Nottingham, UK at concessional rate of Rs.75.02 lakh. Incorrect application of concessional rate to Nirma Education and Research Foundation resulted in loss of Rs.2.85 crore to the Government.

*(Paragraph 3.3)*



## **6. IT Audit—Industries Commissioner**

Industries Commissioner did not invoke the contractual provision for penalty for the delay in development of Industries Commissioner—Integrated Information Technology Solution. Migration of existing database to the Industries Commissioner—Integrated Information Technology Solution was not provided in the package developed. There was no data in 37 per cent of the tables of the database. Integration of the modules was not provided in the package. There were numerous design and data deficiencies in the modules checked.

*(Paragraph 3.4)*

## **7. Internal Control System in Industries and Mines Department**

Against the outlay of Rs.3025.41 crore during 2001-06, expenditure was Rs.1788.08 crore only. Provisions of Gujarat Treasury Rules were not followed in maintenance of cash book; transactions were also made outside cash book. Unspent balances under Central Schemes were credited to State accounts. Industrial units that benefited under subsidy schemes were not periodically verified; subsidies paid to closed units were not recovered. Audit of industrial co-operatives was in arrears and internal audit system was not properly streamlined.

*(Paragraph 5.1)*

## **8. Audit of Transactions**

Besides the above, audit of financial transactions test checked in various Departments of the Government and their field functionaries revealed instances of loss, wasteful, infructuous, unfruitful, avoidable/excess expenditure and other irregularities involving Rs.154.42 crore as mentioned below:

Wasteful/infructuous expenditure and overpayment of Rs.13.52 crore was noticed in Narmada, Water Resources, Water Supply and Kalpasar Department (Rs.5.03 crore), Energy and Petrochemicals Department (Rs.4.54 crore), Forests and Environment Department (Rs.2.04 crore) and Roads and Buildings Department (Rs.1.91 crore).

Avoidable and unfruitful expenditure of Rs.47.89 crore was noticed in Home Department (Rs.24.61 crore), Narmada, Water Resources, Water Supply and Kalpasar Department (Rs.13.07 crore), Ports and Transport Department (Rs.4.83 crore), Energy and Petrochemicals Department (Rs.3.67 crore) and Roads and Buildings Department (Rs.1.71 crore).

Idle investment or blockage of funds of Rs.9.40 crore was noticed in Urban Development and Urban Housing Department (Rs.7.45 crore), Industries and Mines Department (Rs.1.05 crore) and Health and Family Welfare Department (Rs.0.90 crore).

Apart from these, there were regulatory, issues and other points involving Rs.83.61 crore in Narmada, Water Resources, Water Supply and Kalpasar Department (Rs.57.70 crore), Home Department (Rs.16.99 crore), Education Department (Rs.7.50 crore) and Ports and Transport Department (Rs.1.42 crore).

*(Paragraphs 4.1.1 to 4.5.5)*



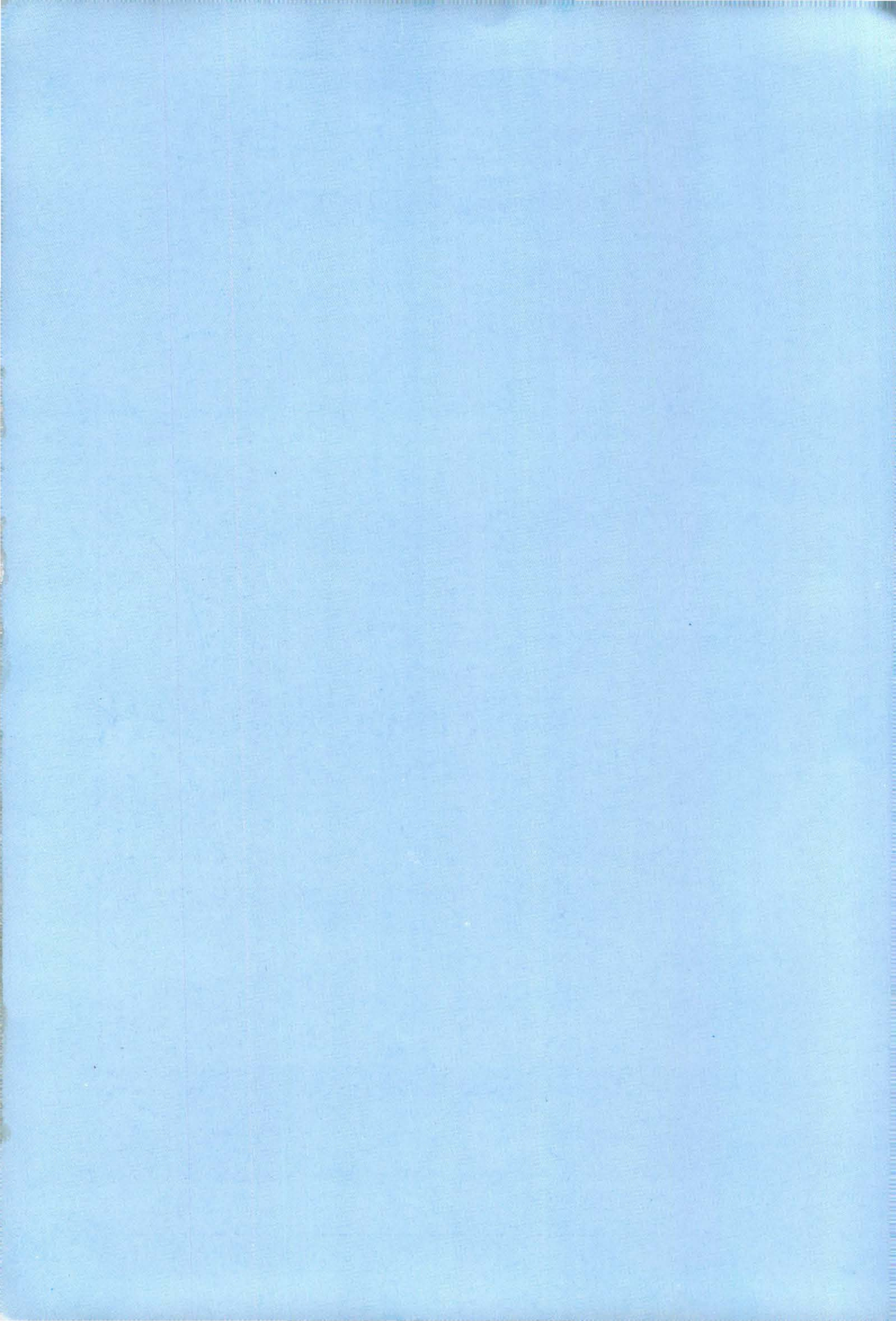




# **CHAPTER-I**

## **FINANCES OF THE STATE GOVERNMENT**







## CHAPTER I

### FINANCES OF THE STATE GOVERNMENT

#### In summary

The finances of the State indicate improvement in all deficit indicators during the year 2005-06. The revenue deficit decreased sharply from Rs.4,037 crore in 2004-05 to Rs.398 crore in 2005-06. The fiscal deficit decreased from Rs.8,691 crore in 2004-05 to Rs.6,268 crore in 2005-06. Also, the primary deficit decreased significantly from Rs.2,612 crore in 2004-05 to Rs.125 crore in 2005-06.

The revenue receipts of the State increased from Rs.20,265 crore in 2004-05 to Rs.25,067 crore in 2005-06. The growth rate of revenue receipts was 23.70 *per cent* during 2005-06 mainly due to 52 *per cent* increase in central tax transfer, 32 *per cent* increase in Grant-in-aid and 21 *per cent* increase in own tax revenue. The total expenditure of the State increased from Rs.29,142 crore in 2004-05 to Rs.33,127 crore in 2005-06. The revenue expenditure increased from Rs.24,302 crore in 2004-05 to Rs.25,465 crore in 2005-06. Interest payments and Pension together consumed 33 *per cent* of total revenue receipts. The targets as prescribed for containing interest payment and Non-Plan revenue expenditure were not met.

The overall fiscal liabilities of the State increased from Rs.71,083 crore in 2004-05 to Rs.81,367 crore in 2005-06. A low or negligible return on investments is a cause for concern. The reform in the power sector is still to take off and State continues to support this sector in the form of huge subsidy.

The State Government can achieve long-term fiscal stability by measures like compressing non-plan revenue expenditure and enhancing additional resources mobilisation through improved tax.

#### 1.1 Introduction

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account (**Appendix 1(i)-Part A**). The Finance Accounts of the Government of Gujarat are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Accounts of the State of Gujarat. The lay out of the Finance Accounts is depicted in **Appendix 1(i)-Part B**.



### 1.1.1 Summary of Receipts and Disbursements

Table-1 summarises the finances of the Government of Gujarat for the year 2005-06, covering revenue receipts and expenditure, capital receipts and expenditure and public accounts receipts/disbursements as emerging from Statement-1 of Finance Accounts and other detailed statements.

**Table-1: Summary of receipts and disbursements for the year 2005-06**

		(Rupees in crore)					
2004-05	Receipts	2005-06	2004-05	Disbursements	2005-06		
Section-A: Revenue					Non Plan	Plan	Total
<b>20264.94</b>	<b>Revenue receipts</b>	<b>25066.87</b>	<b>24301.80</b>	<b>Revenue expenditure</b>	<b>21544.07</b>	<b>3921.42</b>	<b>25465.49</b>
12957.70	Tax revenue	15698.11	10024.31	General services	11208.38	79.71	11288.09
3090.50	Non-tax revenue	3353.37	7850.93	Social services	6265.15	2007.72	8272.87
2219.30	Share of Union Taxes/Duties	3372.43	6283.25	Economic services	3962.49	1833.99	5796.48
1997.44	Grants from Government of India	2642.96	143.31	Grants-in-aid and Contributions	108.05	0.00	108.05
Section-B: Capital							
<b>5.90</b>	<b>Misc Capital Receipts</b>	<b>7.94</b>	<b>4100.21</b>	<b>Capital Outlay</b>	<b>164.22</b>	<b>6794.44</b>	<b>6958.66</b>
<b>180.20</b>	<b>Recoveries of Loans and Advances</b>	<b>1783.69</b>	<b>739.57</b>	<b>Loans and Advances disbursed</b>	<b>299.44</b>	<b>404.78</b>	<b>704.22</b>
<b>13328.48</b>	<b>Public debt receipts*</b>	<b>10663.19</b>	<b>5815.04</b>	<b>Repayment of Public Debt*</b>	<b>#</b>	<b>#</b>	<b>1128.41</b>
<b>92.74</b>	<b>Contingency Fund</b>	<b>7.26</b>	<b>7.26</b>	<b>Contingency Fund</b>	<b>23.95</b>	<b>52.16</b>	<b>76.11</b>
<b>32787.59</b>	<b>Public Account receipts</b>	<b>36334.35</b>	<b>31018.87</b>	<b>Public Account disbursements</b>	<b>#</b>	<b>#</b>	<b>34827.48</b>
<b>1887.95</b>	<b>Opening Cash Balance</b>	<b>2565.05</b>	<b>2565.05</b>	<b>Closing Cash Balance</b>	<b>#</b>	<b>#</b>	<b>7267.98\$</b>
<b>68547.80</b>	<b>Total</b>	<b>76428.35</b>	<b>68547.80</b>	<b>Total</b>	<b>22031.68</b>	<b>11172.80</b>	<b>76428.35</b>

\* Excluding Ways and Means Advances and Overdraft

# Bifurcation of plan & Non-plan not available

\$ Excludes Rs.415.93 crore booked under MH-8782 to be transferred to MH-8999 for which investigations are being carried out in consultation with State Government

Revenue receipts of the State increased significantly from Rs.20,265 crore in 2004-05 to Rs.25,067 crore in 2005-06. There is only marginal increase in Revenue expenditure, however, the expenditure on General Services being non-development expenditure increased by 12.61 per cent during the year. The public debt receipts decreased by 20 per cent during the year; repayment decreased significantly (80.6 per cent) during the year.

### 1.1.2 The Gujarat Fiscal Responsibility Act, 2005

The State Government has enacted the Gujarat Fiscal Responsibility Act, 2005 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal frame work. To give effect to the fiscal management principles as laid down in the Act and /or the

rules framed there under, the Government prescribed the following fiscal management targets:

- (a) Reduce the revenue deficit in each of financial year commencing from the 1<sup>st</sup> April 2005 so as to eliminate it by 31<sup>st</sup> March 2008 and maintain at that level or generate revenue surplus thereafter.
- (b) Reduce fiscal deficit in each of financial year commencing from the 1<sup>st</sup> April 2005 so as to bring it down to not more than three *per cent* of GSDP by 31<sup>st</sup> March 2009.
- (c) Cap within a period of three years commencing from the 1<sup>st</sup> April 2005 and ending on the 31<sup>st</sup> March 2008, the total public debt of the State Government at thirty *per cent* of estimated GSDP for that year.
- (d) Cap outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963.

The revenue deficit and the fiscal deficit may exceed the specified limits on account of unforeseen circumstances or natural calamity to the extent of actual fiscal cost spent to meet the situation.

### **1.1.3 Fiscal Policy Statements**

As prescribed in the Act, the State Government was required to lay the following statements of fiscal policy along with the budget before the Legislature.

- (a) The Medium Term Fiscal Policy Statement (MTFPS).
- (b) The Fiscal Policy Strategy Statement.

The Medium Term Fiscal Policy Statement and the Fiscal Policy Strategy Statement shall set forth the fiscal objectives, strategic priorities of the State Government and a three years policy target for fiscal management as stated in Para 1.1.2.

### **1.1.4 Roadmap to achieve the Fiscal Targets as laid down in FRBM Act/Rules**

Keeping in view the fiscal targets laid down in the Fiscal Responsibility and Budget Management (FRBM) Act and/or the rules made thereunder and the anticipated annual rate of reduction of fiscal deficit of the States worked out by the Government of India for the Twelfth Finance Commission (TFC) award period following its recommendation, the State Government has developed its Own Fiscal Correction Path indicating the milestones of outcome indicators with target dates of implementation during the period from 2004-05 to 2009-10 (Appendix 1 (ii)).

### **1.1.5 Mid-Term Review of Fiscal Situation**

The Gujarat Fiscal Responsibility Act, 2005 was enacted in March 2005; the rules for carrying out the provisions of the Act were published only in



February 2006. The State Government has therefore not laid any Mid-Term Review statement on fiscal situation before Legislature for 2005-06.

The State Government in its MTFPS estimated own tax revenue at Rs.18,533.40 crore for the year 2005-06 (RE). The State's own non-tax revenue was estimated at Rs.3,162.33 crore for the year 2005-06 (RE). The plan grants were estimated at Rs.2,102.91 crore and non-plan grant estimated at Rs.1,329.89 crore. The State Government estimated growth rate of seven per cent and 4.95 per cent for the plan and non-plan revenue expenditure respectively for the year 2005-06 onwards. The average cost of borrowing for the year 2005-06 was estimated at 9.42 per cent. The growth rate of the subsidy was estimated at seven per cent. The growth rates of salaries and pension payments were projected at two per cent and seven per cent respectively.

## 1.2 Overview of Fiscal situation of the State

### 1.2.1 Trends in Fiscal Aggregates

The fiscal position of the State Government during the current year as compared to the previous year is given in Table 2.

**Table 2**

(Rupees in crore)

2004-05	Sl. No	Major Aggregates	2005-06
20265	1.	<b>Revenue Receipts (2+3+4+5)</b>	<b>25067</b>
12958	2.	Tax Revenue (own tax Revenue)	15698
2219	3.	Tax transfers	3373
3090	4.	Non-Tax Revenue	3353
1998	5.	Other Receipts	2643
186	6.	<b>Non-Debt Capital Receipts (7+8)</b>	<b>1792</b>
6	7.	Capital Receipts	8
180	8.	Recovery of Loans and Advances	1784
20451	9.	<b>Total Receipts (1+6)</b>	<b>26859</b>
20720	10.	<b>Non-Plan Expenditure (11+13+14)</b>	<b>22007</b>
20056	11.	On Revenue Account	21544
6074	12.	Of which, interest payments	6135
189	13.	On Capital Account	164
475	14.	On Loans disbursed	299
8422	15.	<b>Plan Expenditure (16+18+19)</b>	<b>11120</b>
4246	16.	On Revenue Account	3921
5	17.	Of which, interest payments	8 <sup>▼</sup>
3911	18.	On Capital Account	6794
265	19.	On Loans disbursed	405
29142	20.	<b>Total Expenditure (10+15)</b>	<b>33127</b>
4037	21.	<b>Revenue Deficit (11+16-1)</b>	<b>398</b>
8691	22.	<b>Fiscal Deficit (20-1-6)</b>	<b>6268</b>
2612	23.	<b>Primary Deficit (22-12-17)</b>	<b>125</b>

▼ This amount of interest payment was incurred against the Budget provision made under Plan head

Revenue receipts of the State increased from Rs.20,265 crore (2004-05) to Rs.25,067 crore in 2005-06 (23.70 per cent). The non plan expenditure of the State increased from Rs.20,720 crore in 2004-05 to Rs.22,007 crore in 2005-06. The total expenditure increased significantly from Rs.29,142 crore in 2004-05 to Rs.33,127 crore in 2005-06. The revenue deficit decreased significantly from Rs.4,037 crore in 2004-05 to Rs.398 crore in 2005-06. The fiscal deficit decreased from Rs.8,691 crore in 2004-05 to Rs.6,268 crore in 2005-06. Also the primary deficit decreased significantly from Rs.2,612 crore in 2004-05 to Rs.125 crore in 2005-06.

### 1.3 Audit Methodology

Audit observations on the Statements of Finance Accounts for the year 2005-06 bring out the trends in the major fiscal aggregates of receipts and expenditure; wherever necessary analyse them in the light of time series data (Appendix II to V) and periodic comparisons. Major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The New GSDP series with 1993-94 as base as published by the Director of Economics and Statistics of the State Government have been used. For tax revenues, non-tax revenues, revenue expenditure etc., buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP. The key indicators adopted for the purpose are (i) resources by volume and sources, (ii) application of resources, (iii) assets and liabilities and (iv) management of deficits. Audit observations also take into account the cumulative impact of resource mobilization efforts, debt servicing and corrective fiscal measures. The overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates. In addition, selected indicators of financial performance of the Government are also listed in this section; some of the terms used in this context are explained in Appendix 1(i) Part C.

### 1.4 State Finances by Key Indicators

#### 1.4.1 Resources by Volumes and Sources

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account. Table-3 shows that the total receipts of the State Government for the year 2005-06 were Rs.73,863 crore. Of these, the revenue receipts were Rs.25,067 crore, constituting 33.94 per cent of the total receipts. The balance came from borrowings, receipts from Contingency Fund and Public Account.



**Table-3: Resources of Gujarat**

(Rupees in crore)

<b>I Revenue Receipts</b>		<b>25067</b>
<b>II Capital Receipts</b>		<b>12455</b>
Recovery of Loans and Advances	1784	
Public Debt Receipts	10663	
Miscellaneous Capital Receipts	8	
<b>III Contingency Fund</b>		<b>7</b>
<b>IV Public Account Receipts</b>		<b>36334</b>
a. Small Savings, Provident Fund, etc.	884	
b. Reserve Fund	1963	
c. Deposits and Advances	12193	
d. Suspense and Miscellaneous	13249*	
e. Remittances	8045 <sup>▼</sup>	
<b>Total Receipts</b>		<b>73863</b>

#### 1.4.2 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, Central tax transfers and grants-in-aid from GOI. Overall revenue receipts, its annual rate of growth, ratio of these receipts to the GSDP and its buoyancies are indicated in **Table-4**.

**Table-4: Revenue Receipts - Basic Parameters**

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Revenue Receipts (RR) (Rupees in crore)</b>	<b>15739</b>	<b>15986</b>	<b>17875</b>	<b>18248</b>	<b>20265</b>	<b>25067</b>
Own Taxes ( <i>per cent</i> )	57.48	57.84	53.25	61.23	63.94	62.63
Non-Tax Revenue ( <i>per cent</i> )	21.28	23.53	22.36	17.93	15.25	13.38
Central Tax Transfers ( <i>per cent</i> )	10.00	9.31	7.63	10.77	10.95	13.45
Grants-in-aid ( <i>per cent</i> )	11.24	9.32	16.76	10.07	9.86	10.54
Rate of growth of RR ( <i>per cent</i> )	12.65	1.57	11.82	2.08	11.05	23.70
RR/GSDP ( <i>per cent</i> )	14.51	13.15	12.80	11.01	11.29	12.62
Revenue Buoyancy (ratio)	(-) 31.63	0.13	0.79	0.11	1.32	2.24
State's own taxes Buoyancy (ratio)	(-) 27.10	0.18	0.20	0.93	1.91	1.99
Revenue Buoyancy with reference to State's own taxes (ratio)	(-) 1.08	(-) 0.68	4.39	(-) 0.12	0.69	1.12
GSDP Growth ( <i>per cent</i> )	(-) 0.40	12.02	14.95	18.63	8.35	10.59 <sup>♦</sup>

\* As against disbursement in 2005-06 which was Rs.14008.95 crore

<sup>▼</sup> Excludes Rs.415.93 crore booked under MH-8782 to be transferred to MH-8999 for which investigations are being carried out in consultation with State Government

<sup>♦</sup> Estimated using log linear regression model and the time series data of CSO for the period 1993-94 to 2004-05 of GSDP of State of Gujarat. Projected figures are also utilised in subsequent tables as GSDP figures were not available as of January 2007



Revenue receipts of the State increased from Rs.15,739 crore in 2000-01 to Rs.25,067 crore in 2005-06. The growth rate of revenue receipts was 23.70 *per cent* during 2005-06 mainly due to 52 *per cent* increase in Central tax transfer, 32 *per cent* increase in Grant-in-aid and 21 *per cent* increase in Own tax revenue.

The State Government in its MTFPS estimated own tax revenue at Rs.18,533.40 crore for the year 2005-06 (RE), however, it stood at Rs.15,698 crore.

The breakup of revenue receipts was: Own taxes 62.63 *per cent*, Non-tax revenue 13.38 *per cent*, Central Tax Transfer 13.45 *per cent* and Grant-in-Aid 10.54 *per cent*.

The own tax revenue of the State increased from Rs.9,047 crore in 2000-01 to Rs.15,698 crore in 2005-06. The own Tax Revenue of State increased 21.15 *per cent* during 2005-06.

The increase in tax revenue during 2005-06 was mainly due to increase in Taxes on Sales, Trade etc., (Rs.2,252.72 crore), Stamps and Registration fees (Rs.190.36 crore) and Land Revenue (Rs.145.35 crore).

The taxes on Sales, Trade etc., was the major source of State's own tax revenue which contributed 55 *per cent* followed by taxes and duties on Electricity (10 *per cent*), Taxes on vehicles (six *per cent*) and Stamp duty and Registration fees (six *per cent*).

Non-tax revenue of the State increased 8.51 *per cent* during 2005-06, however, the contribution of non-tax revenue declined from 15.25 *per cent* in 2004-05 to 13.28 *per cent* in 2005-06. Of non-tax revenue receipts (Rs.3,353.37 crore), Non-ferrous mining and Metallurgical Industries (Rs.1,880.18 crore), dividends and profits (Rs.139.58 crore) and Miscellaneous General Services (Rs.3.31 crore) were main contributors.

The Central tax transfers for the State increased from Rs.2219 crore in 2004-05 to Rs.3,373 crore in 2005-06. The contribution of the Central tax transfers to the revenue receipts also increased from 10.95 *per cent* to 13.43 *per cent* in 2005-06.

The increase in Central tax transfers (Rs.1,153 crore) was mainly due to increase in Corporation Tax (Rs.299 crore), Union Excise Duties (Rs.260 crore), Taxes on Income other than Corporation Tax (Rs.250 crore), Customs (Rs.212 crore) and Service Tax (Rs.131 crore). The Grants-in-aid from Government of India increased from Rs.1,997 crore in 2004-05 to Rs.2,643 crore in 2005-06. The non-plan grants increased by 23.12 *per cent* to Rs.703.58 crore due to increase in Grant for Calamity Relief Fund by Rs.287 crore during 2005-06. The grants for State Plan Scheme increased by 39.12 *per cent* during 2005-06 to Rs.1,332.34 crore. The grants for Central and Centrally sponsored plan schemes increased by 29.61 *per cent* during 2005-06 to Rs.607.09 crore.

The arrears of revenue increased by 87 *per cent* from Rs.5,663 crore in 2000-01 to Rs.10,584 crore at the end of 2005-06. Arrears were mainly in respect of Taxes on Sales, Trade etc., (Rs.10,130 crore); of this, recovery of

Rs.1,750 crore was involved in litigation. The deterioration in the position of arrears of revenue showed a slackening of the revenue realising efforts of the State Government.

### 1.4.3 Sources of Receipts

The sources of receipts under different heads as well as GSDP during 2000-06 are indicated in **Table-5**.

**Table-5: Sources of Receipts – Trends**

(Rupees in crore)

Year	Revenue Receipts	Capital Receipts				Total Receipts	Gross State Domestic Product
		Non-Debt Receipts	Debt Receipts	Contingency Fund Receipts	Accruals in Public Account		
2000-01	15739	2227	7686	14	25129	50795	108484
2001-02	15986	2207	8158	109	23703	50163	121525
2002-03	17875	171	9684	7	20666	48403	139690
2003-04	18248	200	15008	12	25039	58507	165708
2004-05	20265	186	13328	93	32788	66660	179544
2005-06	25067	1792	10663	7	36334	73863	198557*

The total receipts of the State increased from Rs.50,795 crore in 2000-01 to Rs.73,863 crore in 2005-06. The contribution of revenue receipts in the total receipts during 2005-06 was only 33.94 *per cent*. The capital receipts of the State increased from Rs.35,056 crore in 2000-01 to Rs.48,796 crore in 2005-06. The debt receipts increased from Rs.7,686 crore in 2000-01 to Rs.10,663 crore in 2005-06. Similarly, accruals in Public Account increased from Rs.25,129 crore in 2000-01 to Rs.36,334 crore in 2005-06, contributing to 74 *per cent* of total capital receipts.

## 1.5 Application of resources

### 1.5.1 Growth of Expenditure

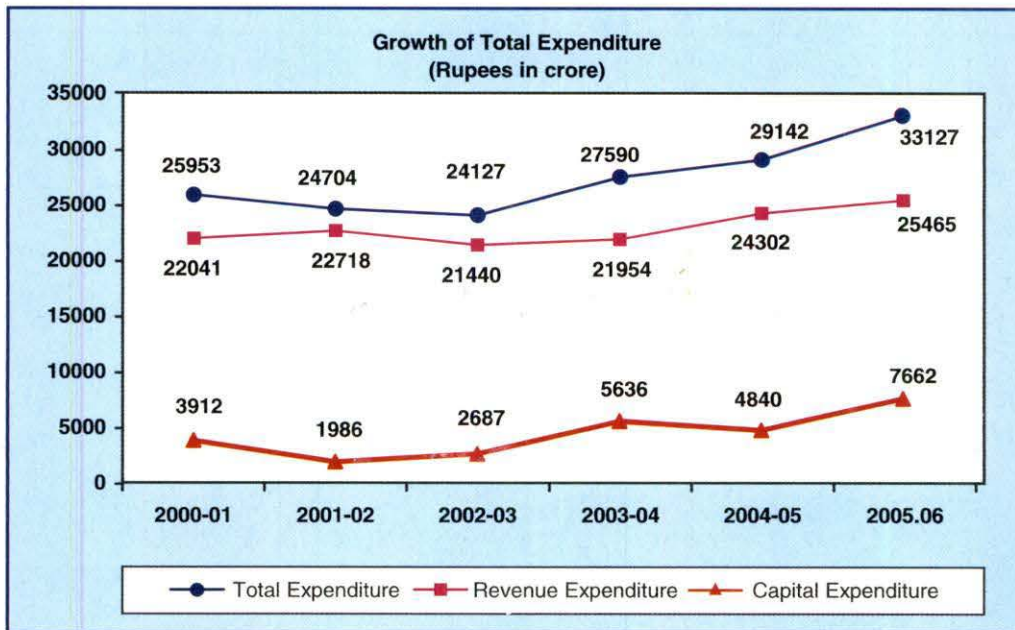
Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services, to extend the network of these services through capital expenditure and investments and to discharge their debt service obligations. The total expenditure of the State increased from Rs.25,953 crore in 2000-01 to Rs.33,127 crore in 2005-06. Total expenditure, its annual growth rate and ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table-6**.

\* Figures of GSDP for 2005-06 have not been received from the State Government as of January 2007. Estimated using log linear regression model and the time series data of CSO for the period 1993-94 to 2004-05 of GSDP of State of Gujarat



**Table-6: Total Expenditure – Basic Parameters**

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Total expenditure (TE)* (Rupees in crore)	25953	24704	24127	27590	29142	33127
Rate of Growth ( <i>per cent</i> )	24.55	(-) 4.81	(-) 2.34	14.35	5.63	13.67
TE/GSDP Ratio ( <i>per cent</i> )	23.92	20.33	17.27	16.65	16.23	16.68
RR /TE Ratio ( <i>per cent</i> )	60.64	64.71	74.09	66.14	69.54	
<b>Buoyancy of Total Expenditure with reference to:</b>						
GSDP (ratio)	(-) 61.37	(-) 0.40	(-) 0.16	0.77	0.67	1.29
RR (ratio)	1.94	(-) 3.07	(-) 0.20	6.88	0.51	0.58



The total expenditure increased by 13.67 *per cent* during 2005-06. Revenue expenditure declined from 84.93 *per cent* of total expenditure in 2000-01 to 76.87 *per cent* in 2005-06. Capital expenditure continuously increased from 8.04 *per cent* of total expenditure in 2001-02 to 23.15 *per cent* in 2005-06. The non-plan expenditure increased by 6.21 *per cent*, while plan expenditure increased by 32.03 *per cent* during 2005-06. There was significant increase in the ratio of revenue receipts to total expenditure from 60.64 *per cent* in 2000-01 to 75.67 *per cent* in 2005-06, indicating that nearly 76 *per cent* of the State's total expenditure was met from its revenue receipts, leaving the balance to be met from borrowings.

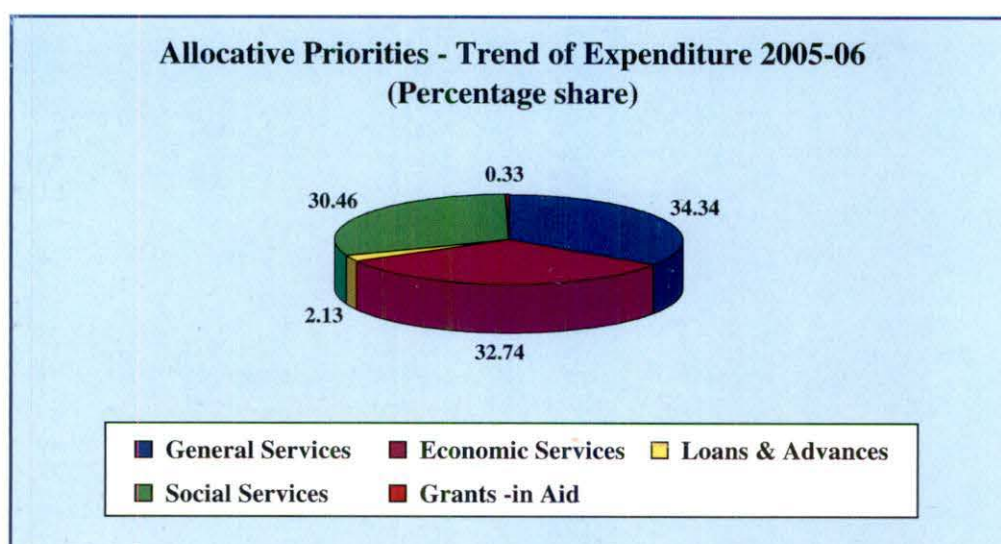
**Trends in total expenditure by activities:** In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Relative share of these components in total expenditure is indicated in **Table-7**.

\* Total expenditure includes revenue expenditure, capital expenditure and loans and advances.

**Table-7: Components of Expenditure – Relative Share**

(in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
General Services	23.83	29.12	34.57	33.73	34.69	34.34
Of which Interest payments	12.06	20.51	21.29	21.68	20.86	18.54
Social Services	33.78	34.74	31.32	29.86	31.92	30.46
Economic Services	38.67	34.99	32.25	27.25	30.36	32.74
Grants-in-aid	0.19	0.22	0.43	0.37	0.49	0.33
Loans and Advances	3.53	0.93	1.43	8.79	2.54	2.13



The movement of relative share of these components indicates that while the share of social services in total expenditure declined from 33.78 *per cent* in 2000-01 to 30.46 *per cent* in 2005-06, the relative share of General Services considered as non-developmental increased from 23.83 *per cent* in 2000-01 to 34.34 *per cent* in 2005-06. The share of economic services declined from 38.67 *per cent* in 2000-01 to 32.74 *per cent* in 2005-06.

### 1.5.2 Incidence of Revenue expenditure

Revenue expenditure had the predominant share in the total expenditure. Revenue expenditure is incurred to maintain the current level of services and payment, for the past obligations and as such does not result in any addition to the States infrastructure and service network. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in **Table-8**.

**Table-8: Revenue Expenditure: Basic Parameters**

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Revenue Expenditure (RE)	22041	22718	21440	21954	24302	25465
Of which						
Non-Plan Revenue Expenditure (NPRE)	19040	20897	19373	18645	20056	21544
Plan Revenue Expenditure (PRE)	3001	1821	2067	3309	4246	3921
Rate of Growth ( <i>per cent</i> )	25.83	3.07	(-) 5.63	2.40	10.70	4.79
NPRE	28.33	9.75	(-) 7.29	(-) 3.76	7.57	7.42
PRE	11.98	(-) 39.32	13.51	60.08	28.32	(-) 7.65
NPRE/GSDP ( <i>per cent</i> )	17.55	17.20	13.87	11.25	11.17	10.85
NPRE as <i>per cent</i> of TE	73.36	84.59	80.30	67.58	68.82	65.03
NPRE as <i>per cent</i> of RR	120.97	130.72	108.38	102.18	98.97	85.95
Buoyancy of Revenue Expenditure with						
GSDP (ratio)	(-) 64.57	0.26	(-) 0.38	0.13	1.28	0.45
Revenue Receipts (ratio)	2.04	1.96	(-) 0.48	1.15	0.97	0.20

Revenue expenditure increased from Rs.22,041 crore in 2000-01 to Rs.25,465 crore in 2005-06. The plan expenditure increased from Rs.3,001 crore in 2000-01 to Rs.3,921 crore in 2005-06. The non-plan expenditure increased from Rs.19,040 crore in 2000-01 to Rs.21,544 crore in 2005-06. The non plan revenue expenditure stood at 65 *per cent* of total expenditure and 86 *per cent* of revenue receipts. The State Government in its Medium Term Fiscal Policy statement projected a growth rate of seven *per cent* in plan revenue expenditure and of 4.95 *per cent* in non-plan revenue expenditure. During 2005-06, the Revenue expenditure increased by 4.79 *per cent*. Increase in non-plan revenue expenditure was 7.42 *per cent* while plan expenditure decreased by 7.65 *per cent*.

### 1.5.3 Committed Expenditure

#### Expenditure on Salaries

The expenditure on Salaries was Rs.2,522.31 crore in 2005-06. Out of total expenditure on salaries non-plan Salary heads accounted for 87.6 *per cent* (Rs.2,208.81 crore).

#### Pension Payments

**Table 9: Expenditure on Pensions**

(Rupees in crore)

Heads	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Expenditure on Pensions	1438.60	1502.17	1588.33	1733.94	1891.60	2101.17
As <i>per cent</i> of GSDP	1.33	1.24	1.14	1.05	1.05	1.06
As <i>per cent</i> of RR	9	9	9	10	9	8

Pension payments have increased by 46.06 *per cent* from Rs.1,438.60 crore in 2000-01 to Rs.2,101.07 crore in 2005-06. During 2005-06, the pension payment increased by 11.08 *per cent* mainly due to increase in number of pensioners against the seven *per cent* growth assessed by the State Government in its Medium Term Fiscal Policy Statement.

**Interest payments**

**Table-10: Interest payments**

Year	Total Revenue Receipts (Rupees in crore)	Interest Payments	Percentage of Interest payments with reference to	
			Total Revenue Receipts	Revenue Expenditure
			2000-01	15739
2001-02	15986	4206	26	19
2002-03	17875	4949	28	23
2003-04	18248	5875	32	27
2004-05	20265	6079	30	25
2005-06	25067	6143	25	24

The State Government had projected in the FRBM Act, interest payment as 23.60 per cent of the revenue receipts in the year 2005-06. It was, however, observed that interest payment as a percentage of revenue receipts stood at 25 per cent in 2005-06. The interest payment increased steadily by 96 per cent from Rs.3,131 crore in 2000-01 to Rs.6,143 crore in 2005-06 primarily due to increasing borrowing for financing the fiscal deficit. Interest on special securities issued to National Small Savings Fund constituted 51.76 per cent of interest payment during 2005-06.

**Subsidies**

Though the finances of the State are under strain, State Government has been paying subsidies to various Corporations, etc. The trends in the subsidies given by the State Government are given in Table 11.

**Table-11: Subsidies**

Year	Amount (Rupees in crore)	Percentage increase (+)/ decrease (-) over previous year	Percentage of subsidy in total expenditure
2000-01	2021.26	51.99	7.79
2001-02	4075.85	101.65	16.50
2002-03	2050.16	(-) 49.70	8.50
2003-04	2824.18	37.75	10.24
2004-05	3371.97	19.40	11.57
2005-06	2760.91	(-) 18.12	8.33

The power sector continues to be highly subsidised and subsidy of Rs.2,053 crore was paid during 2005-06 which constitutes 74 per cent of total subsidy during the year. The Agriculture and allied activities availed subsidy of Rs.183.58 crore during 2005-06. The subsidy stood at 8.33 per cent of the total expenditure during 2005-06.

**1.6 Expenditure by Allocative Priorities**

**1.6.1 Quality of Expenditure**

The availability of better social and physical infrastructure in the State reflects its quality of expenditure. Therefore ratio of capital expenditure to total expenditure as well as to GSDP and proportion of revenue expenditure being spent on running efficiently and effectively the existing social and economic services would determine the quality of expenditure. Higher the ratio of these components to total expenditure and GSDP better is quality of expenditure. Table 12 gives these ratios during 2000-06.



Table 12 – Indicators of Quality of Expenditure

	(Rupees in crore)					
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Capital Expenditure	2994.84	1756.87	2341.30	3211.44	4100.20	6958.65
Revenue Expenditure	22040.82	22717.60	21440.13	21954.14	24301.80	25465.49
<i>Of which</i>						
Social and Economic Services with (i) Salary & Wage Component (percentage of RE)	NA	1676.92 (7.38)	1649.54 (7.69)	1632.70 (7.44)	1711.22 (7.04)	1747.00 (6.86)
(ii) Non-Salary & Wage component (percentage of RE)		13819.61 (60.83)	11383.95 (53.10)	10971.31 (49.97)	12422.97 (51.12)	12322.34 (48.39)
<i>As per cent of Total Expenditure</i>						
Capital Expenditure	11.54	7.11	9.70	11.64	14.07	21.01
Revenue Expenditure	84.93	91.96	88.86	79.57	83.39	76.87
<i>As per cent of GSDP</i>						
Capital Expenditure	2.76	1.45	1.68	1.94	2.28	3.50
Revenue Expenditure	20.32	18.69	15.35	13.25	13.54	12.82

Revenue expenditure declined from 84.93 *per cent* of total expenditure in 2000-01 to 76.87 *per cent* in 2005-06. Capital expenditure increased from 11.54 *per cent* of total expenditure in 2000-01 to 21.01 *per cent* in 2005-06.

### 1.6.2 Expenditure on Social Services

Given the fact that the human development indicators such as access to basic education, health services and drinking water and sanitation facilities, etc. have a strong linkage with eradication of poverty and economic progress, it would be prudent to make an assessment with regard to the expansion and efficient provision of these services in the State. Table 13 summarises the expenditure incurred by the State Government in expanding and strengthening of social services in the State during 2000-06.

Table 13: Expenditure on Social Services

	(Rupees in crore)					
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Education, Sports, Art and Culture</b>						
Revenue Expenditure						
<i>Of which</i>						
(a) Salary & Wage Component		246.83	234.89	216.24	275.95	291.47
(b) Non-Salary & Wage component	NA	3011.32	3389.09	3467.16	3714.15	3870.55
Capital Expenditure		5.40	10.39	9.24	11.83	147.27
<b>Total</b>		<b>3263.55</b>	<b>3634.37</b>	<b>3692.64</b>	<b>4001.93</b>	<b>4309.29</b>
<b>Health and Family Welfare</b>						
Revenue Expenditure						
<i>Of which</i>						
(a) Salary & Wage Component		605.32	587.92	583.65	577.77	522.12
(b) Non-Salary & Wage component	NA	110.16	258.95	294.48	366.81	520.74
Capital Expenditure		13.29	16.68	8.54	26.49	26.47
<b>Total</b>		<b>728.77</b>	<b>863.55</b>	<b>886.67</b>	<b>971.07</b>	<b>1069.33</b>
<b>Water Supply, Sanitation, Housing and Urban Development</b>						
Revenue Expenditure						
<i>Of which</i>						
(a) Salary & Wage Component		25.36	25.00	22.84	20.86	25.82
(b) Non-Salary & Wage component	NA	482.14	674.56	965.49	1199.95	981.55
Capital Expenditure		288.46	442.16	491.62	851.22	818.96
<b>Total</b>		<b>795.96</b>	<b>1141.72</b>	<b>1479.95</b>	<b>2072.03</b>	<b>1826.33</b>



	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Other Social Services</b>						
<b>Revenue Expenditure</b>						
<i>Of which</i>						
(a) Salary & Wage Component	NA	211.38	227.75	241.45	276.93	340.10
(b) Non-Salary & Wage component		3029.68	1141.06	1284.36	1418.51	1720.52
<b>Capital Expenditure</b>		552.60	548.31	652.66	560.17	826.07
<b>Total</b>		<b>3793.66</b>	<b>1917.12</b>	<b>2178.47</b>	<b>2255.61</b>	<b>2886.69</b>
<b>Revenue Expenditure</b>						
<i>Of which</i>						
(a) Salary & Wage Component	NA	1088.89	1075.56	1064.18	1151.51	1179.51
(b) Non-Salary & Wage component		6633.30	5463.66	6011.49	6699.42	7093.36
<b>Capital Expenditure</b>		859.75	1017.54	1162.06	1449.71	1818.77
<b>Total (Social Services)</b>		<b>8581.94</b>	<b>7556.76</b>	<b>8237.73</b>	<b>9300.64</b>	<b>10091.64</b>

Out of the total expenditure on Social and Economic Services (Rs. 20,939 crore), Social Services (Rs. 10,092 crore) accounted for 48 per cent during the year. General Education, Health and Family Welfare, Water Supply, Sanitation, Housing and Urban Development consumed 71 per cent of the expenditure on Social Services.

The capital expenditure on Social Services increased from Rs.860 crore in 2001-02 to Rs.1,819 crore in 2005-06, indicating improved quality of expenditure on these services.

### 1.6.3 Expenditure on Economic Services

The expenditure on economic services includes all such expenditures as to promote directly or indirectly, productive capacity within the States' economy. The expenditure on Economic Services (Rs.10,847 crore) accounted for 33 per cent of the total expenditure (Table 14). Of this, Agriculture and Allied activities, Irrigation and Flood Control, Power and Energy and Transport consumed nearly 88 per cent of the expenditure.

**Table-14: Expenditure on Economic Sector**

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Agriculture, Allied Activities</b>						
<b>Revenue Expenditure</b>						
<i>Of which</i>						
(a) Salary & Wage Component		270.18	247.86	311.37	240.12	261.86
(b) Non-Salary & Wage component	NA	625.70	382.67	435.11	696.04	655.38
<b>Capital Expenditure</b>		128.02	85.94	132.78	111.49	120.38
<b>Total</b>		<b>1023.90</b>	<b>716.47</b>	<b>879.26</b>	<b>1047.65</b>	<b>1037.62</b>
<b>Irrigation and Flood Control</b>						
<b>Revenue Expenditure</b>						
<i>Of which</i>						
(a) Salary & Wage Component		163.32	170.41	135.67	178.91	157.08
(b) Non-Salary & Wage component	NA	1642.21	1769.08	234.51	196.56	215.33
<b>Capital Expenditure</b>		529.77	847.92	1340.29	1765.37	2251.39
<b>Total</b>		<b>2335.30</b>	<b>2787.41</b>	<b>1710.47</b>	<b>2140.84</b>	<b>2623.80</b>

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Power &amp; Energy</b>						
Revenue Expenditure						
Of which						
(a) Salary & Wage Component						
(b) Non-Salary & Wage component	NA	3551.10	2219.35	2561.76	2623.10	2073.52
Capital Expenditure		(-) 48.44	(-) 86.06	8.39	151.89	1949.91
<b>Total</b>		<b>3502.66</b>	<b>2133.29</b>	<b>2570.15</b>	<b>2774.99</b>	<b>4023.43</b>
<b>Transport</b>						
Revenue Expenditure						
Of which						
(a) Salary & Wage Component		22.76	26.89	16.48	24.19	27.49
(b) Non-Salary & Wage component	NA	568.60	631.43	748.91	932.89	1065.50
Capital Expenditure		247.02	427.49	510.24	532.40	723.59
<b>Total</b>		<b>838.38</b>	<b>1085.81</b>	<b>1275.63</b>	<b>1489.48</b>	<b>1816.58</b>
<b>Other Economic Services</b>						
Revenue Expenditure						
Of which						
(a) Salary & Wage Component		131.77	128.82	105.00	116.49	121.06
(b) Non-Salary & Wage component	NA	798.70	917.76	979.53	1274.96	1219.26
Capital Expenditure		12.62	10.66	-0.60	4.83	5.23
<b>Total</b>		<b>943.09</b>	<b>1057.24</b>	<b>1083.93</b>	<b>1396.28</b>	<b>1345.55</b>
<b>Total (Economic Services)</b>						
Revenue Expenditure						
Of which						
(a) Salary & Wage Component		588.03	573.98	568.52	559.71	567.49
(b) Non-Salary & Wage component	NA	7186.31	5920.29	4959.82	5723.55	5228.99
Capital Expenditure		868.99	1285.95	1991.10	2565.98	5050.50
<b>Total</b>		<b>8643.33</b>	<b>7780.22</b>	<b>7519.44</b>	<b>8849.24</b>	<b>10846.98</b>

Out of total expenditure on Social and Economic Services (Rs.20,939 crore), Economic Services (Rs.10,847 crore) accounted for 52 per cent during the year. The Power and Energy (Rs.4,023 crore), Irrigation and Flood Control (Rs.2,624 crore) and Transport (Rs.1,817 crore) accounted for 78 per cent of the expenditure on Economic Services.

The capital expenditure on Economic Services increased from Rs.869 crore in 2001-02 to Rs.5,050 crore in 2005-06 indicating towards improvement in quality of expenditure.

#### 1.6.4 Financial Assistance to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the six-years period 2000-06 is presented in Table 15.

Table-15: Financial Assistance

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	*NA	100.63	95.45	85.01	83.75	91.96
Municipal Corporations and Municipalities	331.72	208.89	222.71	244.03	823.49	263.26
Zilla Parishads and Other Panchayati Raj Institutions	288.83	1470.91	1637.43	1572.61	1815.79	2025.29
Other Institutions <sup>#</sup>	213.32	1191.95	1011.97	1058.32	480.83	1100.25
<b>Total</b>	<b>833.87</b>	<b>2972.38</b>	<b>2967.56</b>	<b>2959.97</b>	<b>3203.86</b>	<b>3480.76</b>
Assistance as percentage of RE	3.78	13.08	13.84	13.48	13.18	13.67

\* Information not furnished by the concerned department

<sup>#</sup> Other Institutions include Development agencies, Hospitals and other Charitable institutions

The financial assistance to local bodies and other institutions increased from Rs.833.87 crore in 2000-01 to Rs.3,480.76 crore in 2005-06. The financial assistance as percentage of revenue expenditure increased from 3.78 per cent in 2000-01 to 13.67 per cent in 2005-06.

#### **1.6.5 Delay in furnishing utilisation certificates**

Of the 20,778 utilisation certificates (UCs) due in respect of grants and loans aggregating Rs.3,201.53 crore paid upto 2005-06, 17,206 UCs for an aggregate amount of Rs.2844.65 crore were in arrears. Details of department-wise break-up of outstanding UCs are given in Appendix VI.

#### **1.6.6 Abstract of performance of the autonomous bodies**

The audit of accounts of six bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is indicated in Appendix VII.

#### **1.6.7 Misappropriations, losses, defalcations, etc.**

State Government reported 179 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.8.36 crore upto the period October 2006 on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in Appendix VIII and nature of these cases is given in Appendix IX.

#### **1.6.8 Write off of losses, etc.**

As reported to Audit, losses due to theft, fire and irrecoverable revenue, etc. amounting to Rs.0.27 lakh in two cases were written-off during 2005-06 by competent authorities. The relevant details are given in Appendix X.

### **1.7 Assets and Liabilities**

In the Government accounting system, comprehensive accounting of fixed assets like land and buildings 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. Appendix III gives an abstract of such liabilities and the assets as on 31 March 2006, compared with the corresponding position on 31 March 2005. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. Appendix V depicts the time series data on State Government finances for the period 2000-2006.

#### **1.7.1 Financial Results of Irrigation Works**

The financial results of Major and Medium Irrigation Projects with capital expenditure, of Rs.1,095.55 crore showed that revenue realised during 2005-06 (Rs.143.94 crore) was only 13.14 per cent of the capital expenditure. After

meeting the working and maintenance expenditure (Rs.52.65 crore) the net profit was Rs.91.29 crore.

### 1.7.2 Incomplete projects

As per information received from the State Government as of 31 March 2006; there were 179 incomplete projects in which Rs.929 crore were blocked in the project having cost above rupees one crore.

