

State wasted public money: CAG

By DILIP CHAWARE

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THE Greater Bombay milk scheme incurred losses worth nearly Rs 19 crores between 1985 and 88 due to maladministration. Instead of buying a copier for Rs 50,000, a government department paid over Rs 175,000 as rent for the machine. A bulldozer, purchased for over Rs 10 lakhs, was used exactly for 51 hours.

These gems have been culled from the report of the Comptroller and Auditor General of India (CAG) for the year ending March 31, 1988. There are many such examples mentioned in the report. The report was presented to the legislature earlier this month.

Most examples illustrate how public money is squandered by the government machinery while every political leader has been advocating curtailing of the state expenditure.

Take the Greater Bombay milk scheme for instance. The report observes that during 1985-88, nearly

Rs 5.5 crores was spent extra for repasteurisation of milk procured by the scheme. Failure to communicate corrections to the ready reckoner for the procurement prices resulted in overpayment of nearly a million rupees.

Delays in accepting of milk and its detanking caused a huge quantity of milk to curdle. Besides, some of the milk returned by the scheme also curdled. This resulted in a loss of nearly Rs 4.70 crores. Investment for establishing bottling plants in Bombay was to the tune of nearly Rs 2 crores. It was mostly unproductive during the audit period.

The Aurangabad housing and area development board proposed to buy a copier machine for Rs 50,000. The finance department rejected the proposal for want of funds. However, the board was allowed to hire a xerox machine for two years as a special case. The machine was hired in 1985 with the option of buying it after observing its performance. A monthly rental of Rs 2,000 was fixed besides copying charges.

The hiring, however, continued even after the two years were over.

The new rental was fixed at Rs 5,000 a month. Upto June 1988, a total of Rs 1.76 lakh was paid to the firm as rent. When CAG brought the matter to the notice of the Maharashtra government, it received no reply after one full year.

An operation theatre was handed over to the Akola general hospital authorities in 1982 at a cost of over Rs 700,000. The theatre could not be put to use since there was no air-conditioning. Administrative approval for a transformer was obtained in 1984 and it was installed in 1985, at a cost of nearly Rs 600,000. Later the same year, administrative approval for providing air-conditioning was obtained at a proposed cost of over a million of rupees. The work had not started till March 1988 for want of budgetary provision. Thus, an outlay of nearly Rs 1.3 million remained unused, CAG said.

The work of constructing a sewerage treatment plant at Pimpri, at a cost of over Rs 2.70 crores was approved in March 1978. The Maharashtra water supply and sewerage board was appointed as the agency for the work. Before acquiring land

for the project, a contract for erecting the plant was awarded. The contractor stacked equipment for the work and recovered Rs 13.50 lakhs even before starting the work.

The contractor sought closure of work in 1982 and 84 since there was no land. Acquisition was completed in parts by the end of 1984. The contract was renegotiated in 1985 and the contract amount was raised from Rs 48.65 lakhs to Rs 86.70 lakhs. While the completion date in the original contract was in June 1981, it was extended to June 1988.

The forest department procured in March 1984 a bulldozer costing nearly Rs 10.50 lakhs for implementing a project in Ratnagiri district. The project fell through since the landowners concerned did not respond favourably. The bulldozer was transferred to Ahmednagar in 1985 and to Paratwada in 1986. During the four years, it was used exactly for 51 hours.

The Sales Tax office at Thane was at hired premises without fans. The government suggested payment of Rs 6,000 to the landlord for purchase

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and installation of 13 fans. The landlord did not agree and demanded payment of additional rent for the fans. It was accepted and fixed at Rs 300 a month. The CAG report observed that the rate was high since hire charges for a year equalled the capital cost of purchasing the fans.

Subsequently, three more fans were added at additional rent. The government directed the department to purchase fans and terminate the hiring arrangements. This was ignored and over Rs 64,000 was paid upto June 1988 for the fans, which according to CAG, had outlived their normal life.

Over Rs 11 lakhs was paid as rent and civic taxes for the private premises hired at Pune and Nagpur to start family courts till June 1988, whereas the courts actually started in 1989, the report said.

The government of Maharashtra wanted to house all the offices of its labour department in one plot since it had been paying a rent of Rs 12.50

lakhs a year as rent till then. It was looking for a suitable plot. The BMRDA had such a plot and the government decided to purchase it in December 1984. The allotment letter was issued by the BMRDA with certain conditions. The price of the plot was fixed at Rs 2.65 crores. The plot area was nearly 9,500 sq. mt.

The government did not honour the schedule of payment and the plot was not allotted to it. Subsequently, a plot admeasuring over 4,800 sq. mt. was purchased by the government in the same locality for Rs 2.42 crores.

The CAG report remarked that failure of the government to arrange timely payment resulted in avoidable extra expenditure of over Rs 1 crore (as the pro rata differential cost of land) but also in acquisition of a smaller plot at almost equal cost. The liability of interest was close to Rs 2 lakhs, it said.

The report abounds in such instances, where crores of rupees belonging to the public is involved.