### 1.7.3 Investments and returns

As of 31 March 2006, Government had invested Rs.15,199 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 16). The return on this investment ranged between 0.27 and 0.92 per cent in the last six years while the Government paid interest at the average rate of 8.06 to 10.17 per cent on its borrowings during 2000-2006.

**Table-16: Return on Investment**

Year	Investment at the end of the year	Return	Percentage of return	Average rate of interest on Government borrowings	Difference between interest rate and return
	(Rupees in crore)			(per cent)	
2000-01	4707	26.07	0.55	8.75	8.20
2001-02	4978	27.52	0.55	9.86	9.31
2002-03	5014	42.02	0.84	10.11	9.27
2003-04	11220	29.89	0.27	10.17	9.90
2004-05	12739	35.82	0.28	9.08	8.80
2005-06	15199	139.58	0.92	8.06	7.14

Out of the above investment, three statutory corporations and 19 Government companies with an aggregate investment of Rs.1,061 crore upto 2005-06 were incurring losses and their accumulated losses amounted to Rs.12,121 crore as per the accounts furnished by these companies (Appendix XI).

### 1.7.4 Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. Total outstanding loans and advances as on 31 March 2006, were Rs.4,665 crore (Table 17).

**Table-17: Average Interest Received on Loans Advanced by the State Government**

	(Rupees in crore)					
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Opening Balance	6054.00	4744.00	2767.00	2942.00	5185.00	5744.00
Amount advanced during the year	917.00	229.00	346.00	2425.00	739.00	704.00
Amount repaid during the year	2227.00	2206.00	171.00	182.00	180.00	1784.00
Closing Balance	4744.00	2767.00	2942.00	5185.00	5744.00	4665.00
Net addition	(-)1310.00	(-)1977.00	175.00	2243.00	559.00	(-)1079.00
Interest Received	371.00	67.00	82.00	0.01	0.10	0.01
Interest received as per cent to outstanding Loans and advances	6.87	1.78	2.87	0.00	0.00	0.00
Weighted interest rate (in per cent) paid on borrowings by State Government	8.75	9.86	10.11	10.17	9.08	8.06
Difference between weighted interest paid and received (per cent)	(-)1.88	(-)8.08	(-)7.24	(-)10.17	(-)9.08	(-)8.06



The loans and advances by the State Government decreased from Rs.6,054 crore in 2000-01 to Rs.5744 crore in 2005-06. The interest received declined sharply from Rs.371 crore in 2000-01 to Rs.0.01 crore in 2005-06. The interest received as *per cent* to outstanding loans and advances was negligible though the Government borrowed funds during the year at an average rate of 8.06 *per cent*.

### 1.7.5 Management of cash balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) – ordinary and special – from Reserve Bank of India has been put in place. The operative limit for Normal Ways and Means Advances is reckoned on the three year average of revenue receipts and the operative limit for Special Ways and Means Advances is fixed by Reserve Bank of India from time to time depending on the holding of Government securities.

Ways and Means Advances and Overdrafts availed; the number of occasions it was availed and interest paid by the State is detailed in **Table 18**.

**Table-18: Ways and Means and Overdrafts of the State**

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Ways and Means Advances</b>						
Availed in the Year	1371.57	7059.00	5092.13	5394.18	3072.59	Nil
Outstanding WMAs, if any	888.89	452.20	42.44	42.44	Nil	Nil
Interest Paid	7.32	21.78	12.28	11.62	3.47	0.26 #
Number of Days	173	235	250	203	127	Nil
<b>Overdraft</b>						
Availed in the year	3259.90	10212.54	9624.93	1766.93	Nil	Nil
Number of Days	45	72	47	21	Nil	Nil
Interest Paid	0.82	1.54	3.00	0.46	Nil	Nil

# Interest payments pertaining to previous year

## 1.8 Undischarged Liabilities

The total liabilities of the State mean the liabilities under the Consolidated Fund of the State of Gujarat and the public account of the State.

### 1.8.1 Fiscal Liabilities – Public Debt and Guarantees

There are two sets of liabilities namely, public debt and other liabilities. Public debt consists of internal debt of the State and is reported in the Annual Financial Statements under the Consolidated Fund – Capital Accounts. It includes market loans, special securities issued by RBI and loans and advances from the Central Government. The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed. Other

liabilities, which are a part of public account, include deposits under small savings scheme, provident funds and other deposits.

Table-19 gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, to revenue receipts and to own resources as also the buoyancy of fiscal liabilities with respect to these parameters.

**Table-19: Fiscal Liabilities – Basic Parameters**

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Fiscal Liabilities (Rupees in crore)*	40007	45301	52572	62876	71083	81367
Rate of Growth (per cent)	26.76	13.23	16.05	19.60	13.05	14.47
<b>Ratio of Fiscal Liabilities to</b>						
GSDP (per cent)	36.88	37.28	37.63	37.94	39.59	40.98
Revenue Receipts (per cent)	254.20	283.38	294.10	344.56	350.77	324.60
Own Resources (per cent)	322.70	348.30	389.00	435.27	442.91	427.11
<b>Buoyancy of Fiscal Liabilities to</b>						
GSDP (ratio)	(-) 66.90	1.10	1.07	1.05	1.56	1.37
Revenue Receipts (ratio)	2.12	8.43	1.36	9.39	1.18	0.61
Own Resources (ratio)	2.40	2.68	4.12	2.85	1.18	0.71

Overall fiscal liabilities of the State increased from Rs.40,007 crore in 2000-01 to Rs.81,367 crore in 2005-06. The growth rate was 14.47 per cent during 2005-06 over previous year. These liabilities stood at 3.25 times the revenue receipts and 4.27 times of the State's own resources at the end of 2005-06. The State Government has set up the Consolidated Debt Sinking Fund to take care of payment at the time of maturity of the market borrowings.

### 1.8.2 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of year since 2000-06 is given in Table 20.

**Table-20: Guarantees given by the Government of Gujarat**

Year	Max amount guaranteed	Outstanding amount of guarantees	(Rupees in crore)
			Percentage of maximum amount guaranteed to total revenue receipt
2000-01	13255	12693	84
2001-02	16781	16219	105
2002-03	19426	18866	109
2003-04	18032	17473	99
2004-05	16122	15587	80
2005-06	13965	13430	56

\* The fiscal liabilities of the State include internal debt of the State, Loans and Advances from the Central Government, Small Savings, Provident Funds and other interest and non-interest bearing obligations

Under Article 293 of the Constitution of India and Gujarat State Guarantee Act, 1963 as amended by the Act of 2001 the limit upto Rs.20,000 crore was laid down within which Government may give guarantee on the security of the Consolidated Fund of the State. The outstanding guarantees (Rs.13,430 crore) accounted for 54 per cent of the revenue receipts (Rs.25,067 crore) of the State Government. Out of the total outstanding guarantees of Rs.13,430 crore, almost 78 per cent were towards Sardar Sarovar Narmada Nigam Limited (SSNNL) and Gujarat Electricity Board (GEB). The State Government has set up the Guarantee Redemption Fund to take care of any contingent liabilities arising out of the State Government guarantees.

### 1.8.3 Net Availability of Funds

Another important indicator of debt sustainability is the net availability of funds after the payment of the principal on account of earlier contracted liabilities and interest.

Table-21 below gives the position of the receipt and repayment of internal debt and other fiscal liabilities of the State over the last six years.

**Table-21: Net Availability of Borrowed Funds**

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Internal Debt</b>						
Receipt	7121	5926	8365	12004	11510	9941
Repayment (Principal + Interest)	671	1715	2339	3436	4962	5057
Net Fund Available	6450	4211	6026	8568	6548	4884
Net Fund Available (per cent)	90.58	71.06	72.04	71.38	56.89	49.13
<b>Loans and Advances from GOI</b>						
Receipt	(-) 98	2231	1318	3004	1818	722
Repayment (Principal + Interest)	3060	2834	4780	7135	6294	1527
Net Fund Available	(-) 3134	(-) 603	(-) 3462	(-) 4131	(-) 4476	(-) 805
Net Fund Available (per cent)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
<b>Other obligations</b>						
Receipt	15259	10759	10898	9508	11964	14883
Repayment (Principal + Interest)	13898	12989	10470	10456	11201	14821
Net Fund Available	1361	(-) 2230	428	(-) 948	763	62
Net Fund Available (per cent)	8.92	Neg.	3.93	Neg.	6.38	0.42
<b>Total liabilities</b>						
Receipt	22282	18916	20581	24516	25292	25546
Repayment (Principal + Interest)	17629	17538	17589	21027	22457	21405
Net Fund Available	4653	1378	2992	3489	2835	4141
Net Fund Available (per cent)	20.88	7.28	14.54	14.23	11.21	16.21

The internal debt receipts decreased from Rs.11,510 crore in 2004-05 to Rs.9,941 crore in 2005-06. After accounting for the repayment of Rs.5,057 crore (including interest) in 2005-06, the net availability of fund from the internal debt stood at Rs.4,884 crore. The loan receipt from Government of India (GOI) decreased from Rs.1,818 crore in 2004-05 to Rs.722 crore in



2005-06. After accounting for the repayment of Rs:1,527 crore (including interest) in 2005-06, it resulted in negative net availability of fund from Loans and Advances from GOI.

The net funds available on account of the internal debt and loans and advances from Government of India after providing for the interest and repayment declined from 20.88 *per cent* (2000-01) to 16.21 *per cent* (2005-06). The State Government raised market loan of Rs.602.27 crore during the year. The weighted average rate of market borrowing during the year was 7.66 *per cent*. As on 31 March 2006, 25.5 *per cent* of the existing market loans of the State Government carried the interest rate exceeding 10 *per cent*. Thus, the effective cost of borrowings on their past loans was much higher than the rate at which they are able to raise resources at present from the market.

### 1.9 Management of deficits

The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised and applied are important pointers to its fiscal health.

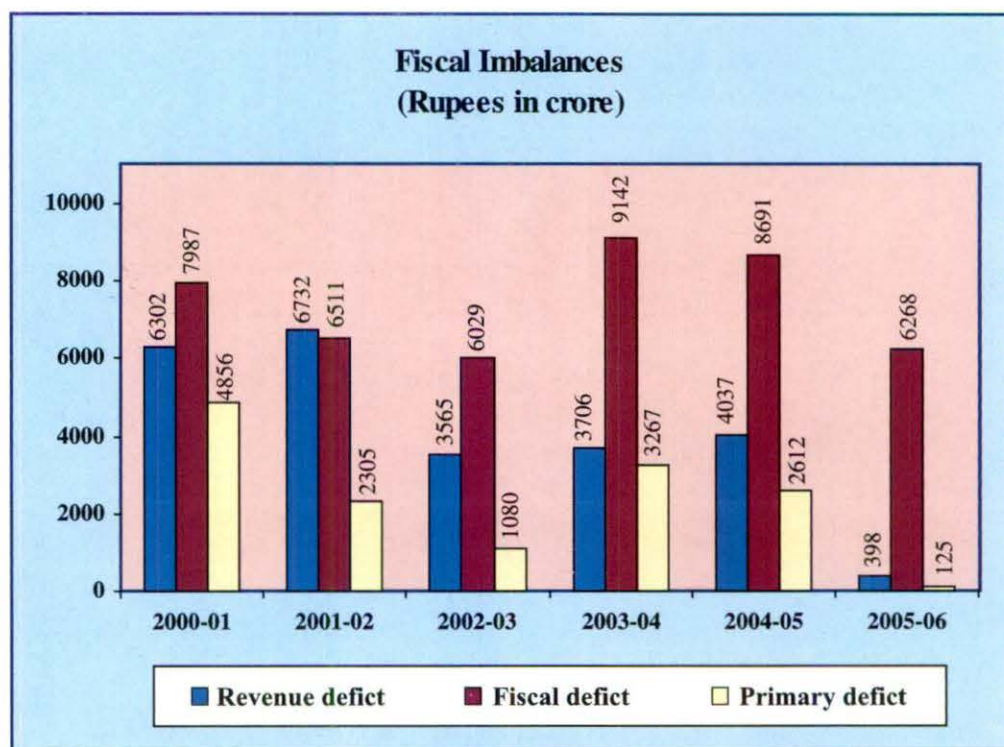
The revenue deficit of the State which indicates the excess of its revenue expenditure over revenue receipts decreased from Rs.6,302 crore in 2000-01 to Rs.398 crore in 2005-06. The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, decreased from Rs.7,987 crore in 2000-01 to Rs.6,268 crore in 2005-06. The State also had a primary deficit of Rs.4,856 crore in 2000-01 which decreased to Rs.125 crore in 2005-06 as indicated in Table-22.

The ratio of revenue deficit to fiscal deficit was 6.35 *per cent* during 2005-06.

Table-22 Fiscal Imbalances: Basic Parameters

Parameters	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Revenue deficit (Rupees in crore)	6302	6732	3565	3706	4037	398
Fiscal deficit (Rupees in crore)	7987	6511	6029 <sup>®</sup>	9142	8691	6268
Primary deficit (Rupees in crore)	4856	2305	1080 <sup>®</sup>	3267	2612	125
RD/GSDP ( <i>per cent</i> )	5.81	5.54	2.55	2.24	2.25	0.20
FD/GSDP ( <i>per cent</i> )	7.36	5.36	4.28	5.52	4.84	3.16
PD/GSDP ( <i>per cent</i> )	4.48	1.90	0.74	1.97	1.32	0.06
RD/FD ( <i>per cent</i> )	78.90	103.39	59.13	40.54	46.45	6.35

<sup>®</sup> Figures as mentioned in the Audit Report 2002-03 are revised after adding capital receipts



The sharp decrease in the revenue deficit was mainly due to 23.7 per cent increase in the revenue receipts of the State as the non-plan revenue expenditure grew only at 7.42 per cent during 2005-06. The decrease in the fiscal deficit was mainly due to 31.33 per cent increase in revenue receipts and non-debt capital receipts and 13.67 per cent increase in the total expenditure.

### 1.10 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. **Table-23** below presents a summarised position of Government finances over 2000-06, with reference to certain key indicators that help to assess the adequacy and effectiveness of available resources and their applications, highlights areas of concern and captures its important facets.

**Table-23: Indicators of Fiscal Health (in per cent)**

Fiscal Indicators	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
1	2	3	4	5	6	7
<b>I Resource Mobilisation</b>						
Revenue Receipt/GSDP	14.51	13.15	12.80	11.01	11.29	12.62
Revenue Buoyancy	(-) 31.63	0.13	0.79	0.11	1.32	2.24
Own Tax/GSDP	8.34	7.61	6.82	6.74	7.22	7.90
<b>II Expenditure Management</b>						
Total Expenditure/GSDP	23.92	20.33	17.27	16.65	16.23	16.68
Total Expenditure/Revenue Receipts	164.90	154.54	134.98	151.19	143.80	132.15
Revenue Expenditure/Total Expenditure	84.93	91.96	88.86	79.57	83.39	76.87



1	2	3	4	5	6	7
Salary & Wage expenditure on Social and Economic Services / Revenue Expenditure	NA	7.38	7.69	7.44	7.04	6.86
Non-Salary & Wage expenditure on Social and Economic Services / Revenue Expenditure	NA	60.83	53.10	49.97	51.12	48.39
Capital Expenditure/Total Expenditure	11.54	7.11	9.70	11.64	14.07	21.01
Capital Expenditure on Social and Economic Services/Total Expenditure.	11.39	7.00	9.55	11.43	13.78	20.74
Buoyancy of TE with RR	1.94	(-) 3.07	(-) 0.20	6.88	0.51	0.58
Buoyancy of RE with RR	2.04	1.96	(-) 0.48	1.15	0.97	0.20
<b>III Management of Fiscal Imbalances</b>						
Revenue deficit (Rs. in crore)	6302	6732	3565	3706	4037	398
Fiscal deficit (Rs. in crore)	7987	6511	6029	9142	8691	6268
Primary Deficit (Rs. in crore)	4856	2305	1080	3267	2612	125
Revenue Deficit/Fiscal Deficit	78.90	103.39	59.30	40.54	46.45	6.35
<b>IV Management of Fiscal Liabilities</b>						
Fiscal Liabilities/GSDP	36.88	37.28	37.63	37.94	39.59	40.98
Fiscal Liabilities/RR	254.20	283.38	294.10	344.56	350.77	324.60
Buoyancy of FL with RR	2.12	8.43	1.36	9.39	1.18	0.61
Buoyancy of FL with Own Receipt	2.40	2.68	4.12	2.85	1.18	0.71
Primary deficit vis-à-vis quantum spread	(-) 1.31	2.35	0.42	0.61	(-) 4.57	0.08
Net Funds Available	20.88	7.28	14.54	14.23	11.21	16.21
<b>V Other Fiscal Health Indicators</b>						
Return on Investment	0.55	0.55	0.84	0.27	0.28	0.92
Balance from Current Revenue (Rs. in crore)	(-) 4246	(-) 6048	(-) 2370	(-) 1771	(-) 977	2833
Financial Assets/Liabilities	0.65	0.56	0.55	0.56	0.56	0.53

Various ratios concerning the expenditure management of the State indicate quality of its expenditure. The ratio of revenue expenditure to total expenditure decreased from 84.93 *per cent* in 2000-01 to 76.87 *per cent* in 2005-06. The ratio of capital expenditure to total expenditure has shown continuous increase from 7.18 *per cent* in 2001-02 to 21.01 *per cent* in 2005-06. The state has the unproductive investment in companies with either nil or negligible returns ranging between 0.27 and 0.92 *per cent*. The much-awaited reforms in the power sector are still to take-off and the State continues to support this sector in the form of huge subsidy.

### 1.11 Conclusion

The State Government in its Medium Term Fiscal Policy Statement estimated the revenue deficit of Rs.1,439 crore for 2005-06 (BE) while the revenue deficit stood at Rs.398 crore in 2005-06, indicating improved revenue realisations. Similarly the State Government estimated the fiscal deficit of Rs.7,438 crore for 2005-06, which stood at Rs.6,268 crore. However, the target prescribed for containing of interest payment was not met. Similarly, the target for non-plan expenditure was not met. Further committed expenditure towards salary, interest and pension payment was 43 *per cent* of revenue

receipt indicating that from own resources only limited funds would be applied towards development expenditure.

The fiscal liabilities of the State were about 3.25 times of the revenue receipts indicating requirement of borrowings.

The Government investment in Companies and Statutory Corporations etc. fetched returns ranging between 0.27 to 0.92 *per cent* during 2000-06, however the Government continued to borrow funds at much higher rates. The reforms in the power sector are still to take off and State continues to support this sector in the form of huge subsidy.



# **CHAPTER-II**

## **ALLOCATIVE PRIORITIES AND APPROPRIATION**







## CHAPTER-II

### ALLOCATIVE PRIORITIES AND APPROPRIATION

#### 2.1 Introduction

The Appropriation Accounts, prepared annually, indicate capital and revenue expenditure incurred on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget.

Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act. 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 2005-06 against Grants/Appropriation was as follows:

(Rupees in crore)

Nature of expenditure	Original Grants/ Appropriation	Supplementary Grants/ Appropriation	Total Grants/ Appropriations	Actual expenditure	Variation (-) Saving (+) Excess
<b>Voted</b>					
I. Revenue	18,844.13	1,452.31	20,296.44	19,911.54	(-)384.90
II. Capital	5,742.88	1,418.14	7,161.02	7,202.22	41.20
III. Loans & Advances	825.21	210.63	1,035.84	704.22	(-)331.62
<b>Total Voted</b>	<b>25,412.22</b>	<b>3,081.08</b>	<b>28,493.30</b>	<b>27,817.98</b>	<b>(-)675.32</b>
<b>Charged</b>					
IV. Revenue	6,200.15	332.19	6,532.34	6,199.24	(-)333.10
V. Capital	0.01	4.83	4.84	4.71	(-)0.13
VI. Public Debt	4,852.60	0.00	4,852.60	1,128.40	(-)3,724.20
VII. Inter State Settlement	0.01	0.00	0.01	0.00	(-)0.01
<b>Total Charged</b>	<b>11,052.77</b>	<b>337.02</b>	<b>11,389.79</b>	<b>7,332.35</b>	<b>(-)4,057.44</b>
<b>Grand Total</b>	<b>36,464.99</b>	<b>3,418.10</b>	<b>39,883.09</b>	<b>35,150.33</b>	<b>(-)4,732.76</b>

*Note: -The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure Rs.645.29 crore and capital expenditure Rs.248.27 crore.*

The overall saving of Rs.4,732.76 crore as mentioned above was the net result of savings of Rs.6,892.59 crore in 132 cases of grants and appropriations offset by excess of Rs.2,159.83 crore in 44 cases of grants and appropriations. The savings/excesses (Detailed Appropriation Accounts) were sent to the

Controlling Officers (July 2006) requiring them to explain the significant variations; explanations were not received (August 2006).

## 2.3 Fulfilment of Allocative Priorities

### 2.3.1 Appropriation by Allocative Priorities

(i) Analysis of savings with reference to allocative priorities brought out the following:

#### Grant No. 18- Other expenditure pertaining to Finance Department

(Rupees in crore)

Capital (Voted)	Amount	Total grant	Actual Expenditure	Saving
Original	801.82	801.82	3.55	798.27
Supplementary				

Saving occurred mainly under (i) MH-4075 – Additional Plan Allocation for Development Works under Various Sectors (Rs.565.00 crore) due to necessary provisions made under Revised Estimates under respective department and under appropriate demand, (ii) MH -7610 House Building Advance (Rs.560.60 crore) due to less demand from employees and under (iii) MH-7610- House Building Advance to Government Servants for the loans received from the Other Banking Institutions (Rs.230.00 crore) due to necessary provision being increased in Revised Estimates under the respective department under the sub-head House Building Advance.

#### Grant No. 18 - Other expenditure pertaining to Finance Department

(Rupees in crore)

Revenue (Voted)	Amount	Total grant	Actual Expenditure	Saving
Original	1,583.61	1,783.08	1,418.07	365.01
Supplementary	199.47			

Saving occurred mainly under (i) MH-2075 –Liability on account of increase in the rates of Dearness Allowance (Rs.400.00 crore) due to necessary provision being made in the revised estimates under respective department,(ii) Additional Plan Allocation for Development Works under Various Sectors (Plan) (Rs.364.00 crore) due to the provision made to indicate the additional plan allocation under Various sectors at the time of revised estimates and necessary provision being made under the respective department and under the appropriate demand and (iii) Gujarat State Guarantee Redemption Fund (Rs.149.96 crore) due to estimation of liability on account of Guarantee.



**Grant No. 65 - Narmada Development Scheme**

(Rupees in crore)

Capital (Voted)	Amount	Total grant	Actual Expenditure	Saving
Original	1,019.94	1,819.94	1,471.44	348.50
Supplementary	800.00			

Saving occurred mainly under (i) MH-4700 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited, Other Government (Plan) (Rs.203.02 crore), (ii) Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited (Plan) (Rs.37.93 crore) and (iii) MH-4801 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited (Plan) (Rs.108.82 crore); all due to non receipt of funds from the beneficiaries States.

(i) In 104 cases, savings exceeding Rupees five crore in each case and/or by more than 10 per cent of total provision made amounted to Rs.9,639.89 crore as indicated in **Appendix XII**. Out of the above, in 29 cases entire provisions have been saved amounting to Rs.6,337.06 crore mainly under Grant No. 12 Energy Project (Revenue Voted) (Rs.263.04 crore), Grant No 18 Other expenditure pertaining to Finance Department (Revenue/Capital Voted) (Rs.1,559.00 crore) and Grant No. 19 –Repayment of debt pertaining to Finance Department and its servicing (Revenue/Capital Charged) (Rs.4,289.49 crore).

(iii) In 12 cases of saving of Rupees one crore each, even after partial surrender, savings amounting to Rs.315.67 crore (**Appendix XIII**) remained un-surrendered.

**2.3.2 Persistent savings**

There was a case of persistent savings of more than Rs.50 crore and 20 per cent or more of provision; details of which are as given below:

(Rupees in crore)

Grant Number and Major Head	Sub-Head	2003-04		2004-05		2005-06	
		Savings (percentage of Provision)					
		Provision	Saving	Provision	Saving	Provision	Saving
34 -4250	00:101.01 UDP-42 Assistance to Disaster Management Authority (Plan)	1,407.46	770.85 (54.77)	1,085.72	541.18 (49.85)	1,225.34	435.02 (35.50)

**2.3.3 Excess requiring regularisation**

• **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.10,379.23 crore for the years 1993-94 to 2004-05 as detailed below, had not been regularised so far (August 2006). This was breach of Legislative control over appropriations.

(Rupees in crore)

Year	No. of Grants/Appropriation	Grants/Appropriation No(s)	Amount of excess	Whether reasons submitted to PAC
1993-94	27	4, 6, 9, 13, 18, 20, 31, 32, 39, 43, 44, 45, 47, 52, 61, 65, 66, 71, 80, 81, 82, 84, 85, 86, 97, 98, 100	574.79	Submitted
1994-95	38	4, 6, 10, 13, 15, 19, 21, 24, 26, 30, 39, 42, 43, 45, 46, 49, 50, 52, 53, 57, 61, 63, 65, 67, 68, 73, 77, 78, 79, 82, 83, 84, 86, 87, 92, 94, 95, 98	372.75	Submitted
1995-96	45	1, 3, 4, 5, 8, 9, 10, 12, 20, 22, 24, 37, 38, 40, 42, 43, 44, 47, 48, 49, 55, 56, 58, 59, 60, 61, 64, 66, 67, 72, 73, 78, 80, 81, 83, 84, 85, 86, 87, 88, 89, 90, 91, 101, 102	564.16	Submitted
1996-97	40	4, 5, 6, 8, 10, 14, 17, 19, 23, 25, 29, 38, 42, 43, 44, 46, 48, 55, 56, 59, 60, 64, 66, 68, 72, 74, 79, 81, 83, 84, 85, 86, 87, 89, 90, 92, 94, 95, 100, 102	534.27	Not Submitted (127.24)
1997-98	38	4, 5, 7, 8, 9, 10, 15, 17, 22, 23, 24, 25, 29, 34, 37, 40, 47, 52, 55, 59, 60, 64, 66, 68, 69, 72, 76, 82, 83, 84, 85, 86, 87, 88, 91, 98, 102	733.90	Not Submitted (731.27)
1998-99	21	7, 8, 10, 12, 19, 24, 25, 35, 44, 47, 51, 55, 66, 73, 74, 80, 82, 83, 84, 86, 88	981.27	Not Submitted
1999-2000	31	4, 7, 8, 9, 10, 17, 18, 19, 22, 23, 42, 51, 55, 56, 60, 66, 67, 68, 74, 77, 78, 79, 80, 81, 82, 84, 86, 87, 88, 90, 94	1,295.41	Not Submitted
2000-01	21	6, 7, 8, 9, 12, 21, 23, 25, 35, 38, 42, 46, 66, 67, 74, 77, 80, 81, 86, 88, 94	379.62	Not Submitted



Year	No. of Grants/Appropriation	Grants/Appropriation No(s)	Amount of excess	Whether reasons submitted to PAC
2001-02	13	7, 8, 12, 19, 34, 36, 61, 66, 73, 75, 82, 86, 102	2,640.36	Not Submitted
2002-03	17	30, 35, 40, 42, 46, 60, 61, 68, 69, 73, 78, 80, 84, 86, 88, 104 (Voted and Charged)	114.18	Not Submitted
2003-04	26	4, 8, 9, 12, 17, 19, 22, 40, 41, 42, 49, 55, 59, 60, 64, 66, 67, 68, 69, 73, 78, 80, 84, 86, 91 and 105	401.26	Not Submitted
2004-05	29	2, 5, 8, 12*, 17, 19, 22, 36, 38, 40, 43, 55, 61, 63, 66, 68, 73°, 80, 81♥, 86, 88, 91, 96, 100 and 104	1,787.26	Not Submitted
Total	346		10,379.23	

◦ **Excess over provisions during 2005-06 requiring regularisation**

The excess of Rs.2,159.83 crore under 44 cases of grants and appropriations during the year requires regularisation under Article 205 of the Constitution. Details are given in Appendix XIV. Reasons for the excesses had not been furnished by the Government as of August 2006.

**2.3.4 Original budget and supplementary provisions**

Supplementary provisions (Rs.3,418.10 crore) made during this year constituted 9.37 per cent of the original provision (Rs.36,464.99 crore) as against 31 per cent in the previous year.

**2.3.5 Unnecessary/excessive/inadequate supplementary provisions**

Supplementary provision of Rs.565.97 crore made in 25 cases during the year proved unnecessary in view of aggregate saving of Rs.960.58 crore as detailed in Appendix XV.

In 19 cases, against additional requirement of only Rs.830.60 crore, supplementary grants and appropriations of Rs.1,288.60 crore were obtained, resulting in savings aggregating to Rs.458.00 crore. Details of these cases are given in Appendix XVI.

In 26 cases, supplementary provision of Rs.1,549.70 crore proved insufficient leaving an uncovered excess expenditure of Rs.2,138.34 crore. Details of these cases are given in Appendix XVII.

\* Revenue Voted, Revenue Charged and Capital charged

° Revenue Voted and Capital Charged

♥ Revenue Charged and Capital Charged

### 2.3.6 Persistent excesses

There was a case of significant and persistent excess as detailed below:

Grant Number and Major Head	Sub-Head	(Rupees in crore)					
		2003-04		2004-05		2005-06	
		Excess (percentage of Provision)					
		Provision	Excess	Provision	Excess	Provision	Excess
8-2071	01.101.01 Superannuation and Retirement Allowances to Primary Panchayat Teachers	95.00	113.97 (119.97)	95.00	116.97 (123.13)	105.00	141.25 (134.52)

### 2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Cases where the re-appropriation of funds proved injudicious in view of final excess (Rs.189.27 crore) and savings (Rs.73.46 crore) over grant by over rupees one crore are detailed in **Appendix XVIII and XIX** respectively.

### 2.3.8 Delayed surrender

In 136 cases of Grants/Appropriations, Rs.6,916.18 crore were surrendered in March 2006 indicating inadequate financial control over expenditure. Details are given in **Appendix XX**.

## 2.4 Re-appropriations on 31 March

During 2005-06, 1,035 re-appropriation/surrender orders amounting to Rs.8,980.84 crore were issued and of these 140 orders aggregating to Rs.2,261.92 crore (131 re-appropriation orders for Rs.1,903.32 crore and nine surrender orders for Rs.358.60 crore) were issued on 31 March 2006, i.e. the last day of the financial year.

## 2.5 Rush of Expenditure

The financial rules require that Government expenditure should be evenly distributed throughout the year. The rush of expenditure during the closing months of the financial year is regarded as a breach of financial rules. The position in respect of expenditure (Revenue and Capital) for the four quarters and also for the month of March 2006 is depicted in **Appendix XXI**, which shows that the expenditure incurred in March 2006 in 36 cases ranged between



40 and 100 *per cent* of the total expenditure during the year indicating a tendency to utilise the budget at the close of the financial year.

## 2.6 Budgetary Control

In 68 cases, expenditure aggregating Rs.1,929.76 crore exceeded the original provisions by Rupees five crore or more in each case and also by more than 10 *per cent* of the total provisions. Details are given in Appendix XXII.

As envisaged in Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure was incurred without any provision in 13 cases amounting to Rs.3,183.45 crore as detailed in Appendix XXIII.

## 2.7 Audit of Abstract and Detailed Contingent Bills

As per codal provisions and instructions issued by the State Government, Detailed Contingent (DC) Bills should be sent to the Accountant General (Accounts and Entitlement) Gujarat, Rajkot, by Drawing and Disbursing Officers within three months from the date of drawal of Abstract Contingent (AC) Bills.

The amount drawn on AC Bill should be utilised by the Drawing and Disbursing Officer for the purpose for which the drawal was made. Test check of AC Bills and DC Bills in departments revealed the following;

### *Non Submission of DC Bills*

Rupees 3.78 crore were drawn on 193 AC Bills between June 2003 and March 2006 for which no DC bills were submitted as shown in Appendix-XXIV. Details of DC Bills submitted from April 2006 onwards are not received (October 2006).

### *Delay in submission of DC Bills*

Rupees 10.46 crore drawn on 649 AC Bills between June 2001 and January 2006 as shown in Appendix-XXV, the DC bills in respect of which were submitted late. Delay in submission of DC bills ranged from one to 49 months.





# **CHAPTER-III**

## **PERFORMANCE REVIEWS**







## CHAPTER III

### PERFORMANCE REVIEWS

*This Chapter contains four performance reviews on (i) Sarva Shiksha Abhiyan , (ii) Food Security, Subsidy and Management of Foodgrains, (iii) Allotment of Land for non-Governmental activities and (iv) IT Audit of Computerisation in the office of Industries Commissioner.*

### EDUCATION DEPARTMENT

#### 3.1 Sarva Shiksha Abhiyan

##### *Highlights*

*Sarva Shiksha Abhiyan (SSA) was introduced in 2000-01 to impart useful elementary education to all eligible children in age group of 6-14 years by 2010. The aims and intended objectives of the programme were not fully achieved despite incurring an expenditure of Rs.408 crore during 2001-05. The review has pointed out lesser utilisation and diversion of funds, inadequate infrastructure in schools, shortages in teaching staff, unsatisfactory enrollment and higher drop out of children from schools. Some of the deficiencies noticed in implementation of the programme are as under:*

*As against the approved outlay of Rs.653.81 crore, Rs.452.50 crore were released by the Government of India/State Government and expenditure was only Rs.408.19 crore, leaving unutilised balance of Rs.44.31 crore as of March 2005.*

*(Paragraph 3.1.7.2)*

*State Project Director diverted Rs.22.88 crore from Sarva Shiksha Abhiyan to other schemes/projects in contravention of financial rules.*

*(Paragraph 3.1.7.4)*

*The overall dropout was to the extent of 36.62 lakh during the period 2001-05. Out of 51.95 lakh children enrolled in Class I during the period 2001-05, 10.19 lakh children left the school by 2004-05.*

*(Paragraph 3.1.8.1)*

*There were 289 and 1,958 schools having zero teacher and one teacher respectively as of March 2005 against the minimum of two teachers.*

*(Paragraph 3.1.8.3)*

MV= 80.49 cr.

As against the provision of Rs.115.03 crore, Rs.67.25 crore only were spent for civil works. Maintenance and repairs grant aggregating to Rs.49.67 crore was given to schools without any specific demands or proposals from school managements, etc.

(Paragraph 3.1.8.4)

No in-service training was imparted by the District Institute of Education and Training during 2001-04.

(Paragraph 3.1.9.1)

No Education Guarantee Scheme Centre was opened in the State. Out of 36.62 lakh dropouts, only 1.50 lakh were admitted in 7,275 alternative schools.

(Paragraph 3.1.10.2)

### **3.1.1 Introduction**

Government of India (GOI), in association with the State Governments and local self-governing bodies, launched (2000-01) a comprehensive and integrated flagship programme; Sarva Shiksha Abhiyan (SSA) to attain Universal Elementary Education (UEE) in the country in a mission mode. In Gujarat SSA which was launched in January 2002 aimed to provide useful and relevant education to all children in the age group of 6-14 by 2010. The programme envisaged the active participation of the community in the management of schools by effectively involving the panchayati raj institutions, school management committees, village and urban level committees, parent teacher associations (PTAs) and other grass root level structures. SSA was designed to subsume within itself other projects such as Operation Black Board, Strengthening of Teachers Education, National Programme of Nutritional Support for Primary Education, Mahila Samakhya, Education Guarantee Scheme, Alternative and Innovative Education, District Primary Education Programme, Lok Jumbish Project, Janshala Programme, etc.

### **3.1.2 Programme objectives**

The objectives of SSA are to

- have all children in Schools/Education Guarantee Centres/Alternate Schools and Back-to-School Camps by 2005,
- ensure that all children in six to 11 age group complete five years of primary schooling by 2007,
- focus on elementary education of satisfactory quality with emphasis on education for life,
- bridge all gender and social category gaps at primary stage by 2007 and at elementary education level by 2010 and
- achieve universal retention by 2010



### 3.1.3 Organisational set up

At the State level, programme is implemented in a mission mode by the State Implementation Society (SIS)<sup>1</sup> viz., Gujarat Council of Elementary Education (GCEE), comprising the Chief Minister (President), the Education Minister (Vice President), the State Project Director (SPD) (Member Secretary) and 35 members<sup>2</sup>. The affairs of GCEE are administered by the Executive Committee (EC) comprising the Chairman (Secretary, Education Department), the SPD (Member Secretary) and the members representing the State Government and the GOI. The State Project Office (SPO) is headed by the SPD assisted by a number of professionals. The staff and professionals of the District Primary Education Programme (DPEP) at the Directorate of Primary Education (DPE) implemented SSA. At the district level, the District Project Office (DPO) headed by the District Collector or the Chief Executive Officer implemented the programme through District Primary Education Officer (DPEO) of Zilla Panchayat. At the village level, critical unit was Village Education Committee (VEC), which assisted the basic education system in securing the co-operation and participation of the local community; at the same time oversees the implementation of SSA in the villages.

### 3.1.4 Audit objectives

The main objectives of audit were to examine and assess :

- the efficacy of planning of various components of the programme,
- the adequacy and utilisation of funds,
- major interventions carried out as per norms prescribed such as teacher-student ratio, coverage of out of school children, dropouts rate, etc.
- the adequacy of infrastructural facilities and effectiveness and efficiency with which maintenance and repairs of school building were carried out and
- the mechanism for periodic review and monitoring.

### 3.1.5 Audit criteria

The audit criteria adopted for ensuring the above audit objectives were:

- Planning process for various activities of the programme
- Budget proposals, utilisation certificates and reports and returns sent to the GOI
- GOI guidelines and other norms and targets fixed
- Performance indicators of various components of the programme
- Periodic reports and returns on monitoring of the programme

<sup>1</sup> Registered under the Societies Registration Act, 1860.

<sup>2</sup> State Government officers, GOI representatives and others

### 3.1.6 Audit coverage and methodology

Records maintained at the SPD, five<sup>3</sup> SSA district offices and one Municipal Corporation<sup>4</sup>; including 15 Block Resource Centres (urban: five and rural: 10) and 90 Schools for the period 2001-05 were test checked<sup>5</sup> during June-August 2005. Entry and exit discussions with the Project Director were conducted in June 2005 and August 2005 respectively.

Social and Rural Research Institute (SRI); a specialized unit of 'IMRB International', was engaged for a nationwide survey on the activities covered under SSA; after due intimation (January 2006) to Government. The survey covered 5017 households in 251 primary units in all the 25 districts of Gujarat. The findings of the survey are incorporated in this review at appropriate places. Executive summary of the findings is given in **Appendix-XXVI-A**. Methodology adopted for sample selection by SRI is given in **Appendix-XXVI-B**.

## Audit Findings

### 3.1.7 Financial Management

#### 3.1.7.1 Funding Pattern

The expenditure under the programme was borne by the Government of India (GOI) and the State Government in the ratio of 85:15 upto 2001-02. This was revised to 75:25 during 2002-07 (Tenth Plan period). According to the GOI 'framework for implementation', the State Governments have to maintain their level of investment in elementary education as in 1999-2000 and the contribution as State share to SSA would be over and above this investment.

#### 3.1.7.2 Financial outlay and utilisation

Details of outlay approved for the State and the funds released by the GOI and the State Government and expenditure incurred thereagainst under the programme during 2001-05 were as follows:

### Outlay and utilization of funds

(Rupees in crore)

Year	Approved outlay	Funds released by			Opening balance	Total funds available	Expenditure (Percentage with reference to approved outlay)	Unspent balance
		GOI	State Government	Total				
1	2	3	4	5	6	7	8	9
2001-02	37.98	17.66	3.12	20.78	0.00	20.78	14.61 (38)	6.17
2002-03	143.02	98.73	22.50	121.23	6.17	127.40	96.51 (67)	30.89
2003-04	227.74	115.25	21.58	136.83	30.89	167.72	143.11 (63)	24.61
2004-05	245.07	112.45	61.21	173.66	24.61	198.27	153.96 (63)	44.31
<b>Total</b>	<b>653.81</b>	<b>344.09</b>	<b>108.41</b>	<b>452.50</b>			<b>408.19</b>	

<sup>3</sup> Ahmedabad, Gandhinagar, Kheda, Rajkot and Vadodara

<sup>4</sup> Ahmedabad

<sup>5</sup> Districts were selected by Probability Proportional to Size With Replacement (PPSWR) whereas blocks and schools by Simple Random Sampling Without Replacement (SRSWOR)



As compared to the State's annual plan outlay for SSA approved by the Project Approval Board of the GOI, the percentage of expenditure during 2001-05 was 38, 67, 63 and 63 respectively.

Rs.44.31 crore out of  
Rs.452.50 crore  
remained unspent

During 2001-05, as against total approved outlay of Rs.653.81 crore, Rs.452.50 crore (69 per cent) were released by the GOI/the State Government and the expenditure incurred thereagainst was only Rs.408.19 crore, leaving an unspent balance of Rs.44.31 crore as of March 2005.

GOI was to release funds directly to the GCEE in two installments every year; one each in April and September to ensure timely utilisation of funds. However, during 2001-03 the GOI released their share through the State Government. Flow of funds revealed that

- GOI released Rs.6.46 crore in February-March 2002 to the State Government, but the SPO received the same in April 2002.
- funds were released in six installments between September 2002 and March 2003, of which Rs.8.14 crore released on the last day of 2002-03 was received by the SPO in April 2003.
- the State Government's share fell short by Rs.10.41 crore and Rs.16.83 crore in 2002-03 and 2003-04 respectively.

State Project Office was booking advances to the DPOs as final expenditure though expenditure on several items out of these advance payments had not been incurred during these years resulting in large-scale unspent amounts lying with the DPOs. Test check revealed that unspent balances had ranged between Rs.18.21 crore<sup>6</sup> (as of 31 March 2004) and Rs.2.17 crore<sup>7</sup> (as of 31 March 2005) as these funds were not utilized by the DPOs during the respective financial years. This not only resulted in booking of inflated expenditure by the SPO but also delay in implementation of the programme.

Government stated (November 2005) that short release and short utilisation of funds during 2001-03 were due to these being the beginning years of the programme and the administrative set up at district and block level was not in full strength.

### 3.1.7.3 Delay in preparation and submission of Annual Work Plan and Budget

AWP&B were  
approved late every  
year

According to the budget calendar, Annual Work Plan and Budget (AWP&B), covering component-wise demand for a year, prepared by the State Project Office was to be submitted to the Ministry of Human Resource Development by 15 March for its approval and by 15 April after appraisal by Appraisal Mission (AM). However, the SPD submitted the AWP&B on 4 December 2001 (2001-02), 30 April 2002 and 18 July 2002 (2002-03), 30 April 2003 (2003-04) and 30 April 2004 (2004-05) against which approval of the GOI

<sup>6</sup> 2003-04 : Ahmedabad (Rs.3.11 crore), Ahmedabad Municipal Corporation (Rs.2.68 crore), Gandhinagar (Rs.1.97 crore), Rajkot (Rs.3.74 crore), Kheda (Rs.3.02 crore) and Vadodara (Rs.3.69 crore)

<sup>7</sup> 2004-05: Ahmedabad (Rs.1.02 crore), Ahmedabad Municipal Corporation (Rs.2.29 crore), Gandhinagar (Rs.0.05 crore), Rajkot (Rs.0.13 crore), Kheda (Rs.0.15 crore) and Vadodara ((-)Rs.1.47 crore)

was given on 15 January 2002 (2001-02), 1 August 2002 and 16 December 2002 (2002-03), 8 July 2003 (2003-04) and 18 June 2004 (2004-05).

Thus, delay ranging between one and eight months in submission and two to nine months in approval of the AWP&B in the initial years resulted in not fulfilling the objectives within the time frame including non enrollment of eligible children during these years. This also led to non/short implementation of some of the components of the programme. Details of funds and expenditure incurred thereagainst in respect of such components are given in Appendix XXVII.

### 3.1.7.4 Diversion of funds

Rs.22.88 crore were diverted

Grant given for any specific purpose was not to be appropriated for any purpose other than for which it was originally sanctioned. However, a test check of the records revealed that Rs.22.88 crore, earmarked for various activities under the programme were diverted by the SPD for other purposes such as District Primary Education Programme-4 (Rs.22 crore), Gujarat State Disaster Management (Rs.0.60 crore) and Gujarat Council of Primary Education (Rs.0.28 crore), not provided under the programme. Government stated (November 2005) that funds were diverted from SSA when sufficient funds were not available in projects concerned. The reply of the Government was not tenable as the diversion of funds was not permissible under financial rules.

### 3.1.7.5 Pre-project activities

Short spending of pre-project grant

Pre-project work was an important activity for quality implementation of SSA and achieving the end results. The pre-project activities comprise micro-planning, household surveys, studies, community mobilization, school-based activities, office equipment, training and orientation at all levels, etc.

Rs.30.05 lakh released by the GOI was not released to the SPO

SPD received (May 2002 to August 2003) Rs.3.32 crore for pre-project activities, of which only Rs.1.34 crore was spent for purchase of computer table/printing works (Rs.11.77 lakh), for *Bhoomipujan* of Gujarat Council of Education, Research and Training Centre, Gandhinagar (Rs.4.27 lakh), house to house survey, etc (Rs.1.18 crore) and remaining Rs.1.98 crore alongwith an interest of Rs.14.55 lakh was refunded (April 2005) to the GOI. Moreover, a grant of Rs.30.05 lakh had also been released (August 2001) by the GOI to the State Government for pre-project activities in Mehsana and Gandhinagar districts, but the same was not released to the SPO (July 2005) which resulted in non-completion of the work. Though reasons were called for, no reply was received from the Government.



### 3.1.8 Major interventions

#### 3.1.8.1 Enrolment and dropout of students

Out of 42.44 lakh children enrolled in class I, II, and III (2000-01), 17.47 lakh (41 per cent) left schools before reaching class V, VI and VII respectively by 2004-05. Similarly, out of 51.95<sup>8</sup> lakh children enrolled in class-I during the period 2001-05, 10.19 lakh children left the schools by 2004-05. The overall dropouts was to the extent of 36.62 lakh during the period 2001-05 considering enrolment made in classes I to V during the period. These included dropouts of focus group children such as SC and ST boys and girls.

It would thus be seen that aim for *cent per cent* enrolment and retention of children of age group six to 14 by 2010 would be difficult to achieve given this trend of dropouts. Further, in the absence of innovative activities not all students of focus groups such as girls, SC/ST students could complete elementary education.

#### 3.1.8.2 Availability of teachers

Teachers are the medium, through which basic education is imparted to students. Year wise position of teachers (2002-05) was as under:

Year	Primary school vacancies	Upper primary school vacancies
2002-03	3,689	13,402
2003-04	3,016	12,703
2004-05	3,633	14,061

According to the guidelines, salaries of teachers already in service and deployed or transferred to posts created under SSA were to be paid from the State Budget and only additional teachers recruited were to be paid from SSA funds. Scrutiny of the records, however, revealed that as against Rs.7.37 crore provided during the period 2002-05, Rs.16.60 lakh only were spent during 2003-04. Low expenditure under teachers' salary was due to non filling up of vacancies as required under SSA norms. Shortages of teachers resulted in depriving the students benefits of education as envisaged under SSA.

#### 3.1.8.3 School with zero-one teacher

According to norms of SSA, there should be one teacher for every 40 children in primary and upper-primary (UP) schools subject to a minimum of two teachers in primary school and one teacher for every UP class. Audit scrutiny revealed that there were number of schools in the State and test checked districts with zero to one teacher as detailed below:

Year	State as a whole		Details of test checked districts	
	Number of schools with zero teacher	Number of schools with one teacher	Number of schools with zero teacher	Number of schools with one teacher
2002-03	244	1,602	88	260
2003-04	200	1,698	85	335
2004-05	289	1,958	100	358

<sup>8</sup> 2001-02: 15.79 lakh, 2002-03: 12.23 lakh, 2003-04: 11.84 lakh and 2004-05: 12.09 lakh children

17.47 lakh students left schools without completing five years of schooling

289 schools had no teacher

Government stated (November 2005) that the schools with zero teachers had been looked after by the teachers of nearby schools. Thus, the schools remained partly non-functional as teachers were not available on all working days affecting the education, enrolment and retention of students.

### 3.1.8.4 Infrastructure development

#### ➤ Civil works

SSA provide that funds on civil works should not exceed 33 per cent of the entire project cost approved by the Project Approval Board (PAB) on the basis of plan prepared for the period till 2010.

As against the provision of Rs.42.42 crore (2002-03) and Rs.72.61 crore (2003-04), expenditure of Rs.22.51 crore and Rs.44.74 crore respectively was incurred. Besides deviating from the norms, this resulted in spill over of work and non-creation of infrastructure.

#### ➤ Physical targets and achievements as of March 2005

Items of construction work	Target	Completed	In progress	Not started
New schools	365	278	50	37
Building for Building-less schools	353	326	26	1
Additional class room	4,941	3,159	1,523	259
Boundary wall	1,888	1,316	509	63
Toilet	5,733	5,320	350	63
Water facility	4,999	4,543	407	49

**Targets of civil works fixed could not be achieved**

It would be seen that the State was lagging behind the targets fixed in all crucial factors of new schools, additional class rooms, toilets and water facility.

It was also noticed that 472 works including new schools (37), buildingless school (one), additional class rooms (259), boundary walls (63), toilets (63) and water facility (49) were not taken up as of August 2005.

The survey conducted by SRI revealed that 2.1 per cent primary and 3 per cent upper primary schools were operating from *kutchha* structures, which were basically unsuitable for running an educational institution. Further, 13.2 per cent primary and 21.1 per cent upper-primary schools also operated from semi-pucca buildings.

#### ➤ Schools with classrooms ranging between nil and one

According to Manual on SSA, there should be two classrooms to every primary school. There should be a room for every teacher or for every grade/class, whichever is lower in primary and UP schools. However, audit scrutiny revealed that in the State, as of March 2005, there were 281 schools having zero classroom and 1,269 schools having single classroom. Inadequate infrastructure impeded the creation of a child-centred environment.

Survey conducted by SRI revealed that 1.1 *per cent* schools did not have school buildings.

➤ *Video conferencing*

Rs.68.19 lakh incurred for installation of DRS could not yield intended results

SPD procured (October 2003) 130 digital Direct Reception Systems (DRS) along with 130 television sets at a cost of Rs.68.19 lakh, besides 120 television sets procured earlier under DPEP to equip Block Resource Centres (BRCs), with facility for two way audio and one way video teleconference, for augmenting teachers training inputs in distance education mode and also facilitating monitoring of various interventions under the programme. Scrutiny of the records of the SPD revealed that only seven teleconferences were held (May 2005) since its procurement.

In Rajkot district, it was seen that DRS was not installed in two talukas<sup>9</sup> (April 2005). Non-availability of electricity, late installation and faulty transmission also hindered video conferencing in talukas. Thus, the expenditure incurred on video-conferencing could not yield its intended benefits.

➤ *Teaching-Learning Equipment*

A grant of Rs.50,000 per school under Teacher-Learning Equipment (TLE) was to be given to upper primary schools which were not covered under Operation Black Board (OBB).

Non-identification of schools for TLE resulted in unnecessary retention of Rs.1.88 crore with DPEOs

A scrutiny of the records in test checked districts revealed that the SPD released Rs.3.86 crore (2003-04 and 2004-05) to the District Primary Education Officers (DPEOs) with instructions (January 2004) to disburse the grant to 771 eligible schools. Scrutiny of the records, however, revealed that the concerned DPEOs released only Rs.1.98 crore to 395 schools, of which 21 schools refunded (December 2004) the grant (aggregating Rs.10.50 lakh) as these schools were already covered under the Operation Black Board. Utilisation Certificates (Rs.6 lakh) from only 12 schools were available on record (August 2005).

Thus, out of Rs.3.86 crore released by the SPD, Rs.1.88 crore was retained by the DPEOs. Besides this, details of utilisation of Rs.1.82 crore by 362 recipient schools were also not available on record.

➤ *Maintenance and repairs of school buildings*

A grant upto Rs.5,000 was admissible to the school management committees/ VECs, per year per school for maintenance and repairs of school building on the basis of specific proposals by the school committee. Grant was admissible to schools having existing buildings of their own. From 2004-05, schools having their own building upto three classrooms were eligible for maintenance and repair grant upto Rs.4,000 while school having more than three classrooms were eligible for Rs.7,500 per school per year. Primary and UP

<sup>9</sup> Maliya-Miyana and Tankara



**Irregular payment of maintenance and repairs grant to the tune of Rs.49.67 crore**

schools were to be treated as separate for the purpose of maintenance grant even if these were functioning from the same premises.

Audit scrutiny revealed that in all the schools were given maintenance and repairs grant of Rs.49.67 crore (2002-05) without any specific demands or proposals from the school managements or assessment of the requirement by the SPO or DPOs.

In test checked schools, it was noticed that out of 90 schools, 27 schools could utilise the grants received during 2002-04 in 2004-05 only. It was observed that grant released without specific demand resulted in blocking of the Government fund with the schools.

Government stated (November 2005) that all the Government schools were eligible for maintenance and repairs grant of Rs.5,000 each and every year without any demand/proposal from school committee. The reply was not tenable as SSA and Manual of Financial Management and Procedure provides that demand/specific proposals from schools should be obtained before allotment of grant. This resulted in undue favour to the school managements.

➤ **Grants to buildingless schools**

A test check of the records of Ahmedabad district and Ahmedabad Municipal Corporation (AMC) revealed that buildingless schools<sup>10</sup> were provided Rs.21.27 lakh as maintenance and repairs grant during the period 2001-05.

Administrative Officer, Ahmedabad Municipal School Board stated (August 2005) that the school buildings had been rented for more than 70 years on nominal rent and the buildings were in poor condition hence the maintenance and repairs grant was paid. Reply was not tenable as maintenance and repairs grant was not admissible to schools which were functioning from buildings not owned by the schools.

Further, it was noticed in audit that 233 schools in AMC jurisdiction, functioning in classrooms of other schools were also paid maintenance and repairs grant amounting to Rs.46.60 lakh (2001-05) in contravention of the provisions of SSA. Grants to ineligible schools resulted in infructuous and avoidable expenditure of Rs.67.87 lakh.

**3.1.8.5 Excess release of teachers grant**

**Payment of grant in respect of teachers not in position**

Teachers' grant at Rs.500 per teacher, every year, is admissible for purchasing and developing teaching-learning material under SSA. During 2004-05 teacher's grant was paid to 46,480 teachers of six districts of Dahod, Navsari, Patan, Rajkot, Surat and Vadodara though the teachers in position were only 39,613 which resulted in excess payment of Rs.34.33 lakh. SPD stated (July 2005) that the grant was given to teachers in respect of the additional charges of classes that were held by them. The reply of the SPD was no

<sup>10</sup> Schools functioning in rented premises

acceptable as SSA norms do not envisage payment of teachers grant on the basis of classes held by the teachers.

### **3.1.9 Teachers' training and computer education to students**

#### **3.1.9.1 Teachers' training**

To improve the quality of education and to introduce new and modern methods of teaching, SSA provides for 20 days in-service course for all teachers, 60 days refresher course for untrained teachers and 30 days orientation course for fresh recruits every year. However, scrutiny of the records revealed that as against Annual Work Plan and Budget (AWP&B) of Rs.57.23 crore (2002-05), Rs.15.48 crore only was released by the SPD to district formations and expended indicating that performance in this activity fell short of the targets.

As per provisions of SSA, of the 20 days' in-service training, 10 days' training was to be imparted by the District Institute of Education and Training (DIET) and remaining 10 days by BRC/CRC.

A scrutiny of test checked districts revealed that no training to teachers by DIET was conducted till 2003-04. In 2004-05, four days' in-service training (against 10 days) was given to 13 thousand out of 40 thousand teachers. The BRC/CRC had also not imparted 10 days in-service training to teachers as required.

District SSA formations stated (August-September 2005) that training could not be given to all teachers for stipulated days as funds were released late, training schedules clashed with school vacation and non recruitment of BRC/CRC staff. Inadequate training hampered the quality of education.

#### **3.1.9.2 Computer education**

Computer aided education to students of UP classes is one of the interventions of SSA. Expenditure on this activity was to be met from innovative grant of Rs.15 lakh given every year to each district.

Scrutiny of the records revealed that orders for purchase of 2,934 computers were placed (March 2004) through the Gujarat Informatics Limited (GIL) and Rs.10.16 crore were paid. Computers were to be installed within 45 days of placement of orders. Order for another 1,000 computers was also placed (November 2004) with GIL.

Government stated (November 2005) that budget of three years (2001-04) was clubbed together to cover 517 schools of the State. SPD further stated that all computers were installed by December 2004.

A scrutiny of the records made available by the SPD and test-checked district formations revealed that though computers were received in schools, all of them were not put to use due to non-availability of electricity (200 schools as on April 2005) and infrastructure (54 schools as on April 2005). Thus, even

All teachers were not given in-service training

Though Rs.10.16 crore were spent for purchase of computers for 517 schools, computers were not operational in 254 schools

after incurring an expenditure of Rs.10.16 crore, the students were deprived of computer education (August 2005).

### 3.1.10 Coverage of special focus group

#### 3.1.10.1 Interventions for disabled children.

SSA envisages that every child irrespective of the kind, category and degree of disability should be provided education, guidance and necessary equipment by trained teachers. An amount of Rs.1,200 per child (identified with a minimum of 40 per cent disability) was to be spent on providing special services to such children with special needs in schools, Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) centres.

Though AWP&B authorized an expenditure of Rs.14.97 crore (2002-05), actual expenditure was Rs.1.55 crore only (2003-05). No amount was spent during 2002-03.

As of March 2005, 77,526 disabled children were identified of which 65,564 children were enrolled and 11,962 dropped out. In test checked districts, no expenditure for the training and equipment of the disabled students was incurred during the period covered under review.

District formations stated (August-September 2005) that due to non-appointment of Integrated Education Disabled (IED) Co-ordinators and non-availability of proper guidance, no activity for disabled children could be taken up during 2001-03.

#### 3.1.10.2 Intervention for out-of-school children

Norms under EGS and AIE provide for following kind of interventions

- Setting up of Education Guarantee Centres in un-served habitations
- Setting up of other alternative schooling models
- Bridge courses, remedial courses, back to school camps with a focus on mainstreaming out-of-school children into regular schools.

Though AWP&B authorized an expenditure of Rs.53.82 crore (2002-05), only Rs.7.07 crore were spent on remuneration and training of Balmitra<sup>11</sup>. No EGC centre was opened in the State.

Though 36.62 lakh students dropped out from the regular classes during 2001-05, no effective step to bring them to the main stream of education was initiated. During 2003-05, only 1.50 lakh students were admitted to 7,277 alternative schools.

Though 1.03 lakh out of school children were identified (2002-03) in test checked districts, no alternative schooling facilities were started. Out of 0.6

Alternative schools were not started to accommodate all out of school children.

<sup>11</sup> A local 10<sup>th</sup> pass person teaching in alternate schooling centre on honorarium



lakh out of school children identified (2004-05), 0.21 lakh children were brought back to schools by opening 1,126 new alternative schools.

District formations stated (August-September 2005) that due to non-recruiting of dedicated staff, new alternative schools could not be opened which resulted in failure of the main objectives of SSA to encompass all children in schools, EGS and alternative schools by 2005.

The survey conducted by SRI revealed that there were 1.03 crore eligible children (6-14 years) in the State, of which 61.49 lakh were boys and 41.84 lakh were girls. Among these children, 3.28 lakh (2.25 lakh boys and 1.03 lakh girls) were out of schools. This worked out to 31 out of 1000 children in urban areas and 32 out of 1000 children in rural areas. In case of gender disparity, 25 out of 1000 girls and 37 out of 1000 boys were out of school. The main reasons for parents not enrolling their children in schools were stated to be non-affordability and lack of interest in children to go to school.

### **3.1.10.3 Innovative activities**

Under SSA, there were provisions for innovative activities for girls' education, early childhood care and education, interventions for children belonging to SC/ST, computer education especially for UP level. As against budget provision of Rs.41.25 crore during 2002-05, expenditure of Rs.20.70 crore only was incurred. Out of Rs.20.70 crore, Rs.13.96 crore were spent for purchase of computers. Thus, no significant work for girl/SC/ST students was taken up.

### **3.1.10.4 Research, Monitoring and Evaluation**

With a focus to develop capacities for appraisal and supervision through resource/research institutions and an effective Education Management Information System (EMIS), SSA lays emphasis on research, evaluation and monitoring.

It was to be done by creating a pool of resource persons, generation of community based data, research studies, classroom observations and creating partnership with research and resource institutions and pool the resource team with State specific focus. Against a provision of Rs.16.72 crore (2002-05), expenditure of Rs.5.81 crore (35 per cent) only was incurred for this crucial activity.

Under SSA, monitoring is done at National, State and local levels. In Gujarat, programme was monitored by two institutes, viz.,

- Sardar Patel Institute of Economics and Social Research (SPIESS), Ahmedabad
- Centre for Advance Studies in Education, MS University, Vadodara.

It was noticed in audit that out of 25 districts in none of the districts monitoring and evaluation work was carried out during the period 2001-03 by

adequate research  
and monitoring

these institutes. MS University, Vadodara and SPIESS, Ahmedabad, however, only monitored one and four districts respectively during 2003-04. Whereas only eight districts were monitored and evaluated by the institutes during 2004-05.

Guidelines of SSA provide that GCEE should meet at least twice in a year and the EC to meet as often as necessary, but at least once in each quarter. GOI nominated official and non-official members in May 2005. GCEE never met as of September 2005. As against a minimum four meetings every year, the EC met only twice annually during 2001-05. Reasons for not convening the meetings of the Apex Bodies were not furnished. In the absence of required number of meetings the programme guidelines could not be followed effectively.

### **3.1.10.5 Internal audit**

No internal audit system existed till 2003-04. An internal audit unit<sup>12</sup> was constituted in 2004-05. The unit conducted inspection of only 11 District level offices out of 25 districts till March 2005. Four, out of seven Municipal Corporations were also covered. However, the office of the SPD was never taken up under such audit.

### **3.1.11 Conclusion**

Inadequate infrastructure facility and shortage of teachers, inadequate training of teachers and lack of awareness among the public resulted in large number of dropouts. Coverage of special focus groups like scheduled caste, girls and disabled children was not adequate. Lack of preparedness and ground work coupled with delay in releasing funds by the Government resulted in significant shortfall in achievement of financial as well as physical targets. There were large scale vacancies of teachers and targets fixed for construction of new schools/additional class rooms were not achieved.

### **3.1.12 Recommendations**

- Government should monitor the implementation of the programme closely and ensure full utilisation of funds in order to effect *cent per cent* enrollment of eligible children in schools and *zero per cent* drop out.
- Computers and DRS lying uninstalled and non operational should be put to use for imparting education through electronic media.
- Training should be given to all teachers without loss of school days for better classroom management.
- Enrolment of out-of-school children in alternative schooling facilities should be given importance for achieving the objectives of the programme.

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<sup>12</sup> Consisting of two Auditors

**FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS  
DEPARTMENT**

**3.2 Food Security, Subsidy and Management of Foodgrains**

**Highlights**

*Review revealed major deficiencies in system of identification of beneficiaries and in distribution of foodgrains to the poor. 'Below Poverty Line' ration cards issued were more than the number of families identified. The scales of supplies prescribed by Government of India were not adhered to. Fair Price Shops did not function as per instructions of Government. Diversion of stock from one scheme to another by Gujarat State Civil Supplies Corporation Limited resulted in loss of Rs.26.85 crore to Government of India and Rs.21.20 crore to Government of Gujarat. There was no control mechanism to monitor efficient functioning of the scheme.*

Against 21.20 lakh BPL families identified, 35.34 lakh ration cards were issued.

(Paragraph 3.2.5.1)

Foodgrains were not supplied to the beneficiaries as per the scales prescribed by Government of India.

(Paragraph 3.2.6.1)

Fair-price shops were not following the instructions of the Government. Further, Coupons under Sampurna Gramin Rojgar Yojana were issued without adhering to the procedure.

(Paragraphs 3.2.6.2 and 3.2.6.3)

Government of India and Government of Gujarat suffered loss of Rs.26.85 crore and Rs.21.20 crore respectively due to diversion of foodgrains by Gujarat State Civil Supplies Corporation Limited.

(Paragraph 3.2.6.4)

Gujarat State Civil Supplies Corporation Limited was reimbursed Rs.8.52 crore in excess of the claim.

(Paragraph 3.2.6.5)

There was no control mechanism to monitor effective implementation of the scheme.

(Paragraph 3.2.7)

MV=56.57  
cr.



### 3.2.1 Introduction

Food management strategy of Government of India (GOI) is aimed at procuring foodgrains from the growers, its storage and maintenance of buffer stock. The strategy also aimed at implementation of Public Distribution System (PDS) to ensure availability of foodgrains to the public at affordable prices and food security for the poor.

The PDS is streamlined (June 1997) as 'Targeted Public Distribution System' (TPDS) to supply approximately 72 lakh tonnes of foodgrains annually to around six crore families of Below Poverty Line (BPL), for which special BPL ration cards were issued. GOI also launched (January 2001) Antyodaya Anna Yojana (AAY) for making the TPDS more focused and targeted towards about one crore 'poorest of the poor' households.

### 3.2.2 Organisational set up

Principal Secretary, Food, Civil Supplies and Consumer Affairs Department, was responsible for implementation of the scheme; Director of Food (DoF) was in-charge of planning, administration and monitoring. At district level, the implementation was entrusted to the Collectors in assistance with District Supply Officers (DSOs). Down at Talukas, it was managed by Mamlatdars. Foodgrains were distributed to beneficiaries through a network of Fair Price Shops (FPSs).

Gujarat State Civil Supplies Corporation Limited<sup>13</sup> (GSCSC) was nominated as agency for lifting foodgrains from Food Corporation of India (FCI) depots and to store, transport and supply to FPSs.

### 3.2.3 Audit objectives

Objectives of this performance audit was to assess whether –

- benefits have been extended to eligible families;
- distribution arrangements were effective and
- appropriate mechanism for effective control and implementation of the scheme was in existence

### 3.2.4 Audit coverage

The records relating implementation of the schemes of Principal Secretary, Food, Civil Supplies and Consumer Affairs Department, DoF, six<sup>14</sup> DSOs out of 25, 16 Mamlatdars, GSCSC and 64 out of 15939 FPSs covering the period 2000-06 were test checked during July-October 2005 and July-August 2006.

Entry conference with the Principal Secretary, DoF and Managing Director, GSCSC was held (February 2005).

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<sup>13</sup> A Government of Gujarat undertaking

<sup>14</sup> Ahmedabad, Dahod, Dangs, Gandhinagar, Jamnagar and Junagadh

## Audit findings

### 3.2.5 Extension of benefits

#### 3.2.5.1 Identification of beneficiary families and issue of ration cards

Large number of ration cards were issued in excess of the number of BPL families identified

Ministry of Rural Development (MRD), GOI conducts BPL census at the beginning of each Five Year Plan. MRD guidelines (September 2002) provided that total number of BPL persons identified in the State should not exceed the number of persons living below poverty line in the State, as estimated by the Expert Group of Planning Commission.

As against 21.20 lakh families estimated by the Expert Group under Ninth Five Year Plan (1997-2002), State Government identified 30.62 lakh BPL families (April 2000) when the last survey<sup>15</sup> was conducted and details of which were available.

However, without any periodical review of the list, State Government issued 35.34 lakh ration cards<sup>16</sup>, which were higher by 14.14 lakh families (67 per cent) than what was identified by the Expert Group; and higher by 4.72 lakh families (15 per cent) than what was identified by the State Government themselves.

#### 3.2.5.2 Identification of Antyodaya Anna Yojana families

Twenty three per cent of Antyodaya Anna Yojana families were denied benefits of the scheme

Government of India launched AAY (January 2001) to ensure 'food security for all' and to build-up a hunger-free India by identification of one crore families out of BPL group, who would be provided foodgrains at an exceptionally low rate. The scheme was expanded (June 2003) to cover additional 50 lakh families considering concentration of primitive and priority groups. GOI prescribed a target and as per the same State Government had to identify 8.13 lakh families as of March 2006. However, 6.23 lakh families only were identified (March 2006) and ration cards issued. Thus, 1.90 lakh families (23 per cent) were denied benefits of AAY.

#### 3.2.5.3 Non updation of BPL and Antyodaya Anna Yojana list and extension of benefit to ineligible families

Public Distribution System (Control) Order, 2001 provided that State Government was required to get the lists of BPL and AAY families reviewed every year for deletion of ineligible families and addition of eligible families. However, scrutiny of records revealed that no review of list of BPL and AAY families was carried out during the period covered by review. Failure to review list annually could lead to ineligible families availing benefits and denial of benefits to eligible families. One of the conditions for identification under the BPL category under the Ninth Five Year Plan was that the annual income of the family should be below Rs.20,000. A test check of selected districts revealed that 643 families<sup>17</sup> having annual income of over Rs.20,000

<sup>15</sup> Details of BPL census under Tenth Five Year Plan (2002-07) were not published (March 2006).

<sup>16</sup> 29.11 lakh under BPL and 6.23 lakh under AAY

<sup>17</sup> Ahmedabad-121, Dangs-127, Gandhinagar-75, Jamnagar-216 and Junagadh-104

were included in the list of BPL cardholders. This resulted in annual outgo of 96 MT subsidised foodgrains<sup>18</sup> to non-targeted group; besides extending benefits of PDS to ineligible people.

### 3.2.6 Management of distribution to targeted groups

#### 3.2.6.1 Lower supply of foodgrains than scales prescribed

During 2000-02, the scales prescribed by GOI for issue of foodgrains to BPL families ranged between 20 kg and 35 kg<sup>19</sup> per family per month.

**Foodgrains at the scales prescribed by Government of India were not supplied by the State Government**

As against this, State Government distributed foodgrains of 12.5 kg per family per month (upto September 2004) at a subsidised rate of two rupees and three rupees/kg for wheat and rice respectively. This was again subject to 1.5 kg wheat per person (limited to nine kg per family) and one kg rice per person (limited to 3.5 kg per family).

From October 2004 onwards, 7.5 kg additional foodgrains were optionally offered; wheat at five rupees/kg (limited to five kg/family per month) and rice at Rs.6.70/kg (limited to 2.5 kg/family per month).

**Government did not supply 0.95 lakh MT foodgrains costing Rs.20.79 crore to the Antyodaya Anna Yojana beneficiaries**

Thus, State Government reduced the scale of ration prescribed by GOI and thereby deprived the benefits to the targeted population. Government of India enhanced (April 2002) the scale of subsidised<sup>20</sup> foodgrains from 25 kg to 35 kg per family per month under Antyodaya Anna Yojana. Scrutiny revealed that foodgrains at enhanced scale was supplied from October 2004 only. This resulted in denial of 0.95 lakh MT of foodgrains<sup>21</sup> valuing Rs.20.79 crore<sup>22</sup>.

#### 3.2.6.2 Deficiencies in functioning of Fair Price Shops

**Manifold deficiencies were observed in functioning of Fair Price Shops**

Audit test checked 59 FPSs; of which four were not found open and licence was suspended in one case. The field visit revealed deficiencies and omissions such as FPSs marketing the same PDS commodity in addition to PDS supply, non display of essential information, etc. Two FPSs (private)<sup>23</sup> were selling rice and one FPS (co-operative)<sup>24</sup> was selling wheat, rice, sugar, edible oil, along with PDS supplies as non PDS commodity.

In five FPSs<sup>25</sup> (one co-operative and four private) notice board was not displayed at prominent place. In six FPSs (five private and one co-operative) opening and closing stock of all the PDS commodities was not displayed.

<sup>18</sup> At the present scale of 35 kg foodgrain per family per month since April 2002

<sup>19</sup> April 2000 to June 2001-20 kg; July 2001 to March 2002-25 kg and April 2002 to March 2006-35 kg (per family per month)

<sup>20</sup> Wheat at two rupees per kg and rice at three rupees per kg

<sup>21</sup> 75600 MT wheat and 18900 MT rice

<sup>22</sup> Rs.15.12 crore - wheat and Rs.5.67 crore - rice

<sup>23</sup> One private in Gandhinagar Taluka and one private in Kalol Taluka of Gandhinagar district

<sup>24</sup> One cooperative in Kalol Taluka of Gandhinagar district

<sup>25</sup> One cooperative in Zalod taluka (Dahod district), one private in Mansa Taluka (Gandhinagar district) and three private in Dhrol taluka (Jamnagar district)



Required records and registers were not maintained such as in 22 FPSs complaint registers; seven FPSs - complaint box and in one FPS bill book and sales register. In 41 FPSs - Profit and loss accounts were not maintained and in 13 FPSs - sample of foodgrains for sale were not displayed.

In four FPSs, storage facility was not adequate/proper to avoid damages due to ground moisture, rain, fire, insects, etc. In 17 FPSs, no inspection was carried out during the period by the Inspector of Supply Branch or any higher authority. In 13 FPSs no surprise checks were done during the review period.

### 3.2.6.3 Deficiencies in system of issue of foodgrain coupons

**Without following the norms, foodgrain coupons were issued under Sampurana Gramin Rojgar Yojana**

Commissioner of Rural Development (CRD) prescribed (March 2002) norms<sup>26</sup> for issue of foodgrain coupons under Sampurana Gramin Rojgar Yojana (SGRY). On production of the coupons to FPSs, foodgrains as detailed therein are distributed 'free of cost' to the beneficiaries. Concerned FPSs thereafter produce the coupons to the Mamlatdars, who in turn issue permits of the quantity supplied. Validity of the coupons was 60 days from the date of issue.

Test check of records of twelve<sup>27</sup> Mamlatdars revealed that though the date of issue of coupons and other requirements<sup>28</sup> were not mentioned in these coupons, they were accepted and foodgrains issued. In absence of requisite details, issue of foodgrains to beneficiaries in fulfillment of purpose of the scheme could not be ensured; besides authenticity of the coupons also could not be established.

### 3.2.6.4 Loss due to diversion of foodgrains

**Unauthorised diversion of foodgrains by GSCSC resulted in loss of Rs.26.85 crore to Government of India and Rs.21.20 crore to Government of Gujarat**

As per allocation made by the Director of Food, GSCSC was allowed to lift foodgrains from FCI and store in their godowns for issue to FPS licensees/permit holders for ultimate distribution to the beneficiaries.

Since Central Issue Price (CIP) of foodgrains vary from scheme to scheme, separate scheme wise accounts were required to be maintained by GSCSC.

Instructions of GOI provided that foodgrains allotted for a scheme was required to be utilised for that particular scheme only and should not be diverted without prior approval. Scrutiny of records of GSCSC godowns revealed that whatever available foodgrains were issued without ascertaining ground stock in respect of any specific scheme; this resulted in minus balances in some of the schemes.

During 2000-06, of the stock received from GOI, 0.56 lakh MT<sup>29</sup> of foodgrains meant for supply 'free of cost' or with lower CIP were diverted and

<sup>26</sup> Foodgrains coupons in different colours for wheat and rice showing quantity, name of scheme, name of work, period of wages, signature and stamp of issuing authority etc.

<sup>27</sup> Ahmedabad (City), Dangs, Dahod, Dhanpur, Dholaka, Dhandhuka, Gandhinagar, Kalol, Keshod, Kalawad, Mansa, and Vanthali.

<sup>28</sup> Name of DRDA/Gram/Taluka Panchayat, signature and stamp of issuing authority, name of work, name and number of FPS, signature of FPS owner, bill number and date of FPS, etc.

<sup>29</sup> 34,785.19 MT wheat and 21,138.66 MT rice

issued to schemes having higher CIP. As the payment to the Government of India was required to be made at the CIP rates, diversion of foodgrains made available free of cost to schemes such as BPL, AAY, where Rs.4150 per MT was payable, resulted in loss of Rs.14.12 crore to Government of India on account of diversion of 34,785 MT of wheat as given in **Appendix-XXVIII** during the period 2001-06. Further, quantity of 21,138.66 MT of rice were diverted from schemes with CIP ranging between Rs.3000 to Rs.5650 per MT to schemes having CIP ranging between Rs.5650 to Rs.11300 per MT. This diversion of rice resulted in loss of Rs.12.73 crore to the Government of India. Similarly, GSCSC had diverted (2000-06) 0.64 lakh MT<sup>30</sup> foodgrains received at higher CIP by GOG to schemes with lower CIP. This resulted in loss of Rs.21.20 crore to the GOG as given in **Appendix-XXIX-A**.

As of March 2006, there were minus balances of 1.55 lakh MT foodgrains<sup>31</sup> in the accounts of various schemes.

### 3.2.6.5 Excess claims against foodgrain supplied to riot victims

**Gujarat State Civil Supplies Corporation Limited got reimbursement of excess claims of Rs.8.52 crore against foodgrains supplied to riot victims**

Government of India allotted 1.27 lakh MT foodgrains<sup>32</sup> (April 2002) for free distribution among BPL<sup>33</sup> families affected during communal riots of 2002. Accordingly GOG decided to distribute<sup>34</sup> the foodgrains to 27.12 lakh affected families. Since the quantity allotted by GOI was sufficient to meet the requirements of 16.95 lakh families only, GOG decided (November 2002) to protect the remaining 10.17 lakh families from the allotment under BPL scheme. Accordingly, GOG reimbursed (March 2005) GSCSC Rs.27.84 crore for 0.51 lakh MT<sup>35</sup> foodgrain supplied 'free of cost'.

Scrutiny of Quantity Reconciliation Statements revealed that as against the reimbursement for 0.51 lakh MT foodgrains, GSCSC actually supplied 0.50 lakh MT<sup>36</sup> foodgrains only; as a result, extra payment of Rs.61.76 lakh was made for the excess claim for 0.01 lakh MT<sup>37</sup> foodgrains.

Further, it was also observed that as against supply of 0.35 lakh MT<sup>38</sup> foodgrains from the allocation for AAY, GSCSC preferred reimbursement claim on GOG at BPL rate<sup>39</sup>; this resulted in excess claim of Rs.7.90 crore.

Thus, GSCSC got reimbursement of excess claim amounting to Rs.8.52 crore<sup>40</sup> from GOG.

<sup>30</sup> 60,044.93 MT wheat and 3,532.27 MT rice

<sup>31</sup> 1,39,483.48 MT wheat and 16,316.42 MT rice

<sup>32</sup> 91,820 MT wheat and 35,621 MT rice

<sup>33</sup> including AAY

<sup>34</sup> 9 kg wheat and 3.5 kg rice per month from May 2002 to September 2002 and 5 kg wheat and 2.5 kg rice in October 2002

<sup>35</sup> 36,248 MT wheat and 14,411 MT rice

<sup>36</sup> 35,650.23 MT wheat and 13,934.46 MT rice

<sup>37</sup> 598 MT wheat and 477 MT rice

<sup>38</sup> 28,449.54 MT wheat and 6,667.38 MT rice

<sup>39</sup> CIP plus overhead charges

<sup>40</sup> Rs.61.76 lakh for excess quantities and Rs.7.90 crore for excess rates

### 3.2.6.6 Deficiencies in functioning of GSCSC godowns

Scrutiny of GSCSC godowns revealed deficiencies like storage of foodgrains at unauthorised places, etc. Stock of 67.5 MT wheat (1350 bags each weighing 50 kg) of GSCSC godown, Waghai (Dangs District) was unauthorisedly stored in godowns meant for Integrated Child Development Scheme without any permission/approval of GSCSC head office. The stock in the godown was also not covered under the insurance. Godown Managers issue machine numbered Credit Notes in prescribed form for amount of commission payable to FPS owners for foodgrains distributed at free of cost under various schemes. However, no Credit Notes were prepared by Godown Manager, Waghai; commission paid to the FPSs could not therefore be verified. As per instructions issued (September 2004) by GSCSC specimen signatures of permit issuing authority were required to be kept at godowns for verification before issue of foodgrains to FPS against the permits issued. However, no specimen signatures were kept on records in nine<sup>41</sup> GSCSC godowns test checked. As per instructions issued (September 2004) by GSCSC, all the registers to be used in the godowns were to be certified by the District Supply Mamlatdar (DSM). However, it was seen that in eight<sup>42</sup> GSCSC godowns of the test checked Districts/Talukas, the registers were maintained without certification of DSM.

### Control mechanism

#### 3.2.7 Non-constitution of Vigilance Committees

**There was no control mechanism to monitor effective implementation of the scheme**

Public Distribution System (Control) Order, 2001 provides that Vigilance Committees at State, District, Taluka and FPS level were to be constituted by the State Government. However, no such committees were constituted (August 2006).

Public Distribution System (Control) Order, 2001 provides that monitoring of the functioning of the PDS at the FPS level should be monitored through the computer network installed by NIC in the district NIC. However, no action was taken by the Government to ensure the monitoring system.

#### 3.2.8 Conclusion

There were deficiencies in system of identification of BPL and AAY families. The number of families to whom cards were issued BPL categories were more than what had been identified by the State Government themselves and targetted number of families under AAY categories could not be identified by the State Government. BPL and AAY list were not periodically updated and there were cases of extension of benefit to ineligible families under BPL categories. Scale of supply as prescribed by the GOI was not adhered to as far as supply of wheat and rice was concerned. Numerous deficiencies were

<sup>41</sup> Ahmedabad (Daskroi City Camp), Dhandhuka, Dhrol, Gandhinagar, Jamnagar, Junagadh, Kalawad, Kesod and Vanthali.

<sup>42</sup> Ahmedabad (Daskroi City Camp), Dhandhuka, Dhrol, Gandhinagar, Kalawad, Jamnagar(City), Junagadh and Vanthali



noticed in the functioning of fair price shops and some of these were mainly on account of inadequate supervision and inspection. On account of improper upkeep of records by the Civil Supplies Corporation, the State Government as well as Government of India was put to a loss due to diversion of foodgrains. Despite release of lower quantity, the Civil Supplies Corporation preferred and obtained payment for higher quantities and similarly amounts were also reimbursed to them at higher rates. The system of storage of foodgrains was also found to be inadequate. The three-tier vigilance committees were not found to have been constituted in the State.

### **3.2.9 Recommendations**

- 'Below Poverty Line' and 'Antyodaya Anna Yojana' lists may be reviewed and updated on periodic basis.
- GSCSC may be instructed to immediately prepare scheme-wise stock statements and these be reviewed with an aim to ensure scheme-wise quantity reconciliation at regular intervals. Excess payments made to the Gujarat State Civil Supplies Corporation Limited may be recovered after complete review.
- The functioning of the Fair Price Shops needs improvement and for this a system of regular monitoring and periodic inspection should be implemented expeditiously.
- Vigilance Committees at all levels need to be constituted and for this, immediate action should be taken.

The matter was reported to Government (August 2006); reply was not received (October 2006).

## REVENUE DEPARTMENT

## 3.3 Allotment of land for Non-Governmental activities

## Highlights

*There was no land allotment policy in Gujarat; the existing guidelines do not provide for any ceiling in the absence of which land was allotted irregularly at concessional rate. Land situated within the limit of Municipal Corporations was allotted without resorting to auction though this was mandated. Conditions prescribed for allotment of land were not adhered to and despite several breaches the resumption of land was also not done in one case involving Government land of the value of Rs.28.85 crore. Concessional rate was applied on the land that was allotted to an educational foundation without mandated application of the ceiling. There were several cases of inconsistent valuation of land which had resulted in losses to the Government. In violation of instructions, revaluation was not made in a case of allotment of land despite passage of more than eight years resulting in loss to the Government. There was no effective monitoring mechanism to ensure utilization of land for the purpose for which it was allotted.*

Government had not formulated any policy for allotment of land. Government guidelines did not provide for any ceiling for allotment of land except for higher education and Government employees housing categories.

(Paragraph 3.3.6)

Government allotted 0.24 lakh square metre land costing Rs.2.80 crore incorrectly at concessional rate.

(Paragraph 3.3.7.1)

Government land situated within 10 km radius of Municipal Corporations was allotted without resorting to auction.

(Paragraph 3.3.7.2)

Despite breach of several conditions land with market value of Rs.28.85 crore was allotted to Puri Foundation, Nottingham, UK, at concessional price of Rs.75.02 lakh.

(Paragraph 3.3.7.4)

Incorrect application of concessional rate to Nirma Education and Research Foundation resulted in loss of Rs.2.85 crore to Government.

(Paragraph 3.3.7.5)

Two lakh and sixty seven thousand sqmt land allotted at Gandhinagar to Government servants, Members of Legislative Assembly/Parliament was not utilized.

(Paragraph 3.3.8.2)

MV=36.34  
cr

**There was no effective monitoring mechanism to ensure utilisation of land.**

**(Paragraph 3.3.8.3)**

### 3.3.1 Introduction

Under the Bombay Land Revenue Code, 1879<sup>43</sup> (Revenue Code), Government is entitled to allot any land vested in it on such terms and conditions, as it deems fit. The allotment of land includes revenue free allotment, allotment on payment of occupancy price (also called market value) and allotment on leasehold rights. For allotment of land situated in six Municipal Corporations<sup>44</sup> and in places where the area of land exceeds the specified limit, permission from Government is required. In other cases the Collectors are empowered to allot the land. The occupancy price in respect of land up to Rs.50 lakh and that exceeding Rs.50 lakh is determined by the District Level Valuation Committee (DLVC) and State Level Valuation Committee (SLVC) respectively, in accordance with the guidelines prepared by the Chief Town Planner.

The consolidated details of land allotted were not compiled in the Revenue Department. A summary of allotment of land made on revenue free, lease and with occupancy price basis for non-Governmental activities to trusts, individuals, etc. (other than Government organisations) during 2001-06 and recovery of occupancy price thereagainst in respect of test checked districts were as under-

(Area in lakh sqmt/Rupees in crore)

Collector	Revenue free		On lease		With occupancy price		Amount
	No. of cases	Area	No. of cases	Area	No. of cases	Area	
<b>Ahmedabad</b>							
Trusts	0	0	7	0.24	11	1.32	2.74
Individuals, etc.	0	0	0	0	9	0.62	9.02
<b>Gandhinagar</b>							
Trusts	1	0.02	3	0.18	9	5.93	0.16
Individuals, etc.	0	0	0	0	16	4.81	17.79
<b>Jamnagar</b>							
Trusts	9	0.38	52	3.05	8	3.72	1.07
Individuals, etc.	0	0	0	0	12	0.04	0.78
<b>Rajkot</b>							
Trusts	16	2.45	0	0	36	4.55	4.65
Individuals, etc.	0	0	0	0	41	3.82	1.78
<b>Surendranagar</b>							
Trusts	7	0.29	0	0	12	0.13	0.17
Individuals, etc.	0	0	0	0	244	0.26	0.26
<b>Vadodara</b>							
Trusts	4	0.09	0	0	9	0.04	0.06
Individuals, etc.	0	0	7	1.26	4	1.30	0.01
<b>Total</b>	<b>37</b>	<b>3.23</b>	<b>69</b>	<b>4.73</b>	<b>411</b>	<b>26.54</b>	<b>38.49</b>

### 3.3.2 Organisational set up

Allotment of land at Government level is controlled by Principal Secretary, Revenue Department. The superintendence of the allotment is vested with Collectors of the districts who are assisted by District Development Officers (DDOs) and Mamlatdars. The DDOs and Mamlatdars are responsible

<sup>43</sup> And Rules made thereunder

<sup>44</sup> Ahmedabad, Bhavnagar, Jamnagar, Rajkot, Surendranagar and Vadodara



for receipt and scrutiny of applications. While the DLVC consists of District Collector as Chairman with DDO and Deputy Town Planner, Town Planning and Valuation Department as members, Secretaries/Additional Chief Secretaries/Principal Secretaries of Revenue Department and Urban Development and Urban Housing Department constitute the SLVC.

### 3.3.3 Audit objectives

Test check of the records of allotment of land by Government was conducted with a view to ascertain whether –

- a documented policy for allotment of Government land existed and allotment of land was made as per the policy that was laid down;
- occupancy price of land was fixed and collected in accordance with the applicable rules and codal provisions; and
- adequate measures were taken to ensure utilisation of land for the specified purpose.

### 3.3.4 Audit criteria

The audit criteria adopted for ensuring the above audit objectives were –

- scrutiny of Government orders for allotment of land;
- procedure of allotment of land and for realisation of the price;
- scrutiny of adequacy of machinery to verify utilisation of the allotted land; and
- methodology for ensuring compliance to rules.

### 3.3.5 Scope of Audit

Records with Principal Secretary, Revenue Department and six<sup>45</sup> Collectors out of 25, relating to the allotment of land for the purpose of non-Governmental activities such as construction of residential buildings, running of educational, cultural, religious and social institutions to trusts, organizations and individuals during the period 2001-06, other than the land acquired by the Government for its developmental activities, were reviewed during June-August 2006.

## Audit Findings

### Policy framework for allotment of land

#### 3.3.6 Non-Formulation of land allotment/disposal policy

Allotment of Government land is regulated according to the instructions provided in Government Resolution (June 2003) (guidelines), wherein orders/circulars issued on the subject from time to time were consolidated. However, Government did not formulate land allotment/disposal policy. Except in the cases of residential plots for Government employees and

<sup>45</sup> Ahmedabad, Gandhinagar, Jamnagar, Rajkot, Surendranagar and Vadodara out of 25 districts

institutions for higher education, the guidelines did not set down the maximum area that can be allotted at different situations<sup>46</sup>. In the absence of any ceiling with regard to maximum area that could be allotted, the method of allocation remained arbitrary and there were cases of huge tract of land being allotted and also cases where same organizations were repeatedly granted allocation of land as discussed below:

Sl. No.	Name of Alottee/Collectorate/ Month of order	Area in lakh sqmt/ Value	Purpose	Rate applied (Per sqmt)
1	Puri Foundation/ Gandhinagar/ May 2001	5.77 Rs.7.50 crore	Advance Research and Development Centre for IT and Bio Technology	Rs.65 (50% market rate) for 1.15 lakh sqmt and Lease rent of Rs.1 per year for 30 years for 4.12 lakh sqmt
2	K. Raheja Corporation Pvt. Ltd. / Gandhinagar/ May 2006	3.77	IT Park	Rs.470
3	Nirma Education and Research Foundation Trust/ Ahmedabad/ August 2004 July 1995	0.60 (Rs.3.89 crore)  2.20	Management complex and Architecture and Computer post graduate complex. Engineering College	Rs.324 (50% market rate)

Absence of ceiling for allotment that was also made without resorting to auction through public notice/advertisement also resulted in loss of opportunities of obtaining higher rates.

### 3.3.7 Fixation of occupancy price and its collection

#### 3.3.7.1 Irregular allotment of Government land at concessional rate

**24 thousand square metre land costing Rs.2.80 crore were allotted at concessional rate for unauthorised purposes**

During 2001-06, Collectors of the test checked districts have received 1478 applications, of which land was allotted in 511 cases (35 per cent), 827 cases (56 per cent) rejected, leaving a balance of 140 cases (9 per cent). Test checked in audit revealed that under the provisions of Para 32 of Gujarat Land Revenue Rules, 1972 land to the extent specified therein may be given free price/revenue whether in perpetuity or for a term for sites for the construction of schools, hospitals, dispensaries and other public works from which no profit is expected. Further, Para 32-A provided that land may be leased at a nominal

<sup>46</sup> Free of cost, at nominal lease rent, at concessional rate and at market rate

Year	Opening Balance	Receipt	Total	Allotment	Rejection	Closing Balance
2001-02	213	299	512	39	167	306
2002-03	306	215	521	214	190	117
2003-04	117	263	380	88	155	137
2004-05	137	269	406	107	156	143
2005-06	143	219	362	63	159	140
Total		1265		511	827	

rent of one rupee a year for playgrounds or other recreational purposes to educational institutions or local bodies for a term not exceeding 30 years. The lease will be in the name of educational institution, local bodies or gymnasiums recognized by the Government.

In two Collectorates,<sup>48</sup> land admeasuring 0.24 lakh sqmt costing Rs.2.80 crore was incorrectly allotted between August 2001 and April 2005 to five entities who were neither educational institutions or local bodies, at nominal lease rent for 30 years for religious, cultural and social activities which were not specified in the rules. This resulted in loss of revenue of Rs.2.80 crore in the form of lease rent/occupancy price as given in Appendix-XXIX-B.

### 3.3.7.2 Allotment of Land within the Municipal Corporation limits

The guidelines provide that Government land situated within 10 km radius of Municipal Corporations is to be allotted through public auction only. However, in following cases, land admeasuring 0.04 lakh sqmt situated within 10 km radius of Municipal Corporations limit was allotted without resorting to auction.

In Ahmedabad Collectorate 21,300 sqmt of land was allotted (November 2005) to Bharat Hotels Ltd. at Rs.7.39 crore. In Rajkot Collectorate, lands admeasuring 5000 sqmt and 16,650 sqmt was allotted (June 2004 and March 2006 ) to two entities<sup>49</sup> respectively for Rs.0.25 crore and Rs.0.42 crore, at concessional rate of 50 per cent of market value.

Thus, the Government lost an opportunity of obtaining competitive rate for these lands despite there being specific provisions in this regard.

### 3.3.7.3. Application of rates and realisation of value

According to the terms and conditions prescribed for allotment, land shall be liable to be resumed by Government, if the conditions prescribed are not complied with by the allottees. For setting up of Engineering Colleges, the concerned Councils have fixed minimum requirement<sup>50</sup> of land; the guidelines provided for allotment of minimum land at concessional rate of 50 per cent of market rate and excess demand would require payment at the rates<sup>51</sup> prescribed. Despite these provisions cases of irregularities in allotments were noticed as discussed below:

<sup>48</sup> Ahmedabad and Vadodara

<sup>49</sup> Lok Prakashan Ltd. and Shri Vyavasayi Vidya Pratishthan Trust

<sup>50</sup> 25 acres in urban areas, 10 acres in district places and five acres in metro cities

<sup>51</sup> Excess upto 15 per cent-75 per cent of market value; excess demand of over 15 per cent-100 per cent of market value



### 3.3.7.4 Irregular allotment of land for setting up of Advance Research Development Centre for Information Technology and Technology

Flouting the rules, 5.77 lakh sqmt land was allotted to Puri Foundation at a concessional value of Rs.75.02 lakh against the market value of Rs.28.85 crore

Puri Foundation, Nottingham, United Kingdom applied (December 2000) for allotment of 5.77 lakh sqmt land for setting up of Advance Research Development Centre for Information Technology and Bio Technology and construction of residential houses. Pursuant to the orders (May 2000) of the Revenue Department, Collector, Gandhinagar, allotted (June 2001) the land at an occupancy price of Rs.75.02 lakh for 1.15 lakh<sup>52</sup> sqmt meant for building and token lease rent of one rupee per year<sup>53</sup> for 4.62 lakh sqmt for use as residential land.

Scrutiny revealed that the land was allotted without obtaining the authorization from the concerned department which was a prerequisite for allotment of land for setting up of Higher/Medical Educational Institutions. Concessional rate was applied also to land meant for construction of residential houses. Puri Foundation had not registered a society in Gujarat State, in the name of 'Puri Foundation for Education in India' under the Registered Society Act, 1947 as required. Subsequently in May 2003, the Department deleted this clause from the terms and conditions of allotment. The construction on the land was commenced within six months and completed within three years from the date of allotment as required. Though construction was to be completed on 4.62 lakh sqmt of land by June 2004, construction was carried out on only 4.85 per cent (0.22 lakh sqmt) of land as of July 2006 that too without obtaining permission for conversion of agricultural land into non-agricultural land. After five years from the date of allotment of land, the Centre was not set up.

Though the allottee committed breach of several conditions, Government did not resume the land. This led to an ineligible entity gaining the benefit of Government land valuing Rs.28.85 crore<sup>54</sup> at a nominal value of Rs.75.02 lakh.

### 3.3.7.5 Incorrect application of concessional rate

Incorrect application of concessional rate resulted in loss of Rs.2.85 crore to Government

Collector, Ahmedabad allotted 0.60 lakh sqmt land (August 2004) to Education and Research Foundation, Ahmedabad, for setting up of Management Complex for Architecture and Post Graduation in Computer Science at concessional rate of 50 per cent of market rate<sup>55</sup> based on the valuation by the DLVC in March 2002. Scrutiny revealed that the Foundation had already allotted (July 1995) 2.20 lakh sqmt land for setting up of Engineering College at concessional rate. Out of this, 0.61 lakh sqmt of land was utilised for plantation in contravention of the conditions of allotment. Since concessional rate was applicable only to 0.40 lakh sqmt land for each of the two Colleges and the Foundation was already allotted 2.20 lakh sqmt of land, further allotment of 0.60 lakh sqmt of land at concessional rate was not in order. Further, the market value as per the valuation (August 2004) of the land was Rs.2.85 crore.

<sup>52</sup> At a concessional rate of Rs.65 (50 per cent of market rate)

<sup>53</sup> For 30 years

<sup>54</sup> Rate according to Jantri (valuation for the purpose of stamp duty) – Rs.500 per sqmt

<sup>55</sup> 55,553 Sqmt-Rs.655/4656 Sqmt-Rs.570

made by the DLVC in same area was Rs.4.80 crore (Rs.800 per sqmt). Thus, erroneous application of concessional rate resulted in loss of Rs.2.85 crore to Government.

Collector, Rajkot allotted 0.17 lakh sqmt of land (December 2003) at concessional rate of Rs.250<sup>56</sup> to Shri Vyavasayi Vidya Pratishthan Trust, Rajkot for construction of an Engineering College.

Scrutiny revealed that the Trust was already allotted 0.81 lakh sqmt of land in October 1997 for the same purpose at concessional rate. Since concessional rate was applicable to only 40,468.60 sqmt (10 acres) of land and the Trust was already allotted 0.81 lakh sqmt, allotment of further 0.17 lakh sqmt of land was in contraventions to the instructions of the Government. This resulted in loss of Rs.41.63 lakh<sup>57</sup> to the Government.

### 3.3.7.6 Inconsistent valuation

Valuation of land is to be made by the Chief Town Planner/Deputy Town Planner in accordance with the guidelines (September 2002), according to which 12 per cent increase was to be effected every year unless revalued. In the following two cases, these instructions were not followed –

	Akshar Purshottam Swaminarayan Sanstha, Ahmedabad	Swaminarayan Mandir, Surendranagar
Collectorate	Rajkot	Surendranagar
Date of allotment	November 2004	October 2002
Area	5000 sqmt	648 sqmt
Purpose	Sanskar Dham	Swaminarayan Mandir
Month of initial valuation	January 2001	March 1996
Rate as per initial valuation per sqmt	Rs.1000	Rs.1848
Rate applicable per sqmt	Rs.1405	Rs.3647
Rate applied for per sqmt	Rs.460	Rs.1200
Loss	Rs.47.25 lakh	Rs.15.86 lakh

Thus, the incorrect valuation led to the loss of Rs.63.11 lakh at minimum rate to the Government.

### 3.3.7.7 Non revision of rates

According to instructions (December 1976), valuation of land made by the DLVC is valid for six months and in cases where finalisation of allotment of land is not completed within six months from the date of initial valuation, fresh valuation is to be made before making the allotment. The allotment was liable to be cancelled if the payment is not made within one month from the date of order.

<sup>56</sup> 50 per cent of market rate

<sup>57</sup> 16650 Sqmt-Rs.655/4656 Sqmt-Rs.570

In Ahmedabad, a commercial institution<sup>58</sup> applied (December 1988) for 30 sqmt of land for construction of gas godown. In May 1992, Collector instructed the applicant to pay the cost of land at Rs.40 per sqmt or at the rate determined by the Deputy Town Planner whichever was higher. According to the applicant paid Rs.1.20 lakh in June 1992. The Deputy Town Planner determined (August 1992) the value of land at Rs.8.25 lakh (at Rs.275 per sqmt). The applicant requested (September 1992) the Collector to reconsider the valuation. The request was not acceded to and the Collector asked (March 1994) the applicant to pay the amount within one month. The applicant has not made the payment rendering the allotment liable to be cancelled. However, the Collector had neither cancelled the allotment nor returned the amount paid by the applicant.

After eight years (May 2002), the Collector instructed the applicant to pay the balance of amount of Rs.7.05 lakh along with interest<sup>59</sup> of Rs.6.84 lakh. The amount was paid in May 2002 and the land allotted in August 2002. Had the revaluation been made the land would have fetched Rs.45 lakh considering the existing market rate of Rs.1,500. Failure to do so resulted in loss of Rs.29.5 lakh to Government.

### 3.3.7.8 Non recovery of lease rent and interest

Under the provisions of the Revenue Code, Government land can be leased out to any person for such period and purpose and on such conditions as may be determined in this regard. The grantee of such land shall pay lease rent for the lease period as per the terms and conditions of the lease. According to the orders (October 1982) of Government, annual lease rent for the land allotted for non-agricultural purposes is to be charged at 15 per cent of the market value of the land. The lease period of 2,500 sqmt land allotted to an entity<sup>60</sup> in Rajkot district was renewed in August 1993 for seven years on lease rent of Rs.1.90 lakh per year. Scrutiny revealed that the allottee had not paid the lease rent for 13 years (March 2006). However, no action was taken by the Collector either to recover the due from the allottee or to resume the land. Total lease rent and interest recoverable worked out to Rs.45.29 lakh (Rs.24.65 lakh rent and Rs.20.64 lakh interest).

### 3.3.7.9 Non application of penal rate

As per Government Resolution (1980), Government land under unauthorised occupancy, if not required by the Government, Collectors can regularise the allotting to its occupants by recovering penal occupancy price at two and half times the market value on the date of regularisation.

Collector, Gandhinagar allotted (September 2001 and May 2002) land measuring 3,000 and 1,821<sup>61</sup> sqmt to two<sup>62</sup> trusts at the rates of Rs.1,2

Collector, Rajkot did not recover Rs.45.29 lakh from an allottee during 1993-2006

Failure to apply penal rate resulted in loss of Rs.64.64 lakh

<sup>58</sup> Kirti Gas Service, Ahmedabad

<sup>59</sup> at 12 per cent for eight years and one month

<sup>60</sup> Vasantlal Khimjibhai Kanabar

<sup>61</sup> 15 sqmt with occupancy price and 1806 sqmt on token rent of one rupee per year

<sup>62</sup> Shree Chandkheda Kadva Patidar bhag Samasth Sarvajanic Trust and Shri Tapasvi Raghuram Seva Trust



and Rs.310 per sqmt respectively. This included regularisation of encroachment by charging penal rate on 190 sqmt and normal rate on 15 sqmt of land respectively on which construction was carried out unauthorisedly by the trusts.

Audit scrutiny revealed that the entire area of land was encroached by these trusts; as such penal rate at 2.5 times the market value was required to be applied for the entire area. Accordingly, Rs.90 lakh and Rs.14.11 lakh were to be recovered. Against these only Rs.39.42 lakh and Rs.0.05 lakh respectively were recovered. This resulted in loss of Rs.64.64 lakh to the Government.

### 3.3.7.10 Non-holding of Meetings of District Level Valuation Committee

According to the instructions of the Government, District Level Valuation Committee was to meet at least once every month to finalise the valuation of the land for various purposes. Scrutiny in selected districts revealed shortfall ranging between one and eight meetings. In Ahmedabad district, delay in finalisation of valuation upto three years was noticed in 27 cases<sup>63</sup>. The Collector Ahmedabad attributed the shortfall in the meeting to earthquake, riots and election.

## 3.3.8 Utilisation of land

### 3.3.8.1 Non-identification of Government land

Government land was not identified and earmarked for various purposes viz., agricultural, industrial, residential, commercial, tourism, etc. to estimate the land effectively available for development work and to ensure that specified activities are carried out at the earmarked areas. Land was allotted as per the demand of the applicant without framing a master plan.

While accepting the audit observation, Department stated (August 2006) that since ownership of all land that does not belong to anybody rests with the Government, identification of land for any specific purposes was not done. However, in some areas such as town planning, tourism projects, aquaculture, etc., land was being identified. The reply was not tenable as non identification and non-demarcation of land could lead to open access to all and encroachment.

### 3.3.8.2 Mechanism for ensuring utilisation of land

Under the Government Resolution (June 1988) of Roads and Building Department, Government servants were entitled to residential plots admeasuring 90 to 330 sqmt depending on the basic pay. Similarly, Members of Legislative Assembly (MLA) and Members of Parliament (MP) were also entitled for plots of 330 sqmt for construction of houses on such terms and conditions as prescribed by Government. The occupancy price was fixed at 50 per cent of market value of the plot prevailing at the time of allotment. The conditions for allotment *inter alia* included a clause for completion of

<sup>63</sup> 11 cases - more than three years, 16 cases - less than three years

Government had not identified all the lands available

construction of residential building within two years from the date of allotment and utilise it for his residential purpose. In case of breach of any stipulated condition, the allotment was liable to be cancelled and land resumed by Government.

During 1970-2006, Government allotted 25,654 plots of land admeasuring between 90 sqmt and 330 sqmt to Government servants, MsLA and MsP for construction of residential buildings. Of these 2,423 plots<sup>64</sup> (9.44 per cent) (2315 Government servants, 13 MsP and 95 MsLA) allotted prior to 2001-02 were not utilised for the purpose for which they were allotted (July 2006). Out of this, 1873 cases have been regularised (up to July 2006) by charging penalty<sup>65</sup> of Rs.36.40 lakh, as prescribed under the order of March 2003. However, action was not initiated either to regularize the allotment or to resume the land in respect of remaining 550 cases (July 2006).

### 3.3.8.3 Delay in disposal of cases of non utilization of land

According to the guidelines, land is liable to be resumed by Government if it is not used for the purpose for which it is granted by such date as the Collector may fix in this regard. Details of breach of conditions noticed (2001-06) by the Collectors of test checked districts in respect of the land allotted (prior to March 2004) was as under –

(Area in lakh sqmt)

District	Unutilised land		Land utilised for other purpose		Penal action taken
	No. of cases	Area of land	No. of cases	Area of land	No. of cases
Gandhinagar	0		1	8.11	1
Jamnagar	69	10.17	6	0.86	37
Rajkot	123	2.95	0	0	1
Vadodara	89	20.19	19	3.71	0
<b>Total</b>	<b>281</b>	<b>33.31</b>	<b>26</b>	<b>12.68</b>	<b>39</b>

Though 307 cases<sup>66</sup> of breach of conditions were detected by the department, penal action was taken in only 39 cases (13 per cent) by resuming the land; reasons for non-initiation of penal action in respect of the remaining cases were not furnished to audit.

Thus, the Department had not evolved any effective monitoring mechanism to ensure that the land is utilised for the purpose for which it was allotted.

### 3.3.8.4 Non-tracking of changes in the ownership of land

The land allotted for any specific purpose is to be utilised for the purpose for which it was allotted; the ownership cannot be changed without the approval

<sup>64</sup> 2.67 lakh sqmt

<sup>65</sup> No penalty for delay upto five years. In other cases, Rs.0.50 per sqmt to be multiplied by 40, 120, 200, 280, 360 and 440 for delay from 6 to 9 years, 10 to 12 years, 13 to 15 years, 16 to 18 years, 19 to 21 years and 22 to 24 years respectively

<sup>66</sup> Less than 10 years-67 cases; 10 to 20 years-88 cases; 21 to 30 years-102 cases and above 30 years-50 cases

There was no effective monitoring mechanism to ensure utilization of land for the purpose for which they were allotted

of the allotting authority. However, Government did not evolve an effective monitoring mechanism to track the changes in the ownership of land.

The Collector, Ahmedabad allotted 1.59 lakh sqmt of land to an entity<sup>67</sup> on lease for commercial purpose for the period upto July 1987; no further extension was applied for. The land was unauthorisedly transferred on sale twice<sup>68</sup> between July 1977 and April 1981; the present occupier had applied (September 2004) for regularisation of the land. In Rajkot Collectorate, 6.35 acres land allotted (November 1955) under Bhudan Act, 1953. to an entity<sup>69</sup> for agricultural purpose was unauthorisedly transferred on sale four times<sup>70</sup> between November 1955 and November 1971. Though according to the conditions of allotment the land was not transferable, in the absence of a suitable mechanism, Government could not ensure authenticity of the transfer of land as all these transactions were entered in revenue records.

### 3.3.8.5 Regularisation of encroachments

Under the Revenue Code, on detection of encroachment by the revenue authorities, the encroacher shall be evicted forthwith and assessed to non-agricultural assessment, Land Revenue, etc. at prescribed rates with imposition of fine for the period of unauthorised occupancy.

In three<sup>71</sup> test checked districts, 2475 cases of encroachments involving an area of 17.93 lakh sqmt land were detected; of which 1,697 encroachments (9.38 lakh sqmt land) were evicted; two cases (0.09 lakh sqmt land) were regularised and action in respect of 776 cases (8.46 lakh sqmt land) were pending (March 2006).

### 3.3.9 Conclusion

Government had not formulated land allotment policy in the State; the existing guidelines did not provide for ceiling in the absence of which land was allotted unrestrictedly. Land situated within the limit of Municipal Corporations was allotted without resorting to auction besides being allotted unauthorisedly at concessional rate. Land allotted to a higher educational institution was not resumed though the conditions of allotment were not fulfilled. Concessional rate was applied on the land that was allotted to another institution without applying the prescribed ceiling. Inconsistent valuation of land resulted in loss to Government. Failure to revalue the land allotted after eight years of original valuation led to loss to Government. Allotment made to Government servants, MsLA and MsP at Gandhinagar were not utilised by them. Though large number of cases of breach of conditions were detected by the department, penal action was taken only in less than 13 *per cent* cases. There was no effective monitoring mechanism to ensure utilisation of land for the purpose

<sup>67</sup> Shri Abdullatif Mohammedhabib Zafri

<sup>68</sup> To Ramanlal Bhogilal Shah (July 1977) and Indravadan Chimanlal Thakkar (April 1981)

<sup>69</sup> Koli Nathu Bhima

<sup>70</sup> 1) Topan Kundanmal and Ghanshyamdas Topanmal (November 1955); 2) Valibai Hirji (August 1962); 3) Suresh Champaklal (February 1968); 4) Kanaiyalal Madhavlal Shah (November 1971)

<sup>71</sup> Gandhinagar, Jamnagar and Rajkot



for which they were allotted. In the absence of a system to track the change in the ownership, land was also transferred flouting the conditions of allotment.

### **3.3.10 Recommendations**

Government may consider the following steps to improve the effectiveness of guidelines in vogue for allotment of lands,

- Formulate a policy for allotment/disposal of land with prescribed ceiling for maximum area to be allotted under each category;
- Ensure timely valuation of land and realisation of occupancy price and land at concessional rates should be allotted judiciously in accordance with accepted norms;
- Evolve suitable monitoring mechanism to ensure utilisation of the land for the intended purpose within the specified period.

The matter was reported to Government (August 2006); reply was not received (October 2006).

3.4 *IT Audit of Computerization in the Office of the Industries Commissioner*

*Highlights*

*Industries Commissioner introduced a web-based package as total solution provider meant for ensuring proper information flow leading to increased productivity and improvement in management control and monitoring. The package was also meant to eliminate redundancy and implement paper-less correspondence between offices. The system developed has major design deficiencies which has adverse effect on the integrity and reliability of information that has been stored and processed. Thus, different modules of the package have not been integrated rendering the entire exercise of development of the software as waste.*

**3.4.1 Introduction**

Industries Commissioner (IC), under the Principal Secretary, Industries and Mines Department, is responsible for implementation of various programmes of the Government for acceleration of the industrial development in the State.

The Commissionerate has 11 main branches at the Head Office at Gandhinagar and 24 District Industries Centres (DICs) at the District Head Quarters.

The IC introduced a web-based package, 'Industries Commissionerate-Integrated Information Technology Solution (IC-IITS)' known as 'Total Solution Provider (TSP)' developed (April 2005) by CMC Ltd., Ahmedabad (CMC) and iNDEXTb, Gandhinagar (a Government of Gujarat undertaking). This was done with the objectives of enabling proper information flow resulting in augmentation of productivity; improving management control and monitoring, enhancing fast customer services through 'Total Workflow Automation', to implement inter-office paperless correspondence, elimination of redundant efforts at various desks, ensuring full accountability for the assigned work/duty and to ensure high security with full audit trails and assured transaction integrity.

The IC-IITS was developed at a cost of Rs.37.38 lakhs (Rs.33.24 lakh- CMC and Rs.4.14 lakh-iNDEXTb) on MS-SQL Server 2000 as database in back-end with ASP.NET in front-end. The operating system used is Windows 2000. All the DICs were connected through Gujarat State Wider Area Network (GSWAN). The total expenditure incurred during 2000-06 on IT Systems, including the Software development was Rs.2.76 crore.

### 3.4.2 System Acquisition and Implementation

The computerisation programme was implemented by the IC in Headquarters and connected with all the 24 DICs. There were 13 modules, of which two modules, viz. Master and Administration and Small Scale Industries registration and Industries Promotion (SSI-IP) were selected for detailed check. The system developed (2003-05) and put to use (2005-06) was checked at the office of the IC and six DICs<sup>72</sup> during February-July 2006.

Audit observed that due to deficiencies in testing and implementation of the computerisation the main modules of the application had either inherent design deficiencies or did not follow the business rules of the organisation.

The deficiencies noticed in audit are detailed below:

#### 3.4.2.1 Delay in development of IC-IITS

As per the conditions of the contract, development and implementation of IC-IITS was to be completed within 14 months from the date of signing the agreement. The agreement was signed with the CMC and iNDEXTb on 17 June 2003 and 19 June 2003 respectively and the iNDEXTb completed the work on 1 February 2005 and CMC on 31 May 2005. As such iNDEXTb completed the work with a delay of over five months and CMC had delayed completion for over nine months.

As per contractual conditions, if the Service Provider fails to deliver any or all of the service within the period specified in the contract, the IC shall deduct from the contract price as penalty at the rate of 0.5 per cent of the work contract price per week, subject to a maximum of 10 per cent of the contract price for the delay. However, IC had not invoked the above provision.

#### 3.4.2.2 Data Migration

- After creation of Computer Cell, a database was prepared for Small Scale Industries (SSI) and Medium and Large Scale Industries (MLI) for management of the affairs. However, the database was not migrated to the newly developed IC-IITS, thereby adversely affecting monitoring of the units and achievement of stated objectives. Audit observed that since IC failed to plan the migration at the stage of URS, the Developer had not provided for it.
- **Tables with no records/data** The IC-IITS has 340 tables for the database; even after a year of its implementation, no data was found or entered in 125 (37 per cent) tables; in rest of the tables, it contained either 'test data' or 'incomplete data' with errors. As such the system was not implemented and planned benefits not achieved.
- **Non generation of documents through IC-IITS** After implementation of IC-IITS, all the branches of the IC were provided with necessary hardware and software; the system also provides for generation of

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<sup>72</sup> Ahmedabad, Banaskantha, Gandhinagar, Porbandar, Rajkot, Sabarkantha



required documents. However, the branches continued to generate documents in conventional methods of assigning the work to the typing pool. This was due to unreliable and incomplete information available in the database.

### **3.4.2.3 Integration of the Modules**

During review, it was seen that all the Modules of the system were independent and integration of the Modules was not done; in absence of which statistics/reports, etc. were required to be re-entered. Thus, the very purpose of elimination of redundant efforts at various desks was defeated. The URS provided that industrial units applying to IC and DIC can gather information about the status of their applications through the web-based system. However, it was observed that this requirement does not exist in the system.

### **3.4.3 Design Deficiencies**

Audit observed numerous design deficiencies in the three modules (SSI-IP, SSI, and Master & Administration) which were there as a result of inadequate user involvement in the system design stages and deficient testing processes before implementation of the system. The module wise deficiencies are given below :

#### **3.4.3.1 Deficiencies in Small Scale Industries Module**

Review of the Small Scale Industries portion of the DIC module revealed the following –

- In the table for ‘Permanent SSI Registration’, the fields for ‘Investment in various fixed assets’ were provided; but no provision was made for the date of investment, which is a vital element for grant of any type of benefit to the Industrial Unit. In absence of these dates, the eligibility of any benefit on the investment can not be determined;
- Though the data provided to audit was for the period upto the end of March 2006, the inward dates noticed were 29.12.2006, 29.09.2006, 24.06.2006 and 02.05.2006. There were cases where date of commencement of production was blank (10,616 records) and there was duplication in permanent SSI Registration number (2,497 records). There was no consistency in the permanent SSI number as they were found in three, four, five and nine digits; there were eight missing number in the field ‘Permanent SSI Registration Number’. Under the field ‘Provisional Registration Number’, instead of actual number, data found was ‘Y’ in many cases;
- There were 1,354 records in the table for ‘Provisional SSI Registration’, out of which only in 37 cases, provisional SSI Numbers were given. In the field for ‘Provisional SSI Application Number’, missing numbers were found. There were cases of repetition in file number, name of applicant, address, city and provisional SSI Numbers.

There were also records, wherein the total of investment in various fixed assets did not tally;

- Provision was not made in the table for provisional SSI registration number for the applications rejected;
- There were 13,254 records in the table for 'Permanent SSI Registration', wherein 301 records were with 'zero' inward number. In two cases, date was mentioned as '06/04/200' and '01296' and in 65 records duplication in application number was noticed.

These deficiencies rendered the module to only limited usefulness and could have been rectified, had the module been properly tested before installation.

#### ***3.4.3.2 Deficiencies in Small Scale Industries registration and Industries Promotion Module (SSI-IP)***

There was no provision for capturing essential details like date of inspection, name and designation of the inspecting officer and details of the inspection etc. in the absence of which the report on inspection carried out, arrears of inspection, the efficiency of the inspectors, authority of the inspection, etc. can not be generated. In the table for recording the 'details regarding interpretation of SSI policy', a field for 'Government Resolution (GR) No.' was provided; but the fields, effective date of and the authority issuing the GR were not provided without that the reference in case of need remains incomplete. In the field to record cumulative expenditure, provision was not made to record monthly expenditure; in absence of which, correctness of the cumulative expenditure can not be ascertained. Similarly, the field 'Institute Serial Number' in the Table for Recording Grants Allotment Details to the institutions carrying out promotional activities was linked with Institute Master Table without any such field.

Thus, due to incomplete and inaccurate data in the module; no meaningful report or information can be generated from it.

#### ***3.4.3.3 Master and Administration module***

Master data, which is the key data of an organisation, is created for use by various tables of all the modules for references. Scrutiny of Master Tables revealed the following major deficiencies in system and documentation:

- The Master tables were not linked either due to non-existence of one of the two required master tables or due to wrong definitions of data types for common fields.
- Address was not bifurcated to incorporate important information separately like city, telephone number, PIN code, E-mail, fax number, etc. Due to this deficiency, the specific information related to address of EPC cannot be generated.

- In Master Taluka Table, entries were made in English against specification for data in Gujarati; the Gujarati entries made were illegible due to font error;
- In Master Branch Table, the Branch Codes allotted were not serially numbered; the branch names in the table were repeated;
- Duplicate entries were found in Master Table for Commodity Product in 49 records; in 15 cases, the commodity names were entered in one alphabet like K, L, P, etc.;
- In Master User Table, duplicate user names were noticed; in four cases only 'Mr.' was entered instead of full user name;
- In Code Master Table duplication in code value and code description was found in 93 cases;
- In 85 out of 139 records, the upload date was shown as 01.01.1900; in 24 cases out of 139 records checked, no data entry was made in the field "User File Name" in Master File Table.

Thus, deficiencies in the Master Table had adverse effect both on the integrity and the reliability of the data stored in the system. As such, the information generated by such a system would not be fully reliable.

#### **3.4.4. Conclusion**

Thus, even after spending Rs.2.76 crore on development of an integrated software, the organisation of the Industries Commissioner is left with a system which has major design deficiencies adversely affecting the integrity and reliability of information stored and processed therein. Moreover, non-integration of different modules defeats the very purpose of developing such a software. Running the system in the present form poses a risk to the decision making process based on the information generated by the system.

#### **3.4.5 Recommendations**

- The organisation needs to immediately rectify the deficiencies brought out by audit and for further computerisation needs to have a sound acquisition and implementation strategy before embarking on such projects.
- The database prepared earlier in respect of SSI and MLI may be migrated to IC-IITS and all the modules of IC-IITS needs to be integrated expeditiously.





# **CHAPTER-IV**

## **AUDIT OF TRANSACTIONS**







## CHAPTER IV

## AUDIT OF TRANSACTIONS

## 4.1 Infructuous/wasteful expenditure and overpayment

## ENERGY AND PETROCHEMICALS DEPARTMENT

## 4.1.1 Unfruitful expenditure on setting up of Biomass Gasifier-based Power Project

Setting up of Biomass Gasifier-based Power Project without source of input material (fuel wood ) resulted in unfruitful expenditure of Rs.2.07 crore and revenue loss of Rs.81.37 lakh

Government of India (GOI), Ministry of Non-conventional Energy Sources (MNES), sanctioned (March 1994) Rs.93.15 lakh (against the project cost of Rs.1.19 crore) to Gujarat Energy Development Agency (GEDA) for setting up of 500 KW Grid connected Biomass Gasifier-based Power Project (Project) at Kothara village in Kachchh district. The project is mainly aimed to demonstrate technical feasibility and economic viability of medium scale power generation based on gasification of naturally growing energy tree species like prosopis juliflora and/or fuel wood from energy plantations raised specifically for the purpose. The Project was to generate revenue of over Rs.88.87 lakh over two years from the sales of electricity. GOI grant was enhanced (December 1995) to Rs.1.21 crore; the balance cost of Rs.84 lakh shall have to be borne by GEDA. The Project was to be completed by June 1996.

GEDA had already taken up fuel wood plantation in one thousand hectare area (1987-88 onwards) at Lakhara-Velara village<sup>1</sup>, wherefrom requirement of input material for the Biomass Gasifier-based Power Project could be met. Simultaneously, Singhodi was also identified as an additional site for the input material.

GEDA issued work orders (January 1996) with two agencies for civil works (Rs.27.15 lakh) and supply of plant and machinery (Rs.1.49 crore). Due to dispute with contractor engaged with civil works, it could be completed in October 1998 only as against stipulated completion period of June 1996. Permission from Gujarat Electricity Board (GEB) for connection with the grid was received in September 2000. Project operations started in December 2000, but in the devastating earthquake (January 2001), the system was thrown out of gear. The Project was finally commissioned in June 2002, incurring a total expenditure of Rs.2.07 crore.

<sup>1</sup> Lakhara-Velara is situated adjoining the desert border of Kachchh district

MV=2-88  
cr.

A mention was made in para 6.7 of the Audit Report (Civil) for the year ended 31 March 1998 commenting that GEDA's contention of withering (1992-93) of fuel wood plantation (in the month of November) at Lakhara-Velara village, when the heat was comparatively less, was indicative of fictitious plantation and doubtful expenditure of Rs.22.87 lakh. Thus, the present Biomass Gasifier-based Power Project was implemented based on the non-existent plantation and unavailable input material.

Scrutiny of records (May 2005) of GEDA revealed that there was no biomass supplies for the Project from Lakhara-Velara plantation; whatever supplies received from Singhodi site was erratic and inadequate, in as much as

- they consisted of relatively large diameter logs, that require resizing at high expenses;
- relatively green/high moisture wood were supplied
- frequently, power plant starved for wood

The economic viability has suffered due to manifold increase in diesel price by the time it is implemented. Cost of transportation of fuel wood from Singhodi site was prohibitive. The project was finally closed down in March 2004.

The project attained an annual generation of electricity of 1,66,928/kwhr against the projected capacity of 13,20,000/kwhr (13 *per cent*). Incurring an operational expenditure of Rs.89 lakh, GEDA in all generated 3.89 lakh units power (2002-04) and earned an income of Rs.7.63 lakh by its sales to Gujarat Electricity Board; thus suffered a revenue loss of Rs.81.37 lakh.

Thus, setting up of Biomass Gasifier-based Power Project without source of input material (fuel wood) resulted in unfruitful expenditure of Rs.2.07 crore and revenue loss of Rs.81.37 lakh. When pointed out, GEDA stated (May 2005) that it was a Research and Development (R&D) project to gain experience. The reply of GEDA is not correct, as it was a demonstration project. Further, even if it is assumed that it was an R&D project, the very conception of the project based on non-existent plantation was unrealistic and therefore incorrect.

When pointed out, Government stated (June 2006) that in a review meeting taken (May 1996) by the Adviser, MNES, it was decided to base the project on Singhodi plantation, where there was no dearth of fuel wood. Government therefore, contented that the project was implemented based on the Singhodi plantation.

The contention of the Government is not tenable as the work orders for civil works and supply of machinery were already issued in January 1996 before the review meeting (May 1996) and therefore, the project was implemented on the basis of the original proposal of sourcing from Lakhara-Velara village, where no fuel wood plantation existed at the time of commencement of the project.

MV=1.66 Cr.

4.1.2 *Infructuous expenditure on a scheme for providing drip-irrigation kits*

Launching of new drip/sprinkler-kits scheme similar to those already under implementation and its subsequent dropping resulted in infructuous expenditure of Rs.1.66 crore

Gujarat has limited water resources; Government therefore implemented programmes from time to time aimed at optimum utilisation by conserving the available water using new techniques to achieve increased productivity and better income to the farmers under the programme. Drip/Sprinkler irrigation was expected to provide solution against heavy consumption of water and in turn save electricity also. Various schemes to provide drip/sprinkler-kits to farmers were being operated by Agriculture and other Departments. Gujarat Agro Industries Corporation (GAIC) was the nodal agency for the subsidy schemes.

Government in Energy and Petrochemicals Department too launched (August 2003) a scheme to provide drip-irrigation kits<sup>2</sup> at an estimated cost of Rs.80.25 crore for the benefit of those who are willing to switch over to metered power, in place of horse-power based tariff. The scheme was expected to cover 8000 hectares of land in eight districts<sup>3</sup> by March 2007. Gujarat Urja Vikas Nigam Limited<sup>4</sup> (GUVNL) was the nodal agency. The GUVNL appointed GAIC as implementing agency at a fee of Rs.4.25 crore; and BHC Agro-Industries (I) Private Limited as the technical consultant at a remuneration of Rs.4.00 crore. Energy and Petrochemicals Department released (October 2003 to March 2004) Rs.20 crore to GUVNL for the implementation of the scheme.

Scrutiny of the records of Energy and Petrochemicals Department (January 2006) revealed that due to implementation of similar schemes by different departments, Government decided (February 2005) to drop all such schemes and a new comprehensive 'Micro Irrigation/Drip-Sprinkler' scheme was sanctioned (March 2005). Narmada, Water Resources, Water Supply and Kalpsar Department was appointed (March 2005) as the nodal department and Gujarat Green Revolution Company Limited as the implementing agency. All pending cases for subsidy were to be dealt with by the new implementing agency.

Energy and Petrochemicals Department accordingly terminated (August 2005) the agreements with GAIC and BHC Agro-Industries (I) Private Limited (BHC). GUVNL had incurred an expenditure of Rs.1.66 crore on consultancy (one crore rupees) and other charges (Rs.66 lakh). The technical specification, etc. prepared by the consultant BHC who were also paid Rupees one crore, therefore, was of no use. Government adjusted the unspent balance of Rs.18.34 crore (2005-06) towards subsidy payable to GUVNL on other accounts:

The work done by the implementing agency lost all its relevance and no benefit accrued out of the expenditure incurred. The technical consultant carried out

<sup>2</sup> To approximately 2670 beneficiaries

<sup>3</sup> Ahmedabad, Banaskantha, Bharuch, Bhavnagar, Kachchh, Mehsana, Rajkot and Vadodara

<sup>4</sup> This company inherited the work on its formation from the parent organisation; Gujarat Electricity Board



preliminary survey and prepared tender documents, which is also of no use. Thus, the entire expenditure of Rs.1.66 crore proved infructuous.

When pointed out, Government stated (July 2006) that the scheme could create mass awareness among farmers; the technical consultant could develop model and evaluate tender papers. The reply of the Government is not tenable as the scheme was aimed to provide Drip/Sprinkler irrigation and not merely to create awareness or evaluate tender papers.

## NARMADA, WATER RESOURCES, WATER SUPPLY AND KALPSAR DEPARTMENT

### 4.1.3 Wasteful expenditure due to laying of pipeline in unnecessary stretches

**Gujarat Water Supply and Sewerage Board laid 8029 metre mild steel pipeline from Kheralu towards Valasana side for Vijapur-Kanthar vistar Regional Water Supply Scheme without ascertaining other economical and viable options resulting in wasteful expenditure of Rs.2.74 crore**

Chief Engineer, Gujarat Water Supply and Sewerage Board (GWSSB), Ahmedabad accorded sanction (September 2002) for laying Kheralu-Valasana-Hirpura pipeline<sup>5</sup> at an estimated cost of Rs.22.22 crore for augmentation of Vijapur-Kanthar vistar Regional Water Supply Scheme (RWSS) based on Dharoi dam. The work to be taken up under 'minimum need programme' was to meet the ultimate demand of 30.18 million litre per day for 2.52 lakh people of 108 habitations (120 lpcd) of Vijapur and Mansa talukas (Gandhinagar district<sup>6</sup>). The work was executed by the Executive Engineer (EE), Public Health Works Division, GWSSB, Mehsana.

Against the estimated cost of Rs.14.22 crore, the work of 'manufacturing, laying and jointing of mild-steel (MS) pipes for gravity main to convey water from Kheralu to Valasana and Valasana to Hirpura' for the RWSS was awarded (June 2003) to an agency<sup>7</sup> at their tendered cost of Rs.13.24 crore. The work was to be completed by March 2004. After execution of work to the tune of Rs.4.36 crore, the agency abandoned the work (April 2004) due to sharp increase in the price of MS coil.

Scrutiny of records (May 2005) of the EE revealed that a pipeline<sup>8</sup> for transferring water in Narmada canal from Piyaj to Dharoi dam was passing through the vicinity of Valasana. It was therefore decided (June 2004) to tap water for the RWSS from Piyaj-Dharoi pipeline<sup>9</sup>. Consequently, 8029 metre pipeline already laid at a cost of Rs.2.74 crore from Kheralu towards Valasana side became redundant. Thus, laying

<sup>5</sup> 26500 metre/711 mm diametre from Kheralu to Valasana and 26500 metre/508 mm diameter from Valasana to Hirpura

<sup>6</sup> Then in Mehsana district

<sup>7</sup> Jaihind Projects Limited, Ahmedabad

<sup>8</sup> Executed by Narmada, Water Resources, Water Supply and Kalpsar Department (own department)

<sup>9</sup> Near at Valasana

of pipeline without ascertaining other economic and viable options resulted in wasteful expenditure Rs.2.74 crore.

Executive Engineer stated (May 2006) that GWSSB came to know about the Piyaj-Dharoi pipeline only when execution of Kheralu-Valasana-Hirpura pipeline was in progress. The reason stated by EE was not tenable, as it was required to ascertain existence of any such project from where, water could be drawn economically. Moreover, Piyaj-Dharoi pipeline project was also executed by own department.

When pointed out, Government stated (September 2006) that the redundant pipeline would be exhumed and used elsewhere. The reply of Government was not tenable as non-co-ordination within the department resulted in wasteful expenditure.

*4.1.4 Unfruitful/Wasteful expenditure on a water supply scheme*

Design and construction of an 'Elevated Storage Reservoir' based on incorrect data resulted in its collapse and in unfruitful expenditure of Rs.2.29 crore of which Rs.27.60 lakh on the ESR proved wasteful

Chief Engineer, Gujarat Water Supply and Sewerage Board (GWSSB), Vadodara, accorded administrative approval and technical sanction (August 2002) to Hansapore Regional Water Supply Scheme at Rs.3.10 crore. The Regional Water Supply Scheme (RWSS) was to provide drinking water to 50 thousand persons in 14 villages of Jalapore taluka (Navsari district) at the rate of 60 million litre per day. The work was executed by the Executive Engineer (EE), Public Health Works Division, GWSSB, Navsari.

Scrutiny of records (September 2005) of the EE revealed that location of the headworks was 15 metre away from the source pond at Eroo village and at a distance of 60 metre from Hansapore branch canal of Ukai Water Resources Scheme. The entire region normally receives heavy rain during every monsoon; but 2000-02 witnessed deficit rainfall. The branch canal was, therefore, closed during the entire period for maintenance, repairs, etc. Therefore water table in the area went down. Soil Bearing Capacity (SBC) test for the foundation of Elevated Storage Reservoir (ESR) conducted (April 2003) by an agency during this period did not encounter presence of water even at a depth of 7.5 metre. The test result further revealed presence of stiff/hard silty-clay strata, which becomes stiffer while digging deeper. The agency recommended three metre deep foundation for ESR of 18 tonne bearing capacity. Without giving due consideration to the normal intensity of monsoon in the region, design for the ESR was thus finalised on the basis of incorrect data.

Work estimated to cost Rs.2.60 crore was awarded to a contractor (February 2003) at his tendered cost of Rs.2.78 crore and the work was to be completed in November 2003. The scope of this composite work included, construction of headworks consisting of ESR of 7.55 lakh litre capacity, underground sump, pump-house, filtration plant at Eroo village, etc.



After completion of work<sup>10</sup> (November 2004), hydraulic test was taken (February 2005) and water supply was partially commenced (February 2005). There was more than average rainfall in the area during 2003-04 and the canal was also opened after maintenance and repairs. The site-village was flooded for 15-20 days during 2005 monsoon. As a result, the water table came up in the area. Due to excessive presence of water at the upper strata, the pillars of the ESR caved in to a depth of 15-20 metre and the ESR collapsed (August 2005) within a fortnight after full-fledged storage of water commenced.



***Photo showing Collapsed Elevated Storage Reservoir***

The contractor was paid Rs.2.29 crore (July 2005); of which Rs.27.60 lakh was for construction of ESR. No benefit was accrued to the targeted population out of the expenditure for want of ESR. When pointed out (September 2005), EE did not assign any reason for carrying out SBC test for the ESR without giving due consideration to the normal intensity of monsoon in the region.

Since ESR designed on the basis of erratic data on SBC test collapsed; GWSSB could not supply water. Consequently, expenditure of Rs.2.29 crore<sup>11</sup> incurred on the RWSS became wasteful/unfruitful.

When pointed out, Government stated (October 2006) that decision to implement the project was taken after conducting all necessary tests including Soil Bearing Test and that the contractor can not be held responsible for the ESR that had collapsed. The reply of the Government is not tenable in view of the fact that the foundation of the ESR was designed without consideration of all the factors and was thus, based on incorrect data.

<sup>10</sup> Sump, filtration tank, pump-house and ESR

<sup>11</sup> Rs.27.60 lakh on ESR; Rs.2.01 crore on Civil works (Civil works-Rs.32.85 lakh and Pipe lines Rs.110.05 lakh, etc.)



## ROADS AND BUILDINGS DEPARTMENT

*MV=1.45 cr.*

**4.1.5 Wasteful/Avoidable expenditure due to usage of sand as filler material and execution of surface dressing between two road crusts**

**In two roads, filling of voids with sand in 'water bound macadam' work and execution of 'surface dressing' between two crusts against the specification of Ministry of Road Transport and Highways resulted in wasteful/avoidable expenditure of Rs.1.45 crore**

Government accorded Administrative Approval (AA) and Technical Sanction (TS) (March 2001) for widening and strengthening of two roads as detailed below –

(Rupees in crore)

Description of road	Estimated cost put to tender	Tendered cost	Date of completion of work	Final cost
Gadhada-Umrjala	6.15	4.82	February 2004	4.60
Gariadhar-Savarkundla	5.65	4.46	May 2004	3.91

Both the works were awarded to a single agency<sup>12</sup> (August 2002). The works were got executed by the Executive Engineer (EE), Roads and Buildings Division, Bhavnagar.

As per specifications of Ministry of Road Transport and Highways (MORTH) for the work of Water Bound Macadam (WBM), screening to fill voids in the coarse aggregate shall generally consist of the same material as the coarse aggregate. Specifications of MORTH also provide that where permitted, predominantly non-plastic material such as moorum or gravel (other than rounded river borne material) can, however, be used for the purpose.

Similarly, specifications of MORTH provide that surface dressing (SD) being a wearing course, was to be laid at the top of the road. Therefore, SD was not required to be laid between two road crusts.

Scrutiny of records of EE (February 2004) revealed that contrary to the above specifications of MORTH,

- EE got the WBM work executed with sand as filling material; as a consequence, the voids could not be filled in. Since the WBM is susceptible for disintegration, the work executed became substandard and an expenditure of Rs.1.12<sup>13</sup> crore incurred thereon wasteful
- provision was made for execution for SD between WBM and BM. Agency accordingly executed SD work at an expenditure of Rs.33.15 lakh<sup>14</sup>.

<sup>12</sup> Backbone Enterprises, Rajkot

<sup>13</sup> Gadhada-Umrjala road Rs.63.53 lakh and Gariadhar- Savarkundla Rs.48.55 lakh

<sup>14</sup> Gadhada-Umrjala road Rs.19.77 lakh and Gariadhar- Savarkundla Rs.13.38 lakh

Execution of SD between two road crusts resulted in avoidable expenditure of Rs.33.15 lakh

Thus, execution of work against the specification of MORTH resulted in wasteful/avoidable expenditure of Rs.1.45 crore<sup>15</sup>.

When pointed out, Secretary, Roads and Buildings Department, stated (February 2006) that sand is the best compactable material for filling voids and that SD was necessary to keep the WBM undisturbed. The reply of the Secretary is not tenable as specifications of MORTH specifically states that, same material as the coarse aggregate or non-plastic material such as moorum or gravel (other than rounded river borne material) is to be used for filling the voids. MORTH specification also provides for application of SD as wearing coarse and therefore, it was not to be laid between two crusts. Further, no reply was furnished regarding providing of surface dressing between two road crusts

The matter was reported to Government in June 2006; reply was not received (October 2006).

#### 4.1.6 Wasteful expenditure on power factor/excess demand charges

##### **Non maintenance of power factor resulted in wasteful expenditure of Rs.45.98 lakh**

The 'Tariff for Supply of Electricity at High/Extra-High Tension' fixed by the Gujarat Electricity Board (GEB) from January 2001 provides that the high-tension consumer should maintain at least 90 per cent power-factor<sup>16</sup> during a month, failing which power factor adjustment charges will be levied at the rate of one per cent on the total amount of electricity bills for the month under the head 'demand charge'<sup>17</sup> and 'energy charges' for every one per cent drop (or part thereof) in the average power factor during the month below 90 per cent, and at two per cent (for each per cent of drop) if power factor drops below 85 per cent. Besides maintenance of power factor, charges at additional rates would also be levied, if drawal of power exceeded<sup>18</sup> the contracted demand.

A test check of records (October 2005) of Executive Engineer (EE), Roads and Buildings Division, Vadodara, revealed that two high-rise buildings, viz., Narmada Bhavan and Kuber Bhavan (Vadodara) were under the charge of the EE for maintenance. EE obtained high-tension connection with contracted demand of 200 KVA and 300 KVA respectively for these high-rises. Scrutiny of records in connection with electric consumption in these buildings revealed that as power factor had ranged between 59 per cent and 89 per cent (March 2002 to February 2006), GEB charged Rs.45.98 lakh from the EE on account of power factor adjustment charges during the period.

When pointed out, EE stated (October 2005) that matter is being taken up with the Government and on sanction, technical requirements would be fulfilled.

<sup>15</sup> Rs.1.12 crore on WBM work and Rs.33.15 lakh on SD – total Rs.1.45 crore

<sup>16</sup> 'Power factor' means, the ratio of units sent out from transformer and registered in the metre of the consumer

<sup>17</sup> The highest of (i) 85 per cent of contracted demand, or (ii) 100 KVA, or (iii) actual maximum demand registered on meter on any given day of the month, or (iv) average of last three months

<sup>18</sup> For maximum drawal metered in any given day of the month



The matter was reported to Government in June 2006; reply was not received (October 2006).

## FORESTS AND ENVIRONMENT DEPARTMENT

### 4.1.7 Irregular purchase of belastones

**Extra expenditure of Rs.2.04 crore was incurred for purchase of belastones, without competitive bidding and disregarding Government approved price as the purchases were made from unauthorized sources, Government also lost sales tax amounting to Rs.27.11 lakh and royalty of Rs.20.88 lakh**

Gir Protected Area (PA) was one of the seven sites covered under the India Eco-Development Project (IEDP) implemented during 1997-2005. The main objectives of the IEDP were to conserve biodiversity through (i) PA management, (ii) village eco-development, (iii) environmental education and awareness and (iv) impact monitoring and research.

Under village eco-development programme implemented in the State upto June 2004, 6,815 beneficiaries were provided with 40.67 lakh belastones<sup>19</sup> (weighing 1.16 lakh tonnes) costing Rs.4.52 crore for house repairing and construction of compound walls.

Scrutiny of records revealed that the entire purchases of belastones were made without competitive bidding; instead of inviting quotations from the authorised dealers, Deputy Conservator of Forests (DCF) sanctioned purchases on the basis of three quotations/rates obtained locally on plain paper from three different individuals. The cost *per* belastone purchased ranged between Rupees nine and Rs.14 as against Government approved price of Rs.6.11. Thus, the purchase of 40.67 lakh belastones resulted in extra expenditure of Rs.2.04 crore.

Since the purchase of the belastones was from unauthorised dealers, Sales Tax of Rs.27.11 lakh (six *per cent*) was not recovered. Moreover, Government also lost revenue of Rs.2.99 crore<sup>20</sup> on royalty and penalty for their non-payment.

The DCF stated (March 2006) that the purchases were made by the Village Eco-Development Committees (EDC) at various intervals, which resulted in rate variations. The reply was not tenable as DCF authorised such purchases locally without competitive bidding.

The matter was reported to the Government in August 2006; reply was not received (October 2006).

<sup>19</sup> White-stone like bricks used for construction works

<sup>20</sup> Rs.20.88 lakh (Rs.18 *per* tonne) and penalty Rs.2.78 crore (Rs.240 *per* tonne)

MV=2.04 Cr.



## 4.2 Violation of contractual obligations/undue favour to contractors

### NARMADA, WATER RESOURCES, WATER SUPPLY AND KALPSAR DEPARTMENT

#### 4.2.1 Purchase and laying of sub-standard PVC pipes

**Failure to fix agencies for supply of PVC pipes at workable rates and failure to apply other control mechanisms resulted in procurement of substandard stores worth Rs.52.78 crore by Gujarat Water Supply and Sewerage Board and unlawful gain of Rs.4.92 crore to the suppliers**

Gujarat Water Supply and Sewerage Board (GWSSB) was purchasing PVC pipes from time to time for their water distribution systems. These pipes were purchased after fixing annual rate contract (RC) through public bidding. Procurement of these pipes was in overall control of the Chief Engineer (Material Cell) and was therefore responsible for the quality assurance of the supply. Quality was further assured by enforcing pre-delivery inspections of third party inspection (TPI) agencies; besides surprise inspections of Superintending Engineers of the Enforcement Circles (Ahmedabad and Rajkot) of GWSSB.

A test check of the records of Public Health Divisions, Amreli (November 2003) and Surat (April 2005) and further information collected (July 2005) from the head-office of GWSSB revealed that out of total purchases<sup>21</sup> of 10,859.99 MT PVC pipes (April 2002 to June 2003) from 13 agencies, 549 samples were specially drawn (August 2003) from 10,036.56 MT pipes for testing; of which 127 samples (drawn from supply of 2,405.57 MT pipes) alone were found (August 2003) according to the norms<sup>22</sup> of Bureau of Indian Standards (BIS) as applicable to the RC. The remaining 7,630.99 MT pipes were found (August 2003) to have been containing sulphated ash contents in excess of the permissible limit. A scrutiny of the records further revealed that –

- A committee of technical officers of GWSSB observed (May 2004) that if the prevailing market rate of principal ingredient<sup>23</sup> of PVC *vis-à-vis* the rates quoted by the agencies are considered, the suppliers could not earn any profit; therefore, supply orders awarded were at unworkable rates, which would prompt them to deliver sub-standard/inferior quality goods;
- As the functioning of TPI agencies were found unreliable, Member Secretary, GWSSB directed (August 2000) Enforcement Circles to conduct surprise inspections of 10 *per cent* of the materials inspected by the TPI agencies and samples collected be tested at the Government laboratories specified<sup>24</sup>. However, this work was not taken up seriously and after July 2002, no follow-up action was taken;

<sup>21</sup> By entire GWSSB

<sup>22</sup> 92 *per cent* resin, seven *per cent* calcium carbonate and 1 *per cent* other additives. On testing, sulphated ash content should not exceed 11 *per cent*.

<sup>23</sup> resin

<sup>24</sup> LD Engineering College/CIPET/Gujarat Engineering and Research Institute

- Ninety eight *per cent* of sub-standard supplies were inspected by two private TPI agencies<sup>25</sup>; rest five agencies were Government undertakings.

The committee of technical officers observed that due to higher ash content, brittleness of the pipes would increase and hence its longevity cannot be ensured. This would result in increased incidents of breakage/bursting of the pipes and consequent disruption of water supply; operation and maintenance costs of the water supply systems would also go up.

Against the total supply amounting to Rs.52.78 crore, Rs.40.45 crore has already been paid and payment of Rs.12.30 crore was pending (May 2006). Of the above, pipes worth Rs.43.38 crore<sup>26</sup> have been laid in water supply systems and material worth Rs.9.40 crore<sup>27</sup> is in stock (July 2005). Supply of pipes with lower proportion of resin and higher content of sulphated ash resulted in unlawful gain of Rs.4.92 crore to the suppliers.

Thus, failure of GWSSB to make agreement for supply of PVC pipes at workable rates, failure to appoint TPI agencies with proven integrity; near total assignment of pre-delivery inspection to private TPI agencies and failure to tone up own mechanism of post-delivery surprise inspections, resulted in procurement of substandard stores worth Rs.52.78 crore; besides unlawful gain of Rs.4.92 crore to the supplying agencies.

Government constituted a committee (August 2003) headed by the Joint Secretary (Water Supply) to inquire into the matter; their report submitted (May 2004) is pending with Government (March 2006). Meanwhile, Government constituted another committee (November 2004), headed by Principal Industrial Advisor of Industrial Commissionerate, to give just opportunity to the suppliers to defend their cases; the outcome is not known (March 2006).

When pointed out, Government stated (May 2006) that –

- Agencies quote cut-throught competitive rates;
- TPI by private agencies were withdrawn when their questionable integrity was noticed;
- Field experience shows that PVC pipes even with 50 *per cent* ash-content can be accepted at reduced rate.

The reply of the Government is not tenable as –

- A Committee of technical officers has already observed that the price quoted by the suppliers were not workable;
- Though the questionable integrity of TPI agencies was noticed way back in August 2000, no action was taken for their withdrawal;
- Mere field experience cannot be taken as criteria to guarantee quality of the pipes in view of the technical officers' findings.

<sup>25</sup> ABS Industries Verification India Limited and SGS India Private Limited

<sup>26</sup> Rs.36.38 crore on laid pipes was paid

<sup>27</sup> Rs.4.07 crore on unlaidd pipes was paid



The reply, therefore, does not stand to reason as the entire purchase system had collapsed; which could result in dislocation of the water supply schemes and incalculable pecuniary loss to GWSSB.

#### 4.3 Avoidable/excess/unfruitful expenditure

##### ENERGY AND PETROCHEMICALS DEPARTMENT

#### 4.3.1 Unfruitful expenditure on establishing Training-cum-Research and Development Centre

**Gujarat Energy Development Agency, Vadodara, established Regional Integrated Rural Energy Programme Training-cum-Research and Development Centre at Amrol (Anand district) at an expenditure of Rs.3.67 crore; but owing to non-deployment of staff/faculty, the entire expenditure was unfruitful**

Planning Commission, Government of India (GOI), accorded sanction (1989-90) for establishing Regional Integrated Rural Energy Programme (IREP) Training-cum-Research and Development Centre (RTC) at an estimated cost of Rs.2.56 crore (to be borne by GOI and State Government in the proportion of 50:50) at Amrol (Anand district). The RTC was intended to provide consultancy services in terms of feasibility studies, preparation of project reports, etc. in the field of renewable energy. RTC was also required to organise 24 courses annually to impart training to policy makers, district-level officers, Engineers, Scientists, Managers, Non-Governmental Organizations and users. Goa, Gujarat, Maharashtra and Rajasthan were the beneficiary States of the RTC. Gujarat Energy Development Agency (GEDA), Vadodara, was to establish and run the RTC and State Government to bear the recurring expenditure<sup>28</sup>.

A scrutiny of records of GEDA (February 2006) revealed that construction work of RTC<sup>29</sup> was completed between July 2001 and July 2003 at a cost of Rs.3.67 crore. Though the State Government was to bear the recurring expenditure, the matter was stated to have been under dialogue with GOI during the period of construction. GEDA for the first time submitted (March 2005) a proposal for sanction of manpower, which was turned down by the State Government (August 2005) and no staff/faculty was deployed at the RTC till date (March 2006).

A proposal (January 2002) to transfer the RTC to Indian Renewable Energy Development Agency Limited (IREDA) also did not materialise owing to the State Government not agreeing for placement of basic bare minimum skeletal staff for the management of RTC.

<sup>28</sup> Under the modified programme (2003-04), GOI would provide recurring expenditure of Rs.40 lakh annually for the support of RTC

<sup>29</sup> Consisting of Training-cum-Research and Development, hostels, staff quarters, guest-house, recreation-cum-dining hall blocks and other amenities, etc.



The RTC was able to organise 17 courses (2004-05)<sup>30</sup> against 24 courses targeted annually with the help of the existing manpower of GEDA, of which only one course was intended to the target group and the rest were outside the objectives<sup>31</sup> of the RTC; mostly<sup>32</sup> consisting of awareness programmes. Moreover, RTC did not execute any consultancy service as envisaged. Despite excellent infrastructure<sup>33</sup> provided, the facilities in RTC remained by and large unutilised.

Thus, establishment of the RTC without staff/faculty resulted in unfruitful expenditure of Rs.3.67 crore. GEDA stated (February 2006) that due to limitation of manpower, they could not organise more programmes. Hence the facilities created were not put to appropriate use and resulted in unfruitful expenditure.

When pointed out, Government stated (July 2006) that the importance of alternative energy sources is yet to gain momentum and efforts are on. The reply of the Government is not tenable as efforts were not made to provide requisite technical and non-technical officers/staff to make the RTC operational without which sensitization of the institute would remain mere goal only.

## HOME DEPARTMENT

### 4.3.2 Unfruitful expenditure on coastal patrolling

**Besides security peril, utilisation of fishing boats of below specification for coastal patrolling resulted in unfruitful expenditure of Rs.24.61 crore**

Mumbai witnessed serial bomb-blasts in March 1993; explosives for which were smuggled through sea-route. In order to prevent recurrence of such terrorist activities, Government decided (April 1993) to undertake joint coastal patrolling<sup>34</sup> on Gujarat territorial waters and coastal line to beef up security, curb infiltration of inimical forces and prevent smuggling of sophisticated arms/explosives across the border; particularly through sea-route. The operational arrangements for joint coastal patrolling were to be made by the respective District Superintendents of Police, whereas the operational command would rest with the naval-detachment under the charge of a Naval Lieutenant. Acquisition of own fleet of trawlers of required specification was considered essential to make the joint coastal patrolling genuinely meaningful. Government of India (GOI) was to reimburse the expenditure incurred.

Scrutiny of records and information collected from seven District Superintendents of Police<sup>35</sup> (March 2006) revealed that a Committee of State and Union Government Officers decided (August 1993) to hire boats of required specification to meet the immediate demand of 13 shore points identified, wherefrom patrolling

<sup>30</sup> During November 2004 to March 2005

<sup>31</sup> Nine courses for school children, five for women and one each for fitters and milk co-operatives

<sup>32</sup> Fourteen

<sup>33</sup> Class rooms, library, R&D centre, workshop, demonstration platform, computer centre, conference hall, auditorium, administrative block, recreation club, hostel, staff quarters and guest house.

<sup>34</sup> By Navy with armed Police and representatives of Customs and Coast Guard

<sup>35</sup> Amreli, Jamnagar, Junagadh, Kachchh, Porbandar, Surat and Valsad

MV=24-61 cr.

was to be organised. It was however, seen from records that two fishing boats each<sup>36</sup> of below-specification<sup>37</sup> were hired (April 1993) for these 13 shore-points.

The low-speed fishing boats of below specification were however, unable to chase and intercept the high capacity speed-boats used by terrorists and other criminals and thereby made the whole exercise futile. GOI reimbursed (1993-2005) Rs.24.61 crore towards expenditure incurred by the Government of Gujarat. Besides security peril, utilisation of below specification fishing boats for coastal patrolling thus resulted in unfruitful expenditure of Rs.24.61 crore.

When pointed out (March 2006), the District Superintendents of Police concerned did not offer any remark on the point at issue, while the Government stated (September 2006) that the activity was preventive in nature and could help indirectly in curbing and controlling crime and therefore the expenditure cannot be treated as unfruitful.

The reply of the Government is not tenable as the State Intelligence Bureau, in their Five-years Perspective Plan on coastal security, had noted that the low speed and ill equipped fishing trawlers could not cope up with the speedy boats used by criminals/anti-nationals; hence the patrolling done was totally ineffective and expense on this exercise was unproductive.

## NARMADA, WATER RESOURCES, WATER SUPPLY AND KALPSAR DEPARTMENT

### 4.3.3 Unfruitful expenditure due to non-completion of canal system

#### Non-completion of canal system at intermediate stretches of Shell Dedumal Irrigation Scheme resulted in unfruitful expenditure of Rs.10.61 crore

Government accorded administrative approval (AA) in May 1991 at Rs.15.24 crore for Shell-Dedumal Integral Water Resources Project across river Shell near Khambhalia village (Amreli district). It was expected to irrigate 2000 hectares area when the project is completed. Government also accorded Overall Technical Sanction (OTS) in October 1991 for Rs.4.43 crore for all of the above items, except canal system. Executive Engineer (EE), Amreli Irrigation Division, got the work executed.

Construction work of spillway estimated to cost Rs.1.56 crore was awarded (February 1995) at their tendered cost of Rs.1.89 crore. The work was completed (July 1998) at a cost of Rs.1.92 crore. EE also incurred Rs.72.01 lakh on land acquisition. Government also accorded AA (January 1999) and OTS (May 1999) for the plans and estimates to the canal system at Rs.2.36 crore and Rs.1.80 crore respectively.

<sup>36</sup> With one reserve trawler

<sup>37</sup> Against the requirement of 10-12 knots speed and of 250 horse-power engine capacity, fishing boats with 8-10 knots speed and 88-105 horse-power were hired

Scrutiny of records (August 2004) of EE revealed that construction of left bank main canal (LBMC) between chainage 0-8640 estimated to cost Rs.69.30 lakh was awarded to an agency (August 2000) at their tendered cost of Rs.51.20 lakh. The agency completed the work in February 2003 (except between chainage 5039-5660) at an expenditure of Rs.45.28 lakh. Land for the intermediate chainage was acquired in March 2004 and the EE expects the work to commence soon (June 2006). However, EE did not give any reason for non-commencement of work at the intermediate chainage yet.

Construction of two minors at a tendered cost of Rs.16.58 lakh (estimated cost Rs.17.12 lakh) is still in progress (June 2006). An expenditure of Rs.2.46 lakh was incurred (June 2006) on the construction of these minors.

In all, an expenditure of Rs.10.61 crore was incurred (June 2006) on the project. Thus, due to non-completion of LBMC (at intermediate stretches) and minors resulted in unfruitful expenditure of Rs.10.61 crore and non-accrual of benefits to the targeted people.

When pointed out (August 2004), EE stated that during execution of headworks, the Secretary (Water Resources) and Chief Engineer visited (February 1996) the site and instructed to explore possibility of direct irrigation from the dam to avoid construction of barrage as originally provided. An alternate proposal submitted (June 1996) was approved by Government (September 1996). Thus, change of canal alignment caused delay in acquisition of land. The reply of EE is not tenable as the alternative proposals, AA and TS for canal systems were approved in September 1996, January 1999 and May 1999 respectively and this cannot be a reason after five to 10 years.

The matter was reported to Government in June 2006; reply was not received (October 2006).

#### 4.3.4 Unfruitful expenditure on construction of a water resources project

**Due to non synchronization of the Jasapara Water Resources Project, expenditure of Rs.1.38 crore could not derive any fruitful purpose**

Government accorded administrative approval (December 1994) and overall technical sanction (March 1995) for Rs.7.65 crore and Rs.3.92 crore respectively for construction of Jasapara Water Resources Project (Bhavnagar district). The project, aimed to irrigate 775 hectare through 105 metre long left bank canal, was expected to be completed by June 1999. The construction was to be executed by the Executive Engineer (EE), Irrigation Project Division, Bhavnagar.

Tenders were invited by the EE (June 1995) for construction of headworks (earthen dam, spillway, masonry dam, etc.) estimated to cost Rs.3.12 crore; but there was all-round delay in fixation of agency. The tenders were finally rejected by Government (February 2001); for revision of technical sanction<sup>38</sup> and inclusion of feeder canal within the scope of work. Government accorded revised technical sanction (November 2001) at Rs.7.21 crore. Tenders invited on the second occasion

<sup>38</sup> Due to passage of five years' time



(January 2002) were also rejected by Government (July 2002) due to revision of criteria for pre-qualification<sup>39</sup> (June 2002). Tenders invited on the third occasion (September 2002) were also rejected (May 2003) after the Hon'ble High Court directed against the condition of experience of the bidder<sup>40</sup>; reasons for which are not on record. There was no progress since then (June 2006).

In the meantime, Government incurred an expenditure of Rs.1.38 crore on preliminary (Rs.7.93 lakh), land acquisition (Rs.1.07 crore), building (Rs.10.03 lakh), maintenance (Rs.1.17 lakh), vehicles (Rs.6.20 lakh) and roads (Rs.5.98 lakh). Thus, due to non synchronization of the project, expenditure of Rs.1.38 crore could not derive any fruitful purpose. When pointed out, EE did not offer any reason (February 2005) stating that the decisions were taken at Government level.

The matter was reported to Government in June 2006; reply was not received (October 2006).

#### 4.3.5 Creation of extra liability

##### **Failure to finalise the tender during validity period resulted in its rejection and creation of extra liability of Rs.1.08 crore on reinvitation**

Government accorded administrative approval (AA) in October 2004 for providing and laying pipeline for supply of surplus flood water of Narmada through Narmada main-canal in Dharoi, Hathmati and Guhai, etc. at Rs.333.37 crore. A sub-work of construction of pumping station at Jalundhara at Rs.12.65 crore was also included in the AA. This sub-work was to provide drinking water to 400 villages and three towns<sup>41</sup>. Technical sanction (TS) was also accordingly accorded (November 2004), which included a provision of Rs.12.28 crore on construction of Pumping Station at Jalundhara. Executive Engineer (EE), Water Resources Investigation (WRI) Division, Himatnagar, was to execute the work.

EE invited tenders for construction of the Pumping Station in October 2004 and the negotiated tender of Rs.13 crore of an agency<sup>42</sup> stood the lowest.

A test check of the records (January 2006) of the EE revealed that the agency, whose quotation stood lowest, was asked (May 2005) to further reduce their rate and consent to complete the work by December 2005<sup>43</sup>. The agency did not agree to the proposals and before Government could take any decision, validity period of their tender expired (May 2005). Government therefore, rejected their offer (May 2005) and on re-invitation (May 2005) work was awarded (November 2005) to another agency<sup>44</sup>, who quoted lowest at Rs.14.08 crore. Thus, failure to take decision during the validity period of tender resulted in delay in completion of work and extra liability of Rs.1.08 crore.

<sup>39</sup> Various parameters like financial capability, experience, etc. were revised.

<sup>40</sup> The Government condition provided that the contractor, who submits the tender in the name of the company, only the experience of that company shall be considered

<sup>41</sup> Of Gandhinagar and Sabarkantha districts

<sup>42</sup> Subhash Project Marketing Limited

<sup>43</sup> For which Government was stated to have agreed to issue Letter of Indent by 15 April 2005

<sup>44</sup> Work was to be completed in nine months (i.e. by July 2006) against 12 months provided during first invitation

MV =  
1.08  
cr.

Work to the extent of Rs.88.37 lakh has been completed as of February 2006 and the work is still incomplete.

When pointed out (January 2006), EE did not furnish any reason stating that the decision was taken by Government.

The matter was reported to Government in June 2006; reply was not received (October 2006).

## PORTS AND TRANSPORT DEPARTMENT

### 4.3.6 Unfruitful expenditure on repairs to lock-gate aprons at Bhavnagar Port

**Gujarat Maritime Board carried out repairs to lock-gate apron at Bhavnagar Port ignoring the most viable recommendation of the consultant and without assessing the nature and quantum of work involved, resulting in unfruitful expenditure of Rs.4.28 crore**

Bhavnagar is an all-weather port (with direct berthing facility) administered by Gujarat Maritime Board (GMB). To reduce siltation within the dock basin, a tidal lock-gate and permeable gravel flanking dam<sup>45</sup> was constructed (August 1961) across 72 ft wide entrance channel. Maintenance and repairs to the lock-gates were carried out periodically and it was in operational condition.

A test check of the records of GMB (January 2005) revealed that during the special repairs of the lock-gate (2002-04), considerable leakage below the sill-beam<sup>46</sup> was noticed; mainly due to corrosion of the sheet-pile<sup>47</sup>. GMB appointed a consultant<sup>48</sup> (August 2003) to survey the magnitude of damage to the foundation of the lock-gate, suggest remedial measures, prepare estimates and supervise the repairing work.

The under-water survey conducted (September 2003) by the consultants revealed existence of cavities in the sheet-pile (at a depth of about 1.5 mtr) in the mid-width of the entrance. Since the survey was conducted without removing the mud, damage to sheet pile below apron or sill beam could not be assessed. In their report (November 2003) consultants stated that the 40 years old existing structure has outlived its designed life. The consultant, therefore, concluded that the structure was weak and susceptible to damage and failure at any time. However, the consultants submitted their report (November 2003) suggesting four alternatives for repairs; but recommended 'underwater sheet pile cut off with concrete fill' as most suitable in the given situation, if the replacement option was not taken.

GMB however, approved (March 2004) the third alternative of 'under-water concrete fill' (270 cum) recommended by the consultant to fill the depression in the

<sup>45</sup> This is a unique and only structure of its kind in Asia

<sup>46</sup> The place where the gate is resting during its closing time

<sup>47</sup> Sheet-pile is located below sill-beam

<sup>48</sup> L&T-Ramboll Consulting Engineers Limited, Chennai

MV = 4.28 cr.



apron without any additional remedial measures, which was the least expensive as also the least reliable method recommended by the consultant.

The work was accordingly awarded to an agency<sup>49</sup> (July 2005) at Rs.41.41 lakh against the estimated cost of Rs.52.18 lakh. The pre-execution survey<sup>50</sup> conducted by the agency (October 2004) revealed that half-length of sheet-pile was completely corroded and the remaining portion was in a very bad condition and quantity of work was therefore increased to 421 cum<sup>51</sup>; but GMB did not make any effort to remove the mud, and assess the exact damage to the sheet pile/apron even at that point to estimate the nature and quantum of work involved more accurately.

The work of concrete filling was completed (December 2004). When the lock gate was lowered (January 2005)<sup>52</sup>, the base supporting the apron (around the sill-beam) was eroded in the flow of water. This led to sinking of apron and exposing sheet pile to the gushing water. Due to passage of time, the sheet pile had already corroded with large cavities, which resulted in uncontrolled leakage.

No benefit, therefore, accrued out of the repair work of apron. The consultant suggested (February 2005) to abandon the present measures (due to enlarged cavities) and recommended to look for other perfect solution.

As a complementary item to this work, GMB had already executed comprehensive repair to the lock-gate structure (May 2004). Thus, execution of the repairs to lock-gate aprons ignoring the most viable recommendation of the consultant and without assessing the nature and quantum of work involved resulted in unfruitful expenditure of Rs.4.28 crore. When pointed out, GMB did not offer any remark on the point at issue, but merely narrated (June 2006) the statement of facts; further stating that the work is still incomplete.

The matter was reported to Government in May 2006; reply was not received (October 2006).

MV = 0.55 cr.

#### 4.3.7 Avoidable administrative expenditure for management of a frontal company

**Gujarat Port Infrastructure Development Company Limited, floated by Gujarat Maritime Board, continued its operation for financing port development project, even after they were left as the sole payer in the company, resulting in avoidable administrative expenditure of Rs.54.65 lakh**

Government formulated (December 1995) Port Policy for development of ports through private participation. Out of 10 green field sites identified for development as deep water direct berthing ports, four<sup>53</sup> were to be developed as joint venture of Gujarat Maritime Board (GMB) with public-private participation on Build-Own-Operate-Transfer (BOOT) basis and remaining exclusively with private investment.

<sup>49</sup> Rebuild Struct Associates, Mumbai

<sup>50</sup> As per contractual condition

<sup>51</sup> Increased to 351 cum on execution

<sup>52</sup> The gate was held with a small gap to flush out the silt that have collected in the basin

<sup>53</sup> Dahej, Mundra, Positra and Rozi



Gujarat Maritime Board floated (July 1997) Gujarat Port Infrastructure Development Company Limited (GPIDCL); a frontal company in collaboration with Gujarat Industrial Investment Corporation<sup>54</sup> (GIIC) solely to finance the joint-venture port development projects. GMB invested Rs.18 crore in the equity of GPIDCL.

Scrutiny of records of GMB (January 2006) revealed that GIIC backed out (October 1999) from GPIDCL raising doubts on the capability of indigenous promoters to execute port development project, pricing on transfer of assets after BOOT period was over and traffic projections of the project<sup>55</sup> taken up. After GIIC pulled out from the financing company, GMB remained the lone player in GPIDCL. Since GPIDCL had no activity other than financing the port development project from the equity contribution of the sole participant, GMB could have accomplished it directly; but GPIDCL was not dissolved and their operations continued. After GIIC withdrew from the company (October 1999), GPIDCL incurred an expenditure of Rs.54.65 lakh<sup>56</sup> (2000-05)<sup>57</sup>. Had GMB got the frontal financing company wound-up, this expenditure could have been avoided.

When pointed out, Government stated (June 2006) that the port projects have high gestation period and that GPIDCL had invested Rs.15.40 crore on Gujarat Adani Port Limited. The reply of Government has no relevance to the subject, as it relates to GMB forming a separate company with their *cent per cent* equity participation. GMB could have achieved objectives without formation of a separate company.

## ROADS AND BUILDINGS DEPARTMENT

### 4.3.8 Avoidable expenditure due to non co-ordination of works

#### Lack of co-ordination of Paved Side Shoulder and Improvement of Riding Quality Programme works resulted in avoidable expenditure of Rs.1.27 crore

Government of India (GOI), Ministry of Road Transport and Highways (MORTH), accorded Administrative Approval (January 2002, January 2003) for construction of Paved Side Shoulders (PSS) in three stretches<sup>58</sup> on Ahmedabad-Godhra National Highway (NH) at an estimated cost of Rs.8.45 crore and Government of Gujarat (GOG) also accorded Technical Sanction (January 2002, December 2002)<sup>59</sup> for the same amount. The work was executed by the Executive Engineer, NH Division, Godhra.

<sup>54</sup> A company owned by Government of Gujarat

<sup>55</sup> Mundra port development project of Gujarat Adani Port Limited

<sup>56</sup> Rs.22.08 lakh on Pay and allowances of newly recruited staff and Rs.32.57 lakh on other contingencies

<sup>57</sup> Accounts for 2005-06 not finalised

<sup>58</sup> Km 80/0-87/0 (January 2003)-Rs.2.65crore, 174/0-184/0 (January 2002)- Rs.2.90 crore and 200/1-212/0 (January 2002)-Rs.2.90 crore

<sup>59</sup> Km 80/0-87/0 (December 2002), 174/0-184/0 (January 2002) and 200/1-212/0 (January 2002)

MV=1-27 cr-

Scrutiny of records of the EE (November 2005) revealed that the work was completed (December 2002, June 2003)<sup>60</sup> at an aggregate cost of Rs.4.46 crore. The scope of work executed included laying of Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) at a cost of Rs.1.27 crore. Since the work was not on the carriage way, there was no scope of wearing due to increase in traffic.

Less than one year of completion of PSS work, EE issued work orders (March 2004) for strengthening in respect of the same stretches under Improvement of Riding Quality Programme (IRQP) at a tendered cost of Rs.6.04 crore<sup>61</sup> against an estimated cost Rs.7.06 crore<sup>62</sup>. The work was completed (April 2004, August 2004)<sup>63</sup> at an expenditure of Rs.6.30 crore. The road strengthening work also included laying of BM and SDBC over the same work executed under PSS work. Had the EE co-ordinated both the works, BM and SDBC laid at a cost of Rs.1.27 crore with PSS could have been avoided.

When pointed out, EE stated (November 2005) that considering the heavy traffic, strengthening work under IRQP was carried out. The reply of the EE was not tenable, as the first work was executed on side shoulder, it is not subject to high rate of wearing. Moreover, both the works were required to be co-ordinated so as to avoid repeated execution of same nature of work on same road. Thus, execution of PSS and IRQP works on the same stretch of road resulted in avoidable expenditure of Rs.1.27 crore.

The matter was reported to Government in June 2006; reply was not received (October 2006).

MV = 0.44 cr.

#### 4.3.9 Avoidable expenditure due to adoption of higher specification of tack-coat

**Two Divisional Officers executed 37 road works with higher specification of tack-coat resulting in avoidable expenditure of Rs.44.32 lakh**

As per specification laid down by Ministry of Roads, Transport and Highways (MORTH), tack-coat at the rate of 2.5 kg/10 sqmt is to be applied before laying carpet in an existing bituminous surface.

A scrutiny of records of two Divisional Officers<sup>64</sup> revealed that tack-coat at 5 kg/10 sqmt was applied in 37 road works consuming 353.70 MT extra asphalt costing Rs.44.32 lakh<sup>65</sup>. Thus, adoption of higher specification than provided by MORTH resulted in avoidable expenditure of Rs.44.32 lakh.

<sup>60</sup> Km 80/0-87/0 (June 2003)-Rs.1.40 crore, 174/0-184/0 (December 2002)-Rs.1.56 crore and 200/1-212/0 (December 2002)-Rs.1.50 crore

<sup>61</sup> Km 80/0-87/0 -Rs.1.12 crore, 174/0-184/0-Rs.1.62 crore and 200/1-212/0-Rs.3.30 crore

<sup>62</sup> Km 80/0-87/0 -Rs.1.35 crore, 174/0-184/0-Rs.1.93 crore and 200/1-212/0-Rs.3.78 crore

<sup>63</sup> Km 80/0-87/0 (April 2004)-Rs.1.19 crore, 174/0-184/0 (April 2004)-Rs.1.75 crore and 200/1-212/0 (August 2004)-Rs.3.36 crore

<sup>64</sup> Executive Engineer, Roads and Buildings Division, Bhavnagar and Executive Engineer, Roads and Buildings Division, Palanpur

<sup>65</sup> 264.80 MT asphalt costing Rs.33.22 lakh for seven road works at Bhavnagar and 88.90 MT asphalt costing Rs.11.10 lakh for 30 road works at Palanpur

When pointed out, the Divisional Officers stated (February 2006) that 2.5 kg/10 sqmt limit fixed by MORTH was the minimum level and that looking to the site conditions and traffic intensity, the specifications were fixed. The reply of the Divisional Officers was not correct as the MORTH specification provided for tack coat ranging 2.0 to 2.5 kg/10 sqmt and that the avoidable expenditure was pointed out on the basis of maximum permissible limit.

When pointed out, Government stated (June 2006) that there is always a specification range of quantity of tack-coat required per unit as considering condition of the surface, porosity, etc. The reply of the Government is not tenable in view of the fact that the range of quantity was 2.0 to 2.5 kg/10 sqmt and therefore, execution of work with quantity excess to 2.5 kg/10 sqmt resulted in avoidable expenditure.

#### 4.4 Idle investment/idle establishment/blockage of funds

#### HEALTH AND FAMILY WELFARE DEPARTMENT

##### 4.4.1 Idle investment on purchase of CT Scan Machine

**Purchase of CT Scan Machine by the Chief District Medical Officer, Surendranagar, without availability of specialist, resulted in idle investment of Rs.90.49 lakh; besides denial of benefit to the needy people**

Government sanctioned (August 2004) one crore rupees to General Hospital, Surendranagar, for purchase of CT Scan Machine (machine) under scheme, 'Upgradation of facilities in Hospitals' of Eleventh Finance Commission. Central Medical Stores Organisation (CMSO) accordingly placed purchase order (March 2005) with an agency for delivery of the machine to the Chief District Medical Officer (CDMO)-cum-Civil Surgeon, Surendranagar.

Scrutiny of records (May 2006) of CDMO revealed that though the grant was received in August 2004, efforts were not made for installation and utilization of the machine immediately on its receipt. It was also seen that patients were availing these services at an affordable cost<sup>66</sup> from a charitable trust hospital in the town and that the General Hospital does not have any radiologist (since March 2001); hence the machine could have been better utilised at some other place having no such facility. Yet, CDMO had not made any effort to get the machine relocated to any other needy place.

Chief District Medical Officer procured the supply of the machine (August 2005) and got it installed (March 2006) at an expenditure of Rs.90.49 lakh (Rs.87.26 lakh on machine and Rs.3.23 lakh on installation). However, in absence of the specialist, the machine could not be utilised yet (September 2006).

Thus, besides denial of benefits to the intended people, purchase of CT Scan Machine without availability of specialist and requirement resulted in idle

<sup>66</sup> At the rate of Rs.1150 (Rate at Government hospital Rs.1000)



investment of Rs.90.49 lakh; the machine could have been supplied to any other needy place.

When pointed out (May 2006), the CDMO did not offer any specific reply to the point at issue.

The matter was reported to Government in June 2006; reply was not received (October 2006).

## INDUSTRIES AND MINES DEPARTMENT

### 4.4.2 Parking of funds sanctioned for modernisation programme

**Instead of executing the sanctioned modernisation programme, Gujarat Industrial Research and Development Agency, Vadodara, parked the grant of Rs.1.05 crore in term deposit**

MV=1.05  
Cr.

Gujarat Industrial Research and Development Agency (GIRDA), Vadodara, is an institute of the Government engaged in Research and Development (R&D) of chemicals and plastic.

GIRDA submitted (September 2001) a proposal to the Government for modernisation of their existing obsolete facilities with a capital investment of Rs.4.88 crore. The Committee constituted by Government for sanction of assistance to the R&D Projects examined the proposals and recommended (March 2002) Phase-I of the modernisation programme at a cost of Rs.1.88 crore. While sanctioning (March 2002) Phase-I of the modernisation programme<sup>67</sup>, Industries Commissioner (IC) instructed that GIRDA must spend the accumulated balance of Rs.83 lakh<sup>68</sup> out of the capital grant sanctioned<sup>69</sup> in 1995-96 and therefore the remaining amount of Rs.1.05 crore alone would be payable. IC accordingly sanctioned (March 2003) Rs.1.05 crore for the programme.

Scrutiny of records of GIRDA (June 2006) revealed that Phase-I of the modernisation programme as sanctioned by IC (March 2002) was not executed; instead GIRDA placed the amount in term-deposit (April 2003) and sought (May 2003) sanction from IC for their proposed action plan. Due to non-implementation of the modernisation programme, IC directed GIRDA (March 2004) to refund the amount. GIRDA, however, has not refunded the amount yet (June 2006); this also has increased to Rs.1.20 crore (March 2006) inclusive of interest.

Thus, non-execution of approved programme resulted in parking of funds of Rs.1.05 crore for more than three years. GIRDA stated (June 2006) that they have not received approval to the action plan. The reply of GIRDA is not tenable as IC had given instructions (March 2002) before hand on the items to be purchased under Phase-I of the 'modernisation programme' (November 2000).

<sup>67</sup> 16 different equipments were specified in Phase-I of the modernisation programme

<sup>68</sup> Rs.50 lakh was paid during 1995-96 as capital grant to GIRDA which was accumulated to Rs.83 lakh by March 2002

<sup>69</sup> GIRDA refunded Rs.50 lakh (November 2003) sanctioned during 1995-96 together with accumulated interest (Rs.52.73 lakh), for reasons not available on record.

The matter was reported to Government in June 2006; reply was not received (October 2006).

## URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

### 4.4.3 Idle investment and loss of rental income

**Vadodara Urban Development Authority constructed a building with modern amenities without ascertaining its marketability resulting in idle investment of Rs.4.52 crore and loss of rent amounting to Rs.2.22 crore**

Vadodara Urban Development Authority (VUDA) had a plot measuring 2643 sqm in posh and premium Karelbaug locality of Vadodara city. VUDA constructed (2001-02) a nine-storeyed building<sup>70</sup> with a built-up area of 6445.15 sqm at a cost of Rs.6.58 crore. The building was constructed for self-occupation (2013.71 sqm in first and second floors costing Rs.2.06 crore) and to gain profits out of sales (4431.44 sqm in third to ninth floors<sup>71</sup> costing Rs.4.52 crore). However, before construction of the building, VUDA had not conducted any demand survey to identify prospective buyers. On completion of construction (July 2002), VUDA occupied first and second floors of the building (August 2002).

On valuation (April 2001), the upset price of the premises proposed to be sold was fixed at Rs.7.18 crore.

A scrutiny of records during local audit of VUDA (July 2005) revealed that the building was constructed with modern amenities<sup>72</sup> resulting in high construction cost. Hence the sale/lease rate fixed was higher than the prevailing market rate. Therefore, though attempts were made twice (June 2001 and August 2004) for sale of the premises; deal could not be finalised. VUDA made another attempt also (March 2005) either for sale or leasing, for which minimum monthly lease rate of Rs.5.16 lakh<sup>73</sup> was also fixed. This also did not yield any fruitful result. Thus, construction of building without conducting any market survey resulted in idle investment of Rs.4.52 crore; besides loss of rent of Rs.2.22 crore (September 2002 to March 2006) at the minimum lease rate fixed.

When pointed out in audit, VUDA stated (November 2005) that, as the building was provided with all modern amenities, the sale-price/lease-rate fixed was higher than the prevailing market rate; as such sales/leasing of the premises could not materialise. The reply of was not justifiable, as VUDA had gone for construction of a building of modern amenities without ascertaining its marketability at the rate commensurate with the capital investment.

<sup>70</sup> Excluding ground floor and basement reserved for parking

<sup>71</sup> Initially it was decided to keep ninth floor reserved for future expansion of VUDA; but subsequently it was offered for sales/lease

<sup>72</sup> Like seminar hall, DG-set, networking, high speed lift, spacious parking, garden, security, etc.

<sup>73</sup> Fixed considering return at 14 per cent on construction cost + 9 per cent on cost of the land + 17.5 per cent on services (lift, DG set, fire fighting system, land scaping, water supply and drainage and power connection)

MV =  
6.74 cr.

4.52  
+ 2.22  
-----  
6.74

When pointed out, Government stated (March 2006) that VUDA was continuing their efforts to sell the property or give it on rental basis. Thus, idle investment of Rs.4.52 crore and loss of rental income of Rs.2.06 crore is confirmed.

MV=0.71 cr.  
4.4.4 Idle investment on construction of office-cum-commercial complex

**Jamnagar Area Development Authority fixed exorbitantly high sale price for the office-cum-commercial complex constructed, resulting in lack of response from potential buyers and consequential idle investment of Rs.70.51 lakh**

As a part of its development programme, Jamnagar Area Development Authority (JADA) acquired (July 2001) 800 sqm Government land at a cost of Rs.32 lakh for construction of office-cum-commercial complex. JADA constructed (June 2003) a four-storeyed building with a built-up area of 23,819 sqft<sup>74</sup> incurring an expenditure of Rs.93.19 lakh (total expenditure at Rs.1.25 crore) on the complex. JADA occupied 6,708 sqft built up area in the first floor for their office.

Against the proportionate construction cost of Rs.526/sqft, JADA fixed (December 2004) reserve price of Rs.3,500/sqft. Thus, the premises were offered at an exorbitant rate, equal to about 665 per cent of the construction cost.

Scrutiny of records (July 2005) revealed that JADA could sell out only five shops (2146 sqft) for Rs.6.22 lakh<sup>75</sup>, leaving vacant space of 14,965 sqft. JADA reduced (March 2005) the reserved price to Rs.2,700/sqft; but no prospective buyers came forward to purchase the premises. This resulted in idle investment of Rs.70.51 lakh<sup>76</sup> at the construction cost.

When pointed out, JADA stated (July 2005) that market rates for shops at adjoining area was lower than the reserved rate, which resulted in poor response to their offer. The reply of JADA is not correct, as fixing of high rate resulted in lack of response from potential buyers. Thus, fixation of exorbitant high rate resulted in lack of response from the buyers and idle investment of Rs.70.51 lakh.

When reported, Government stated (May 2006) that as no response was received, JADA slashed the rates and expected to dispose off the premises. The reply of the Government is not tenable, as JADA could not attract customers even after three years of completion of construction (August 2006).

<sup>74</sup> 23819sqft for accommodation and 3695 sqft for amenities

<sup>75</sup> Of which Rs.1.60 lakh still not realized (March 2006).

<sup>76</sup> At proportionate cost



## 4.5 Regulatory issues and other points

### EDUCATION DEPARTMENT

#### 4.5.1 Failure to utilise central assistance

**Tardy action to utilize the funds released by Government of India towards first installment under the scheme 'Computer Literacy and Studies in Schools' resulted in non receipt of Central assistance of Rs.7.50 crore**

Government of India (GOI) introduced (March 2002) modified 'Computer Literacy and Studies in Schools' (CLASS) for implementation during 2001-02. In Gujarat, CLASS was targeted to be implemented in 300 schools. Amount admissible under CLASS per school was Rs.6.70 lakh, of which GOI was to contribute 75 per cent (restricted to five lakh rupees). GOI also sanctioned Rs.15 crore (March 2002) to Government of Gujarat for implementation of CLASS; of which Rs.7.50 crore was released (March 2002) towards the first installment.

Government entrusted (May 2002) implementation of CLASS to the Commissioner of Schools and Mid-day-Meals and a Committee under the chairmanship of Secretary, Education Department, was constituted to oversee the implementation. Gujarat Informatics Limited<sup>77</sup> (GIL) was assigned with the responsibility to purchase the Computer systems.

Scrutiny of records (February 2006) revealed that though the Committee was constituted in May 2002, identification of beneficiary-schools was completed in 2003-04 only. Gujarat Informatics Limited had also not taken necessary preparatory steps<sup>78</sup> to speed up the purchase. GIL floated tenders (November 2002) and purchase orders<sup>79</sup> placed (March 2003) after a year of receipt of GOI assistance. Though the supplier failed to furnish performance guarantee of Rs.41 lakh (three per cent of contract value) within the prescribed period<sup>80</sup>, the order was cancelled in July 2003 only. GIL took nine more months (March 2004<sup>81</sup>) to issue a new purchase order and utilize the grant. State Government could not purchase the computer systems and implement the scheme during 2001-02 as specified by GOI; hence, extensions were sought for and granted year after year (upto March 2004) for utilization of the funds released by GOI. Finally, 300 computers were purchased (March 2004), but details of implementation of other allied items<sup>82</sup> were not made available.

Sanction (March 2002) of GOI further provides that second installment of Rs.7.50 crore would be released on the basis of progress of expenditure and release of State Government's share towards first installment; the unspent balance, if any, out of the

<sup>77</sup> A Government of Gujarat undertaking and a member of the implementation Committee, represented through its representative

<sup>78</sup> Issuance of tender notice, etc.

<sup>79</sup> Purchase order valuing Rs.13.54 crore

<sup>80</sup> 15 days

<sup>81</sup> At the end of the extended period sanctioned by GOI

<sup>82</sup> Software curriculum (Rs.25,000), computer stationery (Rs.20,000), furniture (Rs.10,000), internet charges (Rs.5,000), teachers' training (Rs.10,000) as per sanctioned estimates of GOI

MV = 7.50 Cr.

grant sanctioned during previous years under pre-modified CLASS scheme would be adjusted against the second installment.

There was an unspent balance of Rs.3.73 crore out of grants released (1993-97) under the pre-modified CLASS (1993-2001) which is lying in the Finance Department. The CLASS scheme was replaced (July 2003) with a new scheme, viz. Information and Communication Technology in Schools. Accordingly, by the time State Government submitted (October 2004) proposals for adjustment of the unspent balance under the pre-modified Scheme towards the second installment, the currency of the modified Scheme was already over and GOI did not release funds any more. Thus, tardy action to utilise the funds released resulted in non receipt of Central assistance of Rs.7.50 crore and non implementation of the scheme to that extent.

Commissioner of Schools and Mid-day-Meals stated (February 2006) that proposals made (October 2004) for surrender/adjustment of the unspent balance was pending with the GOI. The reply of the Commissioner was not tenable as the Government failed to take adequate action for timely utilization of Central assistance and proposals for adjustments were submitted only after new scheme was introduced (July 2003).

The matter was reported to Government in June 2006; reply was not received (October 2006).

## HOME DEPARTMENT

### 4.5.2 Non recovery of Police security/escort charges

**Failure to collect the security/escort charges in time and to enforce Government orders regarding advance payment, resulted in non-recovery of Rs.12.08 crore**

The Police Department provides security/escort to indenting departments of the Central/State Government, autonomous bodies, banks, private parties, etc. on payment of such charges as may be fixed by the Government from time to time. Government orders (October 1999) provide that private parties, autonomous bodies, banks, etc. were to make payment of security/escort charges at double the rates in advance.

A scrutiny of records (March 2006) revealed that Rs.12.08<sup>83</sup> crore was outstanding for recovery (1976<sup>84</sup>-2005<sup>85</sup>) from 34 different departmental officers/bodies, banks, private parties, etc. (Appendix XXX). Of the above, except in four cases<sup>86</sup>

<sup>83</sup> Ranging from Rs.2.46 lakh (Indian Oil Corporation, Bhavnagar) and Rs.164.67 lakh (Sainik School, Balachadi)

<sup>84</sup> From Airport Authority of India, Keshod

<sup>85</sup> From Sainik School, Balachadi

<sup>86</sup> Rs.69.59 lakh from NCC Headquarters, Ahmedabad, Rs.24.64 lakh from General Stamp Office, Ahmedabad, Rs.7.26 lakh from Deputy Superintendent of Post offices, Ahmedabad and Rs.164.67 lakh from Sainik School, Balachadi (Jamnagar district)

(Rs.2.66 crore), Police security/escort was provided to autonomous bodies, banks, private parties, etc. for which payment of Rs.9.42 crore was required to be collected in advance. Thus, failure to collect the dues in time and to enforce Government orders regarding advance payment, resulted in non-recovery of Rs.12.08 crore.

When pointed out, one of the district authorities<sup>87</sup> stated (March 2006) that the indenting authorities disputed the applicability of double rates. The reply was not tenable as security/escort was to be provided only after payment of the prescribed charges, and any dispute should have been resolved prior to the provision of services.

The matter was reported to Government in May 2006; reply was not received (October 2006).

#### 4.5.3 Collection and retention of Government receipts by private crane operators

##### **Authorisation to collect and retain towing charges by private crane operators resulted in non-accountal of Government receipts**

Provisions of Motor Vehicles Act, 1988 (Act) prohibit leaving a motor vehicle so as to cause danger, obstruction or undue inconvenience to other users of public place or to the passengers. The Act further provides that when motor vehicles are left unattended/abandoned or parked at a place where parking is prohibited; removal by towing service may be authorised by a police officer. Where a vehicle is so removed, besides any other penalty, vehicle owner shall be responsible for all towing costs. State Government fixed (February 2002) fine ranging Rs.50 to Rs.100<sup>88</sup> depending upon the type of vehicles so left at a public place; but Government had not evolved any formula for collection of towing charges.

Further, Gujarat Treasury Rules (GTR) provide that all moneys paid in discharge of Government dues should be tendered to the Government officer so authorised or at Treasury/Bank and that all transactions should be routed through Cash Book.

A scrutiny of records (October 2005) of Commissioner of Police (CP), Ahmedabad and information collected from other three CsP<sup>89</sup> revealed that in contravention to the provisions of GTR, CsP have engaged private agencies for towing the vehicles parked dangerously/illegally and allowed those private crane operators to realise and retain the towing charges at the rates prescribed by CsP. During 2001-06, police registered 11.01 lakh offences of dangerous/illegal parking, etc. and allowed private crane operators to realise and retain Rs.4.91 crore<sup>90</sup> towards towing charges. This resulted in non-accountal of Government receipts.

Commissioner of Police, Ahmedabad stated (November 2005) that the matter was referred to the Director General of Police for orders. When reasons were ascertained (May 2006), Principal Secretary, Home Department did not reply.

<sup>87</sup> District Superintendent of Police, Jamnagar

<sup>88</sup> Two wheelers-Rs.50, three wheelers-Rs.75 and four wheelers and above Rs.100

<sup>89</sup> Rajkot, Surat and Vadodara

<sup>90</sup> Ahmedabad-Rs.192.34 lakh, Rajkot-Rs.10.22 lakh, Surat- Rs.258.95 lakh and Vadodara- Rs.29.63 lakh

MV=4.91  
Crore



The matter was reported to Government in June 2006; reply was not received (October 2006).

## PORTS AND TRANSPORT DEPARTMENT

### 4.5.4 Non realisation of waterfront royalty at increased rates and refund of available amounts

**Non enforcement of 20 per cent increase of waterfront royalty as per agreement with Gujarat Pipavav Port Limited from April 2002 resulted in short-recovery of Rs.1.42 crore; Gujarat Maritime Board refunded Rs.1.30 crore, otherwise available, instead of adjusting the dues**

Government formulated (December 1995) Port Policy for development of ports through private participation. Out of 10 green field sites identified for development as deep water direct berthing ports, four<sup>91</sup> were to be developed as joint venture of Gujarat Maritime Board (GMB) with public-private participation on Build-Own-Operate-Transfer (BOOT) basis and remaining exclusively with private investment.

Under the Port Policy, GMB entered into concession agreement (September 1998) with Gujarat Pipavav Port Limited (GPPL) for developing Pipavav Port; according to which waterfront royalty would be notified by GMB, which would be increased on first April of every three years by an amount equal to 20 per cent of the rate existed before the due date. Hence the waterfront royalty was required to be revised twice at 20 per cent at least from April 2002 and April 2005.

GMB notified waterfront royalty rates in July 2003 with retrospective effect from April 1998. However, Port Officer, Jafrabad<sup>92</sup> did not enhance the royalty from April 2002 as per concession agreement (**Appendix XXXI**); it was collected at the increased rate from July 2003<sup>93</sup> and second increase effected from July 2004 till August 2005.

GMB issued a revised notification (February 2005) according to which

- rates notified in July 2003 were cancelled and new rates<sup>94</sup> were made applicable from July 2003
- twenty per cent increase for concessional rates was made applicable from July 2003 only.

As GMB did not enhance the royalty payable in terms of concession agreement from April 2002 and April 2005, Rs.5.14 crore was only realised against Rs.6.56 crore due. This resulted in short recovery of Rs. 1.42 crore (**Appendix XXXI**).

<sup>91</sup> Dahej, Mundra, Positra and Rozi

<sup>92</sup> Under whose jurisdiction Pipavav port falls

<sup>93</sup> From the month of issue of notification

<sup>94</sup> On 40 feet loaded and empty containers were reduced from the previous notification of July 2003

Though Port Officer, Jafrabad, had actually collected waterfront royalty (July 2003 to August 2005) at enhanced rate on the basis of notification of July 2003; GMB refunded (March 2006) the differential amount of Rs.1.30 crore<sup>95</sup>. Thus, the amount legitimately due as per concession agreement and a portion of which realised on the basis of notification of July 2003 was also refunded to GPPL.

Thus, non implementation of contractual conditions resulted in short-recovery of Rs.1.42 crore. On account of refund of Rs.1.30 crore, GMB did not avail the opportunity to adjust the amount from the concessionaire.

When pointed out (January 2006), Port Officer, Jafrabad did not furnish any reply to the point at issue.

When pointed out, Government stated (July 2006) that escalation of rates is provided in the case of 'full waterfront royalty' only and not on 'concessional waterfront royalty'.

The reply of Government is not correct, as only two options, viz., 'Straight-line Option' under Clause 11.3.1.1 and 'Set-off Option' under Clause 11.3.1.2 of the agreement were available to GPPL. Having opted for 'Set-off Option', waterfront royalty is subject to escalation at 20 per cent on first of April every three years, vide sub-Clause 11.3.1.2.1. Hence, the 'royalty concession' referred to by Government under sub-Clause 11.3.1.2.2 (under main clause 11.3.1.2 – 'Set off Option') cannot be read independently and therefore, it was subject to escalation under sub-Clause 11.3.1.2.1.

### General

## PANCHAYATS, RURAL HOUSING AND RURAL DEVELOPMENT DEPARTMENT

### 4.5.5 Lack of response to audit findings

#### Response to audit findings was not adequate in respect of District Rural Development Agencies, Bharuch and Vadodara

Accountant General (Civil Audit), Rajkot conducts 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. After inspection, Inspection Reports (IRs) were issued to the Heads of the Departments with copies to the heads of the office inspected. Rules framed by the Government provide for prompt response to ensure corrective action and accountability. Serious irregularities are brought to the notice of the concerned Secretaries in the form of draft paragraph. A half-yearly report is also sent to the

<sup>95</sup> On account of February 2005 notification

MV=0.00

Secretary of the administrative department in respect of pending IR paragraphs to facilitate monitoring of the audit observations.

A scrutiny of IRs issued upto March 2006, pertaining to the District Rural Development Agency (DRDA), Bharuch and Vadodara, revealed that 190 paragraphs relating to 14 IRs remained outstanding at the end of September 2006. Year-wise position of outstanding IRs and paragraphs is detailed below:

Year in which IRs were issued	DRDA, Bharuch		DRDA, Vadodara		TOTAL	
	IRs	Paras	IRs	Paras	IRs	Paras
Upto 2001-02	01	12	06	109	07	121
2002-03	01	13	--	--	01	13
2003-04	01	02	01	09	02	11
2004-05	01	14	01	10	02	24
2005-06	01	12	01	09	02	21
<b>Total</b>	<b>05</b>	<b>53</b>	<b>09</b>	<b>137</b>	<b>14</b>	<b>190</b>

Even initial replies, which were required to be furnished by the heads of the offices within four weeks from the date of issue of IR, were not received in respect of five IRs issued during 2001-06. Lack of remedial action resulted in non-settlement of these outstanding paragraphs.

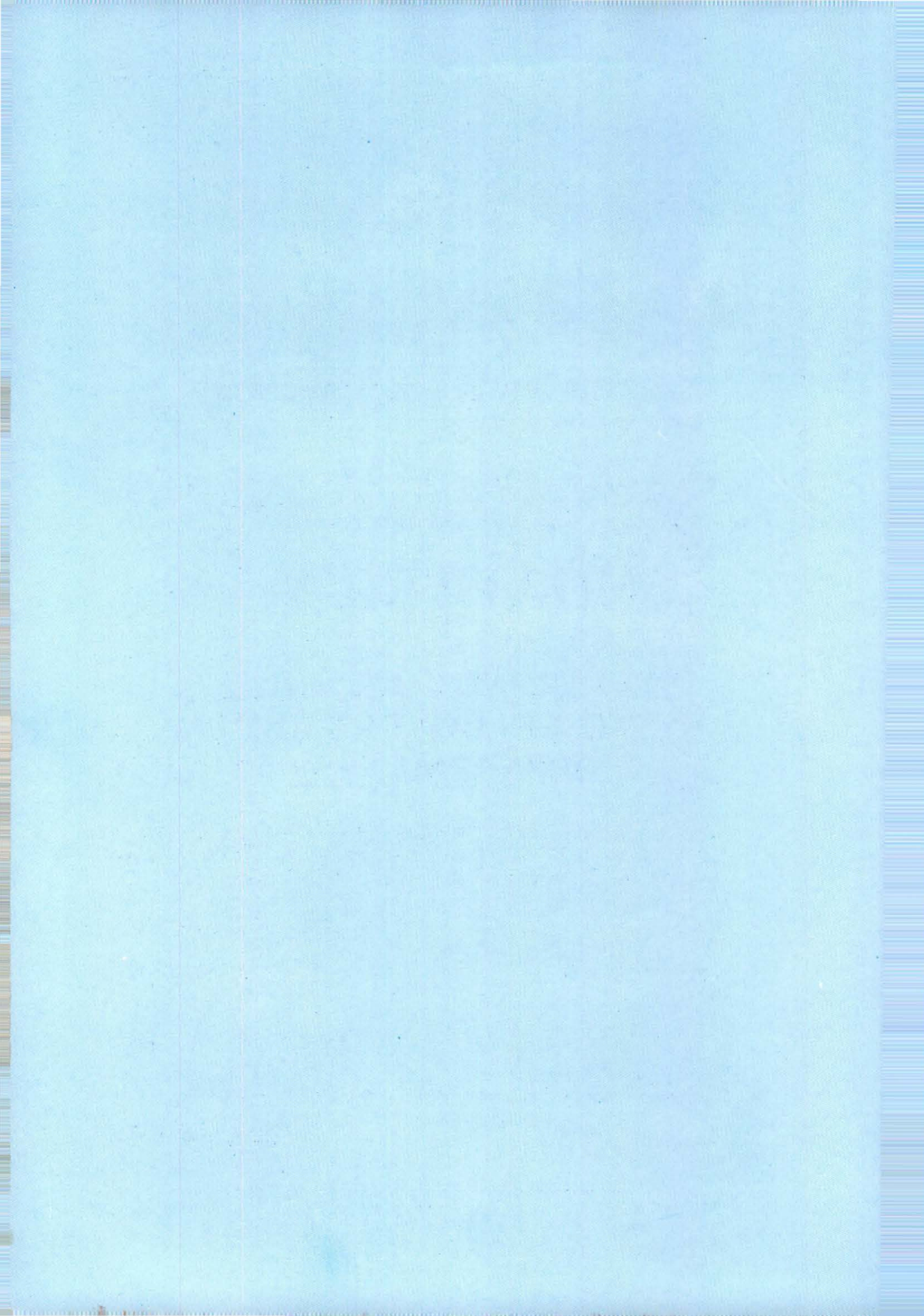
The matter was referred to the Government in November 2006; reply had not been received (November 2006).



# **CHAPTER-V**

## **INTERNAL CONTROL SYSTEM IN GOVERNMENT DEPARTMENTS**





CHAPTER V

INTERNAL CONTROL SYSTEM IN GOVERNMENT DEPARTMENTS

INDUSTRIES AND MINES DEPARTMENT

5.1 Internal Control System in Industries and Mines Department

*Highlights*

*Internal control is an integral part of the process designed and affected by the management of an organisation to achieve its specified objectives ethically, economically and efficiently. The main objective of the Department is promotion of industries and creation of infrastructure. There were 43 per cent savings out of the provisions during 2001-06. Provisions of Gujarat Treasury Rules were not followed while maintaining Cash Book. Field offices have not furnished monthly expenditure statements to the Additional Chief Secretary, Industries and Mines Department. District Industries Centres have not registered industrial units within the timeframe. Control over payment of loans and subsidies was not efficient. There was no codified manual in the Department. Maintenance of Registers and physical verification of articles were not properly done. Department had not exercised any control over accountability of acquisition of properties by the officers and staff. Working of Vigilance organisation of the Department had not reached upto the expected level. Deficiencies were noticed in the internal audit wing.*

Against the outlay of Rs.3025.41 crore during 2001-06, expenditure was Rs.1788.08 crore only and unspent balances under Central schemes were credited to State accounts in violation of the codal provisions.

(Paragraphs 5.1.5.1 and 5.1.7.1)

Industrial units benefited under subsidy schemes were not verified periodically; subsidies paid to closed units were not recovered.

(Paragraphs 5.1.8.3 and 5.1.8.4)

Internal audit system was not properly streamlined.

(Paragraph 5.1.10.1)

MV=96-99 ✓



### 5.1.1 Introduction

Internal control is a process to provide reasonable assurance regarding the achievements of objectives in the areas of effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable rules and regulations. The main objectives of Industries and Mines Department is to give guidance as to how to use the public finance in industries and to get the maximum benefit out of it by way of promotion of industries, creating infrastructure required for development of industries, payment of assistance by way of loans, grants, subsidies to industries; both under public and private sectors.

### 5.1.2 Organisational set-up

Additional Chief Secretary (ACS), Industries and Mines Department (IMD), supervises and controls five Heads of the Department<sup>1</sup> (HODs), twelve Corporations<sup>2</sup> and five Boards<sup>3</sup> for implementation of Government policies and programme of IMD. Twenty four District Industries Centres (DICs) implemented the schemes and programme of Industries Commissioner (IC) and Commissioner of Cottage Industries (CCI). Schemes and programme of Commissioner of Geology and Mining (CGM) were implemented by three zonal officers and 24 district level officers.

### 5.1.3 Audit objectives

The objective of review was to see whether the Internal Control System of the Department provides a reasonable assurance of adequacy and effectiveness of

- Budgetary controls;
- Cash controls;
- Expenditure controls;
- Operational controls;
- Administrative controls;
- Vigilance; and System of Internal Audit.

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<sup>1</sup> (i) Industries Commissioner, (ii) Commissioner of Cottage Industries, (iii) Commissioner of Geology and Mining, (iv) Director of Printing and Stationary and (v) Commissioner of Payment

<sup>2</sup> (i) Industrial Extension Bureau, (ii) Gujarat Industrial Development Corporation, (iii) Gujarat Tourism Corporation, (iv) Gujarat Mineral Development Corporation, (v) Gujarat Industrial Investment Corporation, (vi) Gujarat State Finance Corporation, (vii) Gujarat Small Scale Industries Corporation, (viii) Gujarat Rural Industries Marketing Corporation, (ix) Institute of Rural Technology, (x) Gujarat Alkocok Asdown (Guj.) Ltd, (xi) Centre for Entrepreneurship Development and (xii) Gujarat Growth Centre Development

<sup>3</sup> (i) Gujarat Infrastructure Development Board, (ii) Gujarat Diamond Development Board, (iii) Gujarat Soil Works Attrition Board (iv) Gujarat State Khadi and Village Industries Board and (v) Gujarat Pavitra Yatra Dham Vikas Board.

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### 5.1.4 Audit Coverage

Review of the adequacy and effectiveness of the Internal Control System including internal audit arrangements in the Department for the period April 2001 to March 2006 was conducted by check of records in the offices of Additional Chief Secretary-Industries and Mines Department (ACS-IMD), Industries Commissioner (IC), Commissioner of Cottage Industries (CCI), Commissioner of Geology and Mining (CGM) and Seven<sup>4</sup> DICs.

### Audit findings

### 5.1.5 Budgetary controls

#### 5.1.5.1 Preparation of inflated budget estimates

Budget provision and expenditure incurred there against by the Department during 2001-06 were as under –

(Rupees in crore)

Year	Provisions			Expenditure			(+ excess (-) savings)			Percentage of excess/ savings	
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan
2001-02	212.37	993.36	1205.73	227.42	179.00	406.42	(+) 15.05	(-) 814.36	(-) 779.31	7	82
2002-03	303.96	327.88	631.84	137.16	169.15	306.31	(-) 166.80	(-) 158.73	(-) 325.53	55	48
2003-04	281.91	160.33	442.24	142.88	100.06	242.94	(-)139.03	(-) 60.27	(-) 199.30	49	38
2004-05	247.28	110.67	357.95	333.27	99.19	432.46	(+) 85.99	(-) 11.48	(+) 74.51	35	10
2005-06	302.20	85.45	387.65	313.13	86.82	399.95	(+) 10.93	(+)1.37	(+) 12.30	4	2
<b>Total</b>	<b>1,347.72</b>	<b>1,677.69</b>	<b>3,025.41</b>	<b>1,153.86</b>	<b>634.22</b>	<b>1,788.08</b>	<b>(-) 193.86</b>	<b>(-) 1,043.47</b>	<b>(-) 1,237.33</b>		

As against total outlay of Rs.3,025.41 crore, expenditure of Rs.1,788.08 crore (59 per cent) was incurred during 2001-06, leaving a balance of Rs.1,237.33 crore (41 per cent); this indicated poor fund management and faulty preparation of Budget Estimates, resulting in huge savings. The department attributed the reasons for saving due to reduction in Plan expenditure by General Administration Department (GAD) and due to vacant posts, excess is due to increase in Dearness Allowance(DA) and merger of DA at the rate of 50 per cent as Dearness Pay (DP).

<sup>4</sup> (i) Ahmedabad, (ii) Gandhinagar, (iii) Jamnagar, (iv) Junagadh, (v) Kachchh, (vi) Rajkot and (vii) Vadodara

## 5.1.6 Cash Controls

### 5.1.6.1 Transactions made outside cash book

Gujarat Treasury Rules (GTR) provides that all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of office in token of checks. The head of office should verify the totaling of cash book or have this done by some responsible subordinate other than the writer of the cash book and initial it as correct. The GTR also provided that at the end of each month the head of the office should verify the cash balance in the cash book and record signed and dated certificate to that effect mentioning therein the balance both in words and figures. However, scrutiny of records of DIC, Ahmedabad revealed that grants amounting to Rs.8.96 crore received during 2002-06 towards payment of subsidy to cottage industries, bankable loan and contingency and subsidy under Prime Minister's Rojgar Yojna; were spent without routing through cash book and instead the transactions were only entered in a Register and transactions were also not authenticated.

### 5.1.6.2 Deficiencies in the system of maintenance of Cash chest

Gujarat Treasury Rules provide that cash and other valuables held in the safe custody on behalf of Government by departmental officers should be kept in an adequately strong cash chest or almirah. The cash chest/almirah should be secured by two locks of different patterns so that the keys of such locks should be kept in different person's custody where practicable and in any case, should be kept apart from that of the other lock so that the chest will not be accessible to unauthorised persons. The chest should not be opened unless both the custodians of the two locks are present for the purpose.

Duplicate keys of cash chest/almirah should be placed in separate cover and lodged with strong room of the District Treasury/Sub-Treasury, as the case may be. A register of Duplicate Keys is to be maintained indicating the authorities with whom they were lodged. Once in every year in April key must be sent for examination and returned under fresh sealed covers to respective Treasury/Sub-Treasury Officers with whom they are meant to be lodged and a note kept in the register that they have been inspected and found intact and genuine and sent back to the nominated authorities. Similarly entries should be made in the register in regard to any occasion when the duplicate keys had to be obtained for opening the chest and the date of resealing and lodging with the nominated authorities.

In any of the offices test checked, duplicate keys were not deposited with the Treasury.



### 5.1.7 Expenditure Controls

#### 5.1.7.1 Crediting unspent balance of Central assistance to the State funds

At the end of March 2003, 16 DICs had an unspent balance of Rs.10.11<sup>5</sup> crore under the Prime Minister's Rojgar Yojna (PMRY) and Thrift-Fund (weavers' scheme). Instead of refunding the amounts to the Government of India (GOI), the DICs credited the amounts to the State Government accounts. Further, Government closed down all Personal Ledger Accounts (PLAs) with all DICs with effect from December 2003. However, it was observed that DICs, Ahmedabad, Kachchh and Vadodara had an unspent balance of Rs.87.99 lakh, Rs.325.42 lakh and Rs.2.85 lakh respectively under PMRY and Thrift-Fund; the amount was lying in the PLA of the concerned DICs as on March 2006. Besides loss of interest, lack of control resulted in blockage of GOI funds in PLA in violation of Government instructions in this regard.

#### 5.1.7.2 Expenditure against allotments

Additional Chief Secretary, IMD, being the Chief Controlling Officer of the Department, allots grants to various HODs, Boards and Corporations. Instructions in this regard provided that the subordinate officers/Boards/Corporations should submit monthly expenditure statement by fifth of succeeding month. However, none of the HODs/Boards/Corporations such as IC, CCI, Gujarat Tourism Corporation, Gujarat Infrastructure Development Board had submitted the monthly expenditure statement to Government during 2001-06. The ACS therefore, lost expenditure control over the subordinate HODs, Boards and Corporations which eventually resulted in savings of Rs.1,237.33 crore (2001-06) out of the budget sanction of Rs.3,025.41 crore.

### 5.1.8 Operational Controls

#### 5.1.8.1 Operation of Savings Bank account in place of Fixed Deposits

For the benefit of weavers organised under co-operative sector, Government decided (December 1987) to contribute at the rate equal to eight *per cent*<sup>6</sup> of the salary of the vankers (weavers) for credit to Thrift Fund. After five years, the beneficiaries are entitled to withdraw a maximum of 75 *per cent* of the accumulation under the contingencies specified. Scheme stipulated settlement of account of beneficiary upon his death or when the beneficiary decides to leave the scheme.

<sup>5</sup> Amreli (Rs.0.15 crore), Banaskantha (Rs.0.52 crore), Bharuch (Rs.0.70 crore), Bhavnagar (Rs.0.11 crore), Gandhinagar (Rs.1.81 crore), Junagadh (Rs.0.32 crore) Jamnagar (Rs.1.46 crore), Kachchh (Rs.0.34 crore), Kheda (Rs.0.62 crore), Mehsana (Rs.0.62 crore), Rajkot (Rs.0.32 crore), Sabarkanta (Rs.0.51 crore), Surat (Rs.0.90 crore), Surendranagar (Rs.0.12 crore), Vadodara (Rs.1.02 crore) and Valsad (Rs.0.59 crore)

<sup>6</sup> Four *per cent* each by State and Central Governments

Under the Scheme, the contributions made by Government were required to be kept in fixed deposits with the District Co-operative Banks. Principal and interest earned thereon were to be credited to the Individual Running Ledger Account of the beneficiary weavers.

During 2001-06, total contribution from State and Central to Thrift Fund was Rs.35.41 lakh for 65 beneficiary units. Scrutiny of records of DICs revealed that the amounts were deposited in the Saving Bank Accounts in the joint account of General Manager, DIC and the Secretary/President of the Weavers' Co-operative Societies. Consequently, the beneficiaries were deprived of the benefit of interest that was to accrue from these funds.

#### ***5.1.8.2 Deficiencies in system of loans and recoveries***

For promoting cottage industries and self-employed persons, share capital loan and margin money loan were being paid through DICs. A test check of records pertaining to share capital/margin money loan revealed that the Department did not take any action to ensure that the amounts were utilised for the purpose for which they were sanctioned; loan Recovery Registers were not up-dated and outstanding balance at the end of each year were not communicated to the loanees and confirmation obtained; notices on due dates were also not issued to loanees. Further, reconciliation of loan remittances with Treasury figures were not conducted; and also department did not pursue recovery of loans; random notices were only issued to the defaulters. After issuing Revenue Recovery Certificates to revenue authorities (2001-06), the department also failed in following up the matter further.

As a result, correct position of payment of loans, their utilisation and recoveries were not susceptible for verification in audit.

#### ***5.1.8.3 Non verification of units that had benefited out of subsidy scheme***

According to the conditions of sanction of subsidies, industries availing subsidy should operate their unit at least for five years. The DICs were to carry out annual inspection and take action to recover subsidy wherever the units had ceased to function before completion of specified period of five years. Scrutiny of records revealed that none of the 8559 units availed subsidy during 2001-06 in Rajkot was verified during the last five years.

- out of 58,675 units due for verification in Ahmedabad district, only 348 units were verified
- out of 26460 units due for verification in Kachchh district, only 183 units were verified.
- out of 39187 units due for verification in Vadodara district, only 2291 units were verified

Thus, the Department could not ensure that the purposes for which subsidies paid were achieved.

#### *5.1.8.4 Recovery of subsidy from closed units*

As per terms and condition of payment of subsidy, the subsidy paid would be recoverable from the units not functioned for the minimum period of five years. A test check of records revealed that in all 569 industrial units, to whom IC paid subsidies aggregating to Rs.12.33 crore, were closed as at the end of 2005-06. Only Rs.13.54 lakh were recovered from the total amount of Rs.12.65 crore that was recoverable, leaving a balance of Rs.12.33 crore unrecovered. DIC, Rajkot had not maintained any records regarding the number of closed units and consequentially, recoveries were pending since 1994; and during 2001-06, DICs Gandhinagar and Junagadh have not effected any recovery of subsidy from the 45 closed industrial units.

Thus, there was no control over monitoring the closed industrial units and recovery of subsidy paid to them.

#### *5.1.8.5 Deficiencies in system of issue of Lubricant Licences*

In pursuance to the orders of Government of India (March 1987), Gujarat Government authorised DICs (November 1987) to grant and renew lubricant licences under Essential Commodities Act. Mamlatdars of Civil Supplies Department were authorised to check and initiate penal action on the defaulters. IC instructed (July 1988) DICs to furnish monthly returns regarding the licences issued, pending cases, etc.

It was seen from the records of the DICs that periodical returns regarding licences issued, etc. were not furnished to the higher authorities; as a result, mechanism for intimating Mamlatdars of Civil Supplies Department was not evolved. A test check of records revealed that –

Six hundred, 22, 240, 53, 279 and 336 licences were not renewed for the period ranging from one to 13 years in Ahmedabad, Gandhinagar, Jamnagar, Kachchh, Rajkot and Vadodara respectively.

Due to non-exercise of control mechanism for want of required information from DICs, the designated authorities could not exercise adequate control over the units operated without renewal of licences. Also, penal action under the provisions of Essential Commodities Act was not initiated.



### **5.1.8.6 Audit of industrial Co-operative Societies**

Under the provision of Co-operative Society Act, 1961 audit of Industrial Co-operative Societies were to be carried out by the DICs.

During the test check of records, it was seen that –

- since 1999 DIC, Rajkot had not conducted any audit of Co-operative Societies under its control
- in DICs, Ahmedabad, Junagadh, Kachchh and Vadodara audit of 2,859, 2,680, 649 and 468 units respectively were not carried out during 2001-06.

Thus, control over the Co-operative Societies under the five DICs was not exercised and thereby their accountability could not be ensured.

### **5.1.8.7 Non-maintenance of Registers in prescribed format**

According to the provision of Gujarat Treasury Rules (GTRs), various records/registers were required to be maintained in the prescribed format. It was however, observed that in Industries and Mines Department the basic accounting records were not maintained in the prescribed format. Non maintenance of basic accounting records, registers in the prescribed format may lead to duplication of payments, non-recovery of Government dues, watch the timely passing of bills etc.

### **5.1.8.8 Physical verification not carried out**

According to the provisions contained in Gujarat Financial Rules, all dead stock articles, library books, stationary articles and consumable articles are to be physically verified annually and certificate to that effect recorded in the respective Registers. However, physical verification was not done in any of the offices test-checked.

### **5.1.9 Vigilance Mechanism**

Though it was provided that preliminary enquiries were to be completed within three months from the date of receipt of complaint; however Additional Chief Secretary (ACS), Industries and Mines Department had not maintained any control register to watch vigilance inquiry.

In ACS office, 15<sup>7</sup> vigilance cases were pending as at the end of March 2006, but not in a single case, preliminary inquiry was completed within the prescribed period. Out of these 15 cases, preliminary enquiry started only in five cases.

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<sup>7</sup> 1998-one case; 2000-two cases, 2002-five cases; 2003-two cases, 2004-one case and 2005-four cases

Against this, as per information furnished by two HODs<sup>8</sup>, 51 vigilance cases were pending as at the end of March 2006; reasons for the discrepancies were not stated by the ACS.

### **5.1.10 Internal Audit**

#### **5.1.10.1 Deficiency in the system of Internal Audit**

Internal Audit (IA) is necessary to keep watch on strict compliance to the Government rules and orders as well as the pattern and the flow of Government spending. The General Administration Department had specifically directed (August 1987) that all the Departments, while carrying out IA to assess the work done, the schemes and programmes carried out, the implementation of rules and regulations, hearing and redressal of the complaints of public and the Government servants and maintenance of office records.

However, the reports of IA contained only routine observations regarding the maintenance of records and drawal of bills, etc.

During 2001-06, ACS had not conducted any internal audit of the HODs. In respect of Commissioner of Geology and Mining, internal audit was carried out by diversion of staff from Accounts Branch and only accounting related checks were exercised.

In the offices of IC and CCI, Internal Audit was conducted by transfer of persons without adequate training.

#### **5.1.10.2 Pendency of internal audit**

According to the IA plan, all HODs were to be audited annually; and subordinate offices were to be audited according to the periodicity prescribed depending upon the quantum of transactions.

However, scrutiny of records revealed shortfall in IA of offices of the HODs and subordinate offices as shown below:

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<sup>8</sup> Industries Commissioner and Commissioner of Cottage Industries

(Number of offices)

Name of HOD	Pending over 10 years	Pending between 5 and 10 years	Pending between 2 and 5 years	Pending 6 months to 2 years	Less than 6 months
CGM	4	10	9	0	0
IC	0	0	4	20	0
CCI	0	0	0	24	0
<b>Total</b>	<b>4</b>	<b>10</b>	<b>13</b>	<b>44</b>	<b>0</b>

Though all units were to be covered by IA once in every year, in respect of four units, IA was pending for more than 10 years. Pendency of IA in respect of 10 units ranged between five and 10 years, 13 units ranged between two to five years and 44 units ranged between six months to two years. Thus, the Department could not ensure compliance of Government instructions.

### 5.1.10.3 Settlement of internal audit observations

Internal Audit reports were to be issued to respective subordinate offices for rectification of deficiencies.

It was however, seen that there was no system of monitoring for clearance of internal audit observations by HODs. In absence of control registers, timely issue of inspection reports to the Drawing and Disbursing Officers, money value objections and monitoring the outstanding paragraphs could not be verified.

### 5.1.11 Conclusion

Budget and Expenditure controls were weak as evidenced from huge savings over the sanctioned provisions. Cash controls were not effectively exercised. Unspent Central funds were credited to State account/blocked in Personal Ledger Accounts. Field Officers were not furnishing monthly expenditure statements to the Additional Chief Secretary, Industries and Mines Department. Loan payments and recoveries were not monitored and units that had availed subsidy were not verified and recovery of subsidy from the closed units was not effective. The department had not codified the Manuals, while the system of internal audit was weak.

### 5.1.12 Recommendations

- Budget control system should be strengthened to ensure that demands for funds are on a realistic basis and to avoid persistent savings
- Unspent balances pertaining to schemes lying in PLA accounts should be credited to Government account immediately



- Balances under Thrift Fund should be kept in fixed deposits so that benefit of interest is also available to the beneficiaries
- System of monitoring over the loans and the subsidies that has been released to the units needs a complete review in the light of mounting dues and absence of any system of monitoring
- Internal Audit should be strengthened to facilitate prompt rectification of deficiencies.

The matter was reported to Government (July 2006); but no reply was received (October 2006).



(Ila Singh)

Accountant General (Civil Audit) Gujarat

Rajkot

The

2 MAR 2007

Countersigned



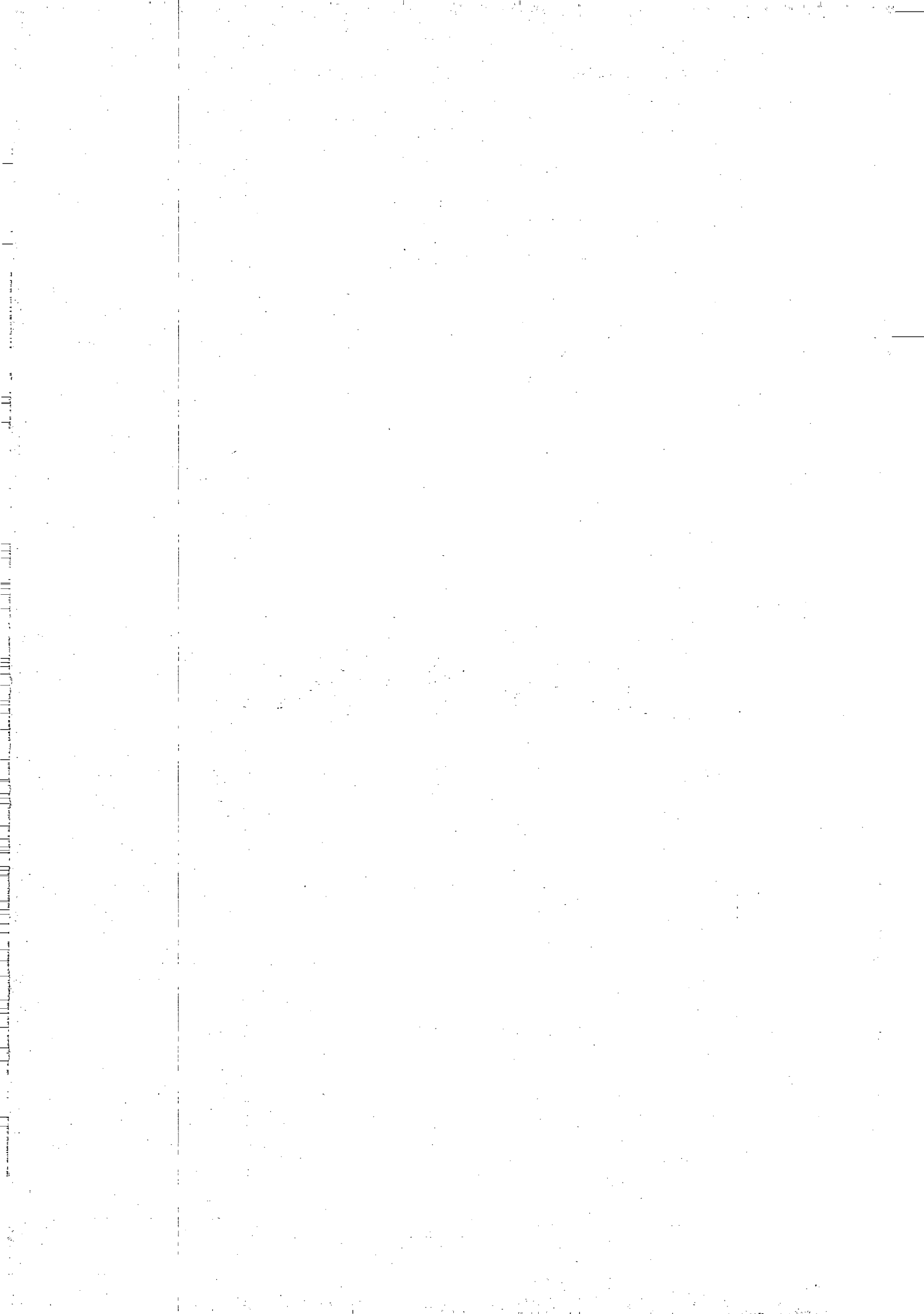
(Vijayendra N. Kaul)

Comptroller and Auditor General of India

New Delhi

The

3 MAR 2007



# APPENDICES





## APPENDIX - I (i)

## Part A: Structure and Form of Government Accounts

(Reference: Paragraph 1.1; Page 1)

**Structure of Government Accounts:** 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 revenues received by the State Government, all loans raised, ways and means advances and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

**Part-II: Contingency Fund**

Contingency Fund of State established under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part-III: Public Account**

Besides the normal receipts and expenditure of Government which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples. The public moneys thus received are kept in the Public Account set up under Article 266(2) of the Constitution of India and the related disbursements are made from it.

## APPENDIX - I (i)

### Part-B – Lay out of Finance Accounts

(Reference: Paragraph 1.1; Page 1)

Statement No.1 presents the summary of transactions of the State Government-Receipts and Expenditure, Revenue and Capital, Public debt receipts and disbursements etc. in the Consolidated Fund, Contingency Fund and the Public Accounts of the State.

Statement No.2 contains the summarised statement of Capital Outlay showing progressive expenditure to the end of 2005-06.

Statement No.3 gives financial results of Irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No.4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No.5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No.6 gives the summary of guarantees given by the Government for repayment of loans etc. raised by the Statutory Corporations, local bodies and other institutions.

Statement No.7 gives the summary of cash balances and investments made out of such balances.

Statement No.8 depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Accounts as on 31 March 2006.

Statement No.9 shows the Revenue and Expenditure under different heads for the year 2005-06 as a percentage of total revenue/expenditure.

Statement No.10 indicates the distribution between the charged and voted expenditure incurred during the year.

Statement No.11 indicates the detailed account of revenue receipts by minor heads.

Statement No.12 provides accounts of revenue expenditure by minor heads under non-plan, State plan and Centrally Sponsored Schemes separately, and capital expenditure major head wise.

Statement No.13 depicts the detailed capital expenditure incurred during and to the end of 2005-06.



Statement No.14 shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies, etc. upto the end of 2005-06.

Statement No.15 depicts the capital and other expenditure to the end of 2005-06 and the principal sources from which the funds were provided for that expenditure.

Statement No.16 gives the detailed account of receipts, disbursements and balances under the heads of account relating to debt, Contingency Fund and Public Accounts.

Statement No.17 presents detailed account of debt and other interest bearing obligations of the Government of Gujarat.

Statement No.18 provides the detailed account of loans and advances given by the Government of Gujarat, the amount of loan repaid during the year, the balance as on 31 March 2006 and the amount of interest received during the year.

Statement No.19 gives the details of earmarked balances of reserved funds.

APPENDIX - I (i)

Part-C – List of Indices/Ratio and basis for their calculation

(Reference: Paragraph 1.3; Page 5)

List of terms used in the Chapter-I and basis for their calculation

Terms	Basis for calculation
Buoyancy of a parameter	<u>Rate of Growth of the parameter</u> GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	<u>Rate of Growth of the parameter (X)</u> Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1] * 100$
Trend/Average	Trend of growth over a period of 5 years (LOGEST (Amount of 2000-01: Amount of 2005-06)-1) *100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Weighted Interest Rate ( $I_w$ )	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth – Weighted Interest rates
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Advanced	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts
Primary Deficit	Fiscal Deficit -Interest Payments
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048-Appropriation for Reduction or Avoidance of Debt

**APPENDIX - I (ii)**  
**Fiscal indicators of medium term fiscal statement**  
**(Reference: Paragraph 1.1.4; Page 3)**

Sr.No.	Item	Previous		Current	Current	Ensuing	Targets for next 2 years	
		Year		Year	Year	Year	Y+1 2007-08	Y+2 2008-09
		Actuals		Year	Year	Year		
		Y-3 2003-04	Y-2 2004-05	Y-1 BE 2005-06	Y-1 RE 2005-06	Y-1 BE 2006-07		
1	2	3	4	5	6	7	8	9
1	Revenue Deficit	-3707	-4037	-1439	-334.6	6.3	0	930.94
2	Fiscal Deficit	-9143	-8691	-7438	-6648	-6880	-7361	-6721
3	GSDP	165705(P)	179544(P)	204565(Adv)	204565	231731	262505	297366
4	Fiscal Deficit as percentage of GSDP	5.52	4.84	3.64	3.25	2.96	2.80	2.26
5	Public Debt as percentage of GSDP	30.29	32.26	31.82	31.91	31.30	30.43	29.12
6	Government guarantee outstanding		16144	15735	14873	16000	16000	16000

P: provisional Estimate

Adv.: Advance Estimate



APPENDIX - II

Summarised financial position of the Government of Gujarat as on  
31 March 2006

(Reference: Paragraph 1.3; Page 5)

(Rupees in crore)

As on 31.03.2005	Liabilities		As on 31.03.2006
46488.77	<b>Internal Debt</b>		55887.85
14285.67	Market Loans bearing interest	14639.78	
72.57	Market Loans not bearing interest	71.70	
0.28	Loans from LIC	0.28	
1520.44	Loans from other Institutions	2107.64	
0	Ways and Means Advances	---	
30609.81	Special securities issued to NSS Fund of Central Government	39068.45	
11431.41	<b>Loans and Advances from Central Government</b>		11567.11
89.21	Pre 1984-85 Loans	(-) 2.25	
700.18	Non-Plan Loans	78.91	
10527.94	Loans for State Plan Schemes	11375.49	
51.83	Loans for Central Plan Schemes	47.47	
62.25	Loans for Centrally Sponsored Plan Schemes	67.49	
192.74	Contingency Fund		123.89
3871.73	Small Savings, Provident Funds, etc.		4130.22
8586.86	Deposits		9045.63
127.57	Deposit with Reserve Bank		24.39
1670.05	Reserve Funds		3209.98
401.12	Suspense and Miscellaneous		---
388.55	Remittance Balances		398.04
73158.80	<b>Total</b>		84387.11
	<b>Assets</b>		
32490.37	<b>Gross Capital Outlay on Fixed Assets</b>		39449.03
	Investments in shares of Companies, Corporations, etc.	15199.02	
12739.46	Other Capital Outlay	24250.01	
19750.91	<b>Loans and Advances</b>		4664.67
2931.26	Loans for Power Projects	1474.68	
2417.83	Other Development Loans	2827.17	
395.05	Loans to Government servants and Miscellaneous loans	362.82	
0.75	Advances		0.76
	Suspense and Miscellaneous		358.68
2692.62	<b>Cash -</b>		7292.37
	Deposit with Reserve Bank	---	
260.15	Cash in treasuries and local remittances	244.58	
1109.07	Departmental Cash Balances including Permanent Advances and investment of earmarked Funds	2616.84	
1323.40	Cash Balance Investments	4430.95	
32230.92	<b>Deficit on Government Accounts</b>		32621.60
4036.86	(i) Revenue Deficit of the Current Year	398.62	
	(ii) Miscellaneous Government Account		
28199.96	Add : Deficit on Government Account as on 31 March 2005	32230.92	
(-) 5.90	Other Adjustments	(-) 7.94	
73158.80	<b>Total</b>		84387.11

## APPENDIX - III

## Abstract of receipts and disbursements for the year 2005-06

(Reference: Paragraph 1.3; Page 5)

(Rupees in crore)

Receipts		Disbursements							
2004-05		2005-06	2004-05	Non-Plan	Plan	Total	2005-06		
Section-A: Revenue									
20264.94	I Revenue receipts		25066.87	24301.80	I Revenue expenditure-	21544.07	3921.42	25465.49	25465.49
12957.70	Tax revenue	15698.11		10024.31	General Services	11208.38	79.71	11288.09	
				7850.93	Social Services-	6265.15	2007.72	8272.87	
3090.50	Non-tax revenue	3353.37		3990.11	Education, Sports, Art and Culture	3907.38	254.64	4162.02	
				944.57	Health and Family Welfare	749.49	293.37	1042.86	
2219.30	State's share of Union Taxes	3372.43		1220.81	Water Supply, Sanitation Housing and Urban Development	388.62	618.75	1007.37	
				22.86	Information and Broadcasting	17.10	7.76	24.86	
571.38	Non-Plan grants	703.53		630.03	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	248.52	421.85	670.37	
				120.18	Labour and Labour Welfare	93.05	40.94	133.99	
957.67	Grants for State Plan Scheme	1332.34		899.27	Social Welfare and Nutrition	839.69	348.76	1188.45	
				23.10	Others	21.30	21.65	42.95	
468.39	Grants for Central and Centrally sponsored Plan Schemes	607.09		6283.25	Economic Services-	3962.49	1833.99	5796.48	
				936.15	Agriculture and Allied Activities	528.56	388.67	917.23	
				808.17	Rural Development	215.68	571.53	787.21	
				30.64	Special Areas Programmes	23.36	4.90	28.26	
				375.47	Irrigation and Flood Control	291.80	80.62	372.42	
				2623.10	Energy	1731.09	342.43	2073.52	
				232.47	Industry and Minerals	43.82	187.47	231.29	
				957.07	Transport	932.95	160.04	1092.99	
				0.02	Communications				
				50.45	Science, Technology and Environment	1.05	44.60	45.65	
				269.69	General Economic Services	194.18	53.73	247.91	
				143.31	Grants-in-aid and Contributions	108.05		108.05	
4036.86	II Revenue deficit carried over to Section B		398.62						
24301.80			25465.49	24301.80	Total	21544.07	3921.42	25465.49	25465.49

Receipts		Disbursements							
2004-05		2005-06	2004-05	Non-Plan	Plan	Total	2005-06		
Section-B									
1887.95	III Opening Cash balance including Permanent Advances and Cash Balance Investment		2565.05						
5.90	IV Miscellaneous Capital receipts		7.94	4100.21	IV Capital Outlay-	164.22	6794.44	6958.66	6958.66
			84.52	General Services-	17.16	72.21	89.37		
			1449.70	Social Services-	67.02	1751.76	1818.78		
			11.83	Education, Sports, Art and Culture	4.18	143.10	147.28		
			26.49	Health and Family Welfare	0	26.47	26.47		
			851.22	Water Supply, Sanitation,	9.77	650.25	660.02		
			-	Housing and Urban Development	59.86	99.08	158.94		
			0.07	Information and Broadcasting					
			9.80	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1.89	11.10	12.99		
			0.49	Social Welfare and Nutrition		5.58	5.58		
			549.80	Others	-8.68	816.18	807.50		
			2565.98	Economic Services-	80.04	4970.47	5050.51		
			111.48	Agriculture and Allied Activities	2.49	117.89	120.38		
			-	Rural Development					
			1.27	Special Areas Programmes		0.80	0.80		
			1765.37	Irrigation and Flood Control		2251.39	2251.39		
			151.90	Energy		1949.91	1949.91		
			0.30	Industry and Minerals		0.31	0.31		
			532.40	Transport	74.93	648.67	723.60		
			2.57	Science & Technology		1.50	1.50		
			-	Communication					
			0.69	General Economic Services	2.62		2.62		
180.20	V Recoveries of Loans and Advances-		1783.69	739.57	V Loans and Advances disbursements	299.44	404.78	704.22	704.22
18.28	From Power Projects	1648.59		290.34	For Power Projects	58.82	133.18	192.00	
98.54	From Government Servants and Miscellaneous Loans	107.52		95.12	To Government Servants and Miscellaneous Loans	75.27		75.27	
63.38	From others	27.58		354.11	To Others	165.35	271.60	436.95	
	VI Revenue surplus brought down			4036.86	VI Revenue deficit brought down				398.62
13328.48	VII Public debt receipts-		10663.19	5815.04	VII Repayment of Public Debt-				1128.41
11510.36	Internal debt other than ways and means Advances and Overdraft	9940.91		1177.53	Internal debt other than Ways and Means Advances and Overdraft			541.83	



Receipts				Disbursements					
2004-05			2005-06	2004-05		Non-Plan	Plan	Total	2005-06
	Net transaction under Ways and Means Advances including over draft			42.44	Net transaction under Ways and Means Advances including over draft.			-	
1818.12	Loans and Advances from Central Government	722.28		4595.07	Repayment of Loans and Advances to Central Government			586.58	
	VIII Inter State Settlement				VIII Inter State Settlement				
	IX Appropriation to Contingency Fund				IX Appropriation to Contingency Fund				
92.74	X Amount transferred to Contingency Fund		7.26	7.26	X Expenditure from Contingency Fund			76.11	76.11
32787.59	XI Public Account receipts-		36334.35	31018.87	XI Public Account disbursements-				34827.48
825.13	Small Savings and Provident funds	884.30		594.68	Small Savings and Provident Funds			625.82	
428.73	Reserve funds	1962.70		170.24	Reserve Funds			422.76	
15164.78	Suspense and Miscellaneous	13249.16		14753.44	Suspense and Miscellaneous			14008.95	
5512.26	Remittance	8045.13		5508.45	Remittances			8035.64	
10856.69	Deposits and Advances	12193.06		9992.06	Deposits and Advances			11734.31	
				2565.05	XII Cash Balance at end-				7267.98\$
	Closing overdraft from Reserve Banks of India.			260.15	Cash in Treasuries and Local Remittances			244.58	
				(-) 127.57	Deposits with Reserve Bank			-24.39	
				1109.07	Departmental Cash Balance Including permanent Advances			2616.84	
				1323.40	Cash Balance Investment			4430.95	
48282.86	Total		51361.48	48282.86	Total				51361.48

\$ 8999 closing cash balance excludes 8782-101 cash remittances between Treasury and Currency Chest.

APPENDIX - IV

Sources and Application of funds

(Reference: Paragraph 1.3; Page 5)

(Rupees in crore)

2004-2005		Sources	2005-2006
20264.94	1	Revenue receipts	25066.87
180.20	2	Recoveries of Loans and Advances	1783.69
5.90	3	Miscellaneous Capital Receipts	7.94
7513.44	4	Increase in Public debt other than overdraft	9534.78
1768.72	5	Net receipts from Public account	1506.87
230.45		Increase in Small Savings	258.48
864.63		Increase in Deposits and Advances	458.75
258.49		Increase in Reserve Funds	1539.94
411.34		Net effect of suspense and Miscellaneous transactions.	-759.79
3.81		Net effect of Remittance transactions	9.49
85.48	6	Net effect of Contingency Fund transactions	-68.85
	7	Net effect of inter state settlement	---
	8	Decrease in closing Cash balance	---
<b>29818.68</b>		<b>Total</b>	<b>37831.30</b>
		<b>Application</b>	
24301.80	1	Revenue expenditure	25465.49
739.57	2	Lending for development and other purposes	704.22
4100.21	3	Capital expenditure	6958.66
677.10	4	Increase in closing Cash balance	4702.93
<b>29818.68</b>		<b>Total</b>	<b>37831.30</b>

**Explanatory Notes for Appendix I, II and III:**

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Statement-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.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.
4. There was a difference of Rs.2.31 crore (debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposits with Reserve Bank".

**APPENDIX - V**  
**Time Series Data on State Government finances**  
**(Reference: Paragraph 1.3; Page 5) (Rupees in crore)**

	2001-02	2002-03	2003-04	2004*05	2005-06
<b>Part A. Receipts</b>					
1. Revenue Receipts (w)	15986	17875	18248	20265	25067
(i) Tax Revenue	9247(58)	9520(53)	11173(61)	12958	15698
Sales Tax	5857(63)	6252(66)	7170(64)	8309	10561
Taxes and duties on Electricity	1657(18)	1384(15)	1592(14)	1829	1900
State Excise	47	47	46	47	48
Taxes on vehicles	677(7)	808(8)	936(8)	1061	1154
Stamps and Registration fees	539(6)	650(7)	825(7)	963	1153
Land Revenue	87(1)	95(10)	127(1)	235	380
Taxes on goods and passengers	99(1)	11	172	160	156
Other Taxes (w)	284	273	305		346
(ii) Non Tax Revenue	3761(24)	3995 (22)	3272(18)	3090	3353
(iii) State's share in Union taxes and duties	1488(9)	1363 (8)	1966(11)		3373
(iv) Grants in aid from GOI	1490(9)	2996 (17)	1837(10)	1997	2643
2. Misc Capital Receipts	2	52	18	6	8
3. Total revenue and Non debt capital receipts (1+2)	15988	17927	18266	20271	25075
4. Recoveries of Loans and Advances	2207	171	182	180	1784
5. Public Debt Receipts Internal Debt (excluding Ways and Means Advances and Overdrafts)	8158	9684	15008	13328	10663
6. Total receipts in the consolidated Fund (3+4+5)	26353	27782	33456	33779	37522
7. Contingency Fund Receipts	109	7	12	93	7
8. Public Accounts receipts	23703	20666	25039	32788	36334
9. Total receipts of the state (6+7+8)	50165	48455	58507	66660	73863
<b>Part B. Expenditure /Disbursement</b>	24475	23781	25165	28402	32423
10. Revenue Expenditure	22718(93)	21440 (90)	21954(87)	24302	25465
Plan	1821(8)	2067(10)	3309(15)	4246	3921
Non Plan	20897(92)	19373 (90)	18645(85)	20056	21544
General Services (incl. Interests payments)	7165(32)	8303 (39)	9250(42)	10025	11288
Social Services	7722(34)	6539 (31)	7076(32)	7851	8273
Economic Services	7775(34)	6494 (30)	5528(25)	6283	5796
Grants in aid and contributions	56	104	100	143	108
11. Capital Expenditure	1757(7)	2341 (10)	3211(13)	4100	6958
Plan	1624(92)	2210 (94)	3052(95)	3911	6794
Non Plan	133(8)	131 (6)	159(5)	189	164
General Services	28(2)	38 (2)	58(2)	84	89
Social services	860(49)	1017 (43)	1162(36)	1450	1819
Economic Services	869(49)	1286 (55)	1991(62)	2566	5051
12. Disbursement of Loans and Advances	229	346	2425	740	704
13. Total (10+11+12)	24704	24127	27590	29142	33127
14. Repayment of Public Debt	1239	3204	5395	5815	1128
Internal Debt (excluding Ways & Means Advances and Overdrafts)	205	284	431	1178	542
Net transactions under Ways and Means Advances and Overdraft	292	410	Nil	42	0
Loans and Advances from Government of India*	742	2510	4964	4595	586
15. Appropriation to Contingency Fund	Nil	Nil	Nil	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	25943	27331	32985	34957	34255
17. Contingency Fund disbursements	7	12	93	7	76
18. Public Account disbursements	24603	20065	25022	31019	34827
19. Total disbursement by the state (16+17+18)	50553	47408	58100	65983	69158
<b>Part C. Deficits</b>					
20. Revenue Deficit (1-10)	6732	3565	3706	4037	398
21. Fiscal Deficit	6511	6029	9142	8691	6268
22. Primary Deficit	2305	1080	3267	2372	125
<b>Part D. Other data</b>					
23. Interest Payments (Included in revenue exp.)	4206	4949	5875	6079	6143
24. Arrears of Revenue (Per centage of Tax & non-tax Revenue Receipts)	7680(48)	6575(37)	10517(58)	13166	10584(56)
25. Financial Assistance to local bodies etc.	2972	2968	2960	3204	3481
26. Ways and Means Advances/Overdraft availed (days)	235/72	250/47	203/21	127/0	0
27. Interest on WMA/overdraft	23.35	15.32	12.08	3.47	0.26
28. Gross State Domestic Product (GSDP)	**121525	**139690	**163708	**179544	***198557
29. Outstanding Debt (year end)	45301	52572	62876	71083	81367
30. Outstanding guarantees (year end)	16219	18866	17473	15587	13430
31. Maximum Amount Guaranteed (Year end)	16781	19426	18032	16122	13965
32. Number of incomplete projects	67	70	80	89	179
33. Capital blocked in incomplete projects	319	315	279	219	929#

\* Includes ways and means advances from GOI

\*\* Figures adopted as per information furnished by department

\*\*\* Estimated using log linear regression model and the time series data of CSO for the period 1993-94 to 2004-05 of GSDP of State of Gujarat.

#This amount does not include investment in Narmada Project which is being funded through Sardar Sarovar Narmada Nigam Limited, a State Government Public Sector Undertaking vide comments in Para 1.7..2

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



**APPENDIX - VI**  
**Details of outstanding utilisation certificates**  
**(Reference: Paragraph 1.6.5; Page 16)**

(Rupees in crore)

Sr.No.	Name of Department	Year	Utilization certificate outstanding	
			Item	Amount
1.	Legal	2005-06	19	0.46
2.	General Administration	2005-06	17	0.56
3.	Education	2005-06	766	448.99
4.	Agriculture & Co-operation	2005-06	8019	347.56
5.	Social Justice and Empowerment	2005-06	1884	243.42
6.	Animal Husbandry	2005-06	1471	312.43
7.	Panchayats, Rural Housing and Rural Development	2005-06	1680	350.47
8.	Industries and Mines	2003-04	02	1.23
		2004-05	03	1.80
		2005-06	93	18.27
9.	Roads and Building	2004-05	06	0.32
		2005-06	18	1.21
10.	Urban Development and Urban Housing	2003-04	89	119.84
		2004-05	155	19.86
		2005-06	08	0.58
11.	Food and Civil Supply	2005-06	43	52.99
12.	Labour and Employment	2005-06	61	2.50
13.	Narmada, Water Resources and Water Supply	2005-06	722	669.34
14.	Women and Child Development	2005-06	262	30.08
15.	Health & Family Welfare	2003-04	731	53.78
		2004-05	531	48.92
		2005-06	541	70.08
16.	Ports and Fisheries	2005-06	56	1.40
17.	Finance	2005-06	01	0.20
18.	Collector, Ahwa-Dangs (for Other Special Area Programmes)	2004-05	12	0.36
		2005-06	16	48.00
<b>Total</b>			<b>17206</b>	<b>2844.65</b>

## APPENDIX - VII

Details with status of accounts submitted by autonomous bodies to  
State Legislature

(Reference: Paragraph 1.6.6; Page 16)

Sl. No.	Name of the Body	Period of entrustment of audit of Accounts to CAG	Year for which accounts Due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which audit Report submitted to State Legislature	Reasons for non finalisation of Audit Reports
1	Gujarat Municipal Finance Board	March-2009	2005-06	2004-05	2002-03	2002-03	Accounts for 2005-06 not ready
2.	Gujarat Maritime Board, Gandhinagar	March-2007	2005-06	2004-05	2004-05	2003-04	Do
3.	Gujarat Housing Board, Ahmedabad	March-2008	2004-05	2004-05	2003-04	Pending for presentation	Delay in submission of Accounts
4.	Gujarat Slum Clearance Board	March-2008	2004-05	2002-03	2000-01	Pending for presentation	Do
5.	Gujarat Rural Housing Board	March-2008	2004-05	2004-05	2003-04	2003-04 24-03-2006	Reply to Draft SAR awaited
6.	Gujarat State Legal Authority	-	2005-06				Ist audit

APPENDIX - VIII

Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc. on which final action was pending at the end of September 2006

(Reference: Paragraph 1.6.7; Page 16)

(Figures in bracket indicate Rupees in lakh)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to More	Total No. of Cases
1	Port, Fisheries & Transport	1 (4.28)	3 (4.03)	-	-	-	1 (2.56)	5 (10.87)
2	Agriculture, Co-op. and Rural Development	1 (29.01)	3 (2.97)	2 (2.21)	-	1 (0.75)	-	7 (34.94)
3	Information & Publicity	1 (14.48)	-	-	-	-	-	1 (14.48)
4	Legal and Administration of Justice	2 (16.56)	3 (3.34)	1 (0.86)	1 (0.16)	-	-	7 (20.92)
5	Labour and Employment	3 (0.58)	-	-	-	-	-	3 (0.58)
6	Education	5 (1.75)	3 (6.37)	-	-	-	-	8 (8.12)
7	Industries, Mines and Power	3 (77.47)	1 (0.68)	-	-	-	-	4 (78.15)
8	Health and Family Welfare	7 (3.71)	3 (1.86)	2 (0.99)	1 (0.12)	-	6 (12.16)	19 (18.84)
9	Home	4 (75.85)	2 (0.37)	6 (4.86)	-	-	-	12 (81.08)
10	Forests and Environment	7 (8.94)	-	3 (1.49)	-	2 (1.10)	-	12 (11.53)
11	Food and Civil Supply	1 (0.49)	-	-	-	-	-	1 (0.49)
12	Finance	-	-	1 (3.00)	-	1 (2.47)	-	2 (5.47)
13	Revenue	2 (3.74)	-	2 (9.30)	1 (0.15)	1 (0.22)	7 (1.39)	13 (14.80)
14	Sports and Culture Youth Services	2 (2.93)	1 (4.47)	-	-	-	-	3 (7.40)
15	Tribal Development	1 (134.98)	-	-	-	-	-	1 (134.98)
16	Roads and Buildings	1 (343.27)	-	2 (1.63)	5 (8.36)	-	1 (0.19)	9 (353.45)
17	Narmada, Water Resources and Water Supply	2 (7.84)	2 (1.79)	5 (2.27)	7 (4.56)	5 (6.87)	15 (2.83)	36 (26.16)
18	Urban Development & Urban Housing	-	2 (9.13)	-	-	-	-	2 (9.13)
19	Land Revenue	1 (0.08)	4 (0.43)	2 (0.17)	6 (0.48)	3 (1.46)	18 (1.74)	34 (4.36)
	<b>TOTAL</b>	<b>44 (725.96)</b>	<b>27 (35.44)</b>	<b>26 (26.78)</b>	<b>21 (13.83)</b>	<b>13 (12.87)</b>	<b>42 (20.87)</b>	<b>179 (835.75)</b>



**APPENDIX - IX**  
**Department/category wise details in respect of cases of loss to Government**  
**due to theft, misappropriation/loss of Government material**  
**(Reference : Paragraph 1.6.7; Page 16)**

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount (Rs. in lakh)	Number of Cases	Amount (Rs. in lakh)	Number of Cases	Amount (Rs. in lakh)
Ports, Fisheries and Transport	2	3.53	3	7.34	5	10.87
Agriculture, Co-operation and Rural Development	1	1.21	6	33.73	7	34.94
Information and Publicity	1	14.48	-	-	1	14.48
Legal	1	0.05	6	20.87	7	20.92
Labour and Employment	2	0.29	1	0.29	3	0.58
Education	5	4.78	3	3.34	8	8.12
Industries, Mines and Power	2	0.53	2	77.62	4	78.15
Health and Family Welfare	4	3.28	15	15.56	19	18.84
Home	-	-	12	81.08	12	81.08
Forests and Environment	1	0.17	11	11.36	12	11.53
Food and Civil Supply	-	-	1	0.49	1	0.49
Finance	-	-	2	5.47	2	5.47
Revenue	-	-	13	14.80	13	14.80
Sports and Culture Youth Services	-	-	3	7.40	3	7.40
Tribal Development	-	-	1	134.98	1	134.98
Roads and Buildings	3	1.57	6	351.88	9	353.45
Narmada, Water Resources and Water Supply	15	6.02	21	20.14	36	26.16
Urban Development and Urban Housing	-	-	2	9.13	2	9.13
Land Revenue	-	-	34	4.36	34	4.36
<b>TOTAL</b>	<b>37</b>	<b>35.91</b>	<b>142</b>	<b>799.84</b>	<b>179</b>	<b>835.75</b>

APPENDIX - X

Write off of losses, etc.

(Reference: Paragraph 1.6.8; Page 16)

(Rupees in lakh)

Sr. No.	Name of the Department	No. of cases	Amount
1	Labour and Employment	1	0.10
2	Health and Family Welfare	1	0.17
	Total	2	0.27

**APPENDIX - XI**  
**Details of statutory corporations and Government companies**  
**with Government investments which are in loss**  
**(Reference: Paragraph 1.7.3; Page 17)**

(Rupees in crore)

Sl. No.	Name of undertaking	Investment upto 2005-06	Accumulated Losses	Year of Account
1	Gujarat Agro Industries Corporation Ltd.	8.08	12.21	2004.05
2	Gujarat State Land Development Corporation Ltd.	5.87	96.98	2003.04
3	Gujarat State Handloom and Handicrafts Development Corporation Ltd.	10.23	39.83	2003.04
4	Gujarat State Road Development Corporation Ltd.	6.00	1.8	2004.05
5	Gujarat State Rural Development Corporation Ltd.	0.58	2.15	2004.05
6	Gujarat State Civil Supplies Corporation Ltd.	10.00	2.37	2004.05
7	Tourism Corporation of Gujarat Ltd.	20.00	23.58	2004.05
8	Gujarat Water Resources Development Corporation Ltd.	31.49	25.50	2004.05
9	Gujarat Water infrastructure Ltd.	69.92	19.11	2005.06
10	Gujarat Industrial Investment Corporation Ltd.	256.98	234.51	2004.05
11	Gujarat Rural Industries Marketing Corporation Ltd.	9.17	0.30	2004.05
12	Gujarat Electricity Board	0	8286.08	2004.05
13	Gujarat State Road Transport Corporation	502.37	1242.34	2004.05
14	Gujarat State Financial Corporation	49.09	884.29	2005.06
15	Gujarat Fisheries Development Corporation Ltd.	1.94	4.00	1998.99
16	Gujarat Dairy Development Corporation Ltd.	10.46	120.99	2005.06
17	Gujarat Small Industries Corporation Ltd.	3.79	70.84	2005.06
18	Gujarat Communication and Electronics Ltd.	12.45	104.74	2001.02
19	Gujarat Trans-Receivers Ltd.	0	5.96	2004.05
20	Gujarat State Textile Corporation Ltd.	46.47	908.55	1996.97
21	Gujarat State Construction Corporation Ltd.	5.00	33.43	2004.05
22	Gujarat Minorities Finance and Development Corporation Limited	1.55	1.83	2005.06
	<b>TOTAL</b>	<b>1061.44</b>	<b>12121.39</b>	



APPENDIX - XII

Substantial Savings in Grants/Appropriations

(Reference: Paragraph 2.3.1(ii); Page 27)

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
<b>1 - Agriculture and Co-operation Department (Revenue Voted)</b>				
1	3451 - 00.800.01 Information and Technology (Plan)	703.52	510.66 (72.59)	Non-furnishing of estimates of GSWAN connectivity by Department of Science and Technology and non-supply of hardware before 31-03-2006.
<b>2 - Agriculture (Revenue Voted)</b>				
2	2401 - Partially Centrally Sponsored Scheme 00.119.11 AGR-27 Integrated Development of Vegetable Crop	1125.00	967.00 (85.96)	Due mainly to closure of scheme by Government of India due to National Horticulture Mission.
3	2401 - 00.119.01 AGR-23 Fruits Nurseries (Plan)	2853.00	736.05 (25.80)	Due mainly to cut in plan ceiling and vacant post.
4	2401 - 00.104.03 AGR-11 Integrated farming under Agro Vision-2010	2500.00	726.51 (29.06)	Due mainly to receipt of less demand from the farmers.
<b>4 - Animal Husbandry and Dairy Development (Revenue Voted)</b>				
5	2403 - 00.102.14 ANH-6 Artificial Insemination Scheme with Semen bank and stud farm(Plan)	1033.00	586.07 (56.73)	Due mainly to cut in Plan ceiling by G.A.D.
<b>5 - Co-operation (Revenue Voted)</b>				
6	2435 - 01.101.07 Modernisation of Agricultural Marketing (Plan)	500.00	500.00 (100)	Due mainly to cut in Plan ceiling.
<b>5 - Co-operation (Capital Voted)</b>				
7	4425 - 00.107.01 COP-52 Apex and District Co-operative Bank(Plan)	1106.69	1106.69 (100)	Due mainly to non-receipt of administrative approval for the scheme

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
<b>8 - Education (Revenue Voted)</b>				
8	2071 - 01.104.01 Gratuities to Primary Panchayats Teachers	7000.00	1996.96 (28.53)	Reasons for the saving have not been intimated (August 2006).
9	2203 - 80.800.22 EDN-48 Information and Technology (Plan)	1330.00	963.88 (72.47)	Saving of Rs.321.04 lakhs was due to imposed in the Plan ceiling. Reasons for the remaining saving have not been intimated (August 2006).
10	2202 - 02.110.13 Computer Literacy and Studies in Schools (CLASS)	747.00	747.00 (100)	Due to non-receipt of the Administrative Approval.
11	2202 - 80.001.10 EDN-12 Financial Assistance to Gujarat State Council of Educational Research and Training (Plan)	1200.00	527.93 (43.99)	Due mainly to cut imposed in Plan ceiling.
12	2202 - 01.108.01 EDN-4 Providing free text books to the Students of Primary Schools (Plan)	2425.00	500.00 (20.62)	Due mainly to the actual payment to be made to the text book board.
<b>8 - Education (Capital Voted)</b>				
13	4202 - 01.201.04 EDN-(New) Water Harvesting of Primary Schools (Plan)	1875.00	1875.00 (100)	Due to dropping of the scheme.
14	4202 - 01.201.01 Construction of Class Rooms (Plan)	6495.30	1614.74 (24.86)	Due to late fixation of agency for carrying out the work.
<b>9 - Other expenditure pertaining to Education Department (Capital Voted)</b>				
15	7615 -00.200.03 Festival Advances	500.00	500.00 (100)	Due to non-receipt of any demand.
<b>12 - Energy Projects (Revenue Voted)</b>				
16	2801 - 80.800.21 PWR-24 Grants to Gujarat Electricity Board under Jyotigram Yojna (Plan)	20004.30	20004.30 (100)	Due to non-receipt of administrative approval as the scheme is considered as capital contribution to Gujarat Electricity Board under Jyotigram Yojna.
17	2801 - 80.800.23 Subsidy in Fuel Price and Power Purchase Adjustment Charge	10000.00	5606.00 (56.06)	Due to adhoc claim worked out by Gujarat Urja Vikas Nigam Ltd.

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
18	2801 - 80.800.22 Assistance to Gujarat Electricity Board for Gujarat Power Sector Development Programme (Plan)	2700.00	1591.30 (58.94)	Due mainly to reduction in Plan in revised estimates and less sanction received from the Government of India. Reasons for the remaining saving have not been intimated (August 2006).
<b>12 - Energy Projects (Capital Voted)</b>				
19	6801 - 00.202.03 Loans to Gujarat Electricity Board for Gujarat Power Sector Development Programme	6300.00	6300.00 (100)	Due to receipt of grant under Plan for Gujarat Power Sector Development Programme from Government of India.
<b>15 - Tax Collection Charges (Finance Department) (Revenue Voted)</b>				
20	2040 - 00.101.01 Sales Tax Offices	10023.00	3180.96 (31.74)	Due mainly to less expenditure in the provision for the implementation of Value Added Tax.
<b>18 - Other expenditure pertaining to Finance Department (Revenue Voted)</b>				
21	2075 - 00.800.01 Liability on Account of increase in the rates of Dearness Allowances	40000.00	40000.00 (100)	Provision was made so as to indicate the liability of the State Government on account of the payment of Dearness allowances and necessary provision being made in the Revised Estimates under respective departments.
22	2075 - 00.800.06 Additional Plan Allocation for Development Works under Various Sectors (Plan)	36400.00	36400.00 (100)	Due mainly to the provision was made to indicate the additional plan allocation under various sectors at the time of revised estimates and necessary provision being made under the respective department and under the appropriate demand.
23	2075 - 00.797.01 Gujarat State Guarantee Redemption Fund	30000.00	14995.68 (49.99)	Due to estimation of liability on account of guarantee.
<b>18 - Other expenditure pertaining to Finance Department (Capital Voted)</b>				
24	4075 - 00.800.01 Additional Plan Allocation for Development Works under Various Sectors	56500.00	56500.00 (100)	Due to necessary provisions made under Revised Estimates under the respective department and under the appropriate demand.



Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
25	7610 - 00.201.02 House Building Advance to Government Servants from the loans received from the Other Banking Institutions	23000.00	23000.00 (100)	Due to necessary provision being increased in Revised Estimates under the respective department under the sub head House Building Advance.
26	7610 - 00.201.01 House Building Advance	654.40	560.60 (85.67)	Due to less demand from the employees.
<b>19 - Repayment of debt pertaining to Finance Department and its servicing (Revenue Charged)</b>				
27	2049 - 04.101.01 Block Loans	117016.82	97207.87 (83.07)	Saving of Rs.11645.32 lakhs was anticipated due mainly to consolidation of Central Loan under D C R F as per recommendation of 12th Finance Commission. Reasons for the remaining saving have not been intimated (August 2006).
28	2049 - 04.104.01 Share of Small savings collection	7336.14	7336.14 (100)	Due to consolidation of Central Loan under D C R F as per recommendation of 12th Finance Commission. Reasons for the remaining saving have not been intimated (August 2006).
29	2049 - 01.101.49 7.77 % Gujarat State Development Loan,2015	4500.00	3157.02 (70.16)	Saving of Rs.21,37.80 lakhs was anticipated due mainly to Government's option to go for Gujarat State Development Loan in January 2006. Reasons for the remaining saving have not been intimated (August 2006).
30	2049 - 01.200.10 Interest on loans received from Housing and Urban Development Corporation Limited	5292.46	1530.07 (28.91)	Due to re-set of rate of interest by HUDCO.
31	2049 - 01.200.01 Interest on Ways and Means advances from the Reserve Bank of India	1500.00	1474.38 (98.29)	Due to non-obtaining of Ways and Means advance during the year resulting in lesser payment of interest.

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
32	2049 - 01.101.12 14 % Gujarat State Development Loan, 2005	3584.00	1207.60 (33.69)	Saving was due mainly to actual requirement and necessary reappropriation as per revised estimates.
33	2049 - 01.101.33 7.80 % Gujarat State Development Loan, 2012	1872.27	935.07 (49.94)	Reasons for the saving have not been intimated (August 2006).
34	2049 - 01.101.22 12 % Gujarat State Development Loan, 2010	854.33	804.49 (94.17)	Reasons for the saving have not been intimated (August 2006).
35	2049 - 01.200.11 Interest on loans received from State Bank of India / State Bank of Saurashtra and Oriental Bank of Commerce for House Building Advance as per Contract	2373.00	567.56 (23.92)	Due to reduction of interest payment to the extent of the terms of the contract.
<b>19 - Repayment of debt pertaining to Finance Department and its servicing (Capital Charged)</b>				
36	6004 - 01.102.01 Share of Small Savings Collection	279176.75	279176.75 (100)	Due mainly to discontinuance of Debt Swap Scheme by Government of India.
37	6003 - 00.110.01 Repayment of Ways and Means Advances	100000.00	100000.00 (100)	Due to non-obtaining of Ways and Means advance during the year.
38	6004 - 02.102.01 Block Loans	45280.97	35443.78 (78.28)	Saving of Rs.4043.12 lakhs was anticipated due mainly to consolidation of Central Loan under DCRF as per recommendation of 12th Finance Commission. Reasons for the remaining saving have not been intimated (August 2006).
39	6003 - 00.101.01 Repayment of Gujarat State Development Old Loan	25600.00	25600.00 (100)	Saving of Rs.2188.60 lakhs was anticipated due mainly to re-appropriation as per revised estimates and actual requirement. Reasons for the saving have not been intimated (August 2006).

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
40	6003 - 00.111.01 Repayment of loan received from National Small Savings Fund	12974.65	12974.65 (100)	Reasons for the saving have not been intimated (August 2006).
41	6003 - 00.109.06 Repayment of Loans received from SBI/SBS & Oriental Bank of Commerce for HBA as per contract	2560.00	2560.00 (100)	Due to the transfer / re-appropriation of actual provision under the correct minor head (107).
42	6004 - 07.105.01 Small Saving Loans	1771.90	1771.89 (100)	Saving of Rs.177.18 lakhs was anticipated due mainly to consolidation of Central Loan under DCRF as per recommendation of 12th Finance Commission. Reasons for the remaining saving have not been intimated (August 2006).
43	6004 - 07.106.01 Loans for Semi productive purposes repayable over 30 years from 1979-80 purposes	1301.76	1301.76 (100)	Saving of Rs.144.64 lakhs was anticipated due mainly to consolidation of Central Loan under DCRF as per recommendation of 12th Finance Commission. Reasons for the remaining have not been intimated (August 2006).
44	6003 - 00.109.05 Repayment of Loan received from HUDCO	9700.68	1002.88 (10.34)	Saving of Rs.1002.88 lakhs was anticipated due mainly to early payment of interest of various loans of different interests.
45	6003 - 00.108.01 Repayment of Loan received from National Co-operative Development Corporation	2640.00	529.09 (20.04)	Due to prepayment of loans bearing interest @ 15 % N C D C by the Government.
<b>30 - Elections (Revenue Voted)</b>				
46	2015 -00.108.01 Issue of identity Cards to Voters	1000.00	938.81 (93.88)	Saving of Rs.930.00 lakhs was anticipated due mainly to non-implementation of Photo Cards to voters due to heavy rains and also engagement of election machinery with local body election. Reasons for the remaining saving have not been intimated (August 2006).

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
<b>34 - Other expenditure pertaining to General Administration Department (Capital Voted)</b>				
47	4250 - 00.101.02 Assistance to Gujarat State Disaster Management Authority for cyclone risk (Plan)	2000.00	2000.00 (100)	Due to postponement of NCRMP project by the Government of India.
48	4250 -00.101.01 UDP-42 Assistance to Disaster Management Authority(Plan)	122534.00	43502.08 (35.50)	Due to non-completion of contract non-following the tendering procedure in time and cancellation of contract of M.S. Pipe line.
<b>38 - Medical and Public Health (Revenue Voted)</b>				
49	2210 - 01.102.03 HLT-48 Hospital and Dispensaries	6181.50	772.16 (12.49)	Due to vacant posts.
50	2210 - 06.003.04 Multipurpose Works Schemes	750.00	750.00 (100)	Due to cut imposed in Plan ceiling limit.
51	2210 - 01.110.01 Civil Hospital Administration (Medical) (Plan)	2143.06	700.71 (32.70)	Saving of Rs.506.54 lakhs was anticipated due mainly to vacant posts. Reasons for the remaining saving have not been intimated (August 2006).
<b>42 - Police (Revenue Voted)</b>				
52	2055 - 00.115.01 MEP-2 Police Proper	2568.00	1661.88 (64.71)	Saving of Rs.738.00 lakhs was anticipated due mainly to reduction in revised estimate based on expenditure. Reasons for the remaining saving have not been intimated (August 2006).
53	2055 - 25 % Centrally Sponsored Scheme 00.115.01 MEP-2 Police Proper (Plan)	1712.00	1302.47 (76.08)	Saving of Rs.1102.00 lakhs was anticipated due mainly to cut imposed in Plan ceiling and revision of MPF Scheme by Government of India. Reasons for the remaining saving have not been intimated (August 2006).
54	2055 - 00.109.02 State Reserve Police Force	1000.00	943.22 (94.32)	Due to reduction in Plan ceiling by GAD.
55	2055 - 00.800.09 Lok Rakshak (Plan)	851.60	851.60 (100)	Due to reduction in Plan ceiling by GAD.
<b>46 - Other expenditure pertaining to Home Department (Capital Voted)</b>				
56	4055 - 00.211.01 Police Building	4991.46	3754.10 (75.21)	Due to receipt of partial sanction of scheme by the Government of India.



Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
57	4216 - 50 % Centrally Sponsored Scheme 80.201.02 Financial Assistance against work to Gujarat State Police Housing Corporation Limited	6000.00	3229.29 (53.82)	Due mainly to less approval of Government of India than the Budget provision.
58	4055 - 08.211.01 Police Building (Plan)	3372.64	902.78 (26.77)	Due to cut imposed in Plan ceiling.
59	4216 - 80.700.08 Jail Buildings (Plan)	610.00	602.65 (98.80)	Saving of Rs.308.78 lakhs was anticipated due mainly to cut imposed in Plan ceiling and requirement of funds for the scheme. Reasons for the remaining saving have been intimated (August 2006).
<b>49 - Industries (Revenue Voted)</b>				
60	2852 - 80.800.24 IND-5 Promotional Efforts for Industrial Development (Plan)	2500.01	2114.17 (84.57)	Due to non receipt of administrative approval and implementation of cut in Plan ceiling by the Government.
61	2852 - 80.800.26 IND-9 Development of Textile Industry(Plan)	2970.01	1621.19 (54.59)	Due to non receipt of administrative approval and implementation of cut in Plan ceiling by the Government.
62	2851 - 00.102.16 IND-1 Financial Assistance to Industries(Plan)	2500.00	1000.02 (40.00)	Due to implementation of cut in Plan ceiling by the Government.
63	2852 - 80.003.02 IND-2 Assistant for Research and Technology Development (Plan)	1000.00	500.04 (50.00)	Due to implementation of cut in Plan ceiling by the Government.
<b>60 - Administration of Justice (Revenue Voted)</b>				
64	2014 - 00.105.07 Fast Track Courts (ELEVENTH FINANCE COMMISSION SPONSERED SCHEME)	1975.00	538.90 (27.29)	Saving of Rs.299.79 lakhs was anticipated due mainly to vacant posts. Reasons for the remaining saving have not been intimated (August 2006).
<b>61 - Other expenditure pertaining to Legal Department (Capital Voted)</b>				
65	7610 - 00.201.01 House Building Advances	1411.30	1282.92 (90.90)	Saving of Rs.1262.55 lakhs was anticipated due mainly to receipt of less demand. Reasons for the remaining saving have not been intimated (August 2006)

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
<b>65 - Narmada Development Scheme (Capital Voted)</b>				
66	4700 - 80.190.11 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited, Other Government(Plan)	64933.72	20301.72 (31.27)	Due to non-receipt of fund from the beneficiary States.
67	4801 - 01.190.31 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited(Plan)	12961.93	10881.93 (83.95)	Due to non-receipt of funds from the beneficiary States.
68	4700 - 80.190.21 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited(Plan)	35376.13	3793.13 (10.72)	Due to non-receipt of funds from the beneficiary States.
<b>66 - Irrigation and Soil Conservation (Revenue Voted)</b>				
69	2700 - 80.005.11 Survey and Investigation (Plan)	1000.00	916.67 (91.67)	Reasons for the saving have not been intimated (August 2006).
70	2700 - 04.101.01 Work Charged Establishment	745.70	745.70 (100)	Reasons for the saving have not been intimated (August 2006).
71	2700 - 05.101.01 Work Charged Establishment	733.50	733.40 (99.99)	Reasons for the saving have not been intimated (August 2006).
<b>68 - Other expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department (Capital Voted)</b>				
72	7610 - 00.201.01 Loans to Government Servants for House Building	1500.00	1330.33 (88.69)	Saving of Rs.1312.23 lakhs was anticipated due mainly to non-submission of required documents by Government Employees in time which led to non-sanctioning of advance. Reasons for the remaining saving have not been intimated (August 2006).
<b>70 - Community Development (Revenue Voted)</b>				
73	2515 - 00.800.13 To Provide Employment Opportunities (Plan)	1760.00	1760.00 (100)	Due to non-receipt of administrative approval from the Government.
74	2515 - 00.101.09 CDP-3- Strengthening of the Block Level Agencies (Plan)	1120.16	1056.66 (94.33)	Due to receipt of less demand from District Panchayats.
75	2515 - 00.102.06 Tirth Gram Yojna (Plan)	710.00	683.00 (96.20)	Due to receipt of less demand from District Panchayats.

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakhs)		
<b>71 - Rural Housing and Rural Development (Revenue Voted)</b>				
76	2216 - 03.102.04 HSG-1 Assistance for the Construction of houses on the House sites Allotted-SARDAR PATEL AWAS YOJNA under Poverty Alleviation Programme	8889.99	2341.23 (26.34)	Due to reduction imposed in revised plan ceiling and increase of allotment by the Government of India for additional requirement of Indira Awas Yojna.
77	2501 - Centrally Sponsored Scheme 06.101.05 RDD-3 Livelihood Security Project for Earthquake affected Rural Households in Gujarat	1580.00	1313.24 (83.12)	Saving of Rs.1027.13 lakhs was due to non-release of grant from the Government due to withdrawal of SEWA from the project. Reasons for the remaining saving have not been intimated (August 2006).
78	2501 - 06.800.02 RDD-17 Gokul Gram Yojna (Plan)	4164.44	1025.89 (24.63)	Due to cut imposed in Plan ceiling by General Administrative Department
<b>73 - Other expenditure pertaining to Panchyats, Rural Housing and Rural Development Department (Capital Voted)</b>				
79	7615 - 00.200.01 Advance of Panchayats Servants for House Building	3500.00	2804.79 (80.14)	Saving of Rs.838.78 lakhs was anticipated due mainly to receipt of less demands from District Panchayats. Reasons for anticipated saving of Rs.1966.01 lakhs have not been intimated (August 2006).
<b>74 - Fisheries (Capital Voted)</b>				
80	5051 - Partially Centrally Sponsored Scheme 02.200.01 FSH - 8 - Providing Landing and berthing facilities for various fishing crafts for traditional fishing(50 % CSS)	1000.00	800.00 (80.00)	Due to interruption in construction work of Dholai Harbour due to rain as well as non-finalisation of tender procedure of wok of Okha Harbour.
<b>76 - Revenue Department (Revenue Voted)</b>				
81	2052 - 00.800.01 LND-17 Information Technology (Plan)	837.00	732.16 (87.47)	Due mainly to non-payment of vendors under Total Solution Provider on account of late finalisation of memorandum of understanding and non-purchase of Hardware under Total Solution Provider.



Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
<b>78 - District Administration (Revenue Voted)</b>				
82	2053 - Centrally Sponsored Scheme 00.093.07 LND-6 Computerisation of Land Record of District Establishment	703.73	543.53 (77.24)	Reasons have not been intimated (August 2006).
<b>79 - Relief on account of Natural Calamities (Revenue Voted)</b>				
83	2245 - 01.102.06 Emergency Supply of Drinking Water only for meeting requirements additional to on going Plan Scheme viz. ARWSP	4000.00	3889.67 (97.24)	Due mainly to uncertain nature of expenditure.
84	2245 - 01.800.13 Employment Generation in only to meet additional requirements after taking in to account of funds available under plan scheme viz. JRY, IJRY, EAS. etc.	3500.00	3500.00 (100)	Due mainly to uncertain nature of expenditure.
85	2245 - 01.104.01 Purchase of grass concentrates cattle feed and its transport Labour charges	2500.00	2208.48 (88.34)	Due mainly to uncertain nature of expenditure.
86	2245 - 01.104.02 Subsidy to Panjarapole Gaushalas	2000.00	1995.34 (99.77)	Due mainly to uncertain nature of expenditure.
87	2245 - 01.101.01 Cash Doles to Disabled	700.00	700.00 (100)	Due mainly to uncertain nature of expenditure.
<b>84 - Non-Residential Buildings (Capital Voted)</b>				
88	4202 - 01.203.42 Buildings	2789.79	2152.77 (77.17)	Due to slow progress of University buildings.
89	4210 - 03.105.42 Buildings(Plan)	1284.64	566.24 (44.08)	Due to slow progress of Construction work.
<b>85 - Residential Buildings (Revenue Voted)</b>				
90	2216 - 80.800.01 Maintenance and Repairs to Residential Building	6020.00	632.21 (10.50)	Due mainly to revised grant finalised by Finance Department and requirement proposed by field offices.



Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
<b>86 - Roads and Bridges (Revenue Voted)</b>				
91	3054 - 80.107.11 Railway Safety Works	1165.94	608.35 (52.18)	Due to reduction imposed in revised estimates.
<b>86 - Roads and Bridges (Capital Voted)</b>				
92	5054 - 01.337.11 Original Works(Plan)	8192.49	8151.00 (99.49)	Reasons for the saving have not been intimated (August 2006).
<b>88 - Other expenditure pertaining to Roads and Buildings Department (Capital Voted)</b>				
93	7610 - 00.201.01 House Building Advance (Scheme No. HSG-10)	2500.00	2381.47 (95.26)	Due to receipt of less application than anticipated.
<b>89 - Science and Technology Department (Revenue Voted)</b>				
94	2052 - 00.090.01 STP- 12-Science and Technology Department(Plan)	8057.01	6523.45 (80.97)	Due to implementation of cut in Plan ceiling by the Government.
<b>96 - Tribal Area Sub-Plan (Revenue Voted)</b>				
95	2515 - 00.796.13 To Provide Employment Opportunities (Plan)	3045.00	3045.00 (100)	Due to non-receipt of the administrative approval by the Government.
96	2515 - 00.796.12 Payment of Central Assistance for Strengthening of Panchayati Raj Institution Recognition of Eleventh Finance Commission(Plan)	5000.00	1250.00 (25.00)	Due to non-release of instalment of Central Assistance.
97	2216 - 03.796.12 HSG-15 A Rural Housing Construction under Poverty Alleviation Programme-Sardar Patel Awas Yojana(Plan)	3062.00	1174.52 (38.36)	Due to less demand from the department and transfer of allocation of amount to Indira Awas Yojana.
<b>96 - Tribal Area Sub-Plan (Capital Voted)</b>				
98	4202 - 01.796.01 Building(Plan)	2400.00	1196.79 (49.87)	Due to non-completion of scheme, less progress of various non-residential building.
99	4202 - 02.796.01 Building(Plan)	910.00	890.65 (97.87)	Due mainly to slow progress of non-residential building.

Sl. No.	Sub Head	Total Provision	Savings (Per cent)	Main reasons of savings
		(Rupees in lakh)		
100	5054 - 03.796.01 State Highways(Plan)	2103.47	838.05 (39.84)	Reasons have not been intimated (August 2006).
101	4702 - 00.796.24 Contribution to Gujarat Green Revolution Company For Drip Irrigation(Plan)	700.00	700.00 (100)	Due to late release of the grant by the Government.
<b>102 Urban Development (Revenue Voted)</b>				
102	2217 - Central Assisted Plan Scheme 80.191.02 UDP-22-Upgradation of Standards of administration recommended by the Eleventh Finance Commission (Plan)	2000.00	2000.00 (100)	Due to early utilisation of released Central assistance share in previous year by making matching provision during March 2005.
<b>106 Other expenditure pertaining to Women and Child Development Department (Revenue Voted)</b>				
103	2236 - Centrally sponsored scheme 02.800.01 Integrated Child Development Scheme	9510.25	1600.68 (16.83)	Due to vacant post at Dist. Panchayats.
104	2235 - 02.103.27 SCW-27 G.I.A for FA to destitute widows deserted and divorcee women to make them financially independent (Plan)	820.00	673.26 (82.10)	Due to receipt of less numbers of claims from beneficiaries.
	<b>Total</b>	<b>1274158.41</b>	<b>963988.63</b>	

## APPENDIX - XIII

## Anticipated savings not surrendered

(Reference: Paragraph 2.3.1(iii); Page 27)

(Rupees in crore)

Sl. No.	Grant/appropriation	Amount of saving	Amount surrendered	Amount not surrendered	Percentage not surrendered
<b>Revenue Voted</b>					
1	18 -Other expenditure pertaining to Finance Department	365.01	364.00	1.01	0.28
2	39 -Family Welfare	4.08	3.05	1.03	25.25
3	50 -Mines and Minerals	5.86	3.83	2.03	34.64
4	60 -Administration of Justice	17.08	8.82	8.26	48.36
5	85 -Residential Buildings	11.89	5.96	5.93	49.87
6	98 -Youth Services and Cultural Activities	2.81	1.79	1.02	36.30
<b>Revenue Charged</b>					
7	19 -Repayment of debt pertaining to Finance Department and its servicing	333.09	113.68	219.41	65.87
8	60 -Administration of Justice	1.19	0.17	1.02	85.71
<b>Capital Voted</b>					
9	84 -Non-Residential Buildings	18.33	14.66	3.67	20.02
10	90 -Other expenditure pertaining to Science and Technology Department	3.27	0.35	2.92	89.30
11	95 -Special Component Plan for Scheduled Castes	4.07	2.77	1.30	31.94
<b>Capital Charged</b>					
12	19 -Repayment of debt pertaining to Finance Department and its servicing	3724.19	3656.12	68.07	1.83
<b>Total</b>		<b>4490.87</b>	<b>4175.20</b>	<b>315.67</b>	

APPENDIX - XIV

Statement showing the excess over Grant/Appropriation requiring regularisation

(Reference: Paragraph 2.3.3; Page 29)

(In Rupees)

Sl. No.	No. and Name of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
<b>Revenue Voted</b>				
1	3 -Minor Irrigation, Soil Conservation and Area Development	509387000	513491700	4104700
2	7 -Education Department	30965000	31565070	600070
3	8 -Education	42518133000	44465094756	1946961756
4	11 -Tax Collection Charges (Energy and Petro Chemicals Department)	57840000	59042215	1202215
5	17 -Pension and Other retirement benefits	15164570000	16208606229	1044036229
6	20 -Food, Civil Supplies and Consumer Affairs Department	73370000	77364781	3994781
7	22 -Food	127405000	136837737	9432737
8	25 -Forests	1235049000	1253692152	18643152
9	37 -Health and Family Welfare Department	230010000	236451888	6441888
10	38 -Medical and Public Health	8319285000	8482985068	163700068
11	40 -Other expenditure pertaining to Health and Family Welfare Department	1425000	1429384	4384
12	42 -Police	8328039000	8663911392	335872392
13	43 -Jails	260686000	304049164	43363164
14	45 -State Excise	50135000	51697397	1562397
15	46 -Other expenditure pertaining to Home Department	453560000	454192662	632662
16	52 -Other expenditure pertaining to Industries and Mines Department	78200000	171700000	93500000
17	55 -Other expenditure pertaining to Information and Broadcasting Department	30945000	32038456	1093456



Sl. No.	No. and Name of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
18	64 -Narmada, Water Resources, Water Supply and Kalpsar Department	48920000	60117552	11197552
19	66 -Irrigation and Soil Conservation	3166806000	3294031503	127225503
20	69 -Panchyats, Rural Housing and Rural Development Department	32662000	34212590	1550590
21	73 -Other expenditure pertaining to Panchyats, Rural Housing and Rural Development Department	1244215000	1556846817	312631817
22	75 -Other expenditure pertaining to Ports and fisheries Department	8155000	8228093	73093
23	77 -Tax Collection Charges (Revenue Department)	671896000	675809979	3913979
24	78 -District Administration	876055000	877297922	1242922
25	79 -Relief on account of Natural Calamities	9301100000	9332902410	31802410
26	86 -Roads and Bridges	6536328000	7487382804	951054804
27	88 -Other expenditure pertaining to Roads and Buildings Department	115000000	120591405	5591405
28	90 -Other expenditure pertaining to Science and Technology Department	427700000	447380000	19680000
29	91 -Social Justice and Empowerment Department	22495000	23076956	581956
30	92 -Social Security and Welfare	2370876000	2376850922	5974922
31	96 -Tribal Area Sub-plan	10786340000	10809777415	23437415
32	100 -Urban Development and Urban Housing Department	17100000	17105947	5947
33	102 -Urban Development	4955049000	4956563000	1514000
34	103 -Compensation, Assignments and Tax Collection Charges	725000000	726604518	1604518
35	104 -Other expenditure pertaining to Urban Development and Urban Housing Department	10200000	10201686	1686

Sl. No.	No. and Name of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
<b>Revenue Charged</b>				
36	8 -Education	1255120000	1255832121	712121
37	52 -Other expenditure pertaining to Industries and Mines Department	0	28966928	28966928
38	66 -Irrigation and Soil Conservation	7596000	7647390	51390
39	84 -Non-Residential Buildings	1592000	1600317	8317
40	88 -Other expenditure pertaining to Roads and Buildings Department	42524000	44861808	2337808
<b>Capital Voted</b>				
41	12 -Energy Projects	4474781000	20707552500	16232771500
42	86 -Roads and Bridges	7714088000	7871963055	157875055
43	102 -Urban Development	50000	1395000	1345000
<b>Capital Charged</b>				
44	86 -Roads and Bridges	19808000	19809036	1036
	<b>Total</b>	<b>132300460000</b>	<b>153898759725</b>	<b>21598299725</b>

## APPENDIX - XV

## Cases of unnecessary Supplementary Grants/Appropriations

(Reference: Paragraph 2.3.5; Page 29)

(Rupees in crore)

Sl. No.	Grant/Appropriation	Original grant/Appropriation	Supplementary grant/Appropriation	Expenditure	Saving
<b>Revenue Voted</b>					
1	1 -Agriculture and Co-operation Department	10.79	0.67	6.36	5.10
2	2 -Agriculture	420.60	6.41	400.22	26.79
3	4 -Animal Husbandry and Dairy Development	89.34	1.93	79.67	11.60
4	5 -Co-operation	41.59	1.30	39.78	3.11
5	18 -Other expenditure pertaining to Finance Department	1583.61	199.47	1418.07	365.01
6	21 -Civil Supplies	152.49	0.22	148.03	4.68
7	26 -Environment	4.54	0.01	3.74	0.81
8	35 -State Legislature	8.84	0.18	8.77	0.25
9	39 -Family Welfare	126.28	2.80	125.00	4.08
10	41 -Home Department	18.57	0.44	16.33	2.68
11	49 -Industries	245.66	1.45	181.45	65.66
12	50 -Mines and Minerals	22.56	0.35	17.05	5.86
13	57 -Labour and Employment	112.96	5.03	109.91	8.08
14	60 -Administration of Justice	139.41	12.03	134.36	17.08
15	70 -Community Development	322.56	2.46	307.12	17.90
16	71 -Rural Housing and Rural Development	332.86	0.26	283.89	49.23
17	76 -Revenue Department	15.99	0.15	8.53	7.61

Sl. No.	Grant/Appropriation	Original grant/Appropriation	Supplementary grant/Appropriation	Expenditure	Saving
18	83 -Roads and Buildings Department	6.11	0.96	5.96	1.11
19	85 -Residential Buildings	78.59	0.50	67.20	11.89
20	98 -Youth Services and Cultural Activities	30.27	2.59	30.05	2.81
<b>Revenue Charged</b>					
21	19 -Repayment of debt pertaining to Finance Department and its servicing	5808.44	317.57	5792.92	333.09
<b>Capital Voted</b>					
22	81 -Compensation and Assignments	0.48	0.36	0.36	0.48
23	85 -Residential Buildings	16.43	5.29	13.39	8.33
24	90 -Other expenditure pertaining to Science and Technology Department	6.73	2.49	5.95	3.27
25	95 -Special Component Plan for Scheduled Castes	23.03	1.05	20.01	4.07
	<b>Total</b>	<b>9618.73</b>	<b>565.97</b>	<b>9224.12</b>	<b>960.58</b>



## APPENDIX - XVI

## Excessive Supplementary Grants

(Reference: Paragraph 2.3.5; Page 29)

(Rupees in crore)

Sl. No.	Grant/Appropriation	Original provision	Supplementary provision	Total provision	Expenditure	Saving
<b>Revenue Voted</b>						
1	14 -Finance Department	6.08	0.40	6.48	6.19	0.29
2	16 -Treasury and Accounts Administration	40.22	1.02	41.24	41.00	0.24
3	29 -Council of Ministers	1.51	0.45	1.96	1.63	0.33
4	32 -General Administration Department	24.54	4.34	28.88	27.11	1.77
5	33 -Economic Advice and Statistics	11.01	0.38	11.39	11.18	0.21
6	44 -Transport	389.13	2.30	391.43	390.30	1.13
7	61 -Other expenditure pertaining to Legal Department	14.33	0.62	14.95	14.35	0.60
8	74 -Fisheries	51.63	29.73	81.36	80.39	0.97
9	82 -Other expenditure pertaining to Revenue Department	1.55	18.44	19.99	19.70	0.29
10	105 -Women and Child Development Department	0.68	0.12	0.80	0.69	0.11
11	106 -Other expenditure pertaining to Women and Child Development Department	194.97	25.66	220.63	202.77	17.86
<b>Revenue Charged</b>						
12	60 -Administration of Justice	18.51	2.10	20.61	19.43	1.18
13	68 -Other expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department	0.00	2.89	2.89	2.63	0.26
14	86 -Roads and Bridges	0.00	0.21	0.21	0.09	0.12

Sl. No.	Grant/Appropriation	Original provision	Supplementary provision	Total provision	Expenditure	Saving
	<b>Capital Voted</b>					
15	5 -Co-operation	14.95	38.00	52.95	39.24	13.71
16	65 -Narmada Development Scheme	1019.94	800.00	1819.94	1471.44	348.50
17	66 -Irrigation and Soil Conservation	678.28	163.84	842.12	807.55	34.57
18	67 -Water Supply	546.72	95.09	641.81	639.14	2.67
19	96 -Tribal Area Sub-Plan	290.18	103.01	393.19	360.00	33.19
	<b>Total</b>	<b>3304.23</b>	<b>1288.60</b>	<b>4592.83</b>	<b>4134.83</b>	<b>458.00</b>

## APPENDIX - XVII

Statement showing cases where supplementary provisions were inadequate

(Reference: Paragraph 2.3.5; Page 29)

(Rupees in crore)

Sl. No.	Grant/ Appropriation	Original provision	Supplementary provision	Total Grant/ Appropriation	Expenditure	Excess
<b>Revenue Voted</b>						
1	3 -Minor Irrigation, Soil Conservation and Area Development	50.80	0.14	50.94	51.35	0.41
2	7 -Education Department	3.07	0.03	3.10	3.16	0.06
3	8 -Education	3968.17	283.64	4251.81	4446.51	194.70
4	17 -Pension and Other Retirement Benefits	1460.33	56.13	1516.46	1620.86	104.40
5	25 -Forests	117.63	5.87	123.50	125.37	1.87
6	37 -Health and Family Welfare Department	10.37	12.63	23.00	23.65	0.65
7	38 -Medical and Public Health	797.03	34.90	831.93	848.30	16.37
8	42 -Police	803.89	28.92	832.81	866.39	33.58
9	45 -State Excise	4.96	0.05	5.01	5.17	0.16
10	46 -Other expenditure pertaining to Home Department	45.36	*0.00	45.36	45.42	0.06
11	55 -Other expenditure pertaining to Information and Broadcasting Department	2.95	0.15	3.10	3.20	0.10
12	66 -Irrigation and Soil Conservation	310.65	6.03	316.68	329.40	12.72
13	69 -Panchayats, Rural Housing and Rural Development Department	3.07	0.20	3.27	3.42	0.15

\* Supplementary Demand Rs. 1000

Sl. No.	Grant/ Appropriation	Original provision	Supplementary provision	Total Grant/ Appropriation	Expenditure	Excess
14	73 -Other expenditure pertaining to Panchayats, Rural Housing and Rural Development Department	114.42	10.00	124.42	155.68	31.26
15	77 -Tax Collection Charges (Revenue Department)	62.78	4.41	67.19	67.58	0.39
16	78 -District Administration	81.20	6.40	87.60	87.73	0.13
17	79 -Relief on account of Natural Calamities	369.45	560.66	930.11	933.29	3.18
18	86 -Roads and Bridges	630.05	23.58	653.63	748.74	95.11
19	88 -Other expenditure pertaining to Roads and Buildings Department	10.56	0.94	11.50	12.06	0.56
20	92 -Social Security and Welfare	229.97	7.12	237.09	237.69	0.60
21	96 -Tribal Area Sub-Plan	1021.72	56.91	1078.63	1080.98	2.35
22	102 -Urban Development	464.84	30.67	495.51	495.66	0.15
<b>Revenue Charged</b>						
23	8 -Education	122.59	2.92	125.51	125.58	0.07
24	88 -Other expenditure pertaining to Roads and Buildings Department	0.00	4.25	4.25	4.49	0.24
<b>Capital Voted</b>						
25	12 -Energy Projects	123.49	323.99	447.48	2070.76	1623.28
26	86 -Roads and Bridges	682.25	89.16	771.41	787.20	15.79
	<b>Total</b>	<b>11491.60</b>	<b>1549.70</b>	<b>13041.30</b>	<b>15179.64</b>	<b>2138.34</b>



## APPENDIX - XVIII

Cases of re-appropriation under which the expenditure finally showed excess over the balance provision

(Reference: Paragraph 2.3.7; Page 30)

(Rupees in crore)

Sl. No.	Grant Number	Head of Account	Provision (Original + Supply)	Reappropriation	Final Grant/Reappropriation	Actual Expenditure	Excess
<b>Revenue</b>							
1	3	2402 -00.102.26	13.19	3.26	9.93	11.80	1.87
2	12	2801 -80.800.01 PWR-36	7.59	2.59	5.00	6.34	1.34
3	17	2071 -01.102.01	200.00	10.00	190.00	206.32	16.32
4	17	2071 -01.104.01	220.00	5.00	215.00	229.18	14.18
5	38	2210 -01.110.14 HLT-9	12.82	0.93	11.89	14.13	2.24
6	42	2055 -00.111.01	18.90	0.16	18.74	20.16	1.42
7	43	2056 -00.101.03	4.71	0.84	3.87	5.35	1.48
8	46	2070 -00.106.02	6.24	0.39	5.85	6.96	1.11
9	51	3452 -01.190.01 TRS-1	16.35	6.33	10.02	13.55	3.53
10	66	2700 -10.101.02	2.16	1.28	0.88	3.48	2.60
11	66	2700 -08.101.02	1.38	1.07	0.31	3.84	3.53
12	66	2700 -06.101.02	3.38	0.77	2.61	4.37	1.76
13	66	2700 -09.101.02	0.73	0.48	0.25	3.61	3.36
14	66	2700 -05.101.02	2.17	0.44	1.73	11.60	9.87
15	66	2700 -14.101.02	0.50	0.19	0.31	1.44	1.13
16	66	2700 -13.101.02	0.31	0.19	0.12	1.49	1.37
17	66	2700 -04.101.02	1.13	0.09	1.04	8.51	7.47
18	66	2700 -80.799.22	0.01	0.01	0.00	1.42	1.42
19	79	2245 -02.112.04	0.10	0.10	0.00	2.84	2.84
20	19	2049 -01.101.12	35.84	30.73	5.11	23.76	18.65
<b>Capital</b>							
21	46	4055 -00.211.01	49.91	44.45	5.46	12.37	6.91
22	46	7610 -00.201.01	5.00	0.21	4.79	10.33	5.54
23	86	5054 -03.337.11	580.12	12.40	567.72	647.05	79.33
		<b>Total</b>	<b>1182.54</b>	<b>121.91</b>	<b>1060.63</b>	<b>1249.90</b>	<b>189.27</b>

APPENDIX - XIX

Significant cases of major re-appropriation which were injudicious on account of non-utilisation

(Reference: Paragraph 2.3.7; Page 30)

(Rupees in crore)

Sl. No.	Grant Number	Head of Account	Provision (Original plus Supplementary)	Reappropriation	Final Grant/Appropriation	Actual Expenditure	Saving
<b>Revenue</b>							
1	50	2853 -02.800.01	7.36	0.39	7.75	5.72	2.03
2	60	2014 -00.114.01	12.35	3.44	15.79	13.96	1.83
3	66	2700 -05.101.01	7.34	2.53	9.87	0.00	9.87
4	66	2700 -08.101.01	2.22	1.32	3.54	0.00	3.54
5	66	2700 -06.101.01	4.12	0.64	4.76	2.99	1.77
6	66	2700 -09.101.01	3.03	0.33	3.36	0.00	3.36
7	66	2700 -10.101.01	2.34	0.24	2.58	0.00	2.58
8	66	2700 -13.101.01	1.19	0.19	1.38	0.00	1.38
9	66	2700 -14.101.01	1.01	0.13	1.14	0.00	1.14
10	66	2700 -03.101.01	2.13	0.11	2.24	0.00	2.24
11	66	2700 -04.101.01	7.46	0.01	7.47	0.00	7.47
12	77	2029 -02.101.01	3.25	0.85	4.10	2.70	1.40
<b>Capital</b>							
13	46	4216 -80.700.08	9.88	12.08	21.96	16.99	4.97
14	84	4210 -01.051.42	0.30	19.20	19.50	0.00	19.50
15	84	4210 -01.051.42	0.30	3.15	3.45	0.00	3.45
16	86	5054 -04.800.06	18.16	12.10	30.26	26.78	3.48
17	95	4225 -03.800.02 BCK-49 B	1.32	0.48	1.80	0.11	1.69
18	96	4225 -02.796.18 BCK-177	0.46	1.32	1.78	0.02	1.76
		<b>Total</b>	<b>84.22</b>	<b>58.51</b>	<b>142.73</b>	<b>69.27</b>	<b>73.46</b>

∇ Rs.10000/-

## APPENDIX - XX

Amount surrendered during March 2006

(Reference: Paragraph 2.3.8; Page 30)

(Rupees in crore)

Sl. No.	Grant Name	Grant/ Appropriation	Amount surrendered
1	1 -Agriculture and Co-operation Department	Revenue Voted	4.97
2	2 -Agriculture	Revenue Voted	26.97
3		Capital Voted	1.63
4	3 -Minor Irrigation, Soil Conservation and Area Development	Revenue Voted	0.33
5	4 -Animal Husbandry and Dairy Development	Revenue Voted	12.68
6	5 -Co-operation	Revenue Voted	5.78
7		Capital Voted	13.71
8	6 -Other expenditure pertaining to Agriculture and Co-operation Department	Capital Voted	2.60
9	8 -Education	Revenue Voted	34.42
10		Capital Voted	37.52
11	9 -Other expenditure pertaining to Education Department	Capital Voted	7.71
12	10 -Energy and Petro-Chemicals Department	Revenue Voted	0.01
13	12 -Energy Projects	Revenue Voted	142.82
14		Revenue Charged	1.15
15		Capital Voted	63.06
16	13 -Other expenditure pertaining to Energy and Petro-Chemicals Department	Revenue Voted	0.14
17		Capital Voted	4.94
18	14 -Finance Department	Revenue Voted	0.30
19		Capital Voted	*0.00
20	15 -Tax Collection Charges (Finance Department)	Revenue Voted	32.77
21	16 -Treasury and Accounts Administration	Revenue Voted	0.21
22	17 -Pension and Other Retirement Benefits	Revenue Voted	0.21
23	18 -Other expenditure pertaining to Finance Department	Revenue Voted	364.00
24		Capital Voted	798.27
25		Capital Charged	0.01
26	19 -Repayment of debt pertaining to Finance Department and its servicing	Revenue Charged	113.68
27		Capital Charged	3656.12
28	21 -Civil Supplies	Revenue Voted	4.84
29	22 -Food	Capital Voted	0.76

\* Rs.43000

Sl. No.	Grant Name	Grant/ Appropriation	Amount surrendered
30	23 -Other expenditure pertaining to Food, Civil Supplies and Consumer Affairs Department	Capital Voted	0.20
31	24 -Forest and Environment Department	Revenue Voted	0.86
32	25 -Forests	Revenue Voted	1.58
33		Capital Voted	5.37
34	26 -Environment	Revenue Voted	0.76
35	27 -Other expenditure pertaining to Forest and Environment Department	Capital Voted	0.25
36	28 -Governor	Revenue Charged	0.22
37	29 -Council of Ministers	Revenue Voted	0.33
38	30 -Elections	Revenue Voted	1.77
39	31 -Public Service Commission	Revenue Voted	0.02
40		Revenue Charged	0.05
41	32 -General Administration Department	Revenue Voted	1.35
42	33 -Economic Advice and Statistics	Revenue Voted	0.16
43	34 -Other expenditure pertaining to General Administration Department	Revenue Voted	1.49
44		Revenue Charged	0.07
45		Capital Voted	456.23
46	35 -State Legislature	Revenue Charged	0.05
47	36 -Loans and Advances to Government servants in Gujarat Legislature Secretariat	Capital Voted	0.13
48	38 -Medical and Public Health	Revenue Voted	5.60
49	39 -Family Welfare	Revenue Voted	3.05
50	40 -Other expenditure pertaining to Health and Family Welfare Department	Capital Voted	2.56
51	41 -Home Department	Revenue Voted	3.53
52	42 -Police	Revenue Voted	33.97
53	43 -Jails	Revenue Voted	0.40
54	44 -Transport	Revenue Voted	1.22
55		Capital Voted	117.27
56	46 -Other expenditure pertaining to Home Department	Revenue Voted	1.22
57		Revenue Charged	0.01
58		Capital Voted	61.70
59	47 -Industries and Mines Department	Revenue Voted	0.20
60	48 -Stationery and Printing	Revenue Voted	0.57
61	49 -Industries	Revenue Voted	66.89
62		Capital Voted	0.21
63	50 -Mines and Minerals	Revenue Voted	3.83
64	51 -Tourism	Revenue Voted	2.99
65		Capital Voted	2.10



Sl. No.	Grant Name	Grant/ Appropriation	Amount surrendered
66	52 -Other expenditure pertaining to Industries and Mines Department	Revenue Voted	1.72
67		Capital Voted	0.82
68	53 -Information and Broadcasting Department	Revenue Voted	0.01
69	54 -Information and Publicity	Revenue Voted	0.73
70	55 -Other expenditure pertaining to Information and Broadcasting Department	Capital Voted	0.73
71	56 -Labour and Employment Department	Revenue Voted	0.43
72	57 -Labour and Employment	Revenue Voted	9.18
73	58 -Other expenditure pertaining to Labour and Employment Department	Capital Voted	0.12
74	59 -Legal Department	Revenue Voted	0.52
75	60 -Administration of Justice	Revenue Voted	8.82
76		Revenue Charged	0.17
77	61 -Other expenditure pertaining to Legal Department	Revenue Voted	0.92
78		Capital Voted	12.98
79	62 -Legislative and Parliamentary Affairs Department	Revenue Voted	0.10
80	63 -Other expenditure pertaining to Legislative and Parliamentary Affairs Department	Capital Voted	0.10
81	65 -Narmada Development Scheme	Capital Voted	349.03
82	66 -Irrigation and Soil Conservation	Revenue Voted	9.33
83		Capital Voted	38.58
84	67 -Water Supply	Revenue Voted	0.42
85		Capital Voted	2.67
86	68 -Other expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department	Capital Voted	13.31
87	70 -Community Development	Revenue Voted	17.46
88	71 -Rural Housing and Rural Development	Revenue Voted	49.24
89	72 -Compensation and Assignments	Revenue Voted	0.37
90	73 -Other expenditure pertaining to Panchyats, Rural Housing and Rural Development Department	Revenue Voted	*0.00
91		Capital Voted	20.12
92	74 -Fisheries	Revenue Voted	0.73
93		Capital Voted	8.28
94	75 -Other expenditure pertaining to Ports and Fisheries Department	Capital Voted	0.04
95	76 -Revenue Department	Revenue Voted	7.24

\* Rs.20000

Sl. No.	Grant Name	Grant/ Appropriation	Amount surrendered
96	77 -Tax Collection Charges (Revenue Department)	Revenue Voted	0.48
97	78 -District Administration	Revenue Voted	1.98
98	80 -Dangs District	Revenue Voted	1.32
99	81 -Compensation and Assignments	Revenue Voted	0.38
100		Revenue Charged	0.05
101		Capital Voted	0.35
102		Capital Charged	0.01
103	82 -Other expenditure pertaining to Revenue Department	Revenue Voted	0.23
104		Capital Voted	1.18
105	83 -Roads and Buildings Department	Revenue Voted	1.14
106	84 -Non-Residential Buildings	Revenue Voted	3.39
107		Capital Voted	14.66
108	85 -Residential Buildings	Revenue Voted	5.96
109		Capital Voted	8.03
110	86 -Roads and Bridges	Revenue Voted	0.01
111	87 -Gujarat Capital Construction Scheme	Revenue Voted	0.90
112		Capital Voted	0.46
113	88 -Other expenditure pertaining to Roads and Buildings Department	Capital Voted	28.20
114	89 -Science and Technology Department	Revenue Voted	70.58
115	90 -Other expenditure pertaining to Science and Technology Department	Revenue Voted	3.36
116		Capital Voted	0.35
117	91 -Social Justice and Empowerment Department	Revenue Voted	0.01
118	92 -Social Security and Welfare	Revenue Voted	0.39
119		Capital Voted	0.09
120	93 -Welfare of Scheduled Tribes	Capital Voted	1.67
121	94 -Other expenditure pertaining to Social Justice and Empowerment Department	Capital Voted	2.19
122	95 -Special Component Plan for Scheduled Castes	Revenue Voted	21.39
123		Capital Voted	2.77
124	96 -Tribal Area Sub-Plan	Revenue Voted	7.15
125		Capital Voted	38.42
126	97 -Sports, Youth and Cultural Activities Department	Revenue Voted	0.20
127	98 -Youth Services and Cultural Activities	Revenue Voted	1.79
128	99 -Other expenditure pertaining to Sports, Youth and Cultural Activities Department	Capital Voted	0.29
129	101 -Urban Housing	Revenue Voted	5.28
130		Revenue Charged	0.02

Sl. No.	Grant Name	Grant/ Appropriation	Amount surrendered
131	102 -Urban Development	Revenue Voted	0.03
132		Capital Voted	0.01
133	104 -Other expenditure pertaining to Urban Development and Urban Housing Department	Capital Voted	0.25
134	105 -Women and Child Development Department	Revenue Voted	0.10
135	106 -Other expenditure pertaining to Women and Child Development Department	Revenue Voted	27.05
136		Capital Voted	0.07
	<b>Total</b>		<b>6916.18</b>

APPENDIX - XXI

Statement showing flow of expenditure during the four quarters of 2005-06

(Reference: Paragraph 2.5; Page 30)

(Rupees in crore)

Sl. No.	Head of Account	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March 2006	Percentage of expenditure in March 2006 to total expenditure of 2005-06
1	2015 -Elections	1.12	1.06	1.59	12.16	15.93	10.05	63.09
2	2020 -Collection of Taxes on Income and Expenditure	0.00	0.00	0.09	0.15	0.24	0.11	45.83
3	2048 -Appropriation for reduction or avoidance of debt	0.00	0.00	0.00	1250.00	1250.00	700.00	56.00
4	2075 -Miscellaneous General Services	0.05	0.27	0.54	151.62	152.48	151.43	99.31
5	2245 -Relief on account of Natural Calamities	1.80	228.70	109.99	595.81	936.30	579.06	61.85
6	2251 -Secretariat Social Services	4.42	6.11	5.44	23.81	39.78	21.45	53.92
7	2401 -Crop Husbandry	35.91	58.55	38.00	189.45	321.91	142.58	44.29
8	2404 -Dairy Development	0.82	0.09	0.09	1.14	2.14	1.07	50.00
9	2515 -Other Rural Development Programme	2.43	68.75	93.57	390.33	555.08	240.34	43.30
10	2810 -Non Conventional sources of energy	0.00	0.00	0.17	0.67	0.84	0.36	42.86
11	2851 -Village and Small Industries	4.75	20.47	22.17	57.04	104.43	42.55	40.74
12	2852 -Industries	2.84	10.38	4.76	91.72	109.70	83.51	76.13
13	3055 -Road Transport	27.75	47.82	0.41	282.25	358.23	161.01	44.95
14	3435 -Ecology and Environment	0.00	0.00	0.39	0.52	0.91	0.46	50.55
15	4055 -Capital outlay on Police	0.00	14.90	3.09	19.08	37.07	19.08	51.47
16	4216 -Capital outlay on Housing	3.46	13.73	35.37	83.87	136.43	60.08	44.04
17	4235 -Capital outlay on Social Security and Welfare	0.01	0.00	0.01	0.56	0.58	0.56	96.55
18	4236 - Capital outlay on Nutrition	0.00	0.00	0.00	5.00	5.00	4.53	90.60



Sl. No.	Head of Account	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March 2006	Percentage of expenditure in March 2006 to total expenditure of 2005-06
19	4401 -Capital Outlay on Crop Husbandry	0.00	0.52	0.09	0.84	1.45	0.64	44.14
20	4405 -Capital outlay on Fisheries	0.00	0.00	0.00	0.01	0.01	0.01	100.00
21	4408 -Capital outlay on Food Storage and Warehousing	0.01	0.00	0.00	0.69	0.70	0.61	87.14
22	4575 -Capital outlay on Other Special Area Programme	0.07	0.08	0.00	0.65	0.80	0.33	41.25
23	4801 -Capital outlay on Power Projects	20.80	0.00	0.00	300.04	320.84	300.04	93.52
24	4851 -Capital outlay on Village and Small Industries	0.00	0.02	0.02	0.23	0.27	0.20	74.07
25	4885 -Capital outlay on Industries and Mineral	0.00	0.01	0.02	0.04	0.07	0.04	57.14
26	5051 -Capital outlay on Ports and Lighthouses	0.00	0.00	0.00	2.00	2.00	2.00	100.00
27	5053 -Capital outlay on Civil Aviation	0.00	0.07	-0.03	0.53	0.57	0.35	61.40
28	6215 -Loans for Water Supply and Sanitation	0.00	0.00	0.00	90.90	90.90	90.90	100.00
29	6216 -Loans for Housing	0.00	0.00	0.00	1.29	1.29	1.29	100.00
30	6217 -Loans for Urban Development	0.00	0.00	0.00	0.14	0.14	0.14	100.00
31	6225 -Loans for Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	0.10	0.66	0.60	1.78	3.14	1.52	48.41
32	6408 -Loans for Food, Storage and Warehousing	0.00	0.00	0.00	0.12	0.12	0.07	58.33
33	6425 -Loans for Co-operation	0.00	0.00	0.07	40.73	40.80	32.34	79.26
34	6801 -Loans for Power Projects	38.70	32.73	0.00	1749.28	1820.71	1749.28	96.08
35	6885 -Loans for Industries and Minerals	0.00	18.45	40.10	51.32	109.87	51.32	46.71
36	7610 -Loans to Government Servants, etc.	0.40	2.04	5.93	14.14	22.51	10.40	46.20
	<b>Total</b>	<b>145.44</b>	<b>525.41</b>	<b>362.48</b>	<b>5409.91</b>	<b>6443.24</b>	<b>4459.71</b>	

## APPENDIX - XXII

## Unusual Excess over Budget Grant

(Reference: Paragraph 2.6; Page 31)

Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess (Per cent)	Notes/ Comments
		(Rupees in lakh)		
<b>2 - Agriculture (Revenue Voted)</b>				
1	2401 -Partially Centrally Sponsored Scheme 00.114 01 AGR-6 Oil Seed Development (Plan)	450.00	520.25 (115.61)	Due to late sanction received for additional amount from Government of India.
<b>8 - Education (Revenue Voted)</b>				
2	2071 -01.101.01 Superannuation and Retirement Allowances to Primary Panchayats Teachers	10500.00	14124.54 (134.52)	Reasons have not been intimated (August 2006).
3	2202 -02.110.07 Higher Secondary Schools	23500.00	2826.08 (12.03)	Reasons have not been intimated (August 2006).
4	2071 -01.105.01 Family Pension to Primary Panchayats Teachers	850.00	1928.04 (226.83)	Reasons have not been intimated (August 2006).
<b>12 - Energy Projects (Revenue Voted)</b>				
5	2801 -Centrally Sponsored Scheme 80.800.14 Assistance to Gujarat Electricity Board under Accelerated Power Development Programme (Plan)	5550.75	14438.75 (260.12)	Due to improvement of system under APDP as well as sanction of incentive component under APDP Grant
6	2801 -80.101.04 Subsidy to Gujarat Electricity Board on account of Supply of Free electricity to water works of Village Panchayats/ voluntary Organisation	8000.00	2000.00 (25.00)	Reasons have not been intimated (August 2006).
<b>12 - Energy Projects (Capital Voted)</b>				
7	6801 -00.202.06 Loans to Gujarat Electricity Board for purchase of Neptha based power	0.01	5881.99 (58819900)	Reasons have not been intimated (August 2006).
<b>17 - Pension and Other retirement benefits (Revenue Voted)</b>				
8	2071 -01.105.01 Family Pension	11000.00	1726.34 (15.69)	Excess of Rs.1000 lakhs was due to more requirements. Reasons for remaining excess have not been intimated (August 2006).

Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess (Per cent)	Notes/ Comments
<b>18 - Other expenditure pertaining to Finance Department (Revenue Voted)</b>				
9	2048 -00.101.01 Gujarat State Sinking Fund	69946.70	55053.30 (78.71)	Due to meet the estimated future liabilities.
<b>19 - Repayment of debt pertaining to Finance Department and its servicing (Revenue Charged)</b>				
10	2049 -01.200.09 Interest on loans received from NABARD for Medium and Minor Irrigation Project	4731.56	2892.58 (61.13)	Due to Government decision for prepayment of loans bearing interest 8.5 % of NABARD and receipt of more loan from RIDF.
11	2049 -60.101.01 Interest on Deposits from various Corporations and Boards	50.00	2766.46 (5532.92)	Due to receipt of more deposits from G.S.F.S.
12	2049 -04.104.03 Modernisation of Police Force	691.42	1228.41 (177.66)	Due to payment of arrears on old loans from Government of India.
13	2049 -01.101.31 7.80 % Gujarat State Development Loan, 2012	2684.82	927.97 (34.56)	Reasons have not been intimated (August 2006).
14	2049 -01.101.11 12 % Gujarat State Development Loan, 2011	733.44	849.41 (115.81)	Reasons have not been intimated (August 2006).
<b>19 - Repayment of debt pertaining to Finance Department and its servicing (Capital Charged)</b>				
15	6003 -00.109.04 Repayment of Loans received from NABARD for medium and minor Irrigation Project	2619.12	12657.23 (483.26)	Due to Government's decision for prepayment of loans bearing 5 % interest of NABARD.
16	6003 -00.109.02 New India Assurance Company Limited	83.34	689.99 (827.92)	Due to Government's decision for prepayment of loans of New India Assurance.
<b>30 - Elections (Revenue Voted)</b>				
17	2015 -00.103.02 Intensive revision of Electoral Rolls	0.02	1055.52 (5277600)	Due to announcement of intensive revision of electoral rolls which was unexpected.
<b>38 - Medical and Public Health (Revenue Voted)</b>				
18	2210 -01.110.03 Grants to Hospitals and Dispensaries	1500.00	819.85 (54.66)	Reasons have not been intimated (August 2006).

Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess (Per cent)	Notes/ Comments
19	2210 -01.001.02 HLT-11 Directorate of Medical Education and Research (Plan)	1743.20	774.93 (44.45)	Reasons have not been intimated (August 2006).
20	2210 -01.110.11 Civil Hospital and Reserve offices Staff, Ahmedabad(DMER)	3247.50	630.22 (19.41)	Excess of Rs.165.25 lakhs was due to increase in pay and allowances. Reasons for the remaining excess have not been intimated (August 2006).
21	2210 -01.110.15 HLT-10 New Civil Hospital, Surat	1422.00	505.51 (35.55)	Reasons have not been intimated (August 2006).
<b>42 - Police (Revenue Voted)</b>				
22	2055 -00.109.01 District Police Proper	43668.60	4649.85 (10.65)	Reasons have not been intimated (August 2006).
23	2055 -00.109.02 State Reserve Police Force	13126.10	1668.88 (12.71)	Reasons have not been intimated (August 2006).
24	2055 -00.109.06 Ahmedabad City Police	9698.60	1566.97 (16.16)	Reasons have not been intimated (August 2006).
<b>46 - Other expenditure pertaining to Home Department (Capital Voted)</b>				
25	4216 -50 % Centrally Sponsored Scheme 80.201.02 Financial Assistance against work to Gujarat State Police Housing Corporation Limited (Plan)	4000.00	1280.77 (32.02)	Reasons have not been intimated (August 2006).
26	4216 -Partially Centrally Sponsored Scheme 80.700.08 Jail Building	988.50	710.89 (71.92)	Reasons have not been intimated (August 2006).
27	4216 -Partially Centrally Sponsored Scheme 80.700.08 Jail Buildings(Plan)	329.50	708.38 (214.99)	Excess of Rs.250.00 lakhs was due to the requirement of funds for Jail Reform Scheme. Reasons for the remaining excess have not been intimated (August 2006).
28	7610 -00.201.01 House Building Advance	500.00	533.08 (106.62)	Reasons have not been intimated (August 2006).
<b>52 - Other expenditure pertaining to Industries and Mines Department (Revenue Voted)</b>				
29	2070 -00.114.01 Purchase of Aircraft(Plan)	100.00	1117.00 (1117.00)	Reasons have not been intimated (August 2006).



Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess	Notes/ Comments
			(Per cent)	
(Rupees in lakh)				
<b>66 - Irrigation and Soil Conservation (Revenue Voted)</b>				
30	2701 -80.001.02 Administration	5815.00	656.68 (11.29)	Reasons have not been intimated (August 2006).
31	2701 -05.101.02 Other Maintenance Expenditure	216.50	943.36 (435.73)	Reasons have not been intimated (August 2006).
32	2701 -80.001.02 Administration	3268.70	899.65 (27.52)	Reasons have not been intimated (August 2006).
33	2701 -01.101.02 Other Maintenance Expenditure	113.30	738.04 (651.40)	Reasons have not been intimated (August 2006).
34	2701 -80.800.84 Maintenance and Repairs	1990.00	650.39 (32.68)	Due to increased Pay and Allowances.
<b>70 - Community Development (Revenue Voted)</b>				
35	2515 -00.800.11 CDP-7 Payment of Central Assistance for Strengthening of Panchayati Raj Institutions on the recommendation of the Eleventh Finance Commission(Plan)	6047.84	1050.00 (17.36)	Due to anticipation of more grant of 12th Finance Commission from Central Government.
36	2515 -00.800.10 CDP-8 Grant-in-aid to Gram Panchayats for providing internal roads and drinking water facilities(Plan)	10.00	770.00 (7700.00)	Due to receipt of more demand from District Panchayats.
37	2515 -00.102.04 CDP-5- Grant-in-aid to Gram Panchayats for construction of Panchayats Ghar and Quarter for Talati-cum-Mantri(Plan)	464.00	623.20 (134.31)	Due to more physical target and increase in unit cost of Panchayat Ghar.
<b>73 - Other expenditure pertaining to Panchyats, Rural Housing and Rural Development Department (Revenue Voted)</b>				
38	2071 -01.101.01 Superannuation and Retirement allowances to Panchayat Employees	7500.00	3444.27 (45.92)	Reasons have not been intimated (August 2006).
<b>73 - Other expenditure pertaining to Panchyats, Rural Housing and Rural Development Department (Capital Voted)</b>				
39	7615 -00.200.05 Purchase of Food Grains	0.00	655.43 (indefinite)	Reasons have not been intimated (August 2006).
<b>78 - District Administration (Revenue Voted)</b>				
40	2053 -00.093.01 Collectorates Office	2080.38	541.37 (26.02)	Due to more requirement than anticipated.

Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess	Notes/ Comments
			(Per cent)	
		(Rupees in lakh)		
41	2053 -00.094.01 Sub-Divisional Establishment (Including Talatis and Kotwals, Circle Inspectors) Prant Officer Mamlatdars and Officers	4855.09	505.73 (10.42)	Reasons have not been intimated (August 2006).
<b>79 - Relief on account of Natural Calamities (Revenue Voted)</b>				
42	2245 -02.111.01 Cash Doles	50.00	3599.51 (7199.02)	Due to heavy rain in some part of the State.
43	2245 -02.101.02 Emergency Supply of Drinking Water	50.00	2350.00 (4700.00)	Due to heavy rain in some part of the State.
44	2245 -02.800.06 Assistance to small farmers/marginal farmers for Desilting etc.	160.00	1964.89 (1228.06)	Due to heavy rain in some part of the State.
45	2245 -02.122.02 Repairs and Restoration of damaged irrigation and flood control works	4800.00	1713.51 (35.70)	Due to heavy rain in some part of the State.
46	2245 -02.202.01 Supply of Medicines drugs disinfectant	40.00	1629.62 (4074.05)	Due to heavy rain in some part of the State.
47	2245 -02.101.04 Clothing and utensils for families whose houses have been washed away	5.00	944.36 (18887.20)	Due to heavy rain in some part of the State.
<b>84 - Non-Residential Buildings (Capital Voted)</b>				
48	4059 -01.051.42 Buildings (Plan)	2189.04	2015.59 (92.08)	Reasons have not been intimated (August 2006).
49	4250 -00.203.42 Buildings (Plan)	556.39	848.02 (152.41)	Due to good progress of buildings construction at various places.
<b>86 - Roads and Bridges (Revenue Voted)</b>				
50	3054 -80.797.11 Transfers to Deposit Account of Central Road Fund Allocation	5983.00	3954.00 (66.09)	Reasons have not been intimated (August 2006).
51	3054 -80.001.05 Expenditure Transferred on Prorata basis from Major head-2059	3996.81	3630.47 (90.83)	Reasons have not been intimated (August 2006).
52	3054 -80.799.01 Stock	140.00	1886.50 (1347.50)	Reasons have not been intimated (August 2006).
<b>86 - Roads and Bridges (Capital Voted)</b>				
53	5054 -03.337.11 Original Works (Plan)	58012.37	6692.27 (11.54)	Reasons have not been intimated (August 2006).



Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess (Per cent)	Notes/ Comments
54	5054 -Centrally Sponsored Scheme 03.337.11 Original Works	4908.00	1756.88 (35.80)	Reasons have not been intimated (August 2006).
55	5054 -04.800.06 Rural Road (Plan)	1816.00	861.75 (47.45)	Reasons have not been intimated (August 2006).
56	5054 -Partially Centrally Sponsored Scheme 03.337.11 Original Works (Plan)	682.36	641.08 (93.95)	Reasons have not been intimated (August 2006).
<b>96 - Tribal Area Sub-Plan (Revenue Voted)</b>				
57	2225 -02.796.89 Under Article 275 (1) BCK-160 Residential School(Plan)	180.00	1850.00 (1027.78)	Due to receipt of more demand from the District Offices.
58	3054 -04.796.11 Roads and Bridge(Plan)	1095.00	1411.15 (128.87)	Reasons have not been intimated (August 2006).
59	2216 -03.796.14 Indira Awas Yojna(Plan)	728.00	917.61 (126.05)	Due to allocation of the amount from Sardar Awas Yojna/Gram Mitra by the Panchayat Department to match the share against the Central Assistance under this scheme.
60	2225 -02.796.98 BCK- Under Article 275(1) Wadi Programme(Plan)	199.00	885.09 (444.77)	Due to receipt of more demand from the District Offices.
61	2501 -Centrally Sponsored Scheme 06.796.08 RDD-20 Rastriya Sam Vikas Yojna(Plan)	49.00	701.00 (1430.61)	Due to release of Central Assistance by the Government of India.
62	2225 -02.794.17 Various Scheme under Forestry and Wildlife	1429.55	676.39 (47.31)	Due to sanction of additional grant by the Government of India.
63	2236 -02.796.2 NTR- Introduction of Integrated Child Development Service Scheme(Plan)	700.00	500.00 (71.43)	Reasons have not been intimated (August 2006).
<b>96 - Tribal Area Sub-Plan (Capital Voted)</b>				
64	4215 -04.796.03 Sujlam Suphlam Yojna Drinking Water Component (Plan)	935.00	935.00 (100.00)	Reasons have not been intimated (August 2006).

Sl. No.	Name of Grant / Head of Account	Total Grant	Amount of Excess (Per cent)	Notes/ Comments
65	4700 -80.796.02 Administration(Plan)	2559.50	645.95 (25.24)	Reasons have not been intimated (August 2006).
66	4215 -01.796.04 Accelerated Urban Water Supply Scheme(Plan)	200.00	544.41 (272.21)	Reasons have not been intimated (August 2006).
<b>102 - Urban Development (Revenue Voted)</b>				
67	2217 -80.800.15 UDP-40-Awards to Best Municipality(Plan)	4.00	646.45 (16161.25)	Reasons have not been intimated (August 2006).
<b>106 - Other expenditure pertaining to Women and Child Development Department (Revenue Voted)</b>				
68	2235 -02.103.04 SCW-25 Grant for Financial Assistance to destitute widows for their rehabilitation(Plan)	4135.98	763.69 (18.46)	Reasons have not been intimated (August 2006).
<b>Total</b>		<b>349679.99</b>	<b>192976.48</b>	



## APPENDIX - XXIII

## Expenditure without Budget provision

(Reference: Paragraph 2.6; Page 31)

(Rupees in crore)

Sl. No.	Grant/Head of Account	Expenditure without Budget provision	Reasons stated by the Department
<b>12 - Energy Projects (Capital Voted)</b>			
1	4801 -05.190.01 Share Capital Contribution to Gujarat Urja Vikas Nigam Limited (Plan)	1628.71	Reasons have not been intimated (August 2006).
<b>19 - Repayment of debt pertaining to Finance Department and its servicing (Revenue Charged)</b>			
2	2049 -04.109.01 Interest on State Plan Loans consolidated in terms of recommendations of the 12th Finance Commission	707.80	Reasons have not been intimated (August 2006).
<b>19 - Repayment of debt pertaining to Finance Department and its servicing (Capital Charged)</b>			
3	6003 -00.101.B.01 Repayment of Gujarat State Development Old Loan	249.04	Reasons have not been intimated (August 2006).
4	6003 -02.105.01 State Plan Loan Consolidation in terms of items of recommendation of 12th Finance Commission	471.87	Reasons have not been intimated (August 2006).
<b>39 - Family Welfare (Revenue Voted)</b>			
5	2211 -00.200.01 Maintenance of beds and Static Sterilisation units	0.21	Reasons have not been intimated (August 2006).
<b>44 - Transport (Capital Voted)</b>			
6	7055 -00.190.01 Loans to Gujarat State Road Transport Corporation (Plan)	117.27	Reasons have not been intimated (August 2006).
<b>46 - Other expenditure pertaining to Home Department (Capital Voted)</b>			
7	4216 -Centrally Sponsored Scheme 80.700.10 11th Finance Commission (10) Up gradation of Jail Administration (Plan)	0.33	Reasons have not been intimated (August 2006).
<b>52 - Other expenditure pertaining to Industries and Mines Department (Revenue Charged)</b>			
8	2049 -60.701.01 Payment of Decretal amount(Charged)	2.90	Reasons have not been intimated (August 2006).

Sl. No.	Grant/Head of Account	Expenditure without Budget provision	Reasons stated by the Department
<b>66 - Irrigation and Soil Conservation (Revenue Voted)</b>			
9	2700 -80.799.22 Stock	1.42	Reasons have not been intimated (August 2006).
<b>66 - Irrigation and Soil Conservation (Capital Voted)</b>			
10	4701 -19.800.41 -Dam and Appurtenant Works (Plan)	0.79	Reasons have not been intimated (August 2006).
11	4701 -35.800.80 Other Expenditure (Plan)	0.13	Reasons have not been intimated (August 2006).
<b>79 - Relief on account of Natural Calamities (Revenue Voted)</b>			
12	2245 -02.112.04 Air dropping of food	2.84	Reasons have not been intimated (August 2006).
<b>102 - Urban Development (Capital Voted)</b>			
13	6217 -60.800.05 Loans to Urban Local Bodies for Drinking Water (Plan)	0.14	Reasons have not been intimated (August 2006).
	<b>Total</b>	<b>3183.45</b>	

## APPENDIX - XXIV

## Statement showing the details of DC Bills not submitted

(Reference: Paragraph 2.7; Page 31)

Sl. No	Name of Office	No. of AC Bills	Drawn Between	Amount (Rupees in lakh)
1	The Commissioner of Police, Surat	4	April-04 to October-05	10.68
2	The Mamlatdar, Bhanvad (Dist. Jamnagar)	7	October -05 to March-06	7.45
3	The Mamlatdar, Jam-Jodhpur (Dist. Jamnagar)	5	June-03 to February-05	7.26
4	The Mamlatdar, Lalpur (Dist. Jamnagar)	1	April-04	2.67
5	The Collector, Ahmedabad	10	October-05 to February-06	7.50
6	The Mamlatdar, Naswadi (Dist. Vadodara)	10	June-05 to March-06	17.83
7	The Mamlatdar, Sankheda Dist. Vadodara)	10	June-05 to March-06	24.82
8	The Commissioner LR, Gandhinagar	1	March-05	0.04
9	The Dy. Collector MDM Branch, Vadodara	96	June-05 to March-06	182.05
10	The Mamlatdar, Karjan (Vadodara)	10	June-05 to March-06	18.16
11	The Collector, Vadodara	4	December-04 to January-06	6.04
12	The Mamlatdar Chhotaudaypur (Dist. Vadodara)	10	June-05 to March-06	29.11
13	The Mamlatdar, Waghodiya (Dist. Vadodara)	10	June-05 to March-06	20.74
14	The Dy. Collector MDM Br. Nadiad	15	January-06 to March-06	43.93
	<b>Total</b>	<b>193</b>		<b>378.28</b>



APPENDIX - XXV

Statement showing the details of delay in submission of D C Bills

(Reference: Paragraph 2.7; Page 31)

Sl. No	Name of Office	No. of AC Bills	Drawn Between	Amount (Rupees in lakh)	DC Bills submitted between	Delay in Month
1	The Commissioner of Police, Surat	3	April-04 and November-04	0.35	September-04 and January-06	1 to 11
2	The Mamlatdar, Halwad Dist. Surendranagar	4	October-01 and July-05	3.45	February-02 and November-05	1
3	The Dy. Collector, MDM Branch, Surandranagar	46	June-01 and September-05	92.10	November-01 and February-06	1 to 8
4	The Dy. Collector MDM Branch, Jamnagar	20	August-02 and September-05	36.10	December-02 and January-06	1 to 7
5	The Mamlatdar, Bhanvad (Dist. Jamnagar)	3	October-04 and February-05	3.90	February-05 and May-05	1 to 2
6	The Mamlatdar, Sayla (Dist. Surendranagar)	17	October -01 and September-05	17.91	February-02 and January-06	1 to 5
7	The Mamlatdar, Muli (Dist. Surendranagar)	15	June-01 and March-03	8.34	December-01 and January-04	1 to 7
8	The Mamlatdar, Jam-Khambhalia (Dist. Jamnagar)	8	September-04 and January-06	16.45	December-04 and April-06	1 to 2
9	The Mamlatdar, Lalpur (Dist. Jamnagar)	1	October-05	1.00	March-06	3
10	The Collector, Ahmedabad	4	April-05 and August-05	1.30	November-05 and January-06	1 to 5
11	The Mamlatdar, Naswadi (Dist. Vadodara)	36	October-01 and January-06	45.54	December-04 and April-06	1 to 41
12	The Mamlatdar, Sankheda (Dist. Vadodara)	11	August-03 and December-04	25.49	January-04 and March-05	1 to 4



Sl. No	Name of Office	No. of AC Bills	Drawn Between	Amount (Rupees in lakh)	DC Bills submitted between	Delay in Month
13	The Commissioner LR, Gandhinagar	3	December-04 and January-06	0.20	July-05 and May-06	1 to 3
14	The Dy. Collector MDM Branch, Vadodara	409	June-01 to April-05	643.56	October-05	3 to 49
15	The Mamlatdar, Mandal (Dist. Ahmedabad)	10	June-03 and March-04	13.90	September-03 and August-04	1 to 2
16	The Mamlatdar, Karjan (Vadodara)	12	July-01 and December-04	17.62	October-01 and March-05	1 to 6
17	The Collector, Vadodara	5	October-03 and January-05	1.94	May-05 and September-05	3 to 21
18	The Mamlatdar, Viramgam (Dist. Ahmedabad)	2	March-03	9.00	April-04	9
19	The Mamlatdar Chhotaudaypur (Dist. Vadodara)	10	October-01 and July-05	21.79	January-02 and November-05	1 to 2
20	The Mamlatdar, Waghodiya (Dist. Vadodara)	9	April-04 and April-05	19.20	October-04 and August-05	1 to 4
21	The Dy. Collector MDM Br. Nadiad	21	June-04 and December-05	67.14	October-04 and March-06	1 to 3
	<b>Total</b>	<b>649</b>		<b>1046.28</b>		

## APPENDIX – XXVI - A

### Summary of findings of Social and Rural Research Institute

(Reference: Paragraph 3.1.6; Page 36)

The major findings of the survey conducted by the Social and Rural Research Institute (SRI) on the impact of SSA, from the perspective of beneficiaries and their parents, during December 2005 to February 2006 covering a sample of 251 primary sampling units (133 urban and 118 rural) consisting of 5017 households were as under.

#### 1. Coverage of schools under SSA

When a village or an urban area does not have a primary school within radius of one kilometer, it is defined as not covered by a primary school and hence not covered by SSA. When distributed by rural and urban, it emerged that about 4.2 per cent of the village and 5.3 per cent of the urban areas were not covered by schools.

Among those schools covered under the study, reportedly about 94.2 per cent of upper primary schools and 57.1 per cent of high schools with primary sections had received grants/aid under Sarva Shiksha Abhiyan.

#### 2. Coverage of children under SSA

The survey estimated the number of children in the age group 6-14 years as 1,03,33,102 out of which 3,27,795 were out of school.

#### 3. Type of school building

About 2.1 per cent of the primary schools and 3.0 per cent of primary schools of upper primary schools were operating in kuccht structure. In 143.2 per cent of primary schools and 21.1 per cent of upper primary schools the structure were observed to be semi-pucca.

About 83.7 per cent of primary schools, 75.8 per cent of upper primary schools and 100 per cent of high schools with upper primary sections were pucca structures.

#### 4. Schools Facilities

Among the schools in which civil works were taken up, about 21.1 per cent of primary schools, 28.5 per cent of upper primary schools and 28.6 per cent of high schools under primary sections were constructing new building for the schools.

8.5 *per cent* of primary schools, 23.2 *per cent* of the upper primary schools and 0.2 *per cent* of high schools reported construction of toilets.

About 6.3 *per cent* of primary schools, 20.8 *per cent* of upper primary schools and 0.2 *per cent* of high schools constructed separate toilets.

### **5. Grants and schemes under SSA**

It was observed in the survey that about 40.5 *per cent* of primary schools and 42.3 *per cent* of upper primary schools utilised funds for repairing existing structures.

About 94.4 *per cent* of primary schools, 89.8 *per cent* of upper primary schools and 100 *per cent* of high schools were paid teachers grant. Also 87.2 *per cent* of primary schools, 90.8 *per cent* of upper primary schools and 75.0 *per cent* of high schools had access to the school grant.

About 87.4 *per cent* of primary schools, 80.2 *per cent* of Upper primary schools and 71.4 *per cent* of high schools reported that Teaching Learning Materials (TLM) have not been given to all the classes and about 10.0 *per cent* of primary schools, 16.4 *per cent* of upper primary schools and 14.3 *per cent* of high schools, reported that TLM have been given to some classes. About 2.6 *per cent* of primary schools, 3.4 *per cent* of upper primary schools and 14.3 *per cent* of high schools reported that no TLM have been provided.

Apart from civil works, many schools have also reported utilizing the funds under SSA to create facilities for better learning environment for the children. Some of these Library Books (8.1 *per cent* in primary schools, 13.3 *per cent* in upper primary schools and 0.2 *per cent* in high schools), Computer (2.2 *per cent* in primary schools, 6.7 *per cent* in upper primary schools and 0.2 *per cent* in high schools), black boards (17.6 *per cent* in primary schools, 31.7 *per cent* in upper primary schools and 0.6 *per cent* in high schools) and electric fittings (20.6 *per cent* in primary schools, 26.5 *per cent* in upper primary schools and 0.4 *per cent* in high schools).

### **6. Schools committees**

The survey revealed that 34.1 *per cent* of primary schools, 55.0 *per cent* of upper primary schools and 0.8 *per cent* of high schools had formed education committees in the locality.

### **7. Joint Bank account**

In about 28.3 per cent of primary schools, 43.2 per cent of upper primary schools and 0.6 per cent in high schools, the committee started joint bank accounts with headmasters of the schools.

### **8. Free text books**

About 74.9 per cent of the children, they received free text books and among all children, about 99.5 per cent said that they received the text books on time.

### **9. Overall satisfaction level**

On the whole about 67.1 per cent of parents said that they were extremely satisfied as compared to 1.2 per cent who said that they were not satisfied with the quality of education that their children were getting in these schools.



## APPENDIX – XXVI - B

## Sampling Plan (Design and Estimation Procedure)

(Reference: Paragraph 3.1.6; Page 36)

**Sampling Methodology**

A stratified multi-stage design was adopted for the survey. The first stage units (FSU) were the villages in the rural sector and Urban Frame Survey (UFS) blocks in the urban sector.

Within each district of a State/Union Territory, two basic strata were formed. (i) rural stratum comprising of all rural areas of the district and (ii) urban stratum comprising of all the urban areas of the district. However, if there were one or more towns with population 10 lakh or more as per population census 2001 in a district, each were considered as another basic stratum.

**Selection of Primary Sampling Units**

**Rural Units:** The villages for each district were selected through Probability Proportion to Size With Replacement (PPS) from the sampling frames.

**Urban Units:** The list of blocks for each district was then selected through Simple Random Sampling Without Replacement (SRSWOR) from the sampling frames.

**Sampling Design: Rural Sampling****Selection of hamlet groups**

The first task was to ascertain the exact boundaries of the PSU, by discussing the layout of the village with the key informants of the village. After identifying the boundaries and layout of the village, if the population of the village was found to be more than 600, it was divided into suitable number of "hamlet groups". The number of hamlet groups formed, based on the population of the village, was as follows:

Village population	Number of hamlet groups formed
Less than 600	1
600-1199	3
1200-1799	5
1800-2399	6 and so on....

The hamlet groups thus formed had more or less an equal population size (i.e., the population across hamlets stays more or less same)

**Sampling Design: Urban Sampling****Selection of sub-blocks**

The first task was to ascertain the exact boundaries of the UFS Block as per the NSS Maps. After identifying the boundaries and layout of the block, if the population of the block was found to be more than 600, it was divided into suitable number of "hamlet groups". Else, the entire block was listed. The number of sub-blocks framed, based on the population of the urban block, was as follows:

PSU population	Number of hamlet groups formed
Less than 600	1
600-1199	3
1200-1799	5
1800-2399	6 and so on....

The sub-blocks thus, formed had more or less equal population. Preference was given to sub-blocks having slum areas. If there were more than one slum sub-blocks, then the second sub-block was selected on a random basis. In a case where there was some slum clusters in the selected UFS (which incidentally was not a slum UFS), a minimum of 50 per cent of the household interviews were conducted in these clusters (subject to the availability of eligible households).

**Sampling Design: Sampling of Schools**

The Government schools (with primary/upper primary sections) in the selected UFS blocks/villages were identified. However, if there were no sufficient number in such areas, then the schools that were accessed by the children living in the selected UFS blocks/villages were selected through random sampling.

**Estimation Procedure (Rural)**

**Notation:**

- i= subscript for i-th PSU [Village (Panchayat Ward)/Block]
- j= subscript for j-th USU [Household]
- Z= Population of Rural areas in district
- H= Total number of listed households in the village/block
- h= Number of eligible households in the village/block
- z= Size of the sampled village used for selection
- n= Number of sampled villages in a district
- B\*= Number of hamlet groups formed in a village; B\*= 1 if the number of hamlet groups formed is 1 and B\*= B/2 if the number of hamlet groups is greater than 1
- Y= Estimate of population total Y for the characteristics y

**Formula for Estimation of aggregates at Stratum Level for Rural**

$$\hat{Y} = Z \frac{1}{n} \sum_{i=1}^n \frac{H_j B_{*i}}{h_{jz}} \sum_{j=1}^h y_{ij}$$

**Estimation Procedure - (Urban)**

**Notation:**

- i= subscript for i-th PSU [Village (Panchayat Ward)/Block]
- j= subscript for j-th USU [Household]
- N= Number of NSSO blocks in district
- n= Number of sampled blocks in district
- H= Total number of listed households in the village/block
- h= Number of eligible households in the village/block
- B\*= Number of sub blocks formed; B\*= 1 if the number of sub blocks formed is 1 and B\*= B/2 if the number of sub blocks formed is greater than 1
- Y= Estimate of population total Y for the characteristics y

**Formula for Estimation of aggregates at Stratum Level for Urban**

$$\hat{Y} = N \sum_{j=1}^n \frac{H_j B_{*j}}{h_j} \sum_{i=1}^h y_{ij}$$

The overall estimate for the State obtained by summing the stratum estimates over all the strata.

**Estimates of Error**

The estimated variance of the above estimates would be

$$\hat{\text{Var}}(Y) = \sum_s \hat{\text{Var}}(Y_s) = \sum_s \sum_i \hat{\text{Var}}(Y_{si})$$

**Relative Standard Error**

$$\text{RSE}(Y) = \sqrt{\hat{\text{Var}}(Y)/\hat{Y}} \times 100$$

Separate variances would be calculated for strata with PPSWR selection for first-stage and SRSWOR.

APPENDIX - XXVII

Statement showing details of Budget provision and expenditure incurred in respect of components not fulfilled their objectives within the time frame due to delay in submission of the AWP&B for approval during 2002-03 to 2004-05

(Reference: Paragraph 3.1.7.3; Page 38)

(Rupees in lakh)

Component	2002-03		2003-04		2004-05	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
New school	0.00	0.00	0.00	0.00	0.00	0.00
BRC	182.70	32.94	179.24	202.78	119.85	77.14
Interventions for out of school children	582.53	00.01	1996.90	82.71	2803.28	624.12
Free text books	0	0	0	0	523.34	367.38
Innovative activities	1250.00	10.33	1625.00	1759.86	1250.00	299.39
Interventions for disabled children	397.27	0	462.46	16.74	637.39	138.24
Management and MIS	307.39	43.75	754.70	595.87	1153.80	850.12
Research and evaluation	416.06	27.35	462.63	361.85	793.64	192.00
Teachers salary	303.80	0	424.80	16.60	8.70	0
Teaching learning equipment	59.00	0	4110.10	1087.22	0	553.87
Teachers training	1770.38	64.84	1900.51	603.28	2052.10	880.08
Community mobilization	67.65	86.82	68.04	51.43	97.89	41.63

Source: Annual Budgets and DISE



## APPENDIX - XXVIII

## Statement showing details of loss to Government of India due to diversion of foodgrains

(Reference: Paragraph 3.2.6.4; Page 52)

Wheat							
Year	Scheme from	Quantity (MT)	CIP (Rs.) per MT	Scheme to	CIP (Rs.) per MT	Difference (Rs.)	Loss (Rs.)
2001-02	New Drought	5462.87	FREE	BPL	4150	4150	22670910.50
2002-03	DNP	5366.11	FREE	BPL	4150	4150	22269356.50
	SATU	612.27	FREE	BPL	4150	4150	2540920.50
	RLEGP	1626.90	FREE	BPL	4150	4150	6751635.00
	SGRY	6170.74	FREE	RIOT RELIEF	Recovered from Govt. of Gujarat at BPL rate of Rs.4150 per MT	4150	25608571.00
2005-06	SGRY	1477.60	FREE	AAY	2000	2000	2955200.00
	SGRY	185.37	FREE	ANNAPURNA	4150	4150	769285.50
	SGRY	13883.33	FREE	ADIJATI KANYA	4150	4150	57615819.50
<b>Total</b>		<b>34785.19</b>				<b>TOTAL</b>	<b>141181698.50</b>
Rice							
2000-01	BPL	88.44	5650	APL	11300	5650	499686.00
2001-02	BPL	2518.81	5650	APL	8300	2650	6674846.50
	FFW	1033.09	FREE	BPL	5650	5650	5836958.50
	DROUGHT	2669.48	FREE	APL	8300	8300	22156684.00
2003-04	AAY	682.44	3000	APL	8300	5300	3616932.00
	SGRY SPL COMP.	3229.26	FREE	APL	8300	8300	26802858.00
	SGRY SPL COMP.	10908.08	FREE	BPL	5650	5650	61630652.00
	SGRY SPL COMP.	6.26	FREE	ANNAPURNA	5650	5650	35369.00
	SGRY SPL COMP.	2.80	FREE	RIOT RELIEF	Recovered from Govt. of Gujarat at BPL rate of Rs.5650 per MT	5650	15820.00
<b>Total</b>		<b>21138.66</b>				<b>TOTAL</b>	<b>127269806.00</b>
						<b>GRAND TOTAL</b>	<b>268451504.50</b>

APPENDIX - XXIX - A

Statement showing details of loss to Government of Gujarat due to diversion of foodgrains

(Reference: Paragraph 3.2.6.4; Page 52)

Wheat							
Year	Scheme from	Quantity (MT)	CIP (Rs.) per MT	Scheme to	CIP (Rs.) per MT	Difference (Rs.)	Loss (Rs.)
2000-01	BPL	2049.19	4150	ICDS	FREE	4150	8504138.50
	BPL	108.39	4150	FFW	FREE	4150	449818.50
2001-02	APL	1015.45	6100	RIOT RELIEF	Recovered from GOG at BPL rate Rs.4150	1950	1980127.50
2003-04	BPL	20091.61	4150	AAY	2000	2150	43196961.50
	BPL	2963.67	4150	SGRY	FREE	4150	12299230.50
2004-05	BPL	29983.16	4150	SGRY	FREE	4150	124430114.00
2005-06	APL	1810.76	6100	BPL	4150	1950	3530982.00
	APL	2022.70	6100	AAY	2000	4100	8293070.00
	<b>Total</b>	<b>60044.93</b>				<b>Total</b>	<b>202684442.50</b>
Rice							
2000-01	BPL	43.40	5650	AAY	3000	2650	115010.00
2004-05	BPL	2586.44	5650	AAY	3000	2650	6854066.00
2005-06	BPL	902.43	5650	AAY	3000	2650	2391439.50
	<b>Total</b>	<b>3532.27</b>				<b>Total</b>	<b>9360515.50</b>
<b>Grand Total</b>							<b>212044958.00</b>

**APPENDIX - XXIX - B**  
**Statement showing loss of Revenue in form of lease rent/ occupancy price**  
**(Reference: Paragraph 3.3.7.1; Page 59)**

Sl. No	Name of Alottee/ Collectorate/ Month of order	Area in sqmt (value as per rate fixed by DLVC)	Purpose	Rate applied (Per sqmt)
1	Shree Tirumala Tirupati Devsthan Sanstha/ Ahmedabad/ August 2001	4047 (Rs.30.84 lakh)	Religious	Rs.381(50% of market rate) for 1400 sqmt and token Lease rent of Re.1 per year for 30 years for 2647 sqmt
2	Shree Ahmedabad Andhra Mahasabha/ Ahmedabad/ August 2001/  December 2004	2000 (Rs.15.24 lakh)  300 (Rs.3.21 lakh)	Cultural Centre  Construction of Galigopuram	Lease rent of Rs.100 per year for 30 years.  Lease rent of Rs.100 per year for 30 years
3	Batubhai Umarvadia Dramatic Research, Education and Training Institute/ Ahmedabad/ August 2001	3000 (Rs.45 lakh)	Theatre Media Training and Research centre	Lease rent of Re.1 per year for 30 years.
4	Life Mission Centre Ahmedabad/ September 2001	12300 (Rs.73.80 lakh)	Social Activities	Lease rent of Re.1 per year for 30 years
5	Ramkrishna Madh and Ramkrishna Mission, Howrah/ Baroda/ April 2005	2390.74 Sqmt (Land and Building) Rs.1.38 crore	To create a monument for Swami Vivekananda	Lease rent of Re.1 per year for 30 years



**APPENDIX - XXX**  
**Statement showing outstanding security/escort charges**  
**for the period 1976-2005**  
**(Reference: Paragraph 4.5.2; Page 98)**

				(Rupees in lakh)
Sl. No.	Name of the officer, who provided security/escort	Name of department, body, bank, etc. to which security/escort provided		Outstanding amount
1	Commissioner of Police, Ahmedabad City	1	Airport Authority, Ahmedabad	107.59
		2	NCC New Headquarters	69.59
		3	Bank of India, Lal Darwaja	12.36
		4	State Bank of India	12.36
		5	Dena Bank, Ashram Road	23.83
		6	General Stamp Office	24.64
		7	Doordarshan Kendra, Ahmedabad	9.27
		8	Deputy Superintendent of Post Offices	7.26
2	Commissioner of Police, Vadodara City	9	Bank of Baroda, Gotry Branch	14.16
		10	Bank of Baroda, Mandvi Branch	14.16
		11	Indian Bank, Ravpura	15.24
		12	Union Bank of India	13.08
		13	Uco Bank, Ravpura	14.16
		14	Dena Bank, Sayajiganj	14.16
3	Commissioner of Police, Rajkot City	15	Central Bank of India, Panigate	12.56
		16	Airport Authority, Rajkot	37.12
		17	All India Radio, Khandheri	152.70
4	District Superintendent of Police, Anand	18	Rajkot Municipal Corporation	89.13
		19	Central Bank of India	19.74
5	District Superintendent of Police, Bharuch	20	Manager, GSRTC, Bharuch	3.69
6	District Superintendent of Police, Jamnagar	21	Airport Authority, Jamnagar	3.25
		22	All India Radio, Laiyara	27.76
		23	Sainik School, Balachadi	164.67
		24	Reliance Petroleum, Khavdi	12.27
7	District Superintendent of Police, Junagadh	25	Airport Authority, Keshod	30.96
8	District Superintendent of Police, Narmada	26	GSL (India) Ltd., Amletha, Narmada	4.68
<b>Carried over</b>				<b>910.39</b>



Sl. No.	Name of the officer, who provided security/escort	Name of department, body, bank, etc. to which security/escort provided		Outstanding amount
		<b>Brought forward</b>		<b>910.39</b>
9	District Superintendent of Police, Bhuj	27	Airport Authority, Bhuj	85.12
		28	Airport Authority, Kandla	25.03
		29	Lok Dungar Ghaduli, Bhuj	127.61
		30	Bank of Baroda, Bhuj	8.99
		31	Bank of India, Bhuj	15.85
10	District Superintendent of Police, Bhavnagar	32	Airport Authority, Bhavnagar	22.26
		33	Mahanagarpalika, Bhavnagar	9.94
		34	Indian Oil Corporation, Bhavnagar	2.46
<b>Total</b>				<b>1207.65</b>

APPENDIX - XXXI

Statement showing short recovery of waterfront royalty from Gujarat  
Pipavav Port Limited  
(Reference: Paragraph 4.5.4; Page 100)

(Rupees in lakh)

Year	Type of cargo	Quantity (MT)	Royalty amount due		Royalty recovered		Short recovery
			Rate (Rupees)	Amount	Rate (Rupees)	Amount	
2002-03	Solid	17,64,274	6.00	105.86	5.00	88.21	17.65
	Liquid	19,536	12.00	2.34	10.00	1.95	0.39
2003-04	Solid	18,24,139	6.00	109.45	5.00	91.21	18.24
	Liquid	16,897	12.00	2.03	10.00	1.69	0.34
	Container	4,230	180.00	7.61	150.00	6.34	1.27
		5,696	120.00	6.84	100.00	5.70	1.14
		3,630	45.00	1.63	37.50	1.36	0.27
		1,414	30.00	0.42	25.00	0.35	0.07
2004-05	Solid	20,09,898	6.00	120.59	5.00	100.49	20.10
	Liquid	20,552	12.00	2.47	10.00	2.06	0.41
	Container	17,687	180.00	31.84	150.00	26.53	5.31
		21,762	120.00	26.11	100.00	21.76	4.35
		3,996	45.00	1.80	37.50	1.50	0.30
		2,688	30.00	0.81	25.00	0.67	0.14
2005-06	Solid	17,73,731	7.20	127.71	5.00	88.69	39.02
	Liquid	20,398	14.40	2.94	10.00	2.04	0.90
	Container	30,778	144.00	44.32	100.00	30.78	13.54
		28,582	216.00	61.74	150.00	42.87	18.87
<b>Total</b>				<b>656.51</b>		<b>514.20</b>	<b>142.31</b